

In addition, to the extent that such transactions are not otherwise exempt under the Act or rules under the Act, Ameren requests approval to consolidate, sell, transfer or otherwise reorganize all or any part of its direct and indirect ownership interests in Nonutility Subsidiaries, as well as investment interests in entities that are not subsidiary companies. To effect any such consolidation or other reorganization, Ameren may wish to either contribute the equity securities of one Nonutility Subsidiary to another Nonutility Subsidiary (including a newly formed Intermediate Subsidiary) or sell (or cause a Nonutility Subsidiary to sell) the equity securities or all or part of the assets of one Nonutility Subsidiary to another one. Such transactions may also take the form of a Nonutility Subsidiary selling or transferring the equity securities of a subsidiary or all or part of such subsidiary's assets as a dividend to an Intermediate Subsidiary or to another Nonutility Subsidiary, and the acquisition, directly or indirectly, of the equity securities or assets of such subsidiary, either by purchase or by receipt of a dividend. The purchasing Nonutility Subsidiary in any transaction structured as an intrasystem sale of equity securities or assets may execute and deliver its promissory note evidencing all or a portion of the consideration given. Ameren may also liquidate or merge Nonutility Subsidiaries.

#### **Ohio Valley Electric Corporation (70-10160)**

Ohio Valley Electric Corporation ("OVEC"), 3932 U.S. Route 23, P.O. Box 468, Piketon, Ohio 45661, an electric public utility subsidiary of American Electric Power Company, Inc. ("AEP"), Allegheny Energy, Inc. ("Allegheny"), and FirstEnergy Corporation ("FirstEnergy"), each a registered public utility holding company under the Act, has filed a declaration ("Declaration") under sections 6 and 7 of the Act and rule 54 under the Act.

By order dated December 6, 1999 (Holding Company Act Release No. 35-27109) OVEC was authorized to incur short-term indebtedness through the issuance and sale of notes to banks or other financial institutions in an aggregate principal amount not to exceed \$100 million outstanding at any one time, from time-to-time, through December 31, 2003, provided that no note would mature later than June 30, 2004.

OVEC requests authorization to incur short-term indebtedness through the issuance and sale of notes ("Notes") to

banks or other financial institutions in an aggregate principal amount not to exceed \$200 million outstanding at any one time, from time-to-time, through December 31, 2006, provided that no note shall mature later than June 30, 2007. OVEC requests that the Commission reserve jurisdiction over the issuance of \$100 million principal amount of Notes, out of the \$200 million principal amount of debt authority requested, until completion of the record.

OVEC and its wholly-owned subsidiary, Indiana-Kentucky Electric Company, own two generating stations located in Ohio and Indiana with a combined electric production capability of approximately 2,256 megawatts. OVEC is owned by AEP, Allegheny, FirstEnergy and other utilities.<sup>8</sup> AEP owns directly and indirectly 44.2% of OVEC, of which 4.35% is owned by its subsidiary Columbus Southern Power Company. FirstEnergy owns indirectly 20.5% of OVEC through its subsidiaries Ohio Edison Company (16.5%) and The Toledo Edison Company (4.0%). Allegheny owns directly 12.5% of OVEC. The owners, or their affiliates, purchase power from OVEC according to the terms of an inter-company power agreement.

The operation of OVEC's generating stations requires the storage of substantial quantities of coal to ensure the availability of power to pay its customers. OVEC has used short term debt to finance the coal inventory at its plants, to purchase SO<sub>2</sub> allowances, to purchase material supplies and inventory, to provide interim financing of capital improvements pending the issuance of long-term debt, and for cash management to pay general obligations. The proceeds of the short-term debt incurred by OVEC will be used to pay for these and other general obligations and for other corporate purposes.

The Notes will mature not more than 365/366 days after the date of issuance or renewal, provided that no Note will mature later than June 30, 2007. Notes will be offered at terms consistent with those of similar companies and will bear interest at an annual rate not greater than the prime commercial rate of Citibank, N.A. (or any successor) in effect from time-to-time. Any credit

<sup>8</sup> The other utilities that own OVEC are: The Cincinnati Gas & Electric Company (9.0%), a subsidiary of Cinergy Corp.; Louisville Gas and Electric Company (4.9%) and Kentucky Utilities Company (2.5%), both subsidiaries of E.ON AG; The Dayton Power and Light Company (4.9%), a subsidiary of DPL Inc.; and Southern Indiana Gas and Electric Company (1.5%), a subsidiary of Vectren Corp. Both Cinergy and E.ON AG are registered public utility holding companies under the Act.

arrangements may require payment of a fee that is not greater than 1/2 of 1% of the size of the line of credit made available by the bank and the maintenance of additional balances of not greater than 20% of the line of credit. Any other line of credit fees will be consistent with fees paid for like transactions. The maximum effective annual interest cost under the above arrangements, assuming full use of the line of credit, will not exceed 125% of the prime commercial rate in effect from time to time or not more than 7.5% on the basis of a prime commercial rate of 6%.

#### **NiSource, Inc., et al. (70-10169)**

NiSource Inc. ("NiSource"), a registered public-utility holding company, Northern Indiana Public Service Company ("Northern Indiana"), Kokomo Gas and Fuel Company ("Kokomo") and its subsidiary, Northern Indiana Fuel and Light Company, Inc. ("NIFL"), all public-utility company subsidiaries of NiSource, and its subsidiary, EnergyUSA, Inc., and its subsidiaries, PEI Holdings, Inc. (f/k/a Primary Energy, Inc.), NiSource Capital Markets, Inc. ("Capital Markets"), NiSource Corporate Services Company ("NiSource Services"), a subsidiary service company, NiSource Finance Corp. ("NiSource Finance"), Granite State Transmission, Inc., Crossroads Pipeline Company, NiSource Development Company, Inc., and its subsidiaries, NI Energy Services, Inc., and its subsidiaries, NiSource Energy Technologies, Inc., IWC Resources Corporation and its subsidiaries; Columbia Energy Group ("Columbia"), a registered public-utility holding company, Columbia Atlantic Trading Corporation, Columbia Deep Water Services Company, Columbia Energy Services Corporation and Columbia Remainder Corporation and its subsidiary, all located at 801 East 86th Avenue, Merrillville, Indiana 46410-6272; Bay State Gas Company ("Bay State"), Northern Utilities, Inc. ("Northern Utilities"), both gas utility companies, and Bay State GPE, Inc., located at 300 Friberg Parkway, Westborough, Massachusetts 01581-5039; Columbia Gas of Kentucky, Inc. ("Columbia Kentucky"), Columbia Gas of Maryland, Inc. ("Columbia Maryland"), Columbia Gas of Ohio, Inc. ("Columbia Ohio"), Columbia Gas of Pennsylvania, Inc. ("Columbia Pennsylvania"), Columbia Gas of Virginia, Inc. ("Columbia Virginia"), all gas utility companies, and Columbia Accounts Receivable Corporation, 200 Civic Center Drive, Columbus, Ohio