



THE CHAIRMAN

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

February 13, 2002

The Honorable John D. Dingell
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
2322 Rayburn House Office Building
Washington, DC 20515

The Honorable Edward J. Markey
U.S. House of Representatives
2108 Rayburn House Office Building
Washington, DC 20515

Dear Congressmen Dingell and Markey:

Thank you for your January 30th letter in which you express concern about Section 125 of H.R. 3406, the "Electric Supply and Transmission Act." Section 125 would provide an exemption from the Investment Company Act of 1940 to certain affiliates of public utility holding companies if the provisions of H.R. 3406 that repeal the Public Utility Holding Company Act of 1935 are enacted into law. I very much appreciate, and share, your concern with this provision.

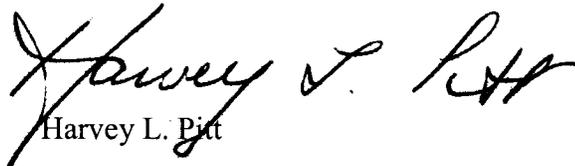
As you are aware, Commissioner Isaac Hunt testified before the House Energy and Commerce Committee, Energy and Air Quality Subcommittee on behalf of the Commission in December with respect to H.R. 3406. Although Commissioner Hunt indicated that the Commission supported the PUHCA repeal provisions of H.R. 3406, he also stated that the Commission opposes enactment of section 125. He noted that the Investment Company Act already provides the Commission with adequate authority to address status issues in a manner appropriate to each case and that we see no reason for legislation to deal with such issues. He further noted that we are prepared to work with any utility holding companies currently relying on the exemption from the definition of "investment company" provided by section 3(c)(8) of the Investment Company Act, if repeal of PUHCA leads to questions about their status under the Investment Company Act.

You also requested an analysis of various issues raised by section 125, information on public utility holding companies and their affiliates, the types of companies that might be able to rely on section 125 if enacted and information on the exemption granted to Enron in 1997 under the Investment Company Act. At my request, Paul Roye, Director of the Division of Investment Management, and his staff have prepared the enclosed memorandum that provides the analysis you requested and describes the materials that we are providing to you in response to your letter.

The Honorable John D. Dingell
The Honorable Edward J. Markey
Page 2

I hope that the Division's memorandum is helpful to you. As with other issues surrounding our position on PUHCA repeal, I would welcome the opportunity to meet with you at your convenience to discuss these matters. And, if you have additional questions or comments, please do not hesitate to contact me at 942-0100 or to contact Paul directly at 942-0720.

Yours truly,



Harvey L. Pitt

Enclosure

cc: The Honorable W. J. "Billy" Tauzin
The Honorable Joe Barton
The Honorable Rick Boucher

MEMORANDUM

February 13, 2002

To: Chairman Harvey L. Pitt

From: Paul F. Roye 
Director, Division of Investment Management

Re: Letter from Congressmen Dingell and Markey dated January 30, 2002

This memorandum addresses issues raised by Congressmen John D. Dingell and Edward J. Markey in their letter to you dated January 30, 2002 concerning section 125 of H.R. 3406, the "Electric Supply and Transmission Act." Section 125 would exempt certain affiliates of public utility holding companies from the Investment Company Act of 1940 upon repeal of the Public Utility Holding Company Act of 1935 ("PUHCA").

On December 13, 2001, Commissioner Isaac Hunt, on behalf of the Commission, testified on H.R. 3406 before the Subcommittee on Energy and Air Quality of the Committee on Energy and Commerce of the United States House of Representatives. Although Commissioner Hunt testified in favor of the provisions of the bill that would repeal PUHCA, he also indicated that the Commission opposed enactment of section 125.

Congressmen Dingell and Markey have asked a number of important questions about the Commission's position on section 125. In order to assess the potential effect of section 125 if it were enacted, they have also asked for information on public utility holding companies and their affiliates and securities holdings. They also asked about the effect of, and information on, the exemption the Commission granted Enron from the Investment Company Act of 1940 in 1997. We have addressed their questions below.

I. Section 125 of H.R. 3406

Congressmen Dingell and Markey asked for information on the number of unregulated investment companies potentially created by section 125 and the types of securities in which those investment companies would be permitted to invest. As the information provided in the accompanying Forms U5S, and in some cases U-3A-2, indicates, there may be hundreds of unregulated investment companies that would result from enactment of section 125. It would be virtually impossible to determine an exact number of potential unregulated investment companies created by section 125.

We have also analyzed the types of securities in which those companies would be permitted to invest. Section 125(a)(2) would appear to allow a company that was a holding company affiliate on December 31, 2001 ("Company") to invest in any "investment securities" issued by any company engaged in the electric or gas utility

business or other permitted business activities¹ for a registered holding company ("Issuer"). This authorization is limited to the securities of Issuers the Company held on December 31, 2001 ("Qualified Issuer"). Section 125 would, however, permit the Company to acquire additional "investment securities" of the same type issued by the Qualified Issuer, as well as other types of "investment securities" issued by the same Qualified Issuer.² Therefore, although the universe of Issuers that a Company could invest in would be limited by the cut-off date of December 31 and the type of business in which an Issuer engages, the Company would be able to invest in and trade in all types of securities issued by Qualified Issuers.

Congressmen Dingell and Markey asked for our views on whether section 125 would affect the Commission's ability to regulate investment companies. Section 125 potentially could allow "grandfathered" companies to operate as unregulated investment companies. Under this provision, a "grandfathered" company that meets the definition of investment company under the Investment Company Act and in fact is in the business of investing, holding and trading in securities, would be allowed to operate outside the regulatory framework for, and SEC oversight of, investment companies. Although the types of securities in which a "grandfathered" company could invest would be limited by section 125, we nonetheless do not believe that there is any reason why investors in such a company should not be afforded the protections of the Investment Company Act. Moreover, as the SEC testified in December 2001, legislation is not necessary with respect to registered holding company affiliates if PUHCA is repealed. The SEC can administratively address any unique status issues faced by an operating company under the Investment Company Act.

II. Information about the Structure and Securities Holdings of Utility Holding Companies

In responding to Congressmen Dingell and Markey's letter of January 30, 2002, it is important to note that there are three types of holding companies that fall within PUHCA: registered holding companies; holding companies that are exempt from registration by rule; and holding companies that are exempt from registration by order.

We have provided a list of registered holding companies as of December 31, 2001. Registered holding companies file Forms U5B (registration statement) and/or U5S (annual report) which contain much of the information requested. Form U5B, a

¹ Although section 125 does not define "permitted business," it likely includes energy-related businesses permitted in PUHCA rule 58, ownership of exempt wholesale generators as permitted by section 32 of PUHCA, ownership of foreign utility companies as permitted by section 33 of PUHCA, ownership of exempt telecommunication companies as permitted by section 34 of PUHCA and any other type of activity in which the Commission has allowed registered holding companies to engage by order.

² Section 125(b)(3) defines "investment securities" by reference to section 3(a)(2) of the Investment Company Act. Section 3(a)(2), in turn, generally defines "investment securities" as all securities other than U.S. government securities and securities issued by majority-owned subsidiaries.

comprehensive form, is filed only once by each registered holding company. It is filed after the company files a notification of registration. Form U5S essentially updates the Form U5B. It is filed on May 1st of each year. Therefore, the latest U5S available is for the year ended December 31, 2000. Certain recently-formed registered holding companies have filed a U5B but will not file a U5S until May 2002.

Congressman Markey's staff asked us to provide information for exempt, as well as registered, holding companies. We have provided a list of holding companies exempt under sections 3(a)(1) and 3(a)(2) of PUHCA as of December 31, 2000.³ Companies exempt by rule file Form U-3A-2 (statement by holding company claiming exemption under rule 2). Companies exempt by order do not file Form U-3A-2, but like all public companies are required to file Form 10-K if they have public securities issued and outstanding. Together, Form U-3A-2 and Form 10-K provide much of the information requested for exempt holding companies. However, the Commission does not maintain forms for companies exempt by order that do not have public securities issued and outstanding.

While the questions contained in the letter refer to affiliates, most of the information required in Commission forms references holding companies or subsidiaries. Consequently, our responses reference holding companies and subsidiaries—not affiliates.

We have provided the following information responsive to questions 1 through 4 on page 3 of the request letter and noted the source of the information. Information that we are unable to provide is noted as well:

Question 1

- We have provided a list of thirty-five registered holding companies (twenty-seven top registered holding companies and eight subsidiary registered holding companies) as of December 31, 2001 and lists of subsidiaries that would appear on an organizational chart as of December 31, 2000 (Form U5B, item 4 and/or Form U5S, item 1). We are unable to provide lists of subsidiaries in organizational chart form because the information is not required in that format in Commission forms.
- We have provided a list of exempt holding companies as of December 31, 2000, lists of subsidiaries of companies exempt by rule (Form U-3A-2, item 1), and lists of subsidiaries of companies exempt by order that have public securities issued and outstanding (Form 10-K, exhibit 21).

³ There are a small number of companies exempt by order under sections 3(a)(3), 3(a)(4) and 3(a)(5) of PUHCA. We are compiling information regarding these companies, and we will forward it as soon as it is available.

Question 2

- We have provided information for subsidiaries of registered holding companies that indicates whether they are wholly or partially controlled by the registered holding company (Form U5B, item 4 and/or U5S, item 1).
- We have provided information for subsidiaries of exempt holding companies that indicates whether they are wholly or partially controlled by the exempt holding company, for both companies exempt by rule (Form U-3A-2, items 1 and 2, where available) and companies exempt by order (Form 10-K, exhibit 21, where available⁴).
- We are unable to provide a list of all partially-controlled affiliates and a list of all other principal holders of equity or debt securities issued by the affiliates for registered holding companies and exempt holding companies because the information is not required in Commission forms.

Question 3

- We have provided for subsidiaries of registered holding companies, a list of directors and officers (D&O) (Form U5B, items 16 and/or Form U5S, item 6).
- We have provided lists of subsidiaries of registered holding companies (Form U5S, item 1). We have also provided subsidiary information for registered holding companies formed between 1999 through the present (Form U5B, item 4). The principal businesses of subsidiaries of registered holding companies are reflected in various filings made with the Commission. There is no one comprehensive form collecting the principal business information regarding subsidiaries of registered holding companies. Consequently, we have not been able to assemble this information within the time-frame set forth in the request letter. We will consult with Congressional staff regarding providing this information.
- We have provided for companies exempt by both order and rule, where that information is available in Commission forms, a list of D&Os of subsidiaries (Form 10-K, items 4 and 10⁵).
- We have provided a summary of the nature and form of subsidiaries of companies exempt by rule (Form U-3A-2, items 1 and 2). For companies exempt by order, item 1 and the notes to the financial statements of Form 10-K may contain business development information and segment information for the registrant and its subsidiaries.

⁴ This information is sometimes provided in Form 10-K but is not required.

⁵ Form 10-K contains lists of officers of registrants. In certain instances, proxy statements, which contain director information, are included as part of the 10-K filing, and have been included as part of our response.

Question 4

- We have provided for subsidiaries of registered holding companies, the following information: companies' securities held by registered holding companies and their subsidiaries, including the name of the issuer, the number of shares held and the book value (Form U5B, items 9 and 10 and/or Form U5S, items 1 and 5). We have not provided the market value of securities held because that information is not contained in Commission forms.
- We are unable to provide for each affiliate or subsidiary of each exempt holding company, a list of securities held by such companies (including all equity, debt, exempt or other securities of any type), including the name of the issuer of such shares, the number of shares held by the affiliate, and the market value of such shares because that information is not contained in Commission forms.

III. Exemption From The Investment Company Act of 1940

Congressmen Dingell and Markey asked about the impact of the exemption Enron was granted from the Investment Company Act of 1940. This exemption addressed Enron's participation in foreign infrastructure projects where Enron believed it could not acquire a majority interest for reasons such as restrictions imposed by local law. According to Enron's application for the 1997 SEC exemption ("Application"), Enron viewed many of its interests in foreign infrastructure projects as outside the definition of "investment security," but wanted the SEC exemption to eliminate any uncertainty. Enron further noted that the Investment Company Act was not intended to regulate industrial foreign infrastructure activity.⁶ Also, according to the Application, if the SEC did not grant the exemption, Enron would have structured or limited its participation in foreign infrastructure projects so as not to come under the definition of investment company in the Investment Company Act.⁷

Thus, it does not appear that Enron would have registered under the Investment Company Act absent the 1997 SEC exemption. An operating company typically finds the requirements of the Investment Company Act incompatible with its business needs. If Enron did register, the Investment Company Act would have significantly limited Enron's operations, including its ability to use leverage, engage in affiliated transactions,

⁶ In its June 17, 1996 report on the Securities Amendments of 1996 (the National Securities Markets Improvement Act of 1996), the House Committee on Commerce stated that it "expects the Commission to take administrative action expeditiously, either on a case-by-case basis through exemptive orders or through rulemaking, to exempt from regulation as investment companies U.S. companies that own substantial interests in foreign infrastructure companies and that are directly or through affiliates actively involved in foreign infrastructure projects."

⁷ The Investment Company Act defines an investment company, among other things, as any issuer that holds "investment securities" in excess of 40% of its total assets on an unconsolidated basis (exclusive of cash and U.S. government securities). To the extent Enron's non-majority interests in foreign infrastructure projects were "investment securities," these interests as well as any other "investment securities" held by Enron could have been limited to 40%.

and provide incentive compensation to employees. We have no basis for knowing what effect not granting the exception might have had on Enron's conduct.

We have provided documents responsive to Congressmen Dingell and Markey's request in question 7. These documents include the Order granting exemptive relief, the Notice relating to the Application for relief and the Commission's intent to issue an Order, the application for an exemption (including preliminary drafts of that application), comment letters from SEC staff to counsel for Enron, correspondence from counsel for Enron to SEC staff, and other materials. Consistent with our usual practice, we are not including internal memoranda, handwritten notes, and other non-public materials that reflect the SEC's deliberations. As always, we would be pleased to answer any further questions the Congressmen may have on this exemptive order, the documents produced, and the legal issues involved in granting the exemption. Any questions may be directed to me or David Smith of our office at 942-0720.

**Public Utility Holding Companies Claiming Exemption
Under Rule U-3A-2 from the Provisions of
The Public Utility Holding Company Act of 1935
As of December 31, 2000**

*List 1
Box
1 of 3*

Item	Exempt Holding Company Name	CIK Code
1	ALASKA POWER & TELEPHONE COMPANY	3270
2	ALEXANDER & BALDWIN INC	3453
3	ALLETE	66756
4	ALPENA POWER RESOURCES LTD.	1129456
5	AOG CORPORATION	1057958
6	ATC MANAGEMENT INC	1133387
7	BLACK HILLS CORPORATION	1130464
8	BUYCO INC	798459
9	CATALYST GROUP INC	1057188
10	CATALYST VIDALIA ACQUISITION CORP/NY	918833
11	CATALYST VIDALIA CORPORATION	831886
12	CATALYST VIDALIA HOLDING CORPORATION	880847
13	CENTRAL VERMONT PUBLIC SERVICE CORP	18808
14	CH ENERGY GROUP INC	1061393
15	CILCORP INC	762129
16	CLECO CORP	1089819
17	CMS ENERGY CORP	811156
18	CONSOLIDATED EDISON INC	1047862
19	CONSTELLATION ENERGY GROUP INC	1004440
20	CONSUMERS ENERGY COMPANY	201533
21	CORDILLERA CORP	24651
22	CT WILLIAMS AND CO INC	107245
23	DPL INC	787250
24	DQE ENERGY SERVICES INC	1041647 (See 846930)
25	DQE ENTERPRISES INC (Formerly Duquesne Enterprises Inc)	898598 (See 846930)
26	DQE INC	846930
27	DTE ENERGY COMPANY	936340
28	DYNEGY INC	879215
29	EDISON INTERNATIONAL	827052

Item	Exempt Holding Company Name	CIK Code
30	ENERGEN CORPORATION	277595
31	ENERGY SOUTH INC	1051286
32	ENRON CORPORATION/OR/	1024401
33	FIRSTENERGY CORPORATION	1031296
34	FPL GROUP INC	753308
35	GREEN MOUNTAIN POWER CORP	43704
36	HAWAIIAN ELECTRIC COMPANY INC	46207 (See 354707)
37	HAWAIIAN ELECTRIC INDUSTRIES INC	354707
38	HH SU INVESTMENTS LLC	1104457
39	IDACORP INC	1057877
40	IDAHO POWER COMPANY	49648 (See 1057877)
41	INTERMOUNTAIN INDUSTRIES INC	225491
42	INTERNATIONAL PAPER COMPANY	51434
43	IPALCO ENTERPRISES INC	728391
44	LACLEDO GROUP INC	1126956
45	MARBEL ENERGY CORPORATION	1056314
46	MCN ENERGY GROUP INC	837579
47	MHC Inc	See 1081316
48	MIDAMERICAN ENERGY HOLDINGS CO	1081316
49	MIDAMERICAN FUNDING LLC	1098296 (See 1081316)
50	MIDWEST BOTTLE GAS COMPANY	66098
51	NEW JERSEY RESOURCES CORPORATION	35639
52	NICOR INC	72020
53	NUI CORPORATION	1105192
54	NWO RESOURCES INC	760784
55	OGE ENERGY CORPORATION	1021635
56	PG&E CORPORATION	1004980
57	PINNACLE WEST CAPITAL CORPORATION	764622
58	PNM RESOURCES	118426
59	PUBLIC SERVICE ENTERPRISE GROUP INC	788784
60	PUGET ENERGY INC	1085392
61	QUESTAR CORPORATION	751652
62	QUESTAR REGULATED SERVICES CO	1029564

Item	Exempt Holding Company Name	CIK Code
63	RGC RESOURCES INC	1069533
64	ROSEBUD ENERGY CORPORATION	861314
65	SIERRA PACIFIC RESOURCES	741508
66	SOUTH JERSEY INDUSTRIES INC	91928
67	SOUTHWESTERN ENERGY COMPANY	7332
68	STANLEY WORKS	93556
69	SW ACQUISITION L.P.	See 741612
70	SW II ACQUISITION LLC	See 741612
71	TATUM DEVELOPMENT CORPORATION	717420
72	TECO ENERGY INC	350563
73	TEXAS-NEW MEXICO POWER COMPANY	22767 (See also 741612)
74	TNP ENTERPRISES INC	741612 (See also 22767)
75	TUCSON ELECTRIC POWER COMPANY	100122 (See 941138)
76	UGI CORPORATION	884614
77	UIL HOLDINGS CORPORATION	1082510
78	UNISOURCE ENERGY CORPORATION	941138 (See 100122)
79	VECTREN CORPORATION	1096385
80	WESTERN RESOURCES INC	54507
81	WISCONSIN ELECTRIC POWER COMPANY	107815
82	WISCONSIN POWER & LIGHT COMPANY	107832
83	WISCONSIN PUBLIC SERVICE CORPORATION	107833
84	WPS RESOURCES CORPORATION	916863
85	WYOMING GAS FUEL CORPORATION	1135233

Notes

The Public Utility Holding Company Act of 1935, Section 3(a) (1) or 3(a) (2) under Rule 2 provides an exemption from all provisions of the Act, except Section 9(a)(2) to intrastate public utility holding companies. Section 3 (c) of the Act gives the Commission authority to revoke an exemption if, at any time, it finds that the circumstances which gave rise to the exemption no longer exist.

The intrastate public utility holding company claiming exemption under Section 3(a)(1) or 3(a)(2) under Rule 2 of the Act are required to file Form U-3A-2 to continue its exemption as an intrastate holding company. Form U-3A-2, a statement by holding company claiming exemption by Rule 2 from the provisions of the Act, is to be filed with the Commission annually before March 1. Section 9(a)(2) requires Commission approval for a direct or indirect acquisition of five percent or more of the outstanding voting securities of any other electric or natural gas public-utility company.

LIST 2

**HOLDING COMPANIES EXEMPT BY ORDER
- INVESTOR OWNER UTILITIES -
As of February 6, 2001**

(Financial data at December 31, 1999)
(000's Omitted)

SEC File Number	Company Name	State of Incorporation	Exempt	Under Section	Total Assets	Total Operating Revenue	Total Net Income
10-K 070-09509	BANGOR HYDRO-ELECTRIC CO³⁶ (Electric) (CIK: 0000009466) Utility Subs Penobscot Natural Gas Co³⁷ Bangor Gas Company LLC	ME	By Order HCAR No. 35-27094 (10-25-99)	3(a)(1)	\$543,950	\$197,994	\$18,280
U-1 only 070-09361	C&T ENTERPRISES INC³⁸ (CIK: 0001070652) Utility Sub Citizen's Electric Co	PA	By Order HCAR No. 35-26973 (02-05-99)	3(a)(1)	N/A	N/A	N/A
U-1 + U-342 ONLY 070-07390	CLEARFIELD OHIO HOLDINGS INC³⁹ Utility Subs Southeastern Natural Gas Co Eastern Natural Gas Co Pike Natural Gas Co	OH	By Order HCAR No. 35-24422 (07-09-87)	3(a)(1)	N/A	N/A	N/A

³⁶ On November 6, 2000, Emera Inc., a Canadian company, filed Form U-1 (SEC File No. 070-09787) with the U.S. Securities and Exchange Commission. Emera Inc. seeks approvals to acquire the outstanding voting securities of Bangor Hydro-Electric Company and its public-utility subsidiary companies. Further, Emera Inc. requested an exemption under Section 3(a)(5) of the Public Utility Holding Company Act of 1935, except Section 9(a)(2). The transaction is pending regulatory approvals among other things.

³⁷ Sempra Energy, a joint venture of Pacific Enterprises and Enova Corporation, owns 50% interest in Bangor Gas. Penobscot Gas' investment in Bangor Gas as of December 31, 1999 is approximately \$328,000.

³⁸ C&T Enterprises Inc was formed by two rural electric cooperatives, Tri County Rural Electric Cooperative Inc and Claverack Rural Electric Cooperative Inc. On February 05, 1999, C&T Enterprises Inc became an exempt by order holding company under Section 3(a)(1) of the Act, following the acquisition of Citizen's Electric Company.

³⁹ Clearfield Ohio Holdings Inc is a privately held company.

HOLDING CO. EXEMPT BY ORDER - INVESTOR OWNED UTILITIES - (Cont.)

SEC File Number	Company Name	State of Incorp.	Exempt	Under Section	Total Assets	Total Operating Revenue	Total Net Income
031-00725	CLIFFS RIVER ELECTRIC CORP ⁴⁰ Utility Sub Upper Peninsula Generating Co	MI	By Order HCAR No. 35-17543 (04-14-72)	3(a)(1)	N/A	N/A	N/A
10-K NO INFORMATION							
070-09615	* CONSOLIDATED EDISON INC. ⁴¹ (gas & electric) (CIK: 0001047862) Utility Sub * Consolidated Edison Co of New York Inc (CIK: 0000023632)		By Order HCAR No. 35-27021 (5-13-99)	3(a)(1)	\$15,531,476	\$7,491,323	\$700,615
031-00081	* Orange & Rockland Utilities Inc ⁴² (CIK: 0000074778) Rockland Electric Co Pike County Light Power	NY	By Order SEC 354 (1936) (03-27-36) ⁴³	3(a)(2)			

* ON COVER OF CONSOLIDATED FORM 10-K

⁴⁰ Cliffs Electric Service Company is a wholly-owned subsidiary of the Cleveland-Cliffs Iron Company, which in turn is a wholly-owned subsidiary of Cleveland-Cliffs, Inc.

⁴¹ On January 20, 2000, Consolidated Edison Inc. and Northeast Utilities, a registered holding company under Section 5 of the Public Utility Holding Company Act of 1935, filed Form U-1 (SEC File No. 070-09613, 070-09615) Application/Declaration with the U.S. Securities and Exchange Commission. Consolidated Edison Inc. and Northeast Utilities seek approvals to the proposed merger. The transaction is pending regulatory approvals, among other things.

⁴² On May 13, 1999, Consolidated Edison Inc. acquired Orange and Rockland Utilities Inc. Following the acquisition, Orange and Rockland will continue to qualify under Section 3(a)(2) because of the Act based on its status as a holding company which is predominantly a public utility company whose operations do not extend beyond the State (New York) in which it is organized and States contiguous thereto.

⁴³ Rockland Light and Power Company became Orange and Rockland Utilities, Inc.

HOLDING CO EXEMPT BY ORDER - INVESTOR OWNED UTILITIES - (Cont.)

SEC File Number	Company Name	State of Incorp.	Exempt	Under Section	Total Assets	Total Operating Revenue	Total Net Income
031-0810 <i>35-APP ONLY</i>	CUIVRE RIVER ELECTRIC CORP Utility Sub Culvre River Electric Service	MO	By Order HCAR No. 35-24369 (04-10-87)	3(a)(1)	N/A	N/A	N/A
031-00847 <i>U-3A-2 ONLY</i>	EDGEWATER DEVELOPMENT CO Utility Sub Glen Park Assoc Ltd Partnership ⁴⁴	NY	By Order HCAR No. 35-25333 (06-18-91)	3(a)(1)	N/A	N/A	N/A
<i>10-K</i> 070-08989	* FIRSTENERGY CORP ⁴⁵ Utility Subs * Cleveland Electric Illuminating Co * Toledo Edison Co	OH	By Order HCAR No. 35-26722 (11-05-97)	3(a)(1)	\$18,224,047	\$ 6,319,647	\$568,299
031-00766	* OHIO EDISON CO ⁴⁶ * Pennsylvania Power Co Ohio Valley Electric Corp Indiana-Kentucky Electric Corp	OH	By Order HCAR No. 35-21019 (04-26-79)	3(a)(2)			

* ON COVER OF CONSOLIDATED FORM 10-K

⁴⁴ See also Mercer Companies Inc.

⁴⁵ On November 21, 2000, FirstEnergy Corporation and GPU Inc., a registered holding company under Section 5 of the Act, filed Form U-1 (SEC File No. 070-09793) Application/Declaration with the U. S. Securities and Exchange Commission requesting approval for the acquisition of "GPU Energy Companies" by FirstEnergy Corp. Following the consummation of the Merger, FirstEnergy Corporation will register with the Commission as a holding company under Section 5 of the Public Utility Holding Company Act of 1935. The transaction is pending regulatory approvals, among other things.

⁴⁶ Ohio Edison Company is the sole holder of Pennsylvania Power Company common stock.

HOLDING CO EXEMPT BY ORDER - INVESTOR OWNED UTILITIES - (Cont.)

SEC File Number	Company Name	State of Incorporation	Exempt	Under Section	Total Assets	Total Operating Revenue	Total Net Income
031-00746 <i>NOTHING IN SYSTEM</i>	FISHER'S ISLAND UTILITY CO INC Utility Subs Fisher's Island Development Co Fisher's Island Electric Corp	NY	By Order HCAR No. 35-10028 (08-11-50)	3(a)(1)	N/A	N/A	N/A
031-00562 <i>NOTHING IN SYSTEM</i>	INDIANA GAS & CHEMICAL CORP Utility Sub Terre Haute Gas Corp	IN	By Order HCAR No. 35-10028 (08-11-50)	3(a)(1)	N/A	N/A	N/A
10-11-50 031-00534	MAINE PUBLIC SERVICE CO # 1-3429 Utility Sub Maine & Brunswick Electric Power Co Ltd	ME	By Order HCAR No. 35-7541 (07-03-47)	3(a)(2)	\$171,548	\$67,456	\$4,006
031-00848 <i>U-3A-2 ONLY</i>	MERCER COMPANIES INC Utility Sub Glen Park Assoc Ltd Partnership ⁴⁷	NY	By Order HCAR No. 35-25334	3(a)(1)	N/A	N/A	N/A

⁴⁷ See also Edgewater Development Company.

HOLDING CO EXEMPT BY ORDER - INVESTOR OWNED UTILITIES - (Cont.)

SEC File Number	Company Name	State of Incorporation	Exempt	Under Section	Total Assets	Total Operating Revenue	Total Net Income
10-K 070-09339	* NIAGARA MOHAWK HOLDINGS INC ⁴⁸ (Gas & Electric) ⁴⁹ # 0-25595	NY	By Order	3(a)(1)	\$12,445,608	\$3,827,340	(\$2,061)
069-00093	Utility Subs * NIAGARA MOHAWK POWER CORP (Gas & Electric) ⁵⁰ Opinac North American Inc ⁵¹ # 1-2987						

* ON COVER OF CONSOLIDATED 10-K

⁴⁸ On October 16, 2000, National Grid Group plc filed Form U-1 (SEC File No. 070-09773) with the Commission, requesting approval to solicit the proxies of the holders of its common stock. National Grid Group plc is seeking regulatory approvals to acquire Niagara Mohawk Holdings Inc. National Grid Group plc, a registered holding company under Section 5 of the Act, and Niagara Mohawk Holdings Inc., a public utility holding company exempt by order from registration under Section 3(a)(1) of the Act, have entered into a "Merger Agreement" as of September 4, 2000. Upon the consummation of the acquisition, Niagara Mohawk will become a wholly owned subsidiary of National Grid. The transaction is pending among other things regulatory approval from the Commission under the 1935 Act.

⁴⁹ Niagara Mohawk Power Corp, a holding company exempt under section 3(a)(2) was reorganized, and on March 1999, Mohawk Holdings Inc., became a holding company exempt by order under section 3(a)(1), except section 9(a)(2) of the Act. Niagara Mohawk Power Corporation became a subsidiary of Holdings.

⁵⁰ Niagara Mohawk Power Corp sold its interest in Moreau Manufacturing Corporation and Beebee Island Corporation on July 29, 1999.

⁵¹ Opinac North American Inc., through its subsidiary Opinac Energy Corp. owns 50 percent interest in Canadian Niagara Power Co. Ltd, which is directly or indirectly interconnected with most of the electric utility systems through the Eastern of the United States.

HOLDING CO EXEMPT BY ORDER - INVESTOR OWNED UTILITIES - (Cont.)

SEC File Number	Company Name	State of Incorporation	Exempt	Under Section	Total Assets	Total Operating Revenue	Total Net Income	
10-K 070-09495	NSTAR (Gas & Electric) (CIK: 1035675) # 1-14768 Utility Subs BEC ENERGY ⁵³ Boston Edison Co Harbor Electric Energy Co COMMONWEALTH ENERGY SYSTEM Commonwealth Electric Company Cambridge Electric Light Company Canal Electric Company Commonwealth Gas Co	MA		BY Order HCAR No. 35-27067 (08-24-99)	Under Section 3(a)(1)	\$ 5,483,013	\$ 1,851,427	\$146,463
10-K 031-00706	NUI CORP # 1-16385 Utility Sub Elizabethtown Gas Corp	NJ		By Order HCAR No. 35-17857 (01-11-73)	3(a)(1)	\$844,226	\$828,174	\$24,560
10-K 070-04528	PEOPLES ENERGY CORP Utility Subs Peoples Gas Light & Coke Co North Shore Gas Co, The	IL		By Order HCAR No. 35-16233 (12-06-88)	3(a)(1)	\$2,100,164	\$1,194,381	\$92,636

⁵² NSTAR became an exempt public utility holding company under section 3(a)(1) of the Act, following a merger transaction with BEC Energy and Commonwealth Energy System on August 24, 1999 (HCAR No. 35- 27067; 70-9495).

⁵³ BEC Energy formerly a public utility holding company exempt by order dated May 15, 1998 (HCAR No. 35-26874)

HOLDING CO EXEMPT BY ORDER - INVESTOR OWNED UTILITIES - (Cont.)

SEC File Number	Company Name	State of Incorporation	Exempt	Under Section	Total Assets	Total Operating Revenue	Total Net Income
10-K 070-04528	PPL Corp formerly: PP&L Inc. # 1-1159 PPL ELECTRIC Utility Sub formerly: *PP&L Inc # 1-905	PA	By Order HCAR No. 35-26905 (08-12-98)	(3)(a)(1)	\$11,174,000	\$4,590,000	\$422,000
FORM 15-15D FILED 10/19/00. NO. 10-K. WRKD REPORT PROVIDED.	070-07222 PROVIDENCE ENERGY CORP (Gas) (CIK: 0000319651) Utility Sub Providence Gas Co North Attleboro	RI MA	By Order HCAR No. 35-26420 (11-30-95)	3(a)(1)	\$332,220	\$231,088	\$ 7,672
10-K	70-8907 RELIANT ENERGY INC (Formerly Houston Industries Inc.) # 1-13265 Utility Sub Reliant Energy Resources Corp (Formerly Noram Energy Corp)	TX	By Order HCAR No. 35-26744 (07-24-97)	3(a)(2)	\$ 26,220,936	\$15,302,810	\$ 1,482,067
10-K	* RGS ENERGY GROUP INC ⁵⁴ 0-30338 Utility Sub * Rochester Gas & Electric Corp 1-672 Energetix Inc	NY	By Order HCAR No. 35-26991 (03-16-99)	3(a)(1)	\$2,462,874	\$1,207,537	\$93,580

* ON COVER OF CONSOLIDATED FORM 10-K

⁵⁴ On August 2, 1999, RGS Energy Group Inc. was formed, and became the holding company for Rochester Gas & Electric Corp.

HOLDING CO EXEMPT BY ORDER - INVESTOR OWNED UTILITIES - (Cont.)

SEC File Number	Company Name	State of Incorporation	Exempt	Under Section	Total Assets	Total Operating Revenue	Total Net Income
10-K 070-09033	SEMPRA ENERGY 1-14201	CA	By Order HCAR No. 35-26890 (6-26-98)	3(a)(1)	\$11,270,000	\$5,360,000	\$394,000
070-09471	Utility Subs ENOVA CORP ⁵⁶	CA	By Order HCAR No. 35-27012 (04-27-99)	3(a)(1)			
NO 10K OR 14A FILED IN FY 2000	San Diego Gas & Electric Co (SDG&E)						
10-K 070-09033	PACIFIC ENTERPRISES INC (Formerly Pacific Lighting Corp) # 1-40	CA	By Order HCAR No. 35-26890 (6-26-98)	3(a)(1)	\$ 3,929,000	\$2,569,000	\$184,000
	Southern California Gas Co (SoCalGas)						
070-09333	FRONTIER PACIFIC INC ⁵⁷	NC	By Order HCAR No. 35-26971 (02-01-99)	3(a)(1)			
NOTHING IN SYSTEM	Frontier Energy LLC						
070-09511	BANGOR PACIFIC INC ⁵⁸		By Order HCAR No. 35-27095 (10-25-99)	3(a)(1)			
NOTHING IN SYSTEM	Bangor Gas Company LLC						

⁵⁵ On June 26, 1998, Sempra Energy Inc. became a holding company for Enova Corporation and Pacific Enterprises. After the merger, Enova Corporation and Pacific Enterprises continue to own and operate their wholly owned public-utility subsidiary.

⁵⁶ On April 27, 1999, the Commission issued an order to Enova Corporation, granting an exemption from registration under Section 3(a)(1) of the Act, except section 9(a)(2).

⁵⁷ On February 1, 1999, the Commission, by order (HCAR No. 35-26971, 70-9333) authorized Sempra Energy, Inc. to acquire up to 90.1 percent of the outstanding shares of Frontier Energy, LLC through Frontier Pacific, Inc.

⁵⁸ On October 25, 1999, the Commission, by order (HCAR No 35-27095, 70-9511) authorized Sempra Energy Inc. to acquire through its wholly owned subsidiary, Bangor Pacific, Inc. a 50 percent membership interest in Bangor Gas Company, LLC, a Main corporation, formed in 1997 to construct and operate a gas distribution system in the greater Bangor, Main area. In the same order, the Commission granted an exemption under Section 3(a)(1) of the Act.

HOLDING CO EXEMPT BY ORDER - INVESTOR OWNED UTILITIES - (Cont.)

SEC File Number	Company Name	State of Incorporation	Exempt	Under Section	Total Assets	Total Operating Revenue	Total Net Income
070-09451	SIERRA PACIFIC RESOURCES INC ⁵⁹ Utility Sub Nevada Power Co	NV	By Order HCAR No. 35-27054 (07-26-99)	3(a)(1)	\$5,247,686	\$1,309,131	\$71,056
070-09451	SOUTHERN CALIFORNIA WATER CO Utility Sub Lincoln Natural Gas Co Inc	CA	By Order HCAR No. 35-26075 (06-30-94)	3(a)(1)	\$522,181	\$172,421	\$18,181
031-00748	TWP INC Utility Sub T.W. Phillips Gas & Oil Co	PA	By Order HCAR No. 35-18827 (02-24-75)	3(a)(1)	N/A	N/A	N/A

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⁵⁹ On February 3, 2000, Sierra Pacific Resources filed Form U-1 (SEC File No. 070-09619) with the U.S. Securities and Exchange Commission. Sierra Pacific Resources is seeking regulatory approvals to acquire Portland General Electric Company (PGE), a wholly-owned public utility subsidiary of Enron Corporation, an exempt holding company under Section 3(a)(1) of the Act by Rule 2. Upon the consummation of the acquisition, Sierra Pacific will register as a holding company under Section 5 of the Public Utility Holding Company Act of 1935 and PGE will become a wholly owned subsidiary of Sierra Pacific Resources. Transaction is pending regulatory approvals, among other things.

HOLDING CO EXEMPT BY ORDER - INVESTOR OWNED UTILITIES - (Cont.)

SEC File Number	Company Name	State of Incorporation	Exempt	Under Section	Total Assets	Total Operating Revenue	Total Net Income
10-K 031-00566	TXU CORP (Formerly Texas Utilities Co) 1-12833 Utility Subs TXU Electric Company (Formerly Texas Utilities Electric Co)	TX	By SEC 31- SEC-267 (1950)	3(a)(1)	\$40,741,000	\$22,890,00	\$985,000
070-08072	TXU SESCO Co (Formerly Southwestern Electric Service Co)	TX	By Order HCAR No. 35-25826 (06-15-93) (06-01-97)				
10-K	TXU Gas Co (Formerly South Corp) 1-5183						

HOLDING CO EXEMPT BY ORDER - INVESTOR OWNED UTILITIES - (Cont.)

SEC File Number	Company Name	State of Incorporation	Exempt	Under Section	Total Assets	Total Operating Revenue	Total Net Income
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070-09571	WISCONSIN ENERGY CORP ⁶⁰ (Gas & Electric) Utility Subs Wisconsin Electric Power Co (Gas & electric) Edison Sault Electric Company (Electric) WICOR INC Wisconsin Gas Company (Gas)	WI	By Order HCAR No. 35-27163 (04-10-00)	3(a)(1)	\$8,200,000	\$2,272,829	\$208,989
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070-09179	WPS RESOURCES CORP (Gas & Electric) Utility Subs Wisconsin Public Service Corp Wisconsin River Power Co ⁶¹	WI	BY Order HCAR No. 35-26922 (09-28-98)	3(a)(1)	\$1,818,548	\$1,098,540	\$59,585
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RELATED DOCUMENTS INCLUDED IN LIST 7 DOCUMENTS.

⁶⁰ The Commission by order dated April 10, 2000 (HCAR No. 35-27163,70-9571) authorized Wisconsin Energy Corporation (WEC) to acquire WICOR Inc, a public utility holding company exempt under section 3(a)(1) of the Act by rule 2, except section 9(a)(2). Because of the merger, WICOR INC became a wholly owned subsidiary of WEC. Further, the Commission granted an exemption by order from registration under section 3(a)(1) to WEC and WICOR, Inc.

⁶¹ Wisconsin Public Service owns 33.1% of the voting stock of Wisconsin River Power Company.