2. If the Adviser recommends that the Board approve an Affiliated Protection Arrangement, the Adviser must provide the Board with an explanation of the basis for its recommendation and a summary of the material terms of any bids that were rejected.

3. The Fund's Board, including a majority of Independent Trustees, must approve the acceptance of a bid involving an Affiliated Protection Arrangement, as well as the general terms of the proposed Protection Agreement. In evaluating the final bids and the recommendations from the Adviser, the Board will consider, among other things: (i) The fee rate to be charged by a potential Protection Provider; (ii) the structure and potential limitations of the proposed Principal Protection arrangement and any legal, regulatory or tax implications of such arrangement; (iii) the credit rating (if any) and financial condition of the potential Protection Provider (and, if applicable, its parent guarantor), including any ratings assigned by any NRSRO; and (iv) the experience of the potential Protection Provider in providing Principal Protection, including in particular to registered investment companies. If the Affiliated Protection Arrangement approved by the Board does not reflect the lowest fee submitted in a proposal to provide the Principal Protection, the Board will reflect in its minutes the reasons why the higher cost option was selected.

4. Upon the conclusion of the Adviser's negotiations of the Affiliated Protection Arrangement, including the Protection Agreement, the Fund's Board, including a majority of Independent Trustees, must approve the final Protection Agreement and determine that the terms of the final Affiliated Protection Arrangement, as so finalized, are not materially different from the terms of the accepted bid. The Board, including a majority of its Independent Trustees, will also determine that entering into the Affiliated Protection Arrangement is in the best interests of the Fund and its shareholders and meets the standards specified in section 17(b) of the Act. The Board will reflect these findings and their basis in its minutes.

5. If an AIG Affiliate is chosen as the Protection Provider or Hedging Counterparty, it will not charge a higher fee for its Protection Agreement or Hedging Transaction than it would charge for similar agreements or transactions for unaffiliated parties that are similarly situated to the Fund. Any AIG Affiliate acting as Hedging Counterparty will not be directly compensated by the Fund and the Fund will not be a party to any Hedging Transaction.

6. In the event the Fund enters into an Affiliated Protection Arrangement, the Board will establish a Committee, a majority of whose members will be Independent Trustees, to represent the Fund in any negotiations relating to a Protection Event. If a Protection Event occurs under the Protection Agreement or if the Adviser decides to attempt to cure the circumstances leading to a Protection Event pursuant to the terms of the Protection Agreement, the Adviser will notify the Committee as soon as practicable, and, absent special circumstances, before a decision is reached by the Protection Provider and the Adviser as to how to effect any cure. All Protection Events will be brought to the attention of the full Board at the next regularly scheduled Board meeting.

7. The Adviser will present a report to the Board, at least quarterly, comparing the actual asset allocation of the Fund's portfolio with the allocation required under the Protection Agreement, describing any Protection Events, and summarizing any negotiations that were the subject of the previous condition.

8. At the conclusion of the Protection Period, the Adviser of a Fund will report to the Fund's Board any Shortfall Amount potentially covered under an Affiliated Protection Arrangement (including, for this purpose, the amount of any required Adviser Payment). The Board, including a majority of Independent Trustees, will evaluate the Shortfall Amount and will determine the amount of the Approved Shortfall Amount under the Protection Agreement to be submitted to the Protection Provider. The Fund will not settle any claim under the Protection Agreement for less than the full Approved Shortfall Amount determined by the Board without obtaining a further exemptive order from the Commission.

9. Prior to a Fund's reliance on the order, the Fund's Board will satisfy the fund governance standards as defined in rule 0–1(a)(7) under the Act, except that the Independent Trustees must be represented by independent legal counsel within the meaning of rule 0–1 under the Act.

10. The Adviser, under the supervision of the Board, will maintain sufficient records to verify compliance with the conditions of the order. Such records will include, without limitation: (i) An explanation of the basis upon which the Adviser selected prospective bidders; (ii) a list of all bidders to whom a bid invitation letter was sent and copies of the bid invitation letters and accompanying materials; (iii) copies of all initial and final bids received, including the winning bid; (iv) records of the negotiations with bidders between their initial and final bids; (v) the materials provided to the Board in connection with the Adviser's recommendation regarding the Protection Agreement; (vi) the final price and terms of the Protection Agreement with an explanation of the reason the arrangement is considered an Affiliated Protection Arrangement; and (vii) records of any negotiations with the Protection Providers related to the occurrence of a Protection Event and the satisfaction of any obligations under a Protection Agreement. All such records will be maintained for a period ending not less than six years after the conclusion of the Protection Period, the first two years in an easily accessible place, and will be available for inspection by the staff of the Commission.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. E5–310 Filed 1–26–05; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94–409, that the Securities and Exchange Commission will hold the following meeting during the week of January 31, 2005:

A Closed Meeting will be held on Thursday, February 3, 2005, at 2 p.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (6), (7), (9)(B), and (10) and 17 CFR 200.402(a)(3), (5), (6), (7), 9(ii) and (10), permit consideration of the scheduled matters at the Closed Meeting.

Commissioner Campos, as duty officer, voted to consider the items listed for the closed meeting in closed session.

The subject matter of the Closed Meeting scheduled for Thursday, February 3, 2005, will be:

Formal orders of investigations;

Institution and settlement of injunctive actions; and

Institution and settlement of administrative proceedings of an enforcement nature.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942–7070.

Dated: January 25, 2005.

Jonathan G. Katz,

Secretary.

[FR Doc. 05–1579 Filed 1–25–05; 11:46 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35–27940]

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

January 21, 2005.

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 February 15, 2005, 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 February 15, 2005, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Cinergy Corporation (70–10254)

Cinergy Corp., a registered holding company (''Cinergy''), and its subsidiary The Cincinnati Gas & Electric Company, an exempt public utility holding company (''CG&E'' ; and together with Cinergy, ''Declarants''), both at 139 East Fourth Street, Cincinnati, OH 45202, have jointly filed a declaration (''Declaration'') pursuant to Sections 12(b), 12(d) and 12(f) of the Act and rules 43, 44, 45 and 54 under the Act.

CG&E proposes to transfer to its subsidiary, The Union Light, Heat and Power Company (''ULH&P''), CG&E's ownership interest in three electric generating facilities, including certain realty and other improvements, equipment, assets, properties, facilities and rights (collectively, the ''Plants'') (the ''Transfer'').

I. Background

Cinergy, through CG&E, ULH&P and PSI Energy, Inc. (''PSI''), provides retail electric and natural gas service to customers in southwestern Ohio, northern Kentucky and most of Indiana. In addition, Cinergy has numerous non-utility subsidiaries. As of June 30, 2004, Cinergy reported consolidated total assets of approximately $14.0 billion and consolidated total operating revenues of approximately $2.3 billion. Cinergy directly holds all the outstanding common stock of CG&E.

CG&E is a combination electric and gas public utility holding company formed under Ohio law. CG&E claims an exemption from the provisions of the Act under Section 3(a)(2) pursuant to rule 2. CG&E is engaged in the production, transmission, distribution and sale of electric energy and the sale and transportation of natural gas in the southwestern portion of Ohio and, through ULH&P, northern Kentucky. The area served with electricity, gas, or both is approximately 3,200 square miles, has an estimated population of two million people, and includes the cities of Cincinnati and Middletown in Ohio and Covington and Newport in Kentucky.

The Public Utilities Commission of Ohio (''PUCO'') regulates CG&E's retail sales of electricity and natural gas. CG&E's wholesale power sales and transmission services are regulated by the Federal Energy Regulatory Commission (''FERC'') under the Federal Power Act. CG&E currently provides ULH&P full requirements electric service under a long-term power sales agreement, FERC Rate Schedule No. 56. As of June 30, 2004, CG&E reported consolidated total operating revenues of approximately $1.3 billion and consolidated total assets of approximately $5.9 billion.

ULH&P, formed under Kentucky law, is a direct wholly-owned subsidiary of CG&E. ULH&P is engaged in the transmission, distribution, and sale of electric energy and the sale and transportation of natural gas in northern Kentucky. The area it serves with electricity and gas covers approximately 500 square miles, has an estimated population of 330,000 people, and includes the cities of Covington and Newport, Kentucky. ULH&P owns no electric generating facilities. It historically has relied on CG&E for its full requirements of electric supply to serve its retail customers. ULH&P's retail sales of electricity and of natural gas are regulated by the Kentucky Public Service Commission (''KPSC''). ULH&P has no wholesale customers. As of June 30, 2004, ULH&P reported total operating revenues of approximately $187 million and total assets of approximately $444 million.

The KPSC has issued an order approving the acquisitions by ULH&P. Declarants state that, pursuant to Ohio's electric customer choice legislation which went into effect in January 2001, PUCO has no approval authority over the sale of the Plants by CG&E or otherwise with respect to the Transfer.

II. Proposed Transfer

The three electric generating stations that are the subject of the Transfer are: East Bend Generating Station (''East Bend''); the Miami Fort Unit 6 (''Miami Fort 6''); and Woodsdale Generating Station (''Woodsdale'').

East Bend is a 648 MW coal-fired base load station located in Rabbit Hash, Kentucky. East Bend is jointly owned by CG&E (69 percent) and The Dayton Power & Light Company (''DP&L'') (31 percent). CG&E proposes to transfer its entire ownership share (447 MW nameplate rating). At June 30, 2004, the net book value of CG&E's ownership interest in East Bend was approximately $200 million (including construction-work-in-progress (''CWIP'') costs of approximately $4.6 million).

Miami Fort 6 is a 168 MW coal-fired intermediate load generating unit located in North Bend, Ohio. Miami Fort 6 is wholly-owned by CG&E, but is part of the larger Miami Fort Generating Station, which is jointly owned by CG&E and DP&L. At June 30, 2004, Miami Fort 6 had a net book value of approximately $21 million (including CWIP of approximately $4.6 million).

Woodsdale is a 490 MW dual-fuel combustion-turbine peaking station that operates on either natural gas or propane and is located in Trenton,