

b(c), (4) and (6) of the Government in the Sunshine Act.

Dated: May 15, 2001.

Susanne Bolton,

Committee Management Officer.

[FR Doc. 01-12592 Filed 5-17-01; 8:45 am]

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NUCLEAR REGULATORY COMMISSION

Agency Information Collection Activities: Proposed Collection; Comment Request

AGENCY: U.S. Nuclear Regulatory Commission (NRC).

ACTION: Notice of pending NRC action to submit an information collection request to OMB and solicitation of public comment.

SUMMARY: The NRC is preparing a submittal to OMB for review of continued approval of information collection under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35).

Information pertaining to the requirement to be submitted.

- The title of the information collection:*
NRC Form 4, "Cumulative Occupational Exposure History"
NRC Form 5, "Occupational Exposure Record for a Monitoring Period"
- Current OMB approval number:*
NRC Form 4: 3150-0005
NRC Form 5: 3150-0006
- How often the collection is required:*
NRC Form 4: Occasionally
NRC Form 5: Annually
- Who is required or asked to report:*
Licensees who are required to comply with 10 CFR Part 20.
- The number of annual respondents:*
NRC Form 4: 286 (104 reactor sites and 182)
NRC Form 5: 5,400 (104 reactor sites and 5,296 materials licensees)
- The number of hours needed annually to complete the requirement or request:*
NRC Form 4: 11,531 hours or an average of 0.5 hours per response.
NRC Form 5: 66,682 hours (55,242 hours for recordkeeping hours or an average of 10 hours per recordkeeper and 11,440 hours for reporting hours or an average of 40 hours per response).
- Abstract:* NRC Form 4 is used to record the summary of an individual's cumulative occupational radiation dose for the current year to ensure that dose does not exceed regulatory limits. NRC Form 5 is used to record and

report the results of individual monitoring for an occupational dose from radiation during a one-year period to ensure regulatory compliance with annual dose limits.

Submit, by July 17, 2001, comments that address the following questions:

1. Is the proposed collection of information necessary for the NRC to properly perform its functions? Does the information have practical utility?
2. Is the burden estimate accurate?
3. Is there a way to enhance the quality, utility, and clarity of the information to be collected?
4. How can the burden of the information collection be minimized, including the use of automated collection techniques or other forms of information technology?

A copy of the draft supporting statement may be viewed free of charge at the NRC Public Document Room, One White Flint North, 11555 Rockville Pike, Room O-1 F23, Rockville, MD 20852. OMB clearance requests are available at the NRC worldwide web site: <http://www.nrc.gov/NRC/PUBLIC/OMB/index.html>. The document will be available on the NRC home page site for 60 days after the signature date of this notice.

Comments and questions about the information collection requirements may be directed to the NRC Clearance Officer, Brenda Jo. Shelton, U.S. Nuclear Regulatory Commission T-6 E6, Washington, DC 20555-0001, by telephone at 301-415-7233, or by Internet electronic mail at BJS1@NRC.GOV.

Dated at Rockville, Maryland, this 14th day of May 2001.

For the Nuclear Regulatory Commission.

Brenda Jo. Shelton,

NRC Clearance Officer, Office of the Chief Information Officer.

[FR Doc. 01-12556 Filed 5-17-01; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27397]

Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

May 11, 2001.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for

complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendment(s) is/are available for public inspection through the 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 June 5, 2001, 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 June 5, 2001, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

National Grid USA, et al. (70-9089)

National Grid USA ("Grid"), a registered public utility holding company, and its electric public utility subsidiary companies, Massachusetts Electric Company, (The Narragansett Electric Company, New England Electric Transmission Corporation, New England Hydro-Transmission Electric Company, Inc., New England Hydro-Transmission Corporation, New England Power Company, New England Energy Incorporated, and National Grid USA Service Company, Inc. ("Service Company"), all located at 25 Research Drive, Westborough, Massachusetts 01582, and Granite State Electric Company, 407 Miracle Mile, Suite 1, Lebanon, New Hampshire 03766, Nantucket Electric Company, 25 Fairgrounds Road, Nantucket, Massachusetts 02554, and the Narragansett Electric Company, 280 Melrose Street, Providence, Rhode Island 02901 (collectively, "Applicants") have filed a post-effective amendment to their application-declaration under sections 6(a), 7, 9(a), 10 and 12 of the Act and rule 43, 45 and 54 under the Act. The Commission issued a notice describing various proposed financing transactions on January 26, 2001 (Holding Co. Act Release No. 27340), and a supplemental order authorizing those transactions was issued on April 19, 2001 (Holding Co. Act Release No. 27381) ("April Order"). This supplemental notice describes Applicants' proposal to engage in

certain additional internal financing transactions as described below.

In late April Order, the Commission, among other things, approved Service Company's request for authority to borrow up to \$60 million ("Service Company Borrowing Limit") through May 31, 2003 ("Authorization Period"), either by issuing notes or commercial paper, or by borrowing from Grid's intrasystem money pool. As described in this supplemental notice, Applicants also request authority to meet Service Company's borrowing requirements, up to the Service Company Borrowing Limit, by direct loans from Grid to Service Company through the Authorization Period.

These loans would be at the rate equal to the prime rate for Fleet/Boston less 1%. Based on the 7.5% prime rate existing as of April 19, 2001, the effective interest costs of these borrowings would be 6.5%. The loans would have no stated maturities, but the borrowings may be prepaid by the Service Company without penalty.

Conectiv, et al. (70-9095)

Conectiv, a registered holding company, Conectiv's public-utility subsidiaries: Atlantic City Electric Company ("ACE"); Delmarva Power & Light Company ("Delmarva"); Conectiv Atlantic Generation, L.L.C. ("CAG"); and Conectiv Delmarva Generation, L.L.C. ("CDG")¹ (collectively, "Utility Subsidiaries"); and Conectiv's nonutility subsidiaries ("Nonutility Subsidiaries"): ACE REIT, Inc. ("ACE REIT"); ATE Investment, Inc.; ATS Operating Services, Inc.; Atlantic Generation, Inc.; Atlantic Jersey Thermal Systems, Inc.; Atlantic Southern Properties, Inc.; Binghamton General, Inc.; Binghamton Limited, Inc.; Conectiv Communications, Inc.; Conectiv Energy Holding Company ("CEH"); Conectiv Energy Supply, Inc.; Conectiv Mid-Merit, Inc.; Conectiv Operating Services Company; Conectiv Resource Partners, Inc.; Conectiv Services, Inc.; Conectiv Solutions, LLC; Conectiv Thermal Systems, Inc.; DCI I, Inc.; DCI II, Inc.; DCTC-Burney, Inc.; Delmarva Capital Investments, Inc.; Delmarva Services Company; King Street Assurance, Ltd. ("KSA"); Pedrick Gen., Inc.; Vineland Limited, Inc.; and Vineland General, Inc., all located at 800 King Street, Wilmington, Delaware 19899; and Conectiv Plumbing, L.L.C., located at 621 Chapel Avenue, Cherry Hill, New Jersey 08034 (collectively,

¹ The Commission authorized the acquisition of CDG and CAG by order dated June 29, 2000 (Holding Co. Act Release No. 27192) ("GENCO Order").

"Applicants"), have filed a post-effective amendment ("Post-Effective Amendment") under sections 6(a), 7, 9(a), 10, and 12(b) of the Act and rules 45, 53 and 54 under the Act, to its application-declaration previously filed under the Act. Utility Subsidiaries and Nonutility Subsidiaries are referred to collectively as "Subsidiaries."

I. Background

By order dated February 26, 1998 (Holding Co. Act Release No. 26833), and by various supplemental orders² (collectively, "Financing Orders"), the Commission authorized Conectiv and its subsidiaries to effect certain financing transactions through March 31, 2002. These included: (1) The issuance by Conectiv of short-term debt in an aggregate amount not to exceed \$1.3 billion less any amount of short-term debt issued by Delmarva under its authorization to issue up to \$275 million of short-term debt; (2) the issuance by Conectiv of up to \$250 million of long-term debt with the reservation of jurisdiction over an additional \$750 million of long-term debt; (3) the issuance by Conectiv of common stock which, when combined with any long-term debt issued, does not exceed \$500 million in the aggregate; (4) and (4) the issuance by Conectiv of guaranties, letters of credit, expense agreements or other forms of credit support for the obligations of Subsidiaries in an aggregate amount not to exceed \$350 million.

Financings authorized in the Financing Orders are subject to the following limitations ("Financing Parameters"): (1) Conectiv's consolidated common equity will be at least 20% of its total consolidated capitalization ("Common Equity Ratio"), as adjusted to reflect subsequent events that affect capitalization; (2) the effective cost of money on long-term debt securities will not exceed 300 basis points over comparable term U.S. Treasury securities and the effective cost of money on short-term debt securities will not exceed 300 basis points over the

² These orders were issued on August 21, 1998 (Holding Co. Act Release No. 26907); September 28, 1998 (Holding Co. Act Release No. 26921); October 21, 1998 (Holding Co. Act Release No. 26930); November 13, 1998 (Holding Co. Act Release No. 26941); December 14, 1999 (Holding Co. Act Release No. 27111); and August 17, 2000 (Holding Co. Act Release No. 27213).

³ If this reservation of jurisdiction is released, the proceeds of any new issuance of long-term debt exceeding \$250 million must be used to reduce short-term debt.

⁴ Conectiv has issued \$250 million of long-term debt under the Financing Orders. Therefore, Conectiv may issue up to an additional \$250 million of common stock and long-term debt.

comparable term London Interbank Offered Rate ("LIBOR"); (3) maturity of indebtedness will not exceed 50 years; and (4) the underwriting fees, commissions, or similar remuneration paid in connection with the issue, sale or distribution of a security will not exceed 5% of the principal amount of the financing. Conectiv proposes that these Financing Parameters also apply to all transactions proposed by this Post-Effective Amendment.

II. Description of Proposed Transactions

A. Summary of Requests

By this Post-Effective Amendment, Applicants request the following: (1) An extension of the effective period for all authorizations contained in the Financing Orders through September 30, 2003 ("Authorization Period"); (2) an increase in the amount of short-term debt that Conectiv is authorized to have outstanding during the Authorization Period from \$1.3 billion to \$2.0 billion, with Conectiv permitted to issue securities during the Authorization Period so long as the Common Equity Ratio is at least 20%⁵ (3) an increase in the amount of guaranties, letters of credit and other forms of credit support that Conectiv can offer to third parties on behalf of the obligations of Subsidiaries from \$350 million to \$1.5 billion and the addition of obligations of certain nonaffiliated third parties to the obligations that may be guaranteed; (4) the establishment of special purpose direct or indirect subsidiaries of CEH ("New Utility Subsidiaries") and the acquisition of utility property by CDG, CAG and the New Utility Subsidiaries in an amount not to exceed \$1 billion in the aggregate; (5) the issuance of up to \$1 billion of debt and equity securities in the aggregate by CDG, CAG and the New Utility Subsidiaries to their respective parent companies ("GENCO Securities"), and the acquisition of the GENCO Securities by each of these parent companies; (6) the issuance of up to \$1 billion of debt and equity securities in the aggregate by CDG and CAG's parent company, CEH, to Conectiv in order to fund CEH's acquisition of the securities issued by its subsidiaries; and (7) participation in the Conectiv System Money Pool ("Money Pool") by the New Utility Subsidiaries, with aggregate Money Pool borrowings by CDG, CAG and the New Utility Subsidiaries limited to \$1 billion, less

⁵ Conectiv's proposed short-term debt authorization would be exclusive of any short-term debt issued by Delmarva.

the amount of any GENCO Securities issued to their respective parents.

B. Proposed Increase in Short-term Debt Authorization

Conectiv requests an increase in the aggregate amount of short-term debt it may issue at any one time outstanding during the Authorization Period to no more than \$2 billion, exclusive of any short-term debt issued by Delmarva.⁶ Applicants state that the continued uncertainty of the timing of the receipt of certain funds, as described below, combined with the need to fund the ongoing operations of Conectiv and the Subsidiaries, require this increased short-term debt authorization.

Applicants note that Delmarva and ACE entered into agreements to sell substantially all of Delmarva's generation assets and all of ACE's generation assets to third parties.⁷ However, these sales have not yet closed, and applicants state that they may be further delayed or modified. After ACE closes on the sales of its generation assets, it is expected that debt will be issued by a special purpose subsidiary of ACE and secured by regulatory assets created under the New Jersey Electric Discount and Energy Competition Act ("Securitized Debt").⁸

The primary use of the funds from the sales of the generation facilities and the issuance of the Securitized Debt is planned to be short-term and long-term debt reduction, ACE and Delmarva equity repurchase and new investments. The additional short-term debt proposed in this Post-Effective Amendment will be used to bridge any further delays in these sales, to finance Conectiv's capital program, including the construction of mid-merit generation facilities, and for other general corporate purposes.⁹

Applicants state that the types of short-term debt securities will include, but not be limited to, borrowings under one or more revolving credit facilities, commercial paper, short-term notes and bid notes. Interest rates on short-term debt will be comparable to interest rates

⁶Delmarva would retain its authorization under the Financing Orders to issue up to \$275 million of short-term debt.

⁷ Applicants state that, under the Delaware, Maryland, Virginia and New Jersey electric industry restructuring legislation and the implementing rules, Delmarva and ACE are required to exit the business of generating electricity.

⁸The Securitized Debt will be issued under an order of the New Jersey Board of Public Utilities and an order of this Commission under an application to be filed later.

⁹In addition, Conectiv states that it needs to maintain a liquidity facility for certain subsidiary variable rate demand bonds, and capacity to handle margin calls for energy trading operations and the requirement to be the provider of last resort in deregulated electricity markets.

on debt with like terms and maturities issued by companies with similar credit ratings, and in any case will not exceed 300 basis points over the comparable term LIBOR rate. The maturity of any short-term debt issued will not exceed 364 days or, if the notional maturity is greater than 364 days, the debt security will include put options at appropriate points to cause the security to be accounted for as a current liability under United States generally accepted accounting principles ("GAAP"). All short-term debt will be unsecured, ranking *pari passu* with other unsecured debt of Conectiv. Applicants state that it is highly unlikely that the increased level of short-term debt requested in this Post-Effective Amendment would reduce the common stock equity positions on a consolidated basis of Conectiv, ACE and Delmarva as detailed in exhibit H-3 to this Post-Effective Amendment through the Authorization Period.

C. Proposed Increase in Conectiv Guaranties

Authorization is requested for Conectiv to enter into guaranties, obtain letters of credit, enter into support or expense agreements or otherwise provide credit support to third parties during the Authorization Period in an aggregate amount up to \$1.5 billion ("Guaranty Limit") with respect to: (1) The obligations of the Subsidiaries as may be appropriate to carry on their respective businesses; and (2) the obligations of certain nonaffiliated third parties in connection with certain lease transactions, as described below. Applicants state that the increased level will permit Conectiv to provide guaranties to vendors involved in the construction of mid-merit generation plants, to lenders for potential financing transactions related to mid-merit plants and to counterparties for a higher level of energy trading activity.¹⁰ Conectiv also may issue a portion of the proposed guaranties in connection with the business of Conectiv's subsidiary, Conectiv Energy Supply, Inc. ("CESI"), which conducts the power marketing and trading operations of the Conectiv System.¹¹ To the extent that any

¹⁰ Applicants state that obligations exempt under rule 45 are excluded from the Guaranty Limit. The issuance of guaranties will be subject to the limitations of the financing Order issued under rule 53(c) authorizing Conectiv to invest up to \$350 million in exempt wholesale generators, or rule 58(a)(1), as applicable. See Holding Co. Act Release No. 27213 (August 17, 2000).

¹¹ Conectiv states that it may wish to provide credit support in connection with the trading positions of CESI entered into in the ordinary course of CESI's energy marketing and trading businesses. Applicants assert that the provision of

guaranties appear as short-term debt on Conectiv's balance sheet, that debt also would be included in the short-term debt limitation.

Conectiv proposes to guarantee certain obligations of non-affiliated third parties in connection with a financial transaction known as a "synthetic lease." Applicants state that the synthetic lease affords off-balance sheet accounting treatment but permits Conectiv to retain the tax benefits of ownership. Specifically, under such an arrangement, Conectiv would receive the tax benefits of depreciation but would not have to recognize such depreciation in its income statement. To implement a synthetic lease, Conectiv would lease certain mid-merit generation facilities, which may be either exempt wholesale generators ("EWGs") or utility property, from a non-affiliated third-party special purpose entity ("SPE") established to finance construction of the generation facilities. The SPE would borrow on a short-term basis from a group of lenders to fund construction and Conectiv would guarantee a portion of the short-term debt of the SPE. These guaranties would be included under the Guaranty Limit.¹²

D. Proposed Formation of New Subsidiaries and Related Transactions

Conectiv requests authorization to establish the New Utility Subsidiaries and for CDG, CAG, or the New Utility Subsidiaries to acquire up to an aggregate amount of \$1 billion of utility property during the Authorization Period.¹³ Applicants assert that use of the New Utility Subsidiaries is necessary to provide operating and tax planning flexibility, and that the New Utility Subsidiaries may be corporations or limited liability companies wholly owned directly or indirectly by CEH.

Conectiv intends to retain and develop additional flexible, low-cost mid-merit generation to address competitive opportunities in the Mid-Atlantic region. As part of this business strategy, Conectiv has transferred certain net generating capacity to CDG

parent guaranties by holding companies to affiliates in the generation and power marketing business is standard business practice.

¹² Applicants state that the leased assets are not utility property for purposes of state regulation. Therefore, the synthetic lease arrangement would not require the approval of any state public utility commission.

¹³ Conectiv's proposed acquisition of utility property is in addition to CDG's previously authorized reacquisition of certain utility assets by means of a like-kind exchange. See GENCO Order. This proposed acquisition also is in addition to Conectiv's authority under the Financing Orders to invest up to \$350 million in EWGs.

and CAG,¹⁴ and will pursue acquisition and development opportunities for additional CDG and CAG generation. This generation will be located within the region where Conectiv currently operates and participates in the power supply business.

E. Proposed Financing of Utility Property; Participation by New Utility Subsidiaries in Conectiv System Money Pool ("Money Pool")

Conectiv expects to fund the construction of these mid-merit generating facilities using internally generated funds and short-term debt until such time as long-term debt may be issued. Applicants request authority: (1) For Conectiv to fund CEH, the subsidiary formed to hold CDG, CAG, and ACE REIT, an intermediate holding company parent of CAG; (2) for CEH in turn to fund CDG and ACE REIT; (3) for ACE REIT to fund CAG; and (4) for CDG and CAG to fund any New Utility Subsidiary formed by each through the issuance of debt or equity securities to, and the acquisition of those securities by, CDG's and CAG's respective parent company.

The aggregate amount of securities issued by CDG, CAG or the New Utility Subsidiaries will not exceed \$1 billion during the Authorization Period.¹⁵ Any debt issued by CDG, CAG or the New Utility Subsidiaries will mature in thirty years or less and will bear interest at a rate designed to approximate the lender's cost of money. This interest rate will not exceed 300 basis points over comparable term United States Treasury securities for long-term debt and the effective cost of money on short-term debt securities will not exceed 300 basis points over the comparable term LIBOR rate.

Applicants state that CDG, CAG and the New Utility Subsidiaries may finance all or part of the construction using borrowings from the Money Pool. To facilitate these borrowings, Applicants request authorization for the

New Utility Subsidiaries to participate in the Money Pool.¹⁶ Aggregate Money Pool borrowings by CDG, CAG and the New Utility Subsidiaries, in combination with any debt or equity securities issued to their respective parents as described above, will not exceed \$1 billion during the Authorization Period. Applicants further state that the Money Pool borrowings will be made under the same terms and conditions as borrowings by existing Money Pool participants.

Kansas City Power & Light Company, et al. (70-9861)

Great Plains Energy Incorporated ("GPE"), a newly formed Missouri holding company; Kansas City Power & Light Company ("KCPL"), an electric public utility company; Great Plains Power, Inc. ("GP Power"), KCPL's wholly owned nonutility subsidiary; KCPL Receivable Corporation ("KCPL Receivable"), KCPL's wholly owned special purpose entity all located at 1201 Walnut Street, Kansas City, Missouri 64106 and KLT Inc. ("KLT"), 10740 Nall Street, Suite 230, Overland Park, Kansas 66211, KCPL's wholly owned intermediate holding company (collectively, "Applicants") have filed an application-declaration under sections 6(a), 7, 9(a)(1), 10, 11(b)(1), 12(b), 12(c), 13(b), 32, and 33 of the Act and rules 45(b), 46, 52, 53, 54, and 80-92 under the Act.

Under a corporate reorganization ("Reorganization"), KCPL proposes to adopt a new corporate structure in which KCPL will become a wholly owned subsidiary of the newly formed Missouri holding company, GPE. Applicants state they are undertaking the Reorganization in response to the dramatic changes in the wholesale electric power market, the emergence of unregulated competitive generators, open access to the nation's transmission grid, and the appearance of competitive retail electricity markets in a significant percentage of the country. Upon completion of the Reorganization, GPE will register. In addition to the Reorganization, Applicants request post-Reorganization financing authority and request approval for other intrasystem transactions.

I. Description of the Applicants

A. KCPL

KCPL is an electric utility company engaged in the generation, transmission, distribution, and sale of electric energy

in Missouri and Kansas. KCPL owns approximately 3,700 MW of generation and provides retail electric service to approximately 467,000 customers in Kansas and Missouri, serving retail customers in the region in and around the Kansas City metropolitan area. KCPL also engages in limited gas brokering activities.

KCPL is subject to the regulatory jurisdiction of the Missouri Public Service Commission ("MPSC") and the Corporation Commission of the State of Kansas ("KCC") with respect to its retail operations. KCPL also is subject to regulation of the Federal Energy Regulatory Commission ("FERC") with respect to its wholesale and transmission-related operations and the Nuclear Regulatory Commission ("NRC") with respect to licensing and operation of its nuclear generating units.

B. Nonutility Subsidiaries

KCPL wholly owns the following nonutility subsidiaries ("Nonutility Subsidiaries"): WYMO Fuels, Inc. ("WYMO"), a Missouri corporation that was established to acquire and develop coal properties in Wyoming, but is in the process of divesting its assets and will dissolve; Home Service Solutions, Inc. ("Home Services"), a Missouri corporation that is an intermediate holding company that owns a 100 percent interest in Worry Free Services, Inc. and a 49.4 percent interest in R.S. Andrews Enterprise, Inc.; KCPL Receivable, a Delaware corporation, that is a special purpose entity established to purchase customer accounts receivable from KCPL; GP Power, a recently created Missouri corporation which will hold interests in exempt wholesale generators ("EWGs"); and KLT, a Missouri corporation that is an intermediate holding company with the following subsidiaries: KLT Investments Inc.; invests, as a limited partner, in affordable housing partnerships; KLT Investments Inc. II, pursues passive investment in community, economic development and energy-related opportunities, KLT Energy Services, Inc., and its subsidiaries, which invest in companies that provide products and services to customers to control the amount, cost and quality of electricity to commercial and industrial customers, provide demand-side management services, power supply coordination (including purchasing electricity at wholesale for resale to end users), gas management, energy consulting, and generation optimization (such as scheduling and dispatching generation and wholesale marketing services); KLT Gas Inc., owns and operates interests in oil and gas producing properties; and

¹⁴ In the GENCO Order, the Commission authorized Conectiv, Delmarva and ACE to form CDG and CAG in order to hold certain net generating and related assets of Delmarva and ACE.

¹⁵ Under the GENCO Order, CEH is authorized to issue up to \$750 million of equity or debt securities less any amount of debt issued by a CEH subsidiary directly to Conectiv, CDG is authorized to issue up to \$150 million of equity or debt securities and ACE REIT and CAG each are authorized to issue up to \$100 million of equity or debt securities. To consolidate all authorizations related to financing of or by subsidiaries under one file, Conectiv requests that increased authorizations be approved in this file and that the CEH, CDG, ACE REIT and CAG financing portion of the GENCO Order and the authorization for CEH, CDG, ACE REIT and CAG to participate in the Money Pool be deemed replaced by the order issued in this file.

¹⁶ The Commission approved the participation in the Money Pool of CEH, ACE REIT, CDG and CAG in the GENCO Order.

KLT Telecom Inc., pursues investment opportunities in telecommunications and wireless technology and will qualify as an exempt telecommunications company ("ETC") under section 34 of the Act. KLT also wholly-owns Energetechs, Inc., which is currently inactive.

Applicants request that the Commission find that the KCPL system constitutes an "integrated" electric utility system within the meaning of section 2(a)(29)(A) and that all of the direct and indirect Nonutility Subsidiaries are retainable under the standards of section 11(b)(1) of the Act. Applicants also request that investments in Nonutility Subsidiaries prior to the date of the Reorganization be disregarded for purposes of calculating the dollar limitation placed on GPE for investments under rule 58.

For the year ended December 31, 2000, KCPL had consolidated operating revenues of approximately \$1.1 billion,¹⁷ resulting in a net income of approximately \$159 million. At December 31, 2000, KCPL had consolidated total assets of approximately \$3.3 billion, including approximately 1,700 miles of transmission lines, approximately 8,900 miles of overhead distribution lines, and approximately 3,400 miles of underground distribution lines.

II. The Reorganization

GPE, the newly formed holding company, is authorized under its Articles of Incorporation to issue 150,000,000 shares of common stock, without par value ("Common Stock") and 390,000 shares of cumulative preferred stock, \$100 par value ("Preferred Stock"). Also, under the Articles of Incorporation, GPE is authorized to issue 1,572,000 shares of cumulative no par preferred stock without par value and 11,000,000 shares of preference stock without par value.

GPE will form another new Missouri subsidiary, KC Merger Sub Incorporated, ("NewCo"). KCPL will merge with and into NewCo, with KCPL as the surviving corporation, resulting in KCPL becoming a wholly owned subsidiary of GPE. KCPL will dividend to GPE two of KCPL's nonutility subsidiaries, KLT and GP Power, making both wholly owned subsidiaries of GPE. KCPL Receivable, WYMO, and Home Service will remain wholly owned subsidiaries of KCPL or become direct or indirect subsidiaries of GPE,

unless they are disposed of or dissolved. Following the completion of the Reorganization, GPE will register as a public utility holding company under section 5 of the Act.

To effect the Reorganization approximately 62 million shares of GPE common stock and approximately 390,000 shares of GPE Preferred Stock will be issued in a one-to-one exchange of shares. As of December 31, 2000, no shares of cumulative no par preferred stock or preference stock were issued or outstanding. To the extent KCPL may issue these types of shares prior to the Reorganization, GPE requests authority to issue corresponding shares of no par preferred stock and preference stock as necessary to consummate the one-to-one exchange of shares.

Upon consummation of the share exchange, (A) all of KCPL's common shares will be held by GPE, (B) KCPL will have no preferred shares outstanding, (C) all of GPE's common shares will be held by the former KCPL common shareholders, and (D) all of GPE's preferred shares will be held by the former KCPL preferred shareholders (with the exception of the 4.00% cumulative preferred stock to be redeemed).

III. Post-Reorganization Financing

Applicants request authority to establish: (A) A program of external financing; (B) intrasystem credit support arrangements; (C) interest rate hedging measures; (D) and other intrasystem transactions. Applicants are requesting approval for each of the proposals through December 31, 2004 (the "Authorization Period").

A. External Financing

GPE proposes to issue and sell from time Common Stock and, directly or indirectly, short-term and long-term debt securities and other forms of preferred or equity-linked securities. In addition, as part of the one-to-one share exchange for the Reorganization, GPE also proposes to issue a limited amount of Preferred Stock upon consummation of the Reorganization. The aggregate amount of all securities issued by GPE during the Authorization Period will not exceed \$450 million.

1. GPE's Issuance of Common Stock

GPE requests authority to issue Common Stock, either: (a) Through negotiation with underwriters, dealers, or agents; (b) effected through competitive bidding among underwriters; (c) through private placements or other non-public offerings to one or more persons; and (d) through its employee and director

compensation plans.¹⁸ If Common Stock is sold in an underwritten offering, GPE may grant the underwriters a "green shoe" option permitting the purchase from GPE, at the same price, additional shares offered solely for the purpose of covering over-allotments.

Also, as consideration for the purchase of equity securities or assets of other existing companies, GPE proposes to issue stock options, performance shares, stock appreciation rights ("SARs"), warrants, or other stock purchase rights that are exercisable for Common Stock and to issue Common Stock upon the exercise of options, SARs, warrants, or other stock purchase rights. Applicants further state that the acquisition of any equity securities or assets would be authorized in a separate proceeding or would be exempt under the Act or the rules. If this type of consideration is used, the market value of the Common Stock on the day before closing, as negotiated by the parties, will be counted against the proposed \$450 million limitation on financing.

2. GPE's Issuance of Preferred Stock

GPE requests authorization to issue Preferred Stock, as necessary to accomplish the one-to-one exchange of shares for the Reorganization. The dividend rate on only series of Preferred Stock will not exceed at the time of issuance 500 basis points over the yield to maturity of a U.S. Treasury security having a remaining term equal to the term of such securities. Dividends or distributions on such Preferred Stock will be made periodically and to the extent funds are legally available for this purpose, but may be made subject to terms which allow the issuer to defer dividend payments for specified periods. Preferred Stock may be convertible or exchangeable into share of Common Stock.

3. GPE's and the Financing Subsidiaries' Issuance of Long-term Debt and Other Preferred or Equity-Linked Securities

GPE requests authorization to issue long-term debt, directly or indirectly, through one or more financing subsidiaries ("Financing Subsidiary") and to issue indirectly, through one or more Financing Subsidiaries, other types of preferred or equity-linked securities (including, specifically, trust preferred securities).

Long-term debt of GPE may be in the form of unsecured notes ("Debentures") issued in one or more series. The

¹⁷ Approximately \$952 million or 85% is derived from regulated sales of electricity and electric transmission service and \$164 million or 15% is derived from activities of the Nonutility Subsidiaries.

¹⁸ KCPL maintains the following employee and director stock plans (the "Stock Plans"): The Dividend Reinvestment and Direct Stock Purchase Plan; The Employee Savings Plus Plan; and The Long-Term Incentive Plan.

Debentures of any series (a) may be convertible into any other securities of GPE, (b) will have a maturity ranging from one to 50 years, (c) will bear interest at a rate not to exceed 500 basis points over the yield to maturity of a U.S. Treasury security having a remaining term approximately equal to the term of these series of Debentures, (d) may be subject to optional and/or mandatory redemption, in whole or in part, at par or at various premiums above or discounts below the principal amount, (e) may be entitled to mandatory or optional sinking fund provisions, (f) may provide for reset of the coupon under a remarketing arrangement, and (g) may be called from existing investors or put to the company, or both. The Debentures will be issued under an indenture ("Indenture") to be entered into between GPE and a national bank, as trustee. Also, GPE's long-term debt may be in the form of bank lines of credit. Loans under these bank lines will have maturities of not more than five years from the date of each borrowing and the effective cost of the loans will not exceed at the time of issuance 500 basis points above London Interbank Offered Rate ("LIBOR").

GPE contemplates that the Debentures would be issued and sold directly to: (a) One or more purchasers in privately negotiated transactions; (b) one or more investment banking or underwriting firms or other entities that would resell the Debentures without registration under the 1933 Act, in reliance upon one or more applicable exemptions from registration; or (c) the public through underwriters. The maturity dates, interest rates, call and/or put options, redemption and sinking fund provisions and conversion features, if any, will be established by negotiation or competitive bidding and reflected in the applicable supplemental indenture, officer's certificate and purchase agreement, or underwriting agreement.

Preferred or equity-linked securities may be issued by one or more Financing Subsidiaries, in one or more series, and with rights, preferences, and priorities as may be designated in the instrument creating each series as determined by GPE's board of directors. The dividend rate on any series of preferred or equity-linked securities will not exceed at the time of issuance 500 basis points over the yield of maturity of a U.S. Treasury security having a remaining term equal to the term of these securities.

Dividends of distribution on preferred or equity-linked securities will be made periodically and to the extent funds are legally available, but may be made subject to terms which allow the issuer

to defer dividend payments for specified periods. Preferred or equity-linked securities may be convertible or exchangeable into shares of Common Stock.

GPE states that without further Commission authorization it will not issue any preferred or equity-linked securities or any Debentures that are not at the time of original issuance rated at least investment grade by a nationally recognized statistical rating organization.

4. GPE's, KCPL's, and the Nonutility Subsidiaries' Issuance of Short-term Debt

GPE may sell, directly or indirectly through one or more Financing Subsidiaries, commercial paper or establish bank lines of credit ("Short-term Debt") to provide financing for general corporate purposes, other working capital requirements, and investments in new enterprises until long-term financing can be obtained. The effective cost of money on Short-term Debt authorized in this proceeding will not exceed at the time of issuance 500 basis points above LIBOR for maturities of one year or less.

GPE also proposes to establish, directly or indirectly, bank lines in an aggregate principal amount sufficient to support projected levels of short-term borrowings and to provide an alternative source of liquidity. Loans under these lines will have maturities not more than one year from the date of each borrowing. GPE also may engage, directly or indirectly, in other types of short-term financing generally available to borrowers with comparable credit ratings.

KCPL requests authorization to issue and sell from time to time during the Authorization Period notes and other evidence of indebtedness having a maturity of one year or less in an aggregate principal amount outstanding at any one time not to exceed \$500 million. Short-term financing could include, without limitation, commercial paper sold in established domestic or European commercial paper markets in a manner similar to GPE, bank lines of credit, and other debt securities. The effective cost of money on short-term debt of KCPL authorized in this proceeding will not exceed at the time of issuance 500 basis points over LIBOR for maturities of one year or less.

Nonutility Subsidiaries will engage in financing transactions that are in almost all cases exempt from prior Commission authorization under rule 52(b), which requires that any loan by GPE to a Nonutility Subsidiary or by one Nonutility Subsidiary to another must

have interest rates and maturities that are designed to parallel the lending company's effective cost of capital. Applicants also request authority to make loans to any associate company at interest rates and maturities designed to provide a return to the lending company of not less than its effective cost of capital, if the Nonutility Subsidiary making a borrowing is not wholly owned by GPE, directly or indirectly, and does not sell goods or services to KCPL.

B. GPE's and the Nonutility Subsidiaries' Guarantees and Other Forms of Credit Support

GPE proposes to enter into guarantees and other forms of credit support agreements on behalf of KCPL and the Nonutility Subsidiaries (collectively, "Subsidiaries") during the Authorization Period in an aggregate principal amount not to exceed \$600 million outstanding at any one time. GPE requests authorization to enter into guarantees and capital maintenance agreements, obtain letters of credit, enter into expense agreements or otherwise provide credit support (collectively, "GPE Guarantees") on behalf or for the benefit of any Subsidiary in an aggregate principal amount not to exceed \$600 million outstanding at any one time. GPE may guarantee both securities issued by and other contractual or legal obligations of any Subsidiary. GPE proposes to charge each Subsidiary a fee for each guarantee provided on its behalf that is determined by multiplying the amount of the GPE Guarantee provided by the cost of obtaining the liquidity necessary to perform the guarantee (*i.e.*, bank line commitment fees or letter of credit fees, plus other transactional expenses) for the period of time the guarantee remains outstanding.

Applicants request authority for Nonutility Subsidiaries to provide guarantees and other forms of credit support ("Nonutility Subsidiary Guarantees") on behalf or for the benefit of other Nonutility Subsidiaries in an aggregate principal amount not to exceed \$300 million outstanding at any one time. The Nonutility Subsidiary, which provides any credit support, may charge its associate company a fee for each guarantee provided on its behalf, to be determined by the same method used for GPE's Guarantees.

C. GPE and Subsidiary Hedging Transactions

GPE and the Subsidiaries request authorization to enter into interest rate hedging transactions with respect to existing indebtedness ("Interest Rate

Hedges'), subject to certain limitations and restrictions, in order to reduce or manage interest rate cost. Interest Rate Hedges will involve the use of financial instruments commonly used in today's capital markets, such as interest rate swaps, caps, collars, floors, and structured notes (*i.e.*, a debt instrument in which the principal and/or interest payments are indirectly linked to the value of an underlying asset or index), or transactions involving the purchase or sale, including short sales, of U.S. Treasury obligations.

D. Other Intrasystem Transactions and Organizational Changes

1. Changes in Capital Stock of Subsidiaries

Applicants state that the proposed sale of capital securities may in some cases exceed the then-authorized capital stock of a Subsidiary. A Subsidiary may choose to use capital stock with no par value or receive a capital contribution without issuing capital stock. Also, a wholly owned Subsidiary may engage in a reverse stock split to reduce franchise taxes. To accommodate the proposed transactions and to provide for future issues, Applicants request authority to change the terms of any wholly owned Subsidiary's authorized capital stock capitalization by an amount deemed appropriate by GPE or other intermediate parent company. A Subsidiary would be able to change the par value, or change between par value and no-par stock, without additional Commission approval. Applicants state that such action by a utility subsidiary would be subject to and would only be taken upon the receipt of any necessary approvals by the state commissions in the state or states in which the utility subsidiary is incorporated and doing business.

2. Financing Subsidiaries

GPE and the Subsidiaries request authority to acquire, directly or indirectly, the equity securities of one or more Financing Subsidiaries organized as corporations, trusts, partnerships or other entities created specifically for the purpose of facilitating the financing of the authorized and exempt activities (including exempt and authorized acquisitions) of GPE and the Subsidiaries through the issuance of long-term debt or equity securities, including but not limited to company-obligated mandatorily redeemable trust preferred securities, to third parties. Financing Subsidiaries would loan, dividend or otherwise transfer the proceeds of any financing to its parent or to other Subsidiaries provided,

however, that a Financing Subsidiary of KCPL will dividend, loan or transfer proceeds of financing only to KCPL. The terms of any loan of the proceeds of any securities issued by a Financing Subsidiary to GPE would mirror the terms of those securities. GPE may, if required, guarantee or enter into expense agreements in respect to the obligations of any Financing Subsidiary that it organizes. The Subsidiaries also may provide guarantees and enter into expense agreements. If the direct parent company of a Financing Subsidiary is authorized in this proceeding or any subsequent proceeding to issue long-term debt or similar types of equity securities, then the amount of the securities issued by that Financing Subsidiary would count against the limitation applicable to its parent for those securities. However, the guaranty by the parent of that security issued by its Financing Subsidiary would not be counted against the limitations on GPE Guarantees or Subsidiary Guarantees. In other cases, in which the parent company is not authorized to issue similar types of securities, the amount of any guarantee not exempt that is entered into by the parent company with respect to securities issued by its Financing Subsidiary will be counted against the limitation on GPE Guarantees or Subsidiary Guarantees.

3. Intermediate Subsidiaries

GPE proposes to acquire, directly or indirectly through a Nonutility Subsidiary, the securities of one or more new subsidiary companies ("Intermediate Subsidiaries") which may be organized exclusively for the purpose of acquiring, holding and/or financing the acquisition of the securities of or other interest in one or more EWGs, foreign utility companies ("FUCOs"), ETCs, rule 58 companies or other non-exempt Nonutility Subsidiaries.

An Intermediate Subsidiary may be organized: (a) To facilitate the making of bids or proposals to develop or acquire an interest in any exempt company, rule 58 company, or other non-exempt Nonutility Subsidiary; (b) to facilitate closing on the purpose or financing of the acquired company; (c) to effect an adjustment in the respective ownership interests in the business held by GPE and unaffiliated investors; (d) to facilitate the sale of ownership interest in one or more acquired nonutility companies; (e) to comply with applicable laws of foreign jurisdictions limiting or otherwise relating to the ownership of domestic companies by foreign nationals; (f) to limit GPE's exposure to U.S. and foreign taxes; (g)

to further insulate GPE and KCPL from operational or other business risks that may be associated with investments in non-utility companies; or (h) for other lawful business purposes.

Investments in Intermediate Subsidiaries may take the form of any combination of the following: purchases of capital shares, partnership interests, member interests in limited liability companies, trust certificates or other forms of equity interests; capital contributions; open account advances with or without interest; loans; and guarantees issued, provided or arranged in respect of the securities or other obligations of any Intermediate Subsidiaries. Funds for any direct or indirect investment in any Intermediate Subsidiary will be derived from: (a) Financings authorized in this proceeding; (b) any appropriate future debt or equity securities issuance authorization obtained by GPE from the Commission; and (c) other available cash resources, including proceeds of securities sales by a Nonutility Subsidiary. To effect any consolidation or other reorganization, GPE seeks to either contribute the equity securities of one Nonutility Subsidiary to another Nonutility Subsidiary or sell (or cause a Nonutility Subsidiary to sell) the equity securities of one Nonutility Subsidiary to another Nonutility Subsidiary. These transactions may take the form of a Nonutility Subsidiary selling, contributing or transferring the equity securities of a subsidiary as a dividend to an Intermediate Subsidiary or the acquisition by Intermediate Subsidiaries, directly or indirectly, of the equity securities of companies, either by purchase or by receipt of a dividend. The purchasing Nonutility Subsidiary in any transaction structured as an intrasystem sale of equity securities may execute and deliver its promissory note evidencing all or a portion of the consideration given. Any transaction structured as a sale will be carried out for a consideration equal to the book value of the equity securities being sold.

GPE also requests authority for Intermediate Subsidiaries to provide management, administrative, project development and operating services to entities at fair market prices and requests an exemption (to the extent that Rule 90(d) does not apply) from the cost standards of section 13(b) and rules 90 and 91 under the Act in any case in which the Non-Utility Subsidiary purchasing such goods or services is:

(a) A FUCO and foreign EWG that derives no part of its income, directly or indirectly from the generation, transmission, or

distribution of electric energy for sale within the United States;

(b) An EWG that sells electricity at market-based rates which have been approved by the FERC, provided that the purchaser is not KCPL;

(c) A "qualifying facility" ("QF") within the meaning of the Public Utility Regulatory Policies Act of 1978, as amended ("PURPA") that sells electricity exclusively (i) at rates negotiated at arms' length to one or more industrial, commercial customers purchasing the electricity for their own use and not for resale, and/or (ii) to an electric utility company at the purchaser's "avoided cost" as determined in accordance with the regulations under PURPA;

(d) A domestic EWG or QF that sells electricity at rates based upon its cost of service, as approved by FERC or any state public utility commission having jurisdiction, provided that the purchaser is not KCPL; or

(e) A rule 58 subsidiary or any other Nonutility Subsidiary that (i) is partially-owned by GPE, provided that the ultimate purchaser of such goods or services is not KCPL (or any other entity that GPE may form whose activities and operations are primarily related to the provision of goods and services to KCPL), (ii) is engaged solely in the business of developing, owning, operating and/or providing services or goods to Nonutility Subsidiaries described in clauses (a) through (e) immediately above, or (iii) does not derive, directly or indirectly, any material part of its income from sources within the United States and is not a public-utility company operating within the United States.

4. Payment of Dividends out of Capital and Unearned Surplus

GPE proposes, on behalf of each of its current and future non-exempt Nonutility Subsidiaries, that the companies be permitted to pay dividends with respect to the securities of these companies, from time to time through the Authorization Period, out of capital and unearned surplus (including revaluation reserve), to the extent permitted under applicable corporate law. However, without further approval of the Commission, no non-exempt Nonutility Subsidiary will declare or pay any dividend out of capital or unearned surplus if the Nonutility Subsidiary derives any material part of its revenues from the sale of goods, services, electricity or natural gas to KCPL. GPE requests that the Commission reserve jurisdiction over dividends paid by any non-exempt Nonutility Subsidiary.

IV. Use of Proceeds

The proceeds from the post-Reorganization financings will be used for general corporate purposes, including: financing investments by and capital expenditures of GPE and its subsidiaries; funding of future

investments in any EWG, FUCO, ETC, or energy-related or gas-related company within the meaning of rule 58; the repayment, redemption, refunding or purchase by GPE or any subsidiary of its own securities; financing working capital requirements of GPE and its subsidiaries; and for any other lawful corporate purposes. More specifically, the proceeds of the long-term debt or other preferred or equity-linked securities will enable GPE to reduce short-term debt with permanent capital and provide an important source of future financing for the operations of and investments in nonutility businesses exempt under the Act. Applicants represent that no financing proceeds will be used to acquire the securities of or other interest in any company unless the acquisition has been approved by the Commission in this proceeding, in a separate proceeding, or in accordance with an available exemption under the Act or rules, including sections 32 and 33 and rule 58. Also, proceeds of financings and guarantees utilized to fund investments in rule 58 companies will be subject to the limitations of that rule.

V. Leases and Service Arrangements

Finally, GPE requests authorization under section 9(a)(1) for KCPL and GPE to engage in certain leasing transactions and authorization under sections 12 and 13 for certain intrasystem transactions. KCPL currently leases certain utility assets for use in providing electric service within its service territory. Two of these leases are for transmission assets,¹⁹ and one lease is for a combustion turbine.²⁰ KCPL also leases from nonaffiliates a number of railcars for the purpose of delivering fuel to KCPL's electric generating plants.

Also, KCPL holds contracts for delivery of five combustion turbines. Following the Reorganization, KCPL may transfer these contracts to GP Power, an EWG affiliate. In the alternative, KCPL may transfer these contracts to nonaffiliated parties that, in

¹⁹ The first transmission line lease is with Kansas Gas and Electric Company, a wholly owned subsidiary of Western Resources, Inc., for the Wolf Creek/LaCygne transmission line under a tariff on file with the FERC. The second transmission line lease is with Associated Electric Cooperative, Inc. for KCPL's share of certain Joint Facilities, as defined in the Coordinating Agreement by and among Associated Electric Cooperative, Inc., Kansas City Power & Light Company, St. Joseph Light & Power Company, Nebraska Public Power District, Omaha Public Power District, City of Lincoln and Iowa Power Inc. for the Cooper-Fairport-St. Joseph 345 Kilovolt Interconnection.

²⁰ The combustion turbine lease is with First Security Bank, N.A. as Owner Trustee, which expires October 2001, unless extended by mutual agreement of KCPL and the lessor.

turn, would lease the delivered turbines to KCPL or GP Power for use in GP Power's EWGs.

KCPL has been providing administrative, management, technical, legal and other support services to its subsidiaries for some years, subject to regulation by the MPSC and KCC. KCPL intends to file with the Commission not later than October 1, 2001, an application/declaration seeking authority to create a service company and to implement the final support service structure for the GPE holding company system ("GPE System"). Until the application/declaration is made effective, Applicants request authorization under section 13(b) of the Act and rules for KCPL and the Nonutility Subsidiaries, after consummation of the Reorganization, to provide services on an interim basis, as well as sell goods, to each other and to GPE (as well as services and goods of a substantially similar nature). Applicants request that the provision of services of sale of goods may be on a basis other than "cost," provided the pricing arrangements are consistent with applicable Missouri and Kansas statutes and regulations. KCPL request that the interim authority extend until December 31, 2001, at which time, KCPL intends to implement the final service company structure for the GPE System.

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

Jonathan G. Katz,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44304; File No. 4-444]

Roundtable on Portals

AGENCY: Securities and Exchange Commission

ACTION: Notice of roundtable meeting.

SUMMARY: On May 23, 2001, the Securities and Exchange Commission will host a roundtable to discuss issues related to relationships between Internet websites and financial service providers. Invitees include a cross section of individuals, including representatives from the financial industry, representatives of the Internet community, regulators, and academics.

The roundtable will take place at the Commission's William O. Douglas Room, Room 1C30, 450 Fifth Street, NW., Washington, DC, from 1 p.m. to