

under Section 22(e) of the Act and the rules and regulations thereunder, or

(ii) The offering Exchange Funds temporarily delays or ceases the sale of the security to be acquired because it is unable to invest amounts effectively in accordance with applicable investment objectives, policies and restrictions.

Other than in the circumstance set forth in (c)(i) and (c)(ii) above, Applicants would dispense with the 60-days notice requirement only upon obtaining further relief from the Commission authorizing them to do so.

Conclusion

For the reasons summarized above, Applicants submit that the proposed offer of exchange is consistent with the intent and purpose of Section 11 of the 1940 Act, and that none of the abuses which Section 11 was enacted to prevent will be present.

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. 35-26935]

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

November 2, 1998.

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) and any amendment is/are available for public inspection through the Commission's Office 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 November 27, 1998, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, 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 case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of fact 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 November 27, 1998, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Interstate Energy Corporation, et al. (70-9317)

Interstate Energy Corporation ("IEC"), a registered holding company, Wisconsin Power & Light Company, a public utility subsidiary company of IEC ("WPL"), Alliant Services Company ("Services"), a subsidiary service company of IEC, Alliant Industries, Inc., ("Alliant") a wholly owned subsidiary of IEC, Heartland Environmental Holding Company, RMT, Inc., Heartland Energy Group, Inc., Heartland Properties, Inc., Capital Square Financing Corporation, Cargill-Alliant LLC, all nonutility subsidiary companies of Alliant, and Wisconsin Power & Light Company, a public utility subsidiary company of IEC, located at 222 West Washington Avenue, Madison, Wisconsin 53703, Interstate Power Company ("Interstate Power"), a public utility subsidiary company of IEC, 1000 Main Street, PO Box 769, Dubuque, Iowa 53004-0789, IES Utilities Inc. ("IES Utilities"), a public utility subsidiary company of IEC, IES Transportation Inc., IEC Transfer Services Inc., IES Investments Inc., IES Investco Inc., Village Lakeshares Inc., Prairie Ridge Business Park, Iowa Land and Building Company, IES International Inc., all indirect nonutility subsidiary companies of Alliant, located at 200 First Street, SE, Cedar Rapids, Iowa 52401, Whiting Petroleum Company, an indirect nonutility subsidiary company of Alliant, Mile High Center, 1700 Broadway, Denver, Colorado 80290, and IEI Barge Services Inc. and Cedar Rapids and Iowa City Railroad Company, both indirect nonutility subsidiary companies of Alliant, located at 2330 12th Street, SW, Cedar Rapids, Iowa 52404, have filed an application-declaration under sections 6(a), 7, 9(a), 10, 12(b), 12(f), and 13(b) of the Act and rules 32, 33, 40, 43, 44, 45, 53, 54, 87(b)(1), 90, 91 and 93 under the Act.

IEC and Alliant propose through December 31, 2000, to form and fund a Utility Money Pool ("Utility Pool") and a Nonutility Money Pool ("Nonutility Pool") in aggregate amounts not to exceed \$450 million and \$600 million respectively, through the issuance and sale of commercial paper and bank

borrowings.¹ IEC also proposes to finance the acquisition of foreign utility companies ("FUCOs") and exempt wholesale generators ("EWGs") through the issuance of commercial paper and bank borrowings in an amount not to exceed \$300 million. IEC represents that borrowings allocated to finance FUCO and EWG acquisitions will not at any time exceed 50% of IEC's retained earnings. Lastly, IEC proposes through December 31, 2000 to enter into guarantee agreements ("Guarantee") in an amount not to exceed \$600 million.

The Utility Pool participants are WPL, IES Utilities, Interstate Power and Services. The aggregate principal amount of borrowings outstanding at any one time from the Utility Pool will be limited as follows: WPL, \$128 million; IES Utilities, \$150 million; Interstate Power, \$72 million; and Services, \$100 million.² IEC states that participants in the Utility Pool intend to use the funds for general corporate purposes including interim funding of construction programs until permanent financing can be arranged.

IEC proposes to issue commercial paper that will have a commercial rating of at least A-1 by Standard & Poor's ("S&P") or at least P-1 by Moody's Investor Services ("Moody's"), and Alliant proposes to issue commercial paper that will have a commercial rating of at least A-2 by S&P or P-2 by Moody's. IEC proposes to issue and sell commercial paper to fund the Utility Pool and invest in and acquire EWGs and FUCOs. Alliant proposes to issue and sell commercial paper to fund the Nonutility Pool.³

The proceeds from the sale of the commercial paper that will be used to fund the Nonutility Pool will be added to Alliant's treasury funds in a separate nonutility account. The proceeds from the sale of commercial paper intended to fund the Utility Pool and the investment in and acquisition of FUCO's will be added to IEC's treasury funds in separate utility and FUCO investment/acquisition accounts.

IEC and Alliant propose to issue commercial paper to dealers in the form of book-entry unsecured promissory notes of varying denominations not less than \$100,000. Each note will mature not more than two-hundred and seventy

¹ Rule 52 exempts Alliant's financial transactions from Commission jurisdiction, however, this information is provided for background purposes.

² The figure for WPL includes the maximum outstanding borrowing for South Beloit Water, Gas & Electric Company, a wholly owned subsidiary of WPL.

³ The Nonutility Pool participants are all nonutility subsidiary companies, except Services, included in this Application-Declaration.

days from the date of issue. The notes will be issued and sold by IEC and Alliant directly to dealers at rates not to exceed the rate per annum prevailing at the time of issuance for commercial paper of comparable qualities and maturities sold by issuers thereof to commercial paper dealers. No commission or fee will be payable in connection with the issuance and sale of the commercial paper. Applicants also request authorization for IEC and Alliant to sell commercial paper directly to certain financial institutions. Sales of commercial paper directly to these institutions will occur only if the resulting cost of money would be equal to or less than that available from dealer-placed commercial or bank borrowings. The terms of directly placed notes would be similar to those of dealer-placed notes.

IEC and Alliant have also entered into credit agreements with banks to support the issuance of commercial paper and in lieu of issuing commercial paper may borrow directly from the banks if it is more cost effective.⁴

Borrowings from banks will be evidenced by promissory notes. Each note, whether issued under a term loan or an open credit line, will be for the principal amount available to be borrowed at the time from the lending bank and be payable to the order of the bank; shall be dated the date of the closing of the loan; shall bear interest at a rate no higher than the effective cost of money for unsecured prime commercial bank loans prevailing at the date of borrowing; and, shall be subject to repayment by the borrower in whole at any time or in part from time to time without premium or penalty.

The cost of compensating balances and fees paid to banks to maintain credit lines will be initially allocated to the subsidiaries of IEC on the basis of relative maximum outstanding short-term borrowings for the prior calendar year from the particular money pool in which the subsidiary participates, and the costs will be retroactively reallocated at the end of each calendar year on the basis of that year's actual relative maximum outstanding short-term borrowing of each subsidiary in the particular pool. However, during the first calendar year of operation of the money pools, the cost will initially be allocated to the subsidiaries based on the relative maximum borrowing authority of each subsidiary, and, similar to the calculations to be made in

subsequent years of operations, the costs will be retroactively reallocated at the end of the first calendar year on the basis of that year's actual relative maximum outstanding short term borrowing of each subsidiary.

The funds available to the Utility Pool will be loaned by IEC on a short-term basis to applicants that are public utility subsidiaries and, to a lesser extent, will also come from the utility participants themselves, to the extent permitted by state law, through the investment of surplus funds into the Utility Pool.

Under the proposed terms of the respective money pools, from time to time, short-term funds will be made available to participants of the money pools if Services, as administrator of both money pools, determines that it will result in a lower cost of borrowing consistent with the individual borrowing needs and financial standing of the participating subsidiaries.

Services will provide each money pool participant with periodic activity and cash accounting reports that include, among other things, reports of each activity, the daily balance of loans outstanding, and the daily interest charged. No party will be required to effect a borrowing through a money pool if it is determined that it could (and had authority to) effect a borrowing at a lower cost directly from banks.

The operation of the money pools is designed to match, on a daily basis, the available cash and short-term borrowing requirements of the participants. To the extent necessary, IEC and Alliant will use the proceeds of external borrowings, up to Commission approved limits, to accommodate the short-term requirements of participants. Requirements satisfied by the money pools will be in the form of open account advances and will not exceed the approved limits contained in the financing program of IEC, Alliant and the other subsidiaries that may be subsequently authorized by the Commission.

IEC and Alliant will participate in the money pools only insofar as they have funds available for lending, either through internally generated or from external sources. Under no circumstances will IEC or Alliant be permitted to borrow funds available through the money pools. If at any time there are funds remaining in the money pools after satisfaction of the borrowing needs of the participating subsidiaries, Services, as the manager of the money pools, will invest these funds appropriately and consistent with applicable state and federal regulations and allocate the earnings of the investments between or among those

applicants within each money pool according to the amount of excess funds provided by each respective applicant. The return on the funds loaned by a subsidiary into either of the money pools will essentially be equal to the cost of borrowing from the money pools. The applicable interest rate will be the average for the month of the CD yield equivalent of the 30 day Federal Reserve "AA" Industrial Commercial Paper Composite Rate ("Composite") or, if no Composite were established for that particular day, then the applicable rate would be the Composite for the next preceding day for which the Composite was established.

All borrowings from and contributions to the money pools will be adequately documented and will be evidenced on the books of each applicant that is borrowing or contributing funds through the money pools. All loans will be payable on demand, may be prepaid by any borrowing applicant at any time without premium or penalty and will be subject to interest that shall be calculated and added to the outstanding loan balance. These rates will be adjusted periodically and any participating subsidiary that contributes funds to a money pool may withdraw them at any time to satisfy its daily need for funds.

Services proposes to administer the Utility Pool on an "at cost" basis and to administer the Nonutility Pool on a basis other than cost. Services will also provide cash management and banking services to the subsidiaries of IEC that participate in the money pools.

IEC proposes to enter into guarantees, obtain letters of credit, enter into guarantee-type expense agreements or otherwise provide credit support to the obligations of its nonutility subsidiaries as may be appropriate to enable those companies to carry on in the ordinary course of their respective business in an aggregate principal amount not to exceed \$600 million outstanding at any one time.

Columbia Energy Group, et al. (70-9365)

Columbia Energy Group ("Columbia"), a registered holding company, and its wholly owned subsidiary Columbia Electric Corporation ("Columbia Electric"), both located at 13880 Dulles Corner Lane, Herndon, Virginia 20171-4600, have filed an application-declaration under sections 6(a), 7, 9(a), 10, 12(b) and 13(b) of the Act and rules 45, 54, 87(b)(1), 90, and 91 under the Act.

Columbia proposes to acquire indirectly, through Columbia Electric, a 50% interest in a congeneration facility

⁴ Alliant has two unsecured credit facilities totaling \$600 million and IEC has a \$150 million credit facility. All credit facilities are available for direct borrowing or commercial paper back-up.

(Project Gregory) to be constructed in Gregory, Texas and to issue guarantees in an aggregate amount not to exceed \$200 million. Project Gregory is a 550 megawatt electric and steam production facility that, once operational, will be a "qualifying facility" under the Public Utility Regulatory Policies Act of 1978 and rules thereunder.

In June, 1998, Columbia Electric and LG&E Power Inc. ("LG&E") entered into an agreement to participate in the development, construction, start-up, operation, maintenance, financing, and ownership of Project Gregory. The assets of Project Gregory will be held by Gregory Power Partners, L.P., a special purpose limited partnership that will be jointly owned by subsidiaries of Columbia Electric and LG&E. Columbia Electric Gregory General Corporation will hold a 1% interest as a general partner of Gregory Power Partners, L.P. and Columbia Electric Gregory Limited Corporation will hold a 49% interest as a limited partner on behalf of Columbia Electric. LG&E Power Gregory IV, Inc. will hold a 1% interest as a general partner and LG&E Power Gregory I, Inc. will hold a 49% interest as a limited partner on behalf of LG&E.

A second special purpose entity, Gregory Partners, LLC will provide administrative and advisory services to Project Gregory. Columbia Electric Gregory Remington Corporation will hold a 1% interest as member-manager, and Columbia Electric Gregory Member Corporation will hold a 49% interest as a member of Gregory Partners, LLC on behalf of Columbia Electric. LG&E Power Gregory II, Inc. will hold a 1% interest as a member-manager, and LG&E Power Gregory III, Inc. will hold a 49% interest as a member of Gregory Partners, LLC on behalf of LG&E.

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

Jonathan G. Katz,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-23516; File No. 812-11128]

The Wright Managed Blue Chip Series Trust, et al.; Notice of Application

November 2, 1998.

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

ACTION: Notice of application for an order under Section 6(c) of the Investment Company Act of 1940 (the

"1940 Act") granting exemptive relief from Sections 9(a), 13(a), 15(a) and 15(b) of the 1940 Act and Rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder.

Summary of Application: Applicants seek an order to permit shares of The Wright Managed Blue Chip Series Trust and any similar investment companies for which Wright Investors' Service, Inc., or any of its affiliates may in the future serve as investment adviser, administrator, principal underwriter or sponsor to be sold to and held by: (1) Separate accounts funding variable annuity and variable life insurance contracts issued by both affiliated and unaffiliated participating life insurance companies; and (2) qualified pension and retirement plans outside of the separate account context ("Qualified Plans" or "Plans").

Applicants: The Wright Managed Blue Chip Series Trust (the "Trust") and Wright Investors' Service, Inc. ("Wright" or "the Adviser").

Filing Dates: The application was filed on April 27, 1998, and amended on August 6, 1998, and October 9, 1998.

Hearing or Notification of Hearing: An order granting the application will be issued unless the Commission orders a hearing. Interested Persons may request a hearing on this application by writing to the Secretary of the Commission and serving Applicants with a copy of the request, in person or by mail. Hearing requests must be received by the Commission by 5:30 p.m. on November 27, 1998, and must be accompanied by proof of service on the Applicants in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the interest, the reason for the request and this issues contested. Persons may request notification of the date of a hearing by writing to the Secretary of the Commission.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW, Washington, DC 20549. Applicants, c/o Mr. A. M. Moody III, Wright Investors' Service, Inc., 1000 Lafayette Boulevard, Bridgeport, Connecticut 06604.

FOR FURTHER INFORMATION CONTACT: Keith E. Carpenter, Senior Counsel, or Kevin M. Kirchoff, Branch Chief, Office of Insurance Products, Division of Investment Management, at (202) 942-0670.

SUPPLEMENTARY INFORMATION: the following is a summary of the application. the complete application is available for a fee from the Public Reference Branch of the SEC, 450 Fifth Street, NW, Washington, DC (tel. (202) 942-8090).

Applicants' Representations

1. the Trust is organized as a Massachusetts business trust and is registered under the 1940 Act as an open-end management investment company. It currently consists of three separate investment portfolios ("Portfolios"), each with its own investment objectives and policies.

2. Wright, a registered investment adviser under the Investment Adviser Act of 1940, is the investment adviser for each Portfolio.

3. the Trust will offer shares of its Portfolios to separate accounts of insurance companies to serve as the investment medium for variable annuity contracts and variable life insurance policies, as well as to qualified pension and retirement accounts and other appropriate investors.

4. The Trust and any other similar investment companies that the Adviser or any of its affiliates may manage or serve as investment adviser, administrator, principal underwriter or sponsor for in the future (the Trust and such similar investment companies are collectively referred to herein as the "Funds") would offer shares to separate accounts that are registered under the 1940 Act as unit investment trusts ("Separate Accounts") and that serve as investment vehicles for variable insurance contracts issued by affiliated and unaffiliated participating life insurance companies. Variable insurance contracts may include variable annuity contracts, variable life insurance contracts and variable group life insurance contracts. Separate accounts to which the shares of the Funds would in the future be offered also include separate accounts that are not registered as investment companies under the 1940 Act pursuant to the exceptions from registration in Sections 3(c)(1) and 3(c)(11) of the 1940 Act. In addition, the Funds may offer shares to separate accounts serving as investment vehicles for other types of insurance products, which may include variable annuity contracts, scheduled premium variable life insurance contracts, single premium variable life insurance contracts, modified single premium variable life insurance contracts, and flexible premium variable life insurance contracts. (All insurance contracts reference in this paragraph are collectively referred to as "Variable Contracts." insurance companies whose separate account or accounts would own share of the Funds are referred to as "participating insurance companies.")

5. The Funds also intend to offer shares directly to Qualified Plans