

Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by May 6, 2002, to the Secretary, Securities and Exchange Commission, Washington, DC 20549-0609, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After May 6, 2002, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Xcel Energy, Inc., et al. (70-10059)

Xcel Energy, Inc., ("Xcel"), a registered holding company, and its wholly owned subsidiary, NRG Acquisition Company, LLC ("Acquisition Company," and together with Xcel, "Applicants"), both located at 800 Nicollet Mall, Minneapolis, Minnesota 55402, have filed an application-declaration under sections 6(a), 7, 9(a), 10, 11, 12(b), 32 and 33 of the Act and rules 51, 53, 54 and 58 under the Act. The Commission initially issued a notice of the filing of the application-declaration on March 15, 2002 (HCAR No. 27498) ("Initial Notice"). This supplemental notice supersedes the Initial Notice.¹

Applicants propose to commence a tender or exchange offer ("Exchange Offer") for Xcel to acquire the outstanding common stock of NRG Energy, Inc. ("NRG"),² a Delaware corporation and a majority owned indirect subsidiary of Xcel,³ under the

terms of a plan approved by Xcel's board of directors on April 4, 2002. In the Exchange Offer, Xcel proposes to acquire the outstanding publicly held shares of NRG, representing approximately a 26 percent minority interest, by exchanging NRG common stock for 0.50 shares of Xcel common stock in the Exchange Offer in a tax-free exchange.⁴ Applicants also propose to acquire the balance of the shares of NRG's common stock not tendered in the Exchange Offer by means of a short-form merger permitted under Delaware law ("Short-Form Merger"). Xcel proposes to issue up to 33,394,564 shares of its common stock in exchange for NRG's common stock obtained in the Exchange Offer and Short-Form Merger.⁵

Under the terms of the Exchange Offer, in order to be successful, enough shares of NRG common stock will need to be tendered so that Xcel's ownership level of NRG reaches 90 percent. If the Exchange Offer results in 90 percent ownership, Wholesale will contribute enough shares of NRG common stock to Acquisition Company to permit Xcel to own at least 90 percent of NRG. Subsequently, Acquisition Company will merge through the Short-Form Merger with and into NRG. Each outstanding share of NRG common stock not acquired in the Exchange Offer will be converted in the Short-Form Merger into the right to receive 0.50 shares of Xcel in the Exchange Offer. After completion of the Exchange Offer and the Short-Form Merger, Xcel will own NRG as an indirect, wholly owned subsidiary. Xcel states that its investment in NRG will be included as part of Xcel's investment in exempt wholesale generators and foreign utility companies for purposes of sections 32 and 33 of the Act.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02-9629 Filed 4-18-02; 8:45 am]

BILLING CODE 8010-01-P

common shares combined. Because each share of Class A Common Stock entitles Xcel to ten votes, Xcel currently holds 96.7% of the combined voting power of all of NRG's outstanding common shares.

⁴ Under the terms of the Exchange Offer, on February 14, 2002, the Xcel board of directors originally approved an exchange rate of 0.4846 shares, as noticed in the Initial Notice. Subsequently, on April 4, 2002, the Xcel board of directors announced an increase in the exchange ratio to 0.50 shares of Xcel common stock for each outstanding share of NRG common stock. This represents an increase of approximately 3.2%.

⁵ The shares of Xcel's common stock to be issued in the Exchange Offer and the Short-Form Merger will come from Xcel's authorized but unissued shares.

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 25525; 812-12778]

Nations Fund Trust, et al.; Notice of Application

April 15, 2002.

AGENCY: Securities and Exchange Commission ("SEC" or "Commission").

ACTION: Notice of an application under section 17(b) of the Investment Company Act of 1940 ("Act") for an exemption from section 17(a) of the Act.

SUMMARY OF THE APPLICATION:

Applicants request an order to permit certain series of Nations Funds Trust ("NFST") to acquire all of the assets and liabilities of certain series of Nations Fund Trust ("NFT"), Nations Fund, Inc. ("NFI"), and Nations Reserves ("NR") (the "Reorganization"). Because of certain affiliations, applicants may not rely on rule 17a-8 under the Act.

Applicants: NFT, NFI, NR, NFST and Banc of America Advisors, LLC ("BA Advisors").

Filing Dates: The application was filed on February 5, 2002, and amended on April 11, 2002.

Hearing or Notification of Hearing: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on May 8, 2002, and should be accompanied by proof of service on applicants in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549-0609. Applicants, One Bank of America Plaza, 101 South Tryon Street, Charlotte, NC 28255.

FOR FURTHER INFORMATION CONTACT:

Christine Y. Greenlees, Senior Counsel, (202) 942-0581, or Mary Kay Frech, Branch Chief, (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

¹ A request for a hearing was filed by an intervenor ("Intervenor") with the Commission on April 5, 2002, responding to the Initial Notice. On April 10, 2002, Applicants filed a response to the request for a hearing. On April 12, 2002, the Intervenor filed an additional request for a hearing raising an additional question.

² NRG is an independent power producer and a leading global energy company, primarily engaged in the acquisition, development, ownership and operation of power generation facilities and the sale of energy, capacity and related products. NRG's common stock is publicly traded and listed on the New York Stock Exchange under the symbol "NRG."

³ Xcel indirectly owns shares of NRG's common stock through its wholly owned subsidiary, Xcel Energy Wholesale Group, Inc. ("Wholesale"). Xcel owns 147,604,500 shares of NRG's Class A Common Stock, each of which is convertible at any time into one share of NRG's Common Stock. The Class A Common Stock represents 74.3% of all of the outstanding shares of both classes of NRG's

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee from the SEC's Public Reference Branch, 450 Fifth Street, NW., Washington, DC 20549-0102 (telephone (202) 942-8090).

Applicants' Representations

1. NFT, a Massachusetts business trust, NFI, a Maryland corporation, and NR, a Massachusetts business trust, are open-end management investment companies registered under the Act. NFT currently offers 33 series, all of which will participate in the Reorganization. NFI offers four series, all of which will participate in the Reorganization. NR currently offers 13 series, all of which will participate in the Reorganization. The series of NFT, NFI, and NR are collectively referred to as the "Acquired Funds." Four of the Acquired Funds are feeder funds ("Acquired Feeder Funds") that invest all of their assets in corresponding master portfolios ("Master Portfolios") of Nations Master Investment Trust ("NMIT"), a Delaware business trust registered under the Act as an open-end management investment company.

2. NFST, a Delaware business trust, is an open-end management investment company registered under the Act. NFST is organizing 37 new series (the "Acquiring Funds," and together with the Acquired Funds, the "Funds").¹ Four of the Acquiring Funds will be feeder funds ("Acquiring Feeder Funds," together with the Acquired Feeder Funds, the "Feeder Funds") that will invest all of their assets in corresponding Master Portfolios of NMIT.²

¹ A registration statement for the 37 shell Acquiring Funds was filed with the SEC on October 16, 2001, and became effective on January 1, 2002.

² The Acquired Funds and the corresponding Acquiring Funds are: (i) NFT Nations Georgia Intermediate Municipal Bond Fund and NFT Nations Georgia Municipal Bond Fund into NFST Nations Georgia Intermediate Municipal Bond Fund; (ii) NFT Nations Maryland Intermediate Municipal Bond Fund and NFT Nations Maryland Municipal Bond Fund into NFST Nations Maryland Intermediate Municipal Bond Fund; (iii) NFT Nations North Carolina Intermediate Municipal Bond Fund and NFT Nations North Carolina Municipal Bond Fund into NFST Nations North Carolina Intermediate Municipal Bond Fund; (iv) NFT Nations South Carolina Intermediate Municipal Bond Fund and NFT Nations South Carolina Municipal Bond Fund into NFST Nations South Carolina Intermediate Municipal Bond Fund; (v) NFT Nations Tennessee Intermediate Municipal Bond Fund and NFT Nations Tennessee Municipal Bond Fund into NFST Nations Tennessee Intermediate Municipal Bond Fund; (vi) NFT Nations Texas Intermediate Municipal Bond Fund and NFT Nations Texas Municipal Bond Fund into NFST Nations Texas Intermediate Municipal Bond Fund; (vii) NFT Nations Virginia Intermediate Municipal Bond Fund and NFT Nations Virginia

3. BA Advisors is registered under the Investment Advisers Act of 1940 ("Advisers Act") and serves as investment adviser for the Acquired Funds that are not Feeder Funds as well as the Acquired Feeder Funds' corresponding Master Portfolios. The Acquired Funds that are not Feeder Funds and the Acquired Feeder Funds' corresponding Master Portfolios are currently subadvised by Gartmore Global Partners ("Gartmore"), Marsico Capital Management, LLC ("Marsico Capital"), INVESCO Global Asset Management (N.A.), Inc. ("INVESCO"), Putnam Investment Management LLC ("Putnam"), Brandes Investment Partners, L.P. ("Brandes"), or Banc of America Capital Management, LLC

Municipal Bond Fund into NFST Nations Virginia Intermediate Municipal Bond Fund; (viii) NFT Nations Capital Growth Fund and NFT Nations Aggressive Growth Fund into NFST Nations Capital Growth Fund; (ix) NFT Nations Strategic Growth Fund and NR Nations Blue Chip Fund into NFST Nations Strategic Growth Fund; (x) NR Nations Government Reserves and NFT Nations Government Money Market Fund into NFST Nations Government Reserves; (xi) NR Nations Cash Reserves and NFI Nations Prime Fund into NFST Nations Cash Reserves; (xii) NR Nations Treasury Reserves and NFI Nations Treasury Fund into NFST Nations Treasury Reserves; (xiii) NR Nations Convertible Securities Fund and NFI Nations Equity Income Fund into NFST Nations Convertible Securities Fund; (xiv) NFT Nations Tax Exempt Fund into NFST Nations Tax-Exempt Reserves; (xv) NFT Nations Value Fund into NFST Nations Value Fund; (xvi) NFT Nations MidCap Growth Fund into NFST Nations MidCap Growth Fund; (xvii) NFT Nations LargeCap Index Fund into NFST Nations LargeCap Index Fund; (xviii) NFT Nations Managed Index Fund into NFST Nations Managed Index Fund; (xix) NFT Nations SmallCap Index Fund into NFST Nations SmallCap Index Fund; (xx) NFT Nations Short-Intermediate Government Fund into NFST Nations Short-Intermediate Government Fund; (xxi) NFT Nations Municipal Income Fund into NFST Nations Municipal Income Fund; (xxii) NFT Nations Short-Term Municipal Income Fund into NFST Nations Short-Term Municipal Income Fund; (xxiii) NFT Nations Intermediate Municipal Bond Fund into NFST Nations Intermediate Municipal Bond Fund; (xxiv) NFT Nations Short-Term Income Fund into NFST Nations Short-Term Income Fund; (xxv) NFT Nations Strategic Income Fund into NFST Nations Strategic Income Fund; (xxvi) NFT Nations Bond Fund into NFST Nations Bond Fund; (xxvii) NFT Nations Florida Intermediate Municipal Bond Fund into NFST Nations Florida Intermediate Municipal Bond Fund; (xxviii) NFT Nations Florida Municipal Bond Fund into NFST Nations Florida Municipal Bond Fund; (xxix) NFI Nations Small Company Fund into NFST Nations Small Company Fund; (xxx) NR Nations Municipal Reserves into NFST Nations Municipal Reserves; (xxxi) NR Nations Money Market Reserves into NFST Nations Money Market Reserves; (xxxii) NR Nations California Tax-Exempt Reserves into NFST Nations California Tax-Exempt Reserves; (xxxiii) NR Nations California Municipal Bond Fund into NFST Nations California Municipal Bond Fund; (xxxiv) NR Nations Emerging Markets Fund into NFST Nations Emerging Markets Fund; (xxxv) NR Nations International Value Fund into NFST Nations International Value Fund; (xxxvi) NR Nations International Equity Fund into NFST Nations International Equity Fund; and (xxxvii) NR Nations Intermediate Bond Fund into NFST Nations Intermediate Bond Fund.

("BACAP"), which are investment advisers registered under the Advisers Act. BA Advisors also will be the investment adviser, and Gartmore, Marsico Capital, INVESCO, Putnam, Brandes, and BACAP also will be the investment subadvisers, respectively, for the Acquiring Funds that are not Feeder Funds, and the Acquiring Feeder Funds' corresponding Master Portfolios. BA Advisors, BACAP and Marsico Capital are wholly-owned subsidiaries of Bank of America Corporation. Gartmore, INVESCO, Putnam, and Brandes are not affiliated persons of BA Advisors or any other company in the Bank of America Group (as defined below).

4. Bank of America Corporation, Bank of America, N.A., and/or certain of their affiliates that are under common control with BA Advisors (the "Bank of America Group") hold of record, in their name and in the names of their nominees, more than 5% (and in some cases, more than 25%) of the outstanding voting securities of each of the Acquired Funds. Except for a limited number of securities of certain Acquired Funds that are held by companies of the Bank of America Group in their own accounts, such securities are held for the benefit of others in a trust, agency, custodial, or other fiduciary or representative capacity.

5. On October 10, 2001, the board of trustees of NFST (the "Acquiring Funds" Board") and the boards of directors or trustees of NFT, NFI, and NR (the "Acquired Funds' Boards," together with the Acquiring Funds' Board, the "Boards"), including all of the directors or trustees who are not "interested persons," as defined in section 2(a)(19) of the Act ("Independent Members"), of the respective Funds, approved an agreement and plan of reorganization (each a "Plan" and collectively, the "Plans") on behalf of each Acquiring Fund and Acquired Fund. Under the Plans, on the date following the closing date ("Closing Date"), which is currently anticipated to be on or about May 10, 2002 (or May 17, 2002, for Nations Small Company Fund, Nations California Municipal Bond Fund and Nations Value Fund), each class of each Acquiring Fund will acquire all of the assets and liabilities of the corresponding class of the Acquired Fund in exchange for shares of designated classes of the Acquiring Fund that have an aggregate net asset value equal to the value of the class of the Acquired Fund's net assets, determined as of the Closing Date unless mutually agreed otherwise ("Valuation

Time”). The value of the assets will be determined in accordance with NFT’s, NFI’s, NR’s, and NFST’s then current valuation procedures stated in their prospectuses. On the date following each Closing Date, the Acquired Funds will make a pro rata distribution of shares of the Acquiring Fund to its shareholders and liquidate.

6. Applicants state that the Acquiring Funds will pursue investment objectives and follow principal investment strategies that are either identical or similar to those of the Acquired Funds. Each of the Acquired Funds has multiple classes of shares, and the respective Acquiring Fund will have the same classes of shares.³ Applicants state that the distribution and shareholder servicing arrangements for the respective classes of the Acquired Fund are identical or similar to the arrangements of the corresponding classes of the Acquiring Fund. For purposes of calculating any deferred sales charge, each Acquired Fund’s shareholders will be deemed to have held shares of the respective Acquiring Fund since the date the shareholder initially purchased shares of the Acquired Fund. No sales charge will be imposed in connection with the Reorganization. Each Plan provides that its respective Acquired Fund will be responsible for the expenses associated with the Reorganization. To the extent that such expenses exceed contractual total operating expense ratio caps in place for any such Acquired Fund, BA Advisors or any of its affiliates will bear such excess expenses.

7. The Boards, including all of the Independent Members, found that participation in the Reorganization is in the best interest of each of their respective Funds and that the interests of each Fund’s existing shareholders will not be diluted as a result of the Reorganization. In approving the Reorganization, the Boards considered, among other things: (a) The potential effect of the Reorganization; (b) the respective expense ratios of the Funds; (c) the compatibility of the investment objectives and investment strategies of the Funds; (d) the terms and conditions of the Reorganization; and (e) the tax-free nature of the Reorganization. The Boards also noted that the Acquired Funds will be responsible for the expenses associated with the Reorganization, and considered potential benefits of the Reorganization to BA Advisors and its affiliates.

³In addition to the same classes of shares, some of the Acquiring Funds also will offer additional classes of shares.

8. Each Plan may be terminated by mutual written consent of the Acquiring Fund and the Acquired Fund at any time through the Closing Date. In addition, either Board may terminate the Plan under certain circumstances specified in the Plan. The consummation of the Reorganization is subject to the following conditions: (a) A registration statement under the Securities Act of 1933 for the Acquiring Funds will have become effective; (b) the Acquired Funds’ shareholders will have approved their respective Plan; (c) applicants will have received exemptive relief from the SEC with respect to the issues in the application; (d) the Funds will have received an opinion of counsel concerning the tax-free nature of the Reorganization; and (e) the Acquired Fund will have declared a dividend to distribute substantially all of its investment company taxable income and net capital gain, if any, to its shareholders. Applicants agree not to make any changes to the Plan that materially affect the application without prior SEC staff approval.

9. Definitive proxy solicitation materials have been filed with the SEC and were mailed to the Acquired Funds’ shareholders on or about January 14, 2002. A special meeting of the Acquired Funds’ shareholders was held on March 27, 2002, at which time the Acquired Funds’ shareholders approved their respective Plan.

Applicants’ Legal Analysis

1. Section 17(a) of the Act generally prohibits an affiliated person of a registered investment company, or an affiliated person of that person, acting as principal, from selling any security or other property to, or purchasing any security or other property from, the company. Section 2(a)(3) of the Act defines an “affiliated person” of another person to include (a) any person that directly or indirectly owns, controls, or holds with power to vote 5% or more of the outstanding voting securities of the other person; (b) any person 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote by the other person; (c) any person directly or indirectly controlling, controlled by, or under common control with the other person; and (d) if the other person is an investment company, any investment adviser of that company.

2. Rule 17a–8 under the Act exempts from the prohibitions of section 17(a) mergers, consolidations, or purchases or sales of substantially all of the assets of registered investment companies that are affiliated persons solely by reason of having a common investment adviser,

common directors/trustees, and/or common officers, provided that certain conditions set forth in the rule are satisfied.

3. Applicants state that the Bank of America Group holds of record more than 5% (and in some cases, more than 25%) of the outstanding voting securities of each of the Acquired Funds. Because of this ownership, applicants state that the Funds may be deemed affiliated persons for reasons other than those set forth in rule 17a–8 and therefore unable to rely on the rule. Applicants request an order pursuant to section 17(b) of the Act exempting them from section 17(a) to the extent necessary to consummate the Reorganization.

4. Section 17(b) of the Act provides that the SEC may exempt a transaction from the provisions of section 17(a) if the evidence establishes that the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair and do not involve overreaching on the part of any person concerned, and that the proposed transaction is consistent with the policy of each registered investment company concerned and with the general purposes of the Act.

5. Applicants submit that the terms of the Reorganization satisfy the standards set forth in section 17(b). Applicants note that the Boards, including all of the Independent Members, found that participation in the Reorganization is in the best interests of each Fund and that the interests of the existing shareholders of each Fund will not be diluted as a result of the Reorganization. Applicants also note that the Reorganization will be based on the Funds’ relative net asset values.

For the Commission, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02–9626 Filed 4–18–02; 8:45 am]

BILLING CODE 8010-01-P