

interest equal to the higher of (1) the Federal Funds Effective Rate plus 0.5% or (2) the corporate base rate of Bank One from time to time. The aggregate amount of commercial paper notes and revolving credit loans under the Credit Agreement may not exceed \$60 million. Arnold is currently obligated under the Credit Agreement to pay a facility fee of 10 basis points per annum on each lending bank's commitment.

IP&L is obligated under the Fuel Lease to make quarterly lease payments ("Basic Rent"), consisting of a "Quarterly Lease Charge," which, for any calendar quarter, is the sum of the aggregate of the "Daily Lease Charges," plus a "Burn-Up Charge," which is the portion of the Nuclear Fuel that is consumed in producing heat during the quarterly rent period. The Daily Lease Charge for any calendar day is equal to the sum of (1) an accrual for all interest expense and amortization of debt discount with respect to all commercial paper issued by and all revolving credit loans obtained by Arnold under the Credit Agreement which are outstanding at the close of business of such day, (2) an accrual for such day with respect to all commitment fees and other fees, costs and expenses (including issuing agent's fees) of Arnold under the Credit Agreement, and (3) a charge determined by dividing (x)  $\frac{1}{4}$ th of 1% of the "Stipulated Loss Value" of the Nuclear Fuel (essentially Arnold's unrecovered cost of the Nuclear Fuel purchased and leased to IP&L) at the close of business on such day by (y) 365. The Fuel Lease and Arnold's current financing arrangements were all in place at the time Alliant became a registered holding company in 1998.

IP&L requests authorization to enter into an amendment to the Fuel Lease to reflect certain proposed changes to the financing arrangements by which Arnold will finance the cost of Nuclear Fuel. Specifically, authorization is requested for Arnold to issue from time to time during the term of the Lease Agreement up to \$30 million of senior secured notes ("Notes") under one or more note purchase agreements with banks, insurance companies or other institutional lenders. Each Note will have a maturity date of between one year and seven years from the date of issuance and bear interest on the unpaid principal prior to maturity or default at a rate not to exceed 400 basis points over the yield to maturity of a U.S. Treasury security having a comparable term. Each Note may be subject to redemption at IP&L's option upon payment of a premium equal to the excess, if any, of (a) the net present value of the future stream of payments

under the Note as if held to maturity, discounted at a rate determined pursuant to the applicable note purchase agreement, over (b) the principal amount of the Note. Under the Fuel Lease, as amended, the calculation of the "Daily Lease Charge" will be modified to reflect accruals for interest on and placement fees and other expenses relating to the Notes.

In connection with the foregoing, IP&L and Bank One, NA will enter into an amended Credit Agreement under which the aggregate commitments of the lending banks will be reduced from \$60 million to \$30 million. Under the amended Credit Agreement, the facility fee will be increased from 10 basis points per year to 15 basis points per year on each lending bank's commitment. The interest rate options applicable to borrowings under the Credit Agreement will remain unchanged.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48382; File No. SR-Amex-2003-71]

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the American Stock Exchange LLC Relating to the Elimination of the Minor Floor Violation Disciplinary Committee

August 20, 2003.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on July 25, 2003, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Amex proposes to amend Amex Rule 590 to eliminate its Minor Floor Violation Disciplinary Committee

("MFVDC" or "Committee") and to transfer the MFVDC's responsibilities to the Exchange's Enforcement Department. The text of the proposed rule change is available at the Office of the Secretary, the Amex and at the Commission.

#### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

##### A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The Exchange has had a Minor Rule Violation Fine Plan since 1976 that provides a simplified procedure for the resolution of specified rule violations. Codified in Amex Rule 590, the Minor Rule Violation Fine Plan has three distinct sections: Part 1 ("General Rule Violations"), which covers more substantive matters; Part 2 ("Floor Decorum"), which covers Floor Decorum and operational matters; and Part 3 ("Reporting Violations"), which covers the late submission of routine reports.

The Exchange's Enforcement Department and MFVDC<sup>3</sup> currently divide responsibility for administering Part 1 of Amex Rule 590. The Enforcement Department enforces those rules enumerated in paragraph (g) of Part 1 of Amex Rule 590, and the MFVDC enforces the rules enumerated in paragraph (h) of Part 1 of Amex Rule 590. The rules that currently may be enforced by the MFVDC follow:

Failure to comply with the Exchange's Auto-Ex Policy relating to signing on and off the Auto-Ex system  
Failure to comply with the Exchange's rules regarding openings. (Amex Rules 108(a) and (b) and 950(b))

<sup>3</sup> The Exchange established the MFVDC in 1993. See Securities Exchange Act Release No. 32989 (September 29, 1993), 58 FR 52122 (October 6, 1993) (SR-Amex-92-11). The structure of the Committee recently changed to include two floor members, two members of the Amex staff and one representative of an upstairs member firm.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.