

underwriter for such registered investment company is exempt from the requirements imposed under sections 15(c) and 32(a) of the Investment Company Act and rules 12b-1(b)(2) and 15a-4(b)(2)(ii) under the Investment Company Act with respect to the renewal of any existing contract, plan or arrangement, that votes of the registered investment company's Board of Directors be cast in person, provided that:

(i) The votes required to be cast at an in-person meeting are instead cast at a meeting in which Directors may participate by any means of communication that allows all Directors participating to communicate with each other simultaneously during the meeting;

(ii) The action does not result in any material change to the existing contract, plan or arrangement under consideration; and

(iii) The Board of Directors, including a majority of the Directors who are not interested persons of the investment company, ratifies the action taken pursuant to this exemption by vote cast at an in-person meeting within 90 calendar days of the date that the action is taken.

## II. Ability of a Registered Open-End Investment Company or Insurance Company Separate Account To Borrow From an Affiliated Person

For five business days beginning on the date of the first reopening of trading on the U.S. equities and options markets after September 11, 2001, a registered open-end investment company or an insurance company separate account registered as a unit investment trust is exempt from sections 12(d)(3) and 17(a) to the extent necessary to permit it to borrow money from any affiliated person that is not itself a registered investment company if the Board of Directors of the registered open-end investment company, including a majority of the Directors who are not interested persons of the investment company, or the insurance company on behalf of the separate account, reasonably determines in the exercise of its judgment that such borrowing is in the best interests of the registered investment company and its shareholders or unitholders.

## III. Ability of a Registered Open-End Investment Company To Borrow From Entities Other Than Banks

For five business days beginning on the date of the first reopening of trading on the U.S. equities and options markets after September 11, 2001, a registered open-end investment company is

exempt from section 18(f)(1) of the Investment Company Act to the extent necessary to permit it to borrow money from an entity other than a bank, provided that the Board of Directors of the registered open-end investment company, including a majority of the Directors who are not interested persons of the investment company, reasonably determines in the exercise of its judgment that such borrowing is in the best interests of the investment company and its shareholders.

## IV. Interfund Lending Arrangements

For five business days beginning on the date of the first reopening of trading on the U.S. equities and options markets after September 11, 2001, any registered investment company currently able to rely on a Commission order permitting an interfund lending and borrowing facility ("Order") may make loans through the facility in an aggregate amount that does not exceed 25 percent of its current net assets at the time of the loan notwithstanding any lower limitation in the Order, as long as the loan otherwise is made in accordance with the terms and conditions of the Order.

## V. Ability of a Registered Open-End Investment Company To Deviate From Its Fundamental Policy With Respect to Borrowing

For five business days beginning on the date of the first reopening of trading on the U.S. equities and options markets after September 11, 2001, a registered open-end investment company is exempt from sections 13(a)(2) and 13(a)(3) of the Investment Company Act to the extent necessary to permit it to enter into borrowing transactions that deviate from any relevant policy recited in its registration statement without prior shareholder approval, provided that:

(i) The Board of Directors of the registered open-end investment company, including a majority of the Directors who are not interested persons of the investment company, reasonably determines in the exercise of its judgment that each such transaction is in the best interests of the registered open-end investment company and its shareholders; and

(ii) The registered open-end investment company promptly notifies its shareholders of the deviation.

By the Commission.

**Jonathan G. Katz,**  
Secretary.

[FR Doc. 01-23617 Filed 9-20-01; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

(Release No. 35-27439)

### Filings Under the Public Utility Holding Company Act of 1935, as amended ("Act")

September 17, 2001.

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 statement 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 October 12, 2001, to the Secretary, Securities and Exchange Commission, Washington, DC 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 October 12, 2001, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

*FirstEnergy Corp. (70-9941)*

FirstEnergy Corp. ("FirstEnergy"), 76 South Main Street, Akron, Ohio, 44308, an Ohio holding company claiming exemption from registration under the Act under rule 2 ("Applicant") has filed an application under sections 3(a)(1), 9(a), and 10 of the Act.<sup>1</sup>

FirstEnergy directly owns all of the issued and outstanding voting securities of Ohio Edison Company ("Ohio Edison"), American Transmission Systems, Incorporated ("ATSI"), The

<sup>1</sup> See FirstEnergy Form U-3A-2, "Statement by Holding Company Claiming Exemption Under Rule U-2 from the Provisions of the Public Utility Holding Company Act of 1935," dated February 28, 2001 (File No. 69-00423). FirstEnergy will register as a holding company under the Act following the completion of its proposed merger with GPU, Inc., which is the subject of a separate application-declaration (Holding Co. Act Release No. 27435) (File No. 70-9793).

Cleveland Electric Illuminating Company ("Cleveland Electric"), and The Toledo Edison Company ("Toledo Edison"), and indirectly owns all of the issued and outstanding voting securities of Pennsylvania Power Company ("Penn Power"), and Northeast Ohio Natural Gas Corp. ("NONGC"). Ohio Edison, Cleveland Electric, Toledo Edison and Penn Power, collectively comprise the "FirstEnergy Operating Companies." Ohio Edison directly owns 16.5% of the issued and outstanding voting securities of Ohio Valley Electric Corporation ("OVEC"), and OVEC owns all of the issued and outstanding voting securities of Indiana-Kentucky Electric Corporation ("IKEC"). The FirstEnergy Operating Companies, ATSI, NONGC, OVEC, and IKEC, are all public utility companies as defined in the Act. For the twelve months ending December 31, 2000, FirstEnergy had total revenue of \$7,028,961,000 and net income of \$598,970,000. FirstEnergy had total assets of \$17,941,294,000, as of December 31, 2000.

In addition to its public utility holdings, FirstEnergy owns directly and indirectly multiple nonutility subsidiaries. MARBEL Energy Corporation ("MARBEL"), a direct nonutility subsidiary of FirstEnergy, is the parent company of NONGC, a natural gas pipeline company, and Marbel Holdco, Inc. ("Marbel Holdco"). Marbel Holdco holds FirstEnergy's 50% ownership in Great Lakes Partners, LLC ("Great Lakes"). Great Lakes is an oil and gas exploration and production company in a 50/50 joint venture with Range Resources Corporation ("Range Resources"), a publicly traded, nonutility oil and gas exploration and production company. Great Lakes holds a majority of its assets in the Appalachian Basin. Those assets include more than 7,700 oil and natural gas wells, drilling rights, proven resources of 450 billion cubic feet equivalent of natural gas and oil, and 5,000 miles of pipeline. Great Lakes also owns intrastate gas pipelines and a small interstate pipeline between Ohio and West Virginia.

NONGC provides gas distribution and transportation service to approximately 5,000 customers located in ten counties in central and northeast Ohio, and NONGC owns and operates approximately 420 miles of distribution and transportation pipeline. NONGC receives its gas supplies from local gas producers as well as from interstate pipeline companies. For the twelve months ending December 31, 2000, NONGC had total revenue of \$6,074,120 and net income of \$112,985; operating revenues were principally derived from

the distribution and transportation of natural gas. NONGC had total assets of \$18,374,761 and \$25,319,652 as of December 31, 2001, and June 30, 2001, respectively.

Effective June 4, 1998, FirstEnergy acquired all of the outstanding shares of MARBEL (the "MARBEL Acquisition"). The MARBEL Acquisition expanded FirstEnergy's products and services to include the exploration, production, distribution, transmission, and marketing of natural gas and oil. Prior to the closing of the MARBEL Acquisition, an internal reorganization took place within the MARBEL system, as a result of which NONGC—the only company in the MARBEL system that was a public utility company under the Act—was merged into a sister company: Gas Transport, Inc. ("Gas Transport").<sup>2</sup>

On May 24, 2000, the assets of the local gas distribution division of Gas Transport ("LDC") were transferred to the Northeast Ohio Operating Companies, Inc. ("NOOCI"), an affiliated nonutility which was the parent company of NONGC and several other operating companies. On May 25, 2000, Gas Transport, which at the time only owned and operated transmission pipelines, merged into Great Lakes Transport, LLC ("GLGT"), a wholly owned subsidiary of NOOCI. On May 30, 2000, all of the membership units of GLGT were transferred to Great Lakes. This post-clearing transfer of GLGT to Great Lakes comprises the "Great Lakes Transaction."<sup>3</sup> The Great Lakes Transaction was part of a corporate reorganization and no intercompany consideration was paid. The LDC assets were transferred at the book value assigned to these assets at the time of the MARBEL Acquisition.

On July 1, 2000, NOOCI transferred the assets of LDC to NEO Construction

Company ("NEO Construction"), a wholly owned subsidiary of NOOCI (the "LDC Transaction"). Upon the asset transfer to NEO Construction, NEO Construction became a gas utility company under the Act. On July 7, 2000, NEO Construction changed its name to "Northeast Ohio Natural Gas Corp."<sup>4</sup> On March 30, 2001, NOOCI was merged into its parent, MARBEL (the "MARBEL Merger"). Consequently, the assets of NOOCI, which include all of the issued and outstanding stock of NONGC, are now owned by MARBEL.

In this application, Applicant requests that the Commission authorize the acquisition of all of the issued and outstanding voting securities of NONGC by First Energy. NONGC is held indirectly by FirstEnergy through MARBEL.

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

Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 01-23616 Filed 9-20-01; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44802, File Nos. SR-Amex 2001-80; SR-Phlx-2001-86]

### Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval to Proposed Rule Changes Filed by the American Stock Exchange LLC ("Amex") and the Philadelphia Stock Exchange, Inc. ("Phlx") Relating to Temporary Trading of Amex Options on the Phlx To Respond to Market Developments

September 17, 2001.

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 September 16, 2001, the American Stock Exchange LLC ("Amex") and the Philadelphia Stock Exchange Inc. ("Phlx") (collectively referred to as "Exchanges") submitted to the Securities and Exchange Commission ("SEC" or "Commission") proposed rule

<sup>2</sup> Applicant maintains that as a result of the application of rule 7(a) under the Act, Gas Transport, as the time of the MARBEL Acquisition, was not a gas utility company, and, therefore, the MARBEL Acquisition did not require prior approval of the Commission under section (a) of the Act.

<sup>3</sup> Applicants state that the Great Lakes Transaction was part of a larger transaction that had occurred in 1999. Effective September 30, 1999, FirstEnergy and Range Resources formed Great Lakes, a 50/50 joint venture primarily designed to consolidate and integrate both companies' gas and oil exploration operations in the Appalachian Basin, including properties in Ohio, Pennsylvania, West Virginia, Kentucky, and Tennessee. The joint venture was created to reduce operating costs associated with exploration of reserves and servicing the oil and gas properties. Applicants state that the Great Lakes Transaction was structured in the manner described above for tax reasons and in order to allow sufficient time to secure approval from the FERC for the merger of Gas Transport into GLGT. Therefore, the utility operations of LDC remained within the FirstEnergy system.

<sup>4</sup> NONGC has interconnections with and receives some gas from Ohio Interstate Gas Transmission Company ("OIGTC"), a nonutility which is regulated by Public Utilities Commission of Ohio and engages solely in the transportation of natural gas. OIGTC was one of the companies contributed by MARBEL to form Great Lakes on September 30, 1999. In addition, NONGC receives gas from direct interconnects with gathering pipelines owned by Great Lakes.

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

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