NUCLEAR REGULATORY COMMISSION

Fire Protection Functional Inspection (FPFI) Program Workshop

AGENCY: Nuclear Regulatory Commission.

ACTION: Notice of public meeting.

SUMMARY: The Nuclear Regulatory Commission staff is holding a workshop to discuss with and obtain feedback from the nuclear industry and the public regarding the results of the recently completed four Fire Protection Functional Inspection (FPFI) Program pilot inspections. A written summary will be issued to registered participants after the meeting.

AGENDA: The workshop will be held from 8:00 a.m.—5:00 p.m. on November 10, 1998, at the Doubletree Hotel, 1750 Rockville Pike, Rockville, MD 20952 (Twinbrook Metro Stop). Presentations will be made by speakers from NRC Staff and staff contractors, NEI, and other public and industry representatives.

SUPPLEMENTARY INFORMATION: The preliminary agenda for the proposed workshop is:

7:30–8:00 Registration
8:00–8:10 Introduction and Presentation of Agenda
L.B. Marsh, Chief, Plant Systems Branch, NRR
8:10–8:25 Keynote Address
Samuel J. Collins, Director, Office of Nuclear Reactor Regulation
8:25–8:35 Introductory Remarks by an Industry Representative
Industry Speaker TBD
8:35–8:50 Focus Comparison Between Appendix R, NRC Core, and FPFI Temporary Instruction
Pat Madden, Fire Protection Engineering Section, SPLB/NRR
8:50–9:30 FPFI Pilot, Clinton, and Quad Cities Fire Protection Inspection Results; and Discussion of Safety Significant Commercial Reactor Fire Protection Issues Highlighted During the Inspections
Pat Madden, Fire Protection Engineering Section, SPLB/NRR
Ken Sullivan, Brookhaven National Laboratory
9:30–9:45 Break
9:45–10:00 Use of Risk Information for FPFI Inspection Focus, and NRC Process for Assessment of FPFI Inspection Finding Risk Significance
Rich Barrett, Chief, Probabilistic Safety Assessment Branch, NRR
10:00–11:00 Public and Industry Observations on FPFI Pilot Program Activities
Public and Industry Speakers TBD
11:00–11:30 Comparison of Pilot FPFI Program Objectives and Results
Steve West, Chief, Fire Protection Engineering Section, SPLB/NRR
11:30–12:00 Post-Pilot FPFI Program Continuation Options
L.B. Marsh, Chief, Plant Systems Branch, NRR
12:00–1:30 Lunch Break
1:30–3:30 Stakeholder Views on FPFI Continuation Options
Public and Industry Speakers TBD
3:30–4:30 Open Discussion and Question and Answer Session
NRC, Public and Industry on the dais, participants TBD
4:30–4:40 Industry Closing Remarks
Fred Emerson, Nuclear Energy Institute
4:40–4:50 NRC Closing Remarks and Adjourn
L.B. Marsh, Chief, Plant Systems Branch, NRR

FOR FURTHER INFORMATION CONTACT: Leon E. Whitney, Mail Stop O–8–D1, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001. Telephone (301) 415–3081; E-mail: LEW1@NRC.GOV.

PUBLIC PARTICIPATION: Individuals wishing to make a presentation at the workshop should contact Leon Whitney directly. Individuals who wish to attend the workshop are encouraged to provide their name, organizational affiliation, address, and phone number either by FAX (415–415–2300) or by E-mail (RMC@NRC.GOV).

Dated at Rockville, Maryland this 27th day of October 1998.

For the Nuclear Regulatory Commission.

Ledyard B. Marsh,

Chief, Plant System Branch, Division of Systems Safety and Analysis, Office of Nuclear Reactor Regulation.

[FR Doc. 98–29263 Filed 10–30–98; 8:45 am]

BILLING CODE 7590–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35–26932]

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

October 23, 1998.

Notice is hereby giving 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 summit their views in writing by November 17, 1998, to the Secretary, Securities and Exchange Commission, Washington, DC 20549, and serve a copy on the relevant applicant(s) and/or declarants(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 issued in the matter. After November 17, 1998, the application(s) and/or declaration(s), as filed or as amended may be granted and/or permitted to become effective.

IES Utilities, Inc. (70–9375)

IES Utilities, Inc. (''IES''), doing business as Alliant Utilities, Alliant Tower, Cedar Rapids, Iowa 52401, an electric utility subsidiary company of Interstate Energy Corporation, a registered holding company, has filed an application-declaration under sections 6(a), 7, 9(a), 10, and 12(c) of the Act and rules 42 and 54 under the Act.

IES proposed, from time to time through December 31, 2000, to: (1) issue and sell one or more series of one or a combination of the following securities—(a) trust bonds (''Trust Bonds''), (b) senior unsecured debentures (''Senior Debentures''), and (c) unsecured subordinated debt securities (''Subordinated Debentures''); and (2) enter into an agreement or agreements (''Agreement'') for the issuance and sale of one or more series of tax-exempt bonds (''Tax-Exempt Bonds'') for the financing or refinancing of certain air and water pollution control facilities and sewage and solid waste disposal facilities (''Facilities''). As security for IPC's obligations under the Agreement or security or credit enhancement for the Tax-Exempt Bonds, IES also proposes, through December 30, 2000, one or a combination of the following transactions: (1) issuance of a non-negotiable promissory note (''Note'') to evidence a loan to IES of the proceeds of the Tax-Exempt Bonds from the issuer of the Tax-Exempt Bonds; (2) conveyance of a subordinated security interest in the Facilities or other property of IES as security for IES's obligations under the Agreement and the Note; (3) issuance and pledge of one or more new series of Trust Bonds as collateral for the Tax-Exempt Bonds (''Tax-Exempt Collateral Bonds''); (4) acquisition of a letter of credit and execution of a reimbursement agreement to secure this letter of credit guaranteeing payment of the Tax-Exempt Bonds; (5) acquisition of an insurance policy guaranteeing the payment of the Tax-Exempt Bonds; and (6) guarantee of the payment of principal, premium, if any, and interest on the Tax-Exempt Bonds.

The aggregate principal amount of the Trust Bonds, Senior Debentures, Subordinated Debentures, and Tax-Exempt Bonds shall not exceed $200 million. This amount excludes the principal amount of the Tax-Exempt Collateral Bonds and any other forms of security or credit enhancement related to the Tax-Exempt Bonds. The aggregate principal amount of the Tax-Exempt Collateral Bonds shall not exceed an amount equal to the sum of the principal amount, plus interest, of the Tax-Exempt Bonds.

The Trust Bonds will be issued under EIS's Indenture of Mortgage and Deed of Thrust, dated September 1, 1993, to the First National Bank of Chicago, as trustee (''Trustee'') as amended and supplemented and as proposed to be further supplemented for one or more new series of Trust Bonds (''1993 Indenture''). The Senior Debentures will be issued under IES's Indenture (For Senior Unsecured Debt Securities), dated August 1, 1997, to the Trustee, as amended and supplemented and as proposed to be further supplemented for one or more new series of Senior Debentures. The Subordinated Debentures will be issued under IES's Indenture (For Unsecured Subordinated Debit Securities), dated as of December 1, 1995, to the Trustee, as amended and supplemented and as proposed to be further supplemented for one or more new series of Subordinated Debentures (''1995 Indenture'').

The Trust Bonds will be secured primarily by: (1) first mortgage bonds issued under IES's Indenture of Mortgage and Deed of Trust, dated August 1, 1940, as amended and supplemented (''1940 Indenture''), to The First National Bank of Chicago, as trustee, and delivered to the trustee under the 1993 Indenture; (2) first mortgage bonds issued under IES's Indenture or Deed of Trust, dated February 1, 1923, as amended and supplemented (''1923 Indenture''), to The Northern Trust Company (The First National Bank of Chicago, successor) and Harold H. Rockwell (Richard D. Manella, successor), as trustees, and delivered to the trustee under the 1993 Indenture; and (3) the lien of the 1993 Indenture on IES's properties used in the generation, purchase, transmission, distribution or sale of electric energy by IES, or in the manufacture of manufactured gas, or in the purchase, transportation, distribution or sale of steam and hot water, which lien is junior to the liens of the 1940 Indenture and the 1923 Indenture. The Senior Debentures will be unsecured obligations of IES and will rank on a parity with all other unsecured and unsubordinated debt of IES. The Subordinated Debentures will be unsecured, subordinated obligations of IES. The 1995 Indenture provides that payment of the principal of, premium, if any, and interest on Subordinated Debentures is subordinated and subject in right of payment to the prior payment in full of all senior indebtedness of IES.

Each new series of Trust Bonds and each series of Senior Debentures and Subordinated Debentures will be sold at the price, bear interest at the rate or rates, and mature on the date or dates determined at the time of sale or when the agreement to sell is entered into, as the case may be. No series of Trust Bonds will be issued at rates in excess of the lower of 15% per annum or those rates generally obtainable at the time of pricing for sales of mortgage bonds having the same reasonably similar maturities, issued by companies of the same or reasonably comparable credit quality and having reasonably similar terms, conditions and features (''Ceiling Rate''). None of any series of Senior Debentures or Subordinated Debentures will be sold if their fixed interest rate or initial adjustable interest rate exceeds the Ceiling Rate.

As to each series of Trust Bonds, Senior Debentures, and Subordinated Debentures having an adjustable interest rate, the initial interest rate will be negotiated among IES and the purchasers and will be based upon the current market rate for comparable securities. Thereafter, the interest rate on these Trust Bonds, Senior Debentures, and Subordinated Debentures will be adjusted according to a pre-established formula or method of determination (in each case, ''Floating Rate Trust Bonds,'' ''Floating Rate Senior Debentures,'' and ''Floating Rate Subordinated Debentures,'' respectively), or will be that rate which, when set, would be sufficient to remarket the Trust Bonds, Senior Debentures, and Subordinated Debentures at their principal amount (in each case, ''Remarketed Trust Bonds,'' ''Remarketed Senior Debentures,'' and ''Remarketed Subordinated Debentures,'' respectively). After the initial interest rate period, none of the Floating Rate Trust Bonds, Floating Rate Senior Debentures, Floating Rate Subordinated Debentures, Remarketed Trust Bonds, Remarketed Senior Debentures, or Remarketed Subordinated Debentures will bear an interest rate exceeding 15% per annum.

The price, exclusive of accrued interest, to be paid to IES for each new series of Trust Bonds, Senior Debentures, and Subordinated Debentures to be sold at competitive bidding will be within a range (to be specified by IES to prospective purchasers) of 95% to 105% of the principal amount of each series of Trust Bonds, Senior Debentures, and Subordinated Debentures. Each series of Trust Bonds, Senior Debentures, and Subordinated Debentures will mature not later than 30 years from the day of issuance.

IES anticipates that the issuance and sale of each series of Trust Bonds, Senior Debentures, and Subordinated Debentures will be by means of competitive bidding or negotiated public offering or private placement with institutional investors in order to secure the advantages of an advance marketing effort and/or the best available terms. Each sale of Trust Bonds, Senior Debentures, and Subordinated Debentures is a separate transaction not contingent upon another sale of securities.

IES proposes to use the net proceeds derived from the issuance and sale of Trust Bonds, Senior Debentures, and Subordinated Debentures for general corporate purposes, including the conduct of its business as a utility, the repayment of outstanding securities when due, or the possible redemption, acquisition, or refunding of certain outstanding securities prior to their stated maturity or due date.

IES also proposes to enter into one or more Agreements, which may be loan or installment sales agreements, relating to the issuance and sale of Tax-Exempt Bonds for the financing or refinancing of certain Facilities. Under the Agreement, IES may be loaned the proceeds of the sale of the Tax-Exempt Bonds, and IES may issue a Note, or the issuer of the Tax-Exempt Bonds will undertake to purchase and sell the Facilities to IES. While the actual amount of Tax-Exempt Bonds to be issued has not yet been determined, this amount will be based upon the cost of refunding outstanding bonds or the cost of the Facilities. The Tax-Exempt Bonds will mature not more than 30 years from the first day of the month in which they are initially issued.

In order to obtain the benefit of ratings for the Tax-Exempt Bonds equivalent to the rating of the Trust Bonds outstanding under the 1993 Indenture, which ratings IES has been advised may be attained, IES may determine to secure its obligations under the Note and the Agreement by delivering to the trustee, a series of Tax-Exempt Collateral Bonds in principal amount either (1) equal to the principal amount of the Tax-Exempt Bonds or (2) equal to the sum of the principal amount of the Tax-Exempt Bonds plus interest payments thereon for a specified period. The series Tax-Exempt Collateral Bonds will be issued under an indenture supplemental to the 1993 Indenture (''Supplemental Indenture''), will mature on the maturity date of the Tax-Exempt Bonds and will be non-transferable by the trustee. The Tax-Exempt Collateral Bonds, in the case of clause (1) above, will bear interest at a rate or rates equal to the interest rate or rates to be borne by the related Tax-Exempt Bonds and, in the case of clause (2) above, would be non-interest bearing.

The Supplemental Indenture will provide, however, that the obligation of IES to make payments with respect to the Tax-Exempt Collateral Bonds will be satisfied to the extent that payments are made under the Note or the Agreement sufficient to meet payments when due in respect of the related Tax-Exempt Bonds. The Supplemental Indenture will provide that, upon acceleration by the trustee of the principal amount of all related outstanding Tax-Exempt Bonds under the trust indenture, the trustee may demand the mandatory redemption of the related Tax-Exempt Collateral Bonds then held by it as collateral at a redemption price equal to the principal amount thereof plus accrued interest, if any, to the date fixed for redemption. The Supplemental Indenture may also provide that, upon the optional redemption of the Tax-Exempt Bonds, in whole or in part, a related principal amount of the Tax-Exempt Collateral Bonds will be redeemed at the redemption price of the Tax-Exempt Bonds.

In the case of interest bearing Tax-Exempt Collateral Bonds, because interest accrues in respect of the Tax-Exempt Collateral Bonds until satisfied by payments under the Note or the Agreement, ''annual interest charges'' in respect of the Tax-Exempt Collateral Bonds will be included in computing the ''interest earnings requirement'' of the 1993 Indenture which restricts the amount of Trust Bonds which may be issued and sold to the public in relation to IES's net earnings. In the case of non-interest bearing Tax-Exempt Collateral Bonds, since no interest would accrue in respect of the Tax-Exempt Collateral Bonds, the ''interest earnings requirement'' would be unaffected.

As an alternative to or in conjunction with IES's securing its obligations through the issuance of the Tax-Exempt Collateral Bonds, IES may acquire an irrevocable letter of credit or other credit facility (''Letter of Credit'') of a bank or other financial institution (''Bank'') and enter into a reimbursement agreement (''Reimbursement Agreement'') for any payments under the Letter of Credit. Any borrowing by IES under the Reimbursement Agreement will have a term of up to ten years and bear interest at a rate not exceeding: (1) the London Interbank Offered Rate plus up to 2%, (2) the Bank's certificate of deposit rate plus up to 1¾%, or (3) a rate not to exceed the prime rate plus 1%.

As a further alternative to, or in conjunction with, securing its obligations under the Agreement and Notes, IES may acquire a policy of insurance guaranteeing the payment when due of the principal of and interest on the series of the Tax-Exempt Bonds. This insurance policy would extend for the term of the related Tax-Exempt Bonds and would be non-cancelable by the insurance company for any reason.

In the event that a Letter of Credit or an insurance policy is issued as an alternative to the issuance of the Tax-Exempt Collateral Bonds, IES may convey a subordinated security interest in the Facilities or other property of IES as further security for IES's obligations under the Agreement and the Note. This subordinated security interest would be assigned to the trustee. IES also proposes to guarantee the payment of the principal of, premium, if any, and interest on the Tax-Exempt Bonds.

Unless otherwise specifically stated in IES's proposal, any Tax-Exempt Collateral Bonds, Letter of Credit or any related subordinated security interest, coverage under any insurance policy, or guarantee acquired by or issued by IES as a security or credit enhancement for the Tax-Exempt Bonds shall be in an aggregate amount no greater than the principal amount of the Tax-Exempt Bonds plus interest and will be designed to reflect the payment terms and conditions of the Tax-Exempt Bonds.

It is contemplated that the Tax-Exempt Bonds will be sold under arrangements with one or more purchasers, placement agents or underwriters. In accordance with applicable state laws, the interest rate to be borne by the Tax-Exempt Bonds will be approved by the issuer and will be either a fixed rate, which fixed rate may be convertible to a rate which will fluctuate in accordance with a specified prime or base rate or rates or may be determined by certain remarketing or auction procedures, or a fluctuating rate, which fluctuating rate may be convertible to a fixed rate.

IES also proposes that it may enter into arrangements providing for the delayed or future delivery of Tax-Exempt Bonds to one or more purchasers or underwriters. The obligations of the purchasers or underwriters to purchase Tax-Exempt Bonds under any of these arrangements may be secured by U.S. Treasury securities, letters of credit, or other collateral. The effective cost to IES of any series of the Tax-Exempt Bonds will not exceed the yield on U.S. Treasury securities having a maturity comparable to that of the series of Tax-Exempt Bonds. This effective costs will reflect the applicable interest rate or rates and any underwriters' discount or commission.

The premium (if any) payable upon the redemption of any Tax-Exempt Bonds at the option of IES will not exceed the greater (1) 5% of the principal amount of the Tax-Exempt Bonds so to be redeemed, or (2) a percentage of the principal amount equal to the rate of interest per annum borne by the Tax-Exempt Bonds.

The purchase price payable by or on behalf of IES is respect of Tax-Exempt Bonds tendered for purchase at the option of the holders will not exceed 100% of the principal amount, plus accrued interest to the purchase date.

Interstate Power Company (70–9377)

Interstate Power Company (''IPC''), 1000 Main Street, P.O. Box 769, Dubuque, Iowa 52004–7691, an electric utility subsidiary company of Interstate Energy Corporation, a registered holding company, has filed an application-declaration under sections 6(a), 7, 9(a), 10, and 12(c) of the Act and rules 42 and 54 under the Act.

IPC proposes, from time to time through December 31, 2000, to: (1) issue and sell one or more series of one or a combination of the following securities—(a) first mortgage bonds (''First Mortgage Bonds''), (b) senior unsecured debentures (''Senior Debentures''), and (c) unsecured subordinated debt securities (''Subordinated Debentures''); and (2) enter into an agreement or agreements (''Agreement'') for the issuance and sale of one or more series of tax-exempt bonds (''Tax-Exempt Bonds'') for the financing or refinancing of certain air and water pollution control facilities and sewage and solid waste disposal facilities (''Facilities''). As security for IPC's obligations under the Agreement or security or credit enhancement for the payment of the Tax-Exempt Bonds, IPC also proposes, through December 30, 2000, one or a combination of the following transactions: (1) issuance of a non-negotiable promissory note (''Note'') to evidence a loan of the proceeds of the Tax-Exempt Bonds from the issuer of the Tax-Exempt Bonds to IPC; (2) conveyance of a subordinated security interest in the Facilities or other property of IPC as security for IPC's obligations under the Agreement and the Note; (3) issuance and pledge of one or more new series of First Mortgage Bonds (''Tax-Exempt Collateral Bonds'') as collateral for the Tax-Exempt Bonds; (4) acquisition of a letter of credit and executive of a reimbursement agreement to secure this letter of credit to guarantee payment of the Tax-Exempt Bonds; (5) acquisition of an insurance policy to guarantee payment of the Tax-Exempt Bonds; and/or (6) guarantee the payment of principal, premium, if any, and interest on the Tax-Exempt Bonds.

The aggregate principal amount of the First Mortgage Bonds, Senior Debentures, Subordinated Debentures, and Tax-Exempt Bonds shall not exceed $80 million. This amount excludes the principal amount of the Tax-Exempt Collateral Bonds and any other forms of security and credit enhancement related to the Tax-Exempt Bonds, including letters of credit and any related subordinated security interests, guarantees and insurance policies. The aggregate principal amount of the Tax-Exempt Collateral Bonds shall not exceed an amount equal to the sum of the principal amount of the Tax-Exempt Bonds plus interest.

The new series of First Mortgage Bonds will be issued under IPC's Indenture, dated as of January 1, 1948, to The Chase Manhattan Bank and C.J. Heinzelmann, as trustees, as supplemented and as proposed to be further supplemented for one or more new series of First Mortgage Bonds (''Mortgage''). The First Mortgage Bonds would be issued on the basis of unfunded net property additions and/or previously retired bonds, as permitted and authorized by the Mortgage. The Senior Debentures will be issued under IPC's Indenture (For Senior Unsecured Debt Securities) to The First National Bank of Chicago (or to another institution), as trustee, as proposed to be supplemented for one or more new series of Senior Debentures. The Subordinated Debentures will be issued under IPC's Indebenture (For Unsecured Subordinated Debt Securities) to The First National Bank of Chicago (or to another institution), as trustee, as proposed to be supplemented for one or more new series of Subordinated Debentures.

The First Mortgage Bonds will be issued on the basis of unfunded net property additions and/or previously retired bonds, as permitted and authorized by the Mortgage. The Senior Debentures will be unsecured obligations of IPC and will rank on a parity with all other unsecured and unsubordinated debt of IPC. The Subordinated Debentures will be unsecured, subordinated obligations of IPC. The indenture for the Subordinated Debentures will provide that payment of the principal of, premium, if any, and interest on Subordinated Debentures will be subordinated and subject in right of payment to the prior payment in full of all senior indebtedness of IPC.

Each new series of First Mortgage Bonds and each series of Senior Debentures and Subordinated Debentures will be sold at the price, bear interest at the rate or rates, and mature on the date or dates determined at the time of sale or when the agreement to sell is entered into, as the case may be. No series of First Mortgage Bonds will be issued at rates in excess of the lower of 15% per annum or those rates generally obtainable at the time of pricing for sales of mortgage bonds having the same or reasonably similar maturities, issued by companies of the same or reasonably comparable credit quality and having reasonably similar terms, conditions and features (''Ceiling Rate''). None of any series of Senior Debentures or Subordinated Debentures will be sold if their fixed interest rate or initial adjustable interest rate exceeds the Ceiling Rate.

As to each series of First Mortgage Bonds, Senior Debentures, and Subordinated Debentures having an adjustable interest rate, the initial interest rate will be negotiated among IPC and the purchasers and will be based upon the current market rate for comparable securities. Thereafter, the interest rate on these First Mortgage Bonds, Senior Debentures, and Subordinated Debentures will be adjusted according to a pre-established formula or method of determination (in each case, ''Floating Rate First Mortgage Bonds,'' ''Floating Rate Senior Debentures,'' and ''Floating Rate Subordinated Debentures,'' respectively) or will be that rate which, when set, would be sufficient to remarket the First Mortgage Bonds, Senior Debentures, and Subordinated Debentures at their principal amount (in each case, ''Remarketed First Mortgage Bonds,'' ''Remarketed Senior Debentures,'' and ''Remarketed Subordinated Debentures,'' respectively). After the initial interest rate period, none of the Floating Rate First Mortgage Bonds, Floating Rate Senior Debentures, Floating Rate Subordinated Debentures, Remarketed First Mortgage Bonds, Remarketed Senior Debentures, or Remarketed Subordinated Debentures will bear an interest rate exceeding 15% per annum.

The price, exclusive of accrued interest, to be paid to IPC for each new series of First Mortgage Bonds, Senior Debentures, and Subordinated Debentures to be sold at competitive bidding will be within a range (to be specified by IPC to prospective purchasers) of 95% to 105% of the principal amount of each series of First Mortgage Bonds, Senior Debentures, and Subordinated Debentures. Each series of First Mortgage Bonds will mature not later than 40 years from the day of issuance. Each series of Senior Debentures and Subordinated Debentures will mature not later than 30 years from the day of issuance.

IPC anticipates that the issuance and sale of each series of First Mortgage Bonds, Senior Debentures and Subordinated Debentures will be by means of competitive bidding or negotiated public offering or private placement with institutional investors in order to secure the advantages of an advance marketing effort and/or the best available terms. Each sale of First Mortgage Bonds, Senior Debentures and Subordinated Debentures is a separate transaction not contingent upon another sale of securities.

IPC proposes to use the net proceeds derived from the issuance and sale of First Mortgage Bonds, Senior Debentures and Subordinated Debentures for general corporate purposes, including the conduct of its business as a utility, the repayment of outstanding securities when due, or the possible redemption, acquisition, or refunding of certain outstanding securities prior to their stated maturity or due date.

IPC also proposes to enter into one or more Agreements, which may be loan or installment sales agreements, relating to the issuance and sale of Tax-Exempt Bonds for the financing or refinancing of certain Facilities. Under the Agreement, IPC may be loaned the proceeds of the sale of the Tax-Exempt Bonds, the IPC may issue a Note, or the issuer of the Tax-Exempt Bonds will undertake to purchase and sell the Facilities to IPC. While the actual amount of Tax-Exempt

Bonds to be issued has not yet been determined, this amount will be based upon the cost of refunding outstanding bonds or the cost of the Facilities. The Tax-Exempt Bonds will mature not more than 30 years from the first day of the month in which they are initially issued.

In order to obtain the benefit of ratings for the Tax-Exempt Bonds equivalent to the rating of the First Mortgage Bonds outstanding under the Mortgage, which ratings IPC has been advised may be attained, IPC may determine to secure its obligations under the Note and the Agreement by delivering to the trustee a series of Tax-Exempt Collateral Bonds in principal amount either (1) equal to the principal amount of the Tax-Exempt Bonds or (2) equal to the sum of the principal amount of the Tax-Exempt Bonds plus interest payments thereon for a specified period. This series of the Tax-Exempt Collateral Bonds will be issued under an indenture supplemental to the Mortgage (''Supplemental Indenture''), will mature on the maturity date of the Tax-Exempt Bonds and will be non-transferable by the trustee. The Tax-Exempt Collateral Bonds, in the case of clause (1) above, will bear interest at a rate or rates equal to the interest rate or rates to be borne by the related Tax-Exempt Bonds and, in the case of clause (2) above, would be non-interest bearing.

The Supplemental Indenture will provide, however, that the obligation of IPC to make payments with respect to the Tax-Exempt Collateral Bonds will be satisfied to the extent that payments are made under the Note or the Agreement sufficient to meet payments when due in respect of the related Tax-Exempt Bonds. The Supplemental Indenture will provide that, upon acceleration by the trustee of the principal amount of all related outstanding Tax-Exempt Bonds under the trust indenture, the trustee may demand the mandatory redemption of the related Tax-Exempt Collateral Bonds then held by it as collateral at a redemption price equal to the principal amount thereof plus accrued interest, if any, to the date fixed for redemption. The Supplemental Indenture may also provide that, upon the optional redemption of the Tax-Exempt Bonds, in whole or in part, a related principal amount of the Tax-Exempt Collateral will be redeemed at the redemption price of the Tax-Exempt Bonds.

In the case of interest bearing Tax-Exempt Collateral Bonds, because interest accrues in respect of these Tax-Exempt Collateral Bonds until satisfied by payments under the Note or the Agreement, ''annual interest charges'' in respect of these Tax-Exempt Collateral Bonds will be included in computing the ''interest earnings requirement'' of the Mortgage which restricts the amount of First Mortgage Bonds which may be issued and sold to the public in relation to IPC's net earnings. In the case of non-interest bearing Tax-Exempt Collateral Bonds, since no interest would accrue in respect of these Tax-Exempt Collateral Bonds, the ''interest earnings requirement'' would be unaffected.

As an alternative to on in conjunction with IPC's securing its obligation through the issuance of the Tax-Exempt Collateral Bonds, IPC may acquire an irrevocable letter of credit or other credit facility (''Letter of Credit'') of a bank or other financial institution (''Bank'') and enter into a reimbursement agreement (''Reimbursement Agreement'') for any payments under the Letter of Credit. Any borrowing by IPC under the Reimbursement Agreement will have a term of up to ten years and bear interest at a rate not exceeding: (1) the London Interbank Offered Rate plus up to 2%, (2) the Bank's certificate of deposit rate plus up to 1–¾%, or (3) a rate not to exceed the prime rate plus 1%.

As a further alternative to, or in conjunction with, securing its obligation under the Agreement and Note, IPC may acquire a policy of insurance guaranteeing the payment when due of the principal of and interest on the series of the Tax-Exempt Bonds. This insurance policy would extent for the term of the related Tax-Exempt Bonds and would be non-cancelable by the insurance company for any reason.

In the event that a Letter of Credit or an insurance policy is issued as an alternative to the issuance of the Tax-Exempt Collateral Bonds, IPC may convey a subordinated security interest in the Facilities or other property of IPC as further security for IPC's obligations under the Agreement and the Note. This subordinated security interest would be assigned to the trustee. IPC also proposes to guarantee the payment of the principal of, premium, if any, and interest on the Tax-Exempt Bonds.

Unless otherwise specifically stated in IPC's proposal, any Tax-Exempt Collateral Bonds, Letter of Credit or any related subordinated security interest, coverage under any insurance policy, or guarantee acquired by or issued by IPC as security or credit enhancement for the Tax-Exempt Bonds shall be in an aggregate amount no greater than the principal of the Tax-Exempt Bonds plus interest and will be designed to reflect the payment terms and conditions of the Tax-Exempt Bonds.

It is contemplated that the Tax-Exempt Bonds will be sold under arrangements with one or more purchasers, placement agents or underwriters. In accordance with applicable state laws, the interest rate to be borne by the Tax-Exempt Bonds will be approved by the issuer and will be either a fixed rate, which fixed rate may be convertible to a rate which will fluctuate in accordance with a specified prime or base rate or rates or may be determined by certain remarketing or auction procedures, or a fluctuating rate, which fluctuating rate may be convertible to a fixed rate.

IPC also proposes that it may enter into arrangements providing for the delayed or future delivery of Tax-Exempt Bonds to one or more purchasers or underwriters. The obligations of the purchasers or underwriters to purchase Tax-Exempt Bonds under any of these arrangements may be secured by U.S. Treasury securities, letters of credit, or other collateral. The effective cost to IPC of any series of the Tax-Exempt Bonds will not exceed the yield on U.S. Treasury securities having a maturity comparable to that of the series of Tax-Exempt Bonds. The effective cost will reflect the applicable interest rate or rates and any underwriters' discount or commission.

The premium (if any) payable upon the redemption of any Tax-Exempt Bonds at the option of IPC will not exceed the greater of (1) 5% of the principal amount of the Tax-Exempt Bonds so to be redeemed, or (2) a percentage of the principal amount equal to the rate of interest per annum borne by the Tax-Exempt Bonds.

The purchase price payable by or on behalf of IPC in respect of Tax-Exempt Bonds tendered for purchase at the option of the holders thereof will not exceed 100% of the principal amount thereof, plus accrued interest to the purchase date.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: [To Be Published].

STATUS: Closed Meeting.

PLACE: 450 Fifth Street, N.W., Washington, D.C.