SECURITIES AND EXCHANGE COMMISSION

[Release No. 35–27222]

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

August 25, 2000.

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 September 19, 2000, to the Secretary, Securities and Exchange Commission, Washington, D.C. 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 September 19, 2000, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Indiana Michigan Power Company (70–6458)

Indiana Michigan Power Company (''I&M''), One Summit Square, P.O. Box 60, Fort Wayne, Indiana 46801, an electric utility subsidiary of American Electric Power Company, Inc., a registered holding company, has filed a post-effective amendment under sections 9(a), 10 and 12(d) of the Act and rule 54 under the Act to an application-declaration previously filed under the Act.

By orders dated June 11, 1980, June 25, 1980, December 4, 1984, December 12, 1984, August 2, 1985, October 5, 1994, June 26, 1995 and February 28, 2000 (HCAR Nos. 21618, 21642, 23514, 23528, 23781, 26136, 26319 and 27143, respectively) (''Orders''), I&M was authorized to enter into and amend agreements (collectively, ''Agreements'') with the city of Rockport, Indiana (''City'') in connection with the construction and installation of pollution control facilities at I&M's Rockport generating station (''Facilities''). Under the Agreements, the City may issue and sell, in several series, its pollution control revenue bonds and pollution control refunding bonds (together, ''Bonds'').

The Orders also authorized I&M to convey the Facilities to the City and to reacquire them at a purchase price, payable on an installment basis semi-annually, in amounts that enable the City to pay, when due, the interest and principal on the Bonds and certain other fees and expenses. Currently, the City has issued three series of Bonds in an outstanding aggregate principal amount of $150 million.

Under the most recent order (''February Order''), the Commission authorized I&M to cause the City to issue and sell, under the terms of the Agreements, through June 30, 2000 (''Authorization Period''), one or more additional series of Refunding Bonds in the aggregate principal amount of up to $50 million. However, the Bonds authorized in the February Order were not issued during the Authorization Period.

It is now proposed that the Authorization Period be extended to June 30, 2002. The Bonds will mature on a date not more than thirty years from the date of issuance. The proceeds will be used to provide for the early redemption of the entire outstanding principal amount of $50 million of the City's Series 1985 A Floating Rate Weekly Demand Bonds, due August 1, 2014.

New England Power Service Company (70–9673)

New England Power Service Company (''NEPSCO''), a direct wholly owned nonutility service subsidiary company of National Grid USA (''Grid''), a registered holding company, and an indirect wholly owned subsidiary of The National Grid Group PLC (''NGG''), a registered public utility holding company, located at 25 Research Drive, Westborough, Massachusetts 01582, has filed a declaration under sections 12(c) and 13(b) of the Act and rules 90 and 91 under the Act.

By order dated December 21, 1979 (HCAR No. 21354), the Commission authorized NEPSCO to include in its service charges to associate companies in the New England Electric System (''NEES'') [1] a rate of return on equity capital (excluding retained earnings and accumulated other comprehensive income) equal to the authorized rate of return on common equity for its associate, the New England Power Company. Under this formula, NEPSCO currently uses an equity rate of return of 11.25%. NEPSCO requests permission to reduce its common stock and paid-in capital from a total of $16.3 million to $5 million by means of a distributive dividend to Grid from paid-in capital, through December 31, 2004.

The recapitalization proposed in this filing would be completed on or before the thirtieth day following the Commission's order granting the authority requested in this file and in file no. 70–9089.[2]

NEPSCO proposes to continue to be allowed to include in its service charges: (1) The actual interest on funds borrowed, and (2) as reasonable compensation for its equity capitalization, a return on the book value of its equity (excluding retained earnings and accumulated other comprehensive income). NEPSCO requests permission so that following the reduction in capital, the rate of return on equity capital through December 31, 2004, would be fixed at 10.5%, the allowed rate of return stipulated in a settlement entered into by its affiliate, The Narragansett Electric Company, with the Rhode Island Public Utilities Commission.

The Connecticut Light and Power Company, et al. (70–9697)

The Connecticut Light and Power Company (''CLP''), 107 Selden Street, Berlin, Connecticut 06037, Western Massachusetts Electric Company (''WME''), 174 Brush Hill Avenue, West Springfield, Massachusetts 01090, and Public Service Company of New Hampshire (''PSC''), 1000 Elm Street, Manchester, New Hampshire 03101 (collectively, ''Applicants''), each an electric utility subsidiary company of Northeast Utilities (''NU''), a registered holding company, have filed an application-declaration under sections 6(a), 7, 9(a), 10, and 13(b) of the Act and rules 45, 46, 90 and 91 under the Act.

CLP, WME and PSC provide electric power at retail to customers in Connecticut, Massachusetts and New Hampshire, respectively. Each of these states has enacted an electric utility restructuring law (''Restructuring Law''), which introduces retail competition for

[1] By order dated March 15, 2000 (HCAR No. 27154), the Commission approved the acquisition of NEES by NGG. NEES has changed its name to National Grid USA.

[2] In file no. 70–9089 (filed June 12, 2000), National Grid USA requested increased borrowing authority for its service company and select utilities. That request will have no effect on the rate of return on equity capital or the overall reduction of NEPSCO's equity to $5 million.

electric services. To facilitate the transition to competition, the Restructuring Laws contain provisions that permit electric utilities to recover some, or all of certain costs resulting from the transition to competition (''Transition Costs'').[3] The recovery will take place through the collection, from electricity consumers, of a non-bypassable special charge that is based on the amount of electricity purchased (''Market Transition Charge'').

The Restructuring Laws also contain provisions authorizing the state utility commissions (''PUCs'') to approve the issuance of debt securities (''Transition Bonds'') by a utility as a mechanism to mitigate Transition Costs and reduce customer rates.[4] Each Applicant has submitted requests to its PUC to approve the recovery of specified amounts of Transition Costs, to allow the issuance of Transition Bonds and to establish special purpose entities (''SPEs'') that will issue the Transition Bonds.

The Transition Bonds would be secured by a portion of the Market Transition Charge (''Transition Bond Charge'').[5] To facilitate securitization, the Restructuring Laws have established the right to collect the Transition Bond Charge as a separate property right (''Transition Property'') that includes all right, title, and interest in and all revenues, collections, claims, payments, money, or proceeds of or arising from the Transition Bond Charge.

Applicants accordingly request authority through August 31, 2005 for several transactions. In summary, Applicants request authority (1) to create and acquire interests in special purpose entities (''SPEs''), (2) for the SPEs to issue Transition Bonds or other related debt instruments either to the public or to state government-sponsored trusts (''Trusts''), and (3) for each Applicant to enter into agreements to provide services to the SPEs at other than cost.

Each Applicant will contribute as equity to its subsidiary SPE cash equal to at least 0.50% of the initial principal balance of Transition Bonds issued with respect to that SPE (''Capital Amount'').[6] The Capital Amount invested in an SPE and any investment earnings on that amount, to the extent not used to satisfy obligations on the related Transition Bonds, will be returned to its parent Applicant after the Transaction Bonds are paid in full.

The SPEs will issue Transition Bonds to underwriters, who in turn will sell the bonds to public investors. Applicants state that the following principal amount of Transition Bonds will not in aggregate outstanding principle amount exceed $1.489 billion for CLP, $303 million for WME and $725 million for PSC. Proceeds from the sale of Transition Bonds issued by an SPE, less any transaction costs paid by the SPE, will be transferred to its parent Applicant in consideration for the transfer of the Transition Bond Property by the Applicant to the SPE.

Transition Bonds will be in the form of promissory notes of the SPEs. Transition Bonds issued by an SPE will be nonrecourse to its parent Applicant, but will be secured by the assets of the SPE. Transition Bonds will not be subordinated to the claims of any creditors or the equity owner of the issuing SPE, other than for payments of trustee, servicing, and administrative fees.

The Transition Bonds will be issued in one or more series. Each series of Transition Bonds may be offered in one or more classes, each expected to have a different principal amount, term,interest rate, and amortization schedule. Each Applicant expects that the weighted average all-in cost of the Transition Bonds issued on its behalf will not exceed the applicable U.S. Treasury bond benchmark security plus 300 basis points.

Applicants also expect that the Transition Bonds will have legal maturities not longer than 15 years and that the longest-term Transition Bonds will have scheduled maturities that are at least 6 months earlier, as necessary to meet the rating agencies' triple-A rating standards. An SPE may enter into swap agreements or other hedging arrangements solely to permit the issuance of variable rate Transition Bonds. The cost of any such agreements or arrangements will be included in the weighted average all-in cost calculation referred to above.

Each Applicant requests authority to enter into administration agreements (''Administration Agreements'') with its subsidiary SPE, to perform administrative services, including collection, and provide facilities for the SPE to ensure that it is able to perform such day-to-day operations as are necessary. Under the Administrative Agreements, Applicants will be entitled to receive an administration fee for their provision of services. In addition, each Applicant will collect the billed Transition Bond Charge for a fee as a servicer for the Transition Bonds. In order to support the SPEs' status as a bankruptcy remote entity, separate and apart from their parent Applicants, and to satisfy related rating agency and legal opinion requirements, these fees must be comparable to one negotiated in a market-based, arm's length transaction. Although the fees to be charged by an Applicant are expected to approximate its estimate of the actual cost of providing these services and facilities, Applicants cannot be certain that the fees will meet the ''at cost'' requirements of Section 13(b) and Rules 90 and 91 of the Act. Accordingly, Applicants request an exemption from these requirements for those services.

Applicants also propose to use an alternative structure with respect to the proposed transactions. Under the alternate format, the SPEs will issue promissory notes (''SPE Debt Securities''), not to the public, but to Trusts. In turn, the Trusts will issue securities to the public through underwriters in the form of pass-through certificates (''Pass-Through Certificates'') representing beneficial ownership interests in the SPE Debt Securities held by the Trusts. The Pass-Through Certificates will be issued in an aggregate principal amount equal to the aggregate principal amount of the SPE Debt Securities. The SPE Debt Securities will be secured in the same fashion and to the same extent as the Transition Bonds.

Each class of each series of Pass-Through Certificates will have terms and characteristics that are substantially identical to the corresponding class of SPE Debt Securities. As with the Transition Bonds, any SPE or Trust may enter into swap agreements or other hedging arrangements solely to permit the issuance of variable rate Pass-Through Certificates. In such case, ownership of Pass-Through Certificates would also represent beneficial ownership interests in those agreements or arrangements. The cost of any such agreements or arrangements will be

[3] Transition Costs include regulatory assets, long-term purchased power commitments and other costs, including investments in generating plants, spent-fuel disposal, retirement costs and reorganization costs, for which an opportunity for recovery is allowed in an amount determined by the state public utility commissions to be just and reasonable.

[4] Applicants state that the issuance of Transition Bonds would reduce rates because each Applicant is required to use the proceeds to reduce its capitalization, thus reducing its revenue requirements.

[5] The Transition Bond Charge will be established at a level (or at different levels during specified periods over the life of Transition Bonds) intended to provide for the full recovery of payments of interest and principal on Transition Bonds, credit enhancement, including any liquidity reserves, and an amount for overcollateralization. The amount is expected to reach at least 0.50% of the initial principal amount of the Transition Bonds.

[6] This capitalization is required in order for the Applicant to treat the Transition Bond issuance by its subsidiary SPE as debt for tax purposes.

included in a weighted average all-in cost calculation, which will not exceed the rates described under the first transactional structure described above.

As with the first structure, each Trust will transfer the proceeds from the issuance of the Pass-Through Certificates, net of its transaction expenses, if any, to the related SPE, as consideration for the SPE Debt Securities. In turn, the SPE will then transfer to its parent Applicant, as consideration for the transfer of the Transition Bond Property to the SPE, the balance of those Transition Bond proceeds, net of any remaining transaction expenses.

Applicants plan to apply the proceeds of securitization, among other things, to pay for transaction costs, to buy out or renegotiate existing purchased power agreements with independent power producers, and to reduce their capitalization.

Vectren Corporation, et al. (70–9703)

Vectren Corporation (''Vectren''), an Indiana public-utility holding company exempt from registration under section 3(a)(1) of the Act by rule 2, and its wholly owned subsidiary Vectren Utility Holdings, Inc. (''VUHI'') have filed an application under sections 9(a)(2) and 10 of the Act in connection with: (1) The formation of VUHI, which will serve as an intermediate holding company over Vectren's public-utility subsidiaries; and (2) the indirect acquisition, through VUHI, of a public-utility company that will hold certain of the natural gas distribution assets (the ''DP&L Assets'') of The Dayton Power & Light Company (''DP&L'') (collectively, the ''Transactions''). In addition, both Vectren and VUHI request that the Commission grant them an exemption under section 3(a)(1) of the Act from all provision of the Act, except section 9(a)(2).

Vectren was formed on March 31, 2000 from the combination of Indiana Energy, Inc. and SIGCORP., Inc. *See Vectren Corp.,* Holding Co. Act Release No. 27150 (Mar. 8, 2000) (''March 2000 Order''). Vectren has established VUHI, a new Indiana subsidiary, to serve as the intermediate holding company for Vectren's utility interests. Vectren will contribute the common stock of its public-utility subsidiary companies to VUHI.

Vectren, through its public-utility subsidiary companies, Southern Indiana Gas and Electric Company (''SIGECO''), Community Natural Gas Company, Inc. (''Community'') and Indiana Gas Company (''Indiana Gas''), provides electric and/or gas utility service to customers in southern and central Indiana. In the *March 2000 Order,* the Commission determined that the gas operations of SIGECO, Community and Indiana Gas constitute a gas integrated public-utility system and that Vectren may own the SIGECO electric operations as an additional integrated public-utility system.

Indiana Gas provides gas distribution service to approximately 510,000 customers in Indiana. for the twelve months ended June 30, 2000, Indiana Gas had operating revenues of approximately $455.7 million and assets, as of June 30, 2000, of approximately $698.3 million. Indiana Gas purchases approximately 50% of its total system gas supply requirements from the Gulf Coast production basin and approximately 48% from production in the Mid-Continent basin. The interstate pipelines that transport pipeline supplies to the Indiana Gas service territory include ANR Pipeline Company (''ANR''), CMS Panhandle Eastern Pipeline Company (''CMS Panhandle''), Texas Eastern Transmission Company (''Texas Eastern''), Texas Gas Transmission Corporation (''Texas Gas'') and Midwestern Gas Transmission Company (''Midwestern'') (via ANR).

SIGECO provides retail gas distribution service to approximately 107,000 customers and electric distribution service at retail to approximately 126,000 customers in Indiana. for the twelve months ended June 30, 2000, SIGECO had operating revenues of approximately $385.5 million and assets, as of June 30, 2000, of approximately $878.4 million. SIGECO's gas utility operations are located in a single contiguous area in southwestern Indiana. SIGECO purchases nearly 100% of its system supply gas requirements from the Gulf Cost production basin. SIGECO has contracted for firm transmission capacity on five interstate gas pipelines: Texas Gas Midwestern, Tennessee Gas Pipeline Company, ANR and Texas Eastern.

Vectren also owns approximately 33% of the outstanding common stock of Community, a small Indiana gas distribution company. Community has several service territories in southwestern Indiana that are adjacent to or near the gas service territory of SIGECO. Community has 6,638 natural gas customers.

Indiana Gas, SIGECO and Community are subject to regulation as to rates and other matters, including affiliate transactions, by the Indiana Utility Regulatory Commission.

DP&L is a wholly owned subsidiary of DPL, Inc., a public-utility holding company that claims exemption from registration under section 3(a)(1) of the Act by rule 2. DP&L provides electric and gas service to customers in west central Ohio. For the twelve months ended June 30, 2000 DP&L had approximately $219.4 million of gross operating revenues from its gas utility operations and approximately $425 million in gas assets as of June 30, 2000. Of interest here, DP&L provides retail gas distribution to approximately 300,000 customers. Under DP&L's operation, the gas assets were supported by long-term firm pipeline transportations with ANR, Texas Gas, CMS Panhandle, Columbia Gas Transmission Corporation and Columbia Gulf Transmission Corporation. DP&L is also interconnected with CNG Transmission Corporation.

Vectren and one of its subsidiaries. Vectren energy Delivery of Ohio, Inc. (formerly, Number-3CHK, Inc.) (referred to here as ''OhioCoO''), have entered into an agreement to purchase the ''DP&L Assets'' for a purchase price of approximately $425 million. The DP&L Assets are located in a single area that is adjacent to, and contiguous with, the service territory of the existing Vectren gas operations.

Vectren proposes to acquire the DP&L Assets as a tenancy in common through two separate subsidiaries. Specifically, Indiana Gas will acquire an approximately 47% ownership in the DP&L Assets and OhioCo will acquire the remaining approximately 53% ownership interest. OhioCo will operate the DP&L Assets. Because Ohio law requires domestic incorporation of any entity that provides utility services in Ohio, Indiana Gas has incorporated under Ohio law as well as Indiana law. After the acquisition of the DP&L Assets, the gas distribution system jointly owned by OhioCo and Indiana Gas will be subject to regulation as to rates and other matters by the Public Utilities Commission of Ohio.

DP&L interstate pipeline contracts that are used in connection with the operation of the DP&L Assets will be transferred to Vectren as part of the asset acquisition. The existing DP&L commodity purchase contracts will not be transferred to Vectren, however. Instead, Vectren will access commodity through the use of transferred transportation contracts from the same sources that have been available to DP&L historically.

As a result of the proposed Transactions, Vectren and VUHI will be affiliates of Indiana Gas, SIGECO, Community and OhioCo. Vectren will be a holding company over VUHI, Indian Gas, SIGECO, Community and OhioCo, and VUHI will be a holding company over Indiana Gas, SIGECO, Community and OhioCo. The application states that, following the Transactions, both Vectren and VUHI will qualify for exemption from registration under section 3(a)(1) of the Act because each holding company and each public-utility company from which it derives, directly or indirectly, any material part of its income, will be predominantly intrastate in character and will carry on their businesses substantially in Indiana, the state in which the holding company and each such public-utility company is organized.

Cinergy Corporation (70–9731)

Cinergy Corporation (''Cinergy''), 139 East Fourth Street, Cincinnati, Ohio 45202, 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.

Cinergy proposes to adopt a shareholder rights plan (''Plan'') and to enter into a related Rights Agreement (''Agreement'') with the Fifth Third Bank, acting as transfer agent, to implement the Plan. Under the Plan, Cinergy's Board of Trustees (''Board'') proposes to declare a dividend of one right (''Right'') for each outstanding share of Cinergy common stock, $0.01 par value (''Common Stock''). Each Right would entitle the holder to purchase one share of Common Stock at a price of $100.00 per share, subject to adjustment (''Exercise Price''). The dividend will be payable to stockholders of record on the tenth business day after the Commission has issued an order requested in this filing (''Record Date'').

Initially, the Rights would not be exercisable and may only be traded together with the Common Stock certificates that are outstanding on the Record Date. The Rights may be exercised and traded independently of the underlying Common Stock on the Distribution Date, which is defined in the Agreement as the earlier of two dates. The first is ten business days after the first public announcement that any person or group (''Acquiring Person'') has acquired beneficial ownership of ten percent or more of Common Stock without Board approval (''Acquisition Event''). The second is ten business days (unless extended by the Board) after any person or group has commenced a tender or exchange offer, which would, upon its consummation, result in the person or group becoming an Acquiring Person. On the occurrence of either event, each Right will be evidenced by a transferable Right certificate.

If an Acquisition Event has occurred, Right holders (other than Acquiring Persons and certain of their transferees) will have the right to receive Common Stock having a market value equal to two fines the effective Exercise Price (''Discount Purchase Price'') for each Right exercised. In addition, each Right holder (other than Acquiring Persons and certain of their transferees) will have the right, following an Acquisition Event, to receive the acquiror's common stock having a market value equal to the Discount Purchase Price for each Right exercised, under certain circumstances. The circumstances are: (1) Cinergy is acquired by another person or entity not controlled by Cinergy (''Acquiror'') in a business combination in which Cinergy is not the continuing or surviving entity; (2) an Acquiror consolidates with or merges into Cinergy in a business combination in which Cinergy is the continuing or surviving entity and all or part of the Common stock is exchanged for the securities or property of any other person; or (3) 50% or more of Cinergy's consolidated assets or earning power is sold or transferred to an Acquirer. If an Acquisition Event occurs, all Rights held by Acquiring Persons (and certain of their transferees) other related persons, become full and void.

Cinergy may redeem the Rights, as a whole, at an adjustable price of $0.01 per Right, at any time prior to the earlier of the close of business on the date on which any person has become an Acquiring Person and the final expiration date of the Rights. The Rights will expire ten years from the date of the Agreement, unless Cinergy has redeemed or exchanged them earlier.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00–22417 Filed 8–31–00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–43162A; File No. SR–Amex–00–37]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by American Stock Exchange LLC Relating to Trading of Convertible Bond Linked Medium Term Notes

August 25, 2000.

Correction

In FR Document No. 00–21431, beginning on page 51374 for Wednesday, August 23, 2000, the following text should replace the heading and text of Section III in column 3, page 51375.

Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549–0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to File No. SR–Amex–00–37 and should be submitted by September 22, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[1]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00–22420 Filed 8–31–00; 8:45 am]

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[1] 17 CFR 200.30–3(a)(12).