

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27841]

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

April 30, 2004.

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 May 25, 2004, 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 May 25, 2004, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Interstate Power and Light Company (70-9375)

Interstate Power and Light Company ("IP&L"), Alliant Energy Tower, 200 First Street, S.E., Cedar Rapids, IA 52401, a wholly-owned public-utility subsidiary of Alliant Energy Corporation ("Alliant Energy"), a registered holding company, has filed a post-effective amendment to a previously filed declaration under sections 6(a), 7 and 12(b) of the Act and rules 45 and 54 under the Act.

I. Current Authority

By orders dated November 25, 1998 (Holding Co. Act Release No. 26945) and December 15, 2000 (Holding Co. Act Release No. 27306), as subsequently modified by order dated October 24, 2001 (Holding Co. Act Release No. 27456 and collectively, "Prior Orders"), the Commission authorized IP&L to: (1)

Issue and sell through June 30, 2004 ("Prior Authorization Period"), in one or more series, any combination of (a) collateral trust bonds ("Trust Bonds"), (b) senior unsecured debentures ("Senior Debentures"), and (c) unsecured subordinated debentures ("Subordinated Debentures"); and (2) enter into an agreement or agreements for the issuance and sale of one or more series of tax-exempt bonds ("Tax-Exempt Bonds") for the financing or refinancing of air and water pollution control facilities and sewage and solid waste disposal facilities ("Facilities"). As security for IP&L's obligations under any agreement relating to the Tax-Exempt Bonds, IP&L is authorized to (1) issue its non-negotiable promissory note or notes to evidence the loan to IP&L of the proceeds of the Tax-Exempt Bonds by the issuer thereof, (2) convey a subordinated security interest in any Facilities that are financed through the issuance of Tax-Exempt Bonds, (3) issue and pledge one or more new series of Trust Bonds ("Tax-Exempt Collateral Bonds"), (4) acquire and deliver letters of credit guaranteeing payment of the Tax-Exempt Bonds and enter into reimbursement agreements with respect to any such letters of credit, (5) acquire insurance policies guaranteeing payment of the Tax-Exempt Bonds, and (6) provide a direct guarantee of payment of the principal of and premium, if any, and interest on the Tax-Exempt Bonds.

Under the Prior Orders, the aggregate principal amount of the Trust Bonds, Senior Debentures, Subordinated Debentures, and Tax-Exempt Bonds issued during the Prior Authorization Period shall not exceed \$300 million, provided that such amount excludes the principal amount of any Tax-Exempt Collateral Bonds issued as collateral security for Tax-Exempt Bond obligations and any other forms of collateral related to the Tax-Exempt Bonds. IP&L may not issue any long-term debt securities unless such securities are rated at the investment grade level as established by at least one nationally recognized statistical rating organization, as that term is used in paragraphs (c)(2)(vi)(E), (F) and (H) of Rule 15c3-1 under the Securities Exchange Act of 1934. Under the October 24, 2001 order, the Commission reserved jurisdiction over the issuance by IP&L of any such securities that are rated below investment grade.

Through December 31, 2003, IP&L had issued and sold a total of \$200 million principal amount of long-term debt securities in accordance with the authorization under the Prior Orders. IP&L plans to issue an additional \$100

million principal amount of Trust Bonds or Senior Debentures in the second quarter of 2004, the proceeds of which would be used to repay short-term debt that was incurred principally to finance IP&L's construction program and for other corporate purposes. Assuming the completion of this offering and an additional \$100 million common equity investment by Alliant Energy, IP&L's projected capitalization ratios at December 31, 2004 would be 45.9% common equity, 7.5% preferred stock, 41.6% long-term debt (including current portion), and 5.0% short-term debt. In addition, IP&L plans to cause the redemption of approximately \$20 million principal amount of Tax-Exempt Bonds, also during the second quarter of 2004.

The Prior Orders provide that no series of Trust Bonds will be issued at interest rates in excess of the lower of 15% per annum or those interest rates generally obtainable at the time of pricing for first mortgage bonds having reasonably similar maturities, issued by companies of the same or reasonably comparable credit quality and having reasonably similar terms, conditions and features ("Ceiling Rate"). Further, the Prior Orders provide that no series of Senior Debentures or Subordinated Debentures will be sold if their fixed interest rate or initial adjustable interest rate exceeds the Ceiling Rate.

II. Requested Authority

IP&L requests that the Commission issue a further supplemental order that: (1) Extends the Prior Authorization Period under the Prior Orders from June 30, 2004 to December 31, 2004 ("New Authorization Period"); (2) increases the maximum aggregate principal amount of the Trust Bonds, Senior Debentures, Subordinated Debentures, and Tax-Exempt Bonds that IP&L may issue through the New Authorization Period from \$300 million to \$350 million, such that, taking into account previous issuances of such securities (totaling \$200 million), IP&L would have authority to issue up to an additional \$150 million of long-term debt securities during the remainder of 2004; (3) authorizes IP&L to enter into and perform interest rate hedging transactions in order to manage interest rate risk associated with outstanding long-term indebtedness and anticipated long-term debt offerings; and (4) modifies the investment grade criteria applicable to any securities issued by IP&L in reliance upon the authorization in this proceeding.

IP&L requests a six-month extension in the Prior Authorization Period to make the expiration date under the Prior

Orders coterminous with the expiration of its authority to issue and sell short-term indebtedness. *See* Holding Co. Act Release No. 27542 (June 21, 2002); Holding Co. Act Release No. 27575 (October 10, 2002); Holding Co. Act Release No. 27615 (December 13, 2002). The extension would also provide IP&L greater financing flexibility in the event that its currently planned offering of Trust Bonds or Senior Debentures and redemption of Tax-Exempt Bonds are delayed beyond the second quarter of 2004.

The proposed \$50 million increase in the limit on new long-term debt securities that IP&L may issue (from \$300 million to \$350 million) would allow IP&L to complete in 2004 both its planned offering of Trust Bonds or Senior Debentures (\$100 million) and redemption of approximately \$20 million Tax-Exempt Bonds.

IP&L requests authorization to enter into interest rate hedging transactions with respect to its outstanding long-term indebtedness ("Interest Rate Hedges") to reduce or manage interest rate cost. Interest Rate Hedges would involve the use of financial instruments commonly used in today's capital markets, such as futures, interest rate swaps, caps, collars, floors, and structured notes (*i.e.*, a debt instrument in which the principal and/or interest payments are indirectly linked to the value of an underlying asset or index), or transactions involving the purchase or sale, including short sales, of U.S. Treasury or Agency (*e.g.*, FNMA) obligations or London Inter-Bank Offer Rate-based swap instruments. The transactions would be for fixed periods and stated notional amounts. In no case would the notional principal amount of any Interest Rate Hedge exceed that of the underlying debt instrument and related interest rate exposure.

In addition, IP&L requests authorization to enter into interest rate hedging transactions with respect to anticipated debt offerings ("Anticipatory Hedges"). Anticipatory Hedges would be utilized to fix and/or limit the interest rate risk associated with any new issuance through (1) a forward sale of exchange-traded U.S. Treasury futures contracts, U.S. Treasury obligations and/or a forward swap (each, "Forward Sale"); (2) the purchase of put options on U.S. Treasury obligations ("Put Options Purchase"); (3) a Put Options Purchase in combination with the sale of call options on U.S. Treasury obligations ("Collar"); (4) transactions involving the purchase or sale, including short sales, of U.S. Treasury obligations; or (5) some combination of a Forward Sale, Put

Options Purchase, Collar and/or other derivative or cash transactions, including, but not limited to structured notes, caps and collars, appropriate for the Anticipatory Hedges.

Interest Rate Hedges and Anticipatory Hedges may be executed on-exchange ("On-Exchange Trades") with brokers through the opening of futures and/or options positions traded on the Chicago Board of Trade ("CBOT") or other designated contract markets, the establishment of over-the-counter positions with one or more counterparties ("Off-Exchange Trades"), or a combination of On-Exchange Trades and Off-Exchange Trades. IP&L would determine the optimal structure of each Interest Rate Hedge or Anticipatory Hedge transaction at the time of execution. Interest Rate Hedges and Anticipatory Hedges in the over-the-counter market would only be entered into with counterparties ("Approved Counterparties") whose senior debt ratings, or the senior debt ratings of the parent companies of the counterparties, as published by Standard and Poor's Ratings Group, are equal to or greater than BBB, or an equivalent rating from Moody's Investors Service or Fitch, Inc. Fees, commissions and other amounts payable to a counterparty or exchange (excluding, however, the swap or option payments) in connection with any Interest Rate Hedge or Anticipatory Hedge would not exceed those generally obtainable in competitive markets for parties of comparable credit quality.

IP&L would comply with Statement of Financial Accounting Standard ("SFAS") 133 (Accounting for Derivative Instruments and Hedging Activities) and SFAS 138 (Accounting for Certain Derivative Instruments and Certain Hedging Activities) or other standards relating to accounting for derivative transactions as are adopted and implemented by the Financial Accounting Standards Board ("FASB"). IP&L represents that each Interest Rate Hedge and each Anticipatory Hedge would qualify for hedge accounting treatment under the current FASB standards in effect and as determined as of the date such Interest Rate Hedge or Anticipatory Hedge is entered into. IP&L would also comply with any future FASB financial disclosure requirements associated with hedging transactions.

Lastly, IP&L requests that the Commission modify the investment grade criteria applicable to any securities issued by IP&L. IP&L represents that, except for securities issued for the purpose of funding money pool operations, no securities may be issued in reliance upon the

authorization granted by the Commission pursuant to this application/declaration, as amended, unless: (1) The security to be issued, if rated, is rated investment grade; (2) all outstanding securities of IP&L that are rated are rated investment grade; and (3) all outstanding securities of Alliant Energy that are rated are rated investment grade ("Investment Grade Condition"). For purposes of the Investment Grade Condition, a security will be deemed to be rated "investment grade" if it is rated investment grade by at least one nationally recognized statistical rating organization, as that term is used in paragraphs (c)(2)(vi)(E), (F) and (H) of Rule 15c3-1 under the 1934 Act.¹

Ameren Corporation, et al. (70-10180)

Ameren Corporation ("Ameren"), a registered holding company, Union Electric Company ("Union Electric"), a direct public-utility company subsidiary of Ameren, both at 1901 Chouteau Avenue, St. Louis, Missouri 63103, and Central Illinois Public Service Company ("CIPSCO" and collectively, "Applicants"), 607 East Adams Street, Springfield, Illinois 62739, another direct public-utility company subsidiary of Ameren, have filed an application-declaration with the Commission under sections 6(a), 7, 9(a), 10, 12(b), 12(c), 12(f) of the Act and rules 43, 44, 45, 46 and 54 under the Act.

I. Background

A. Ameren System

Ameren holds, directly or indirectly, all of the issued and outstanding common stock of the following public-utility companies (collectively, "Utility Subsidiaries"): Union Electric, CIPSCO, and Central Illinois Light Company ("CILCO").² Together, the Utility Subsidiaries provide retail and wholesale electric service to approximately 1.7 million customers and retail natural gas service to approximately 500,000 customers in portions of Missouri and Illinois. Ameren is a member of the Mid-America Interconnected Network ("MAIN"), one of the ten regional electric reliability councils organized to coordinate the planning and operation of the nation's bulk power supply. In addition, Ameren is engaged in various

¹ IP&L requests that the Commission reserve jurisdiction over the issuance at any time of securities if the Investment Grade Condition is not satisfied.

² Ameren holds all of the common stock of CILCO indirectly, through CILCORP, Inc. ("CILCORP"), an exempt holding company by order. *See Ameren, Holding Co. Act Release No. 27645* (January 29, 2003)(granting 3(a)(1) exemption).

exempt and authorized nonutility businesses, which it holds through Ameren Energy Resources Company, a wholly owned intermediate nonutility holding company.

Union Electric provides electric service to about 1.2 million retail and wholesale customers in Missouri and in parts of Illinois, and provides natural gas service to approximately 130,000 customers in those states. Union Electric also provides wholesale full requirements service to certain municipal electric utilities in Missouri. Union Electric's peak load in 2003 was 8,298 MW. Union Electric currently owns approximately 8,021 MW of generation capacity. Power from these generation resources, as supplemented by power purchased by Union Electric from others, is used to supply the demands of its electric service customers. Union Electric is subject to regulation with respect to retail sales of natural gas and electricity in Missouri by the Missouri Public Service Commission ("MoPSC") and with respect to retail sales of natural gas and electricity in Illinois by the Illinois Commerce Commission ("ICC").

Union Electric and CIPSCO provide open access transmission service over their combined transmission facilities pursuant to a single Open Access Transmission Tariff ("OATT") on file at the Federal Energy Regulatory Commission ("FERC"). The companies have received conditional authorization from the FERC to join the Midwest Independent Transmission System Operator, Inc. ("Midwest ISO") through GridAmerica LLC, a new independent transmission company, and they expect to begin participating in the Midwest ISO in May of 2004, pending receipt of further regulatory approvals.

In a 20,000 square-mile area of central and southern Illinois, CIPSCO, a direct subsidiary company of Ameren, provides electric transmission service to approximately 325,000 customers and natural gas transmission and distribution service to approximately 170,000 customers. In May of 2000, CIPSCO transferred all of its electric generation facilities to Ameren Energy Generating Company ("GenCo"), an affiliated generation-only company.

GenCo, an exempt wholesale generator ("EWG"), has continued to acquire additional generation capacity since that time. Power generated by GenCo is sold to wholesale purchasers under both cost-based and market-based rates that are subject to the jurisdiction of the FERC. As of December 31, 2003, GenCo had approximately 4,749 MW of total installed generating capacity. The generation facilities of Union Electric

and GenCo, are dispatched in a coordinated manner in accordance with the terms of a joint dispatch agreement on file at the FERC. That agreement requires each company to serve its load requirements from its own least-cost generation first, but then allows the other company to have access to any available excess generating capacity at cost.

CILCO is also authorized to participate in the Midwest ISO as a transmission owner. Through its participation in the Midwest ISO, CILCO provides open access transmission services over its transmission facilities pursuant to the Midwest ISO OATT, which is on file at the FERC. Power generated from CILCO's generating units is not subject to the Joint Dispatch Agreement, but instead is dispatched separately from CILCO's control area, which is separate from, and adjacent to, the Ameren control area.

B. Obligations of Union Electric

As a regulated electric utility in Missouri, Union Electric must have sufficient generating capacity with which to serve the forecasted demands of its electric service customers and to maintain an adequate reserve margin. Standards established by MAIN require Union Electric to meet certain minimum short-term and long-term planning reserve requirements, which currently are 15% for 2003 and 17% for 2006.

In July 2002, Union Electric entered into a Stipulation and Agreement to resolve certain retail rate issues in Missouri. The Stipulation and Agreement fixes retail electric service rates for Union Electric in Missouri that, except under certain specified conditions, will remain in place without modification through June 30, 2006. Union Electric also agreed to undertake commercially reasonable efforts to make energy infrastructure investments totaling \$2.25 billion to \$2.75 billion from January 1, 2002 through June 30, 2006. This includes the obligation to acquire 700 MW of new generating capacity, which may be satisfied by the purchase of generation facilities from an affiliate "at net book value." The Stipulation and Agreement also requires Union Electric to make enhancements to its transmission infrastructure.

II. Asset Transfers

A. Transmission and Distribution Assets

Applicants intend to effect certain transactions ("Illinois Asset Transfer") that would result in CIPSCO acquiring two sets of assets owned by Union Electric (collectively, "Acquired

Assets"): (1) Union Electric's electricity transmission and distribution assets in Illinois, with the exception of those associated with Union Electric's Venice, Illinois generating plant, its Keokuk, Iowa generating plant, and minor amounts of property in Illinois to be retained by Union Electric to ensure the smooth operation of its electric utility system in Missouri ("Retained Assets"); and (2) Union Electric's retail gas distribution facilities in Illinois.

Union Electric would transfer the Acquired Assets to CIPSCO at their net book value. In connection with this transaction, CIPSCO would not assume any indebtedness of Union Electric. Approximately one-half of the Acquired Assets ("Transferred Assets") to CIPSCO would be transferred in consideration for a promissory note issued by CIPSCO in a principal amount equal to approximately fifty percent of the total net book value of the Acquired Assets, approximately \$69 million, net of liabilities, as of December 31, 2003. Union Electric would hold the note and receive payments including interest from CIPSCO. The remaining balance (approximately fifty percent) of the net book value of the Acquired Assets (approximately \$69 million as of December 31, 2003, net of liabilities) would be transferred to CIPSCO through a dividend in kind from Union Electric to Ameren, and Ameren would then contribute the remaining Acquired Assets ("Dividend Assets") to CIPSCO. Under the governing agreement, Union Electric would prepare a schedule to be delivered at the time of closing that identifies the assets, properties and rights to be acquired by CIPSCO and designates whether the specific assets are to be conveyed as Dividend Assets or Transferred Assets. The percentages of Acquired Assets to be conveyed as Transferred Assets and Dividend Assets would be determined by Ameren immediately prior to the closing.

By the Illinois Asset Transfer, Ameren would consolidate in CIPSCO the responsibility to serve electric and gas utility customers in Illinois. CIPSCO would acquire Union Electric's electric transmission and distribution and gas distribution assets and associated general plant assets and related liabilities in Illinois,³ and Union Electric would also assign all related obligations to CIPSCO, including the certificates of public convenience and necessity granted by the ICC authorizing Union Electric to provide electric utility service and gas utility service in Illinois, environmental permits and obligations,

³ As mentioned above, Union Electric would continue to own and operate the Retained Assets.

all municipal and county franchises, labor agreements (as applicable), and any other relevant agreements that exist as of the transfer date. Subsequently, CIPSCO would succeed Union Electric's Illinois retail utility operations and provide the retail electric and gas services currently provided by Union Electric under the ICC-approved tariffs currently in effect for Union Electric. After the Illinois Asset Transfer, Union Electric would be regulated as a public utility only in Missouri.

B. Generation Assets

Additionally, Union Electric intends to acquire from GenCo four 44 MW combustion turbine generator ("CTG") units and four 35 MW CTG units located at GenCo's Pinckneyville, Illinois facility ("Pinckneyville Plant")⁴ and two 116 MW CTG units located at GenCo's Kinmundy, Illinois generation facility ("Kinmundy Plant")⁵ and, correspondingly, to assume certain liabilities and obligations of GenCo related to those units ("Generation Transfer"). The generation assets also would be transferred for cash at their net book value as of the closing date. Union Electric must obtain the approval of the ICC to consummate the Generation Transfer.

Applicants state that the Generation Transfer is intended to enable Union Electric to meet its generation capacity obligations under the Stipulation and Agreement and under the MAIN standards. Union Electric needs 991 MW of additional generation resources by 2006 in order to meet the applicable MAIN generation capacity requirements. The Generation Transfer would provide Union Electric with a total of 548 MW of additional generating capacity.⁶

III. Requests for Authority

Applicants request authority for: (1) Union Electric to sell the Transferred Assets to CIPSCO, its affiliate; (2) CIPSCO to issue a promissory note to Union Electric in connection with the acquisition of the Transferred Assets; (3) Union Electric to declare an in-kind dividend of the Dividend Assets to Ameren; (4) Ameren to contribute the Dividend Assets to CIPSCO; (5) CIPSCO to acquire the Acquired Assets; (6) CIPSCO to assume the obligations of Union Electric in connection with

Illinois Asset Transfer; (7) Union Electric to acquire the Pinckneyville Plant and Kinmundy Plant from its affiliate, AmerenGenCo; and (8) Union Electric to assume the obligations of AmerenGenCo relating to the Pinckneyville Plant and Kinmundy Plant.

Ameren Corporation, et al. (70-10206)

Ameren Corporation ("Ameren"), a registered holding company under the Act, and its wholly owned public-utility subsidiary Union Electric Company, d/b/a AmerenUE ("AmerenUE"), both located at 1901 Chouteau Avenue, St. Louis, Missouri 63103, and another of its wholly owned public-utility subsidiaries, Central Illinois Public Service Company, d/b/a AmerenCIPS ("AmerenCIPS"), 607 East Adams Street, Springfield, Illinois 62739 (collectively, "Applicants"), have filed an application-declaration, as amended ("Application") under sections 6(a), 7, 9(a), 10 and 12(b) and rules 45 and 54.

Applicants request authorization to engage in financing and other related transactions, as described below, during the period commencing with the effective date of this requested Commission order and ending June 30, 2007 ("Authorization Period"). Upon the effective date of the Commission's order in this proceeding, Ameren will relinquish its authority to issue securities and engage in the other transactions authorized under its current October 5, 2001, financing order.⁷ In the Current Financing Order, Ameren is authorized to issue and sell: (1) in public or private offerings, up to \$2.5 billion at any time outstanding of its capital stock, which consists of 400,000,000 shares of common stock, \$0.01 par value ("Common Stock") or options, warrants or other stock purchase rights exercisable for Common Stock, its preferred stock, which consists of 100,000,000 shares, \$0.01 par value ("Preferred Stock") and other forms of preferred securities (including, without limitation, trust preferred securities) ("Preferred Securities"), equity-linked securities ("Equity-linked Securities") and unsecured long-term debt securities ("Long-term Debt"); (2) in addition to the transactions described above, up to 25 million shares of Common Stock through stock-based plans maintained for shareholders (including new investors), officers, employees and non-employee directors, and (3) up to \$1.5 billion principal

amount at any time outstanding of commercial paper and/or other forms of unsecured short-term indebtedness ("Short-term Debt"). Ameren is also authorized to provide guarantees and other forms of credit support ("Guarantees") for its nonutility subsidiaries in an aggregate amount at any one time outstanding not to exceed \$1.5 billion and to enter into interest rate hedging transactions with respect to its outstanding indebtedness and anticipated debt offerings.

I. Background

AmerenUE, AmerenCIPS and Central Illinois Light Company d/b/a AmerenCILCO ("AmerenCILCO"), together, provide retail and wholesale electric service to approximately 1.7 million customers and retail natural gas service to approximately 500,000 customers in a 49,000 square-mile area of Missouri and Illinois, including the St. Louis, Missouri and Peoria and Springfield, Illinois metropolitan areas.⁸ In addition, on February 2, 2004, Ameren entered into a definitive stock purchase agreement to acquire all of the securities of Illinois Power Company from Illinova Corporation, an exempt holding company and a subsidiary of Dynegy Inc. Ameren intends to seek Commission approval for that acquisition and other related transactions.

Ameren directly owns CILCORP, an exempt holding company, which owns AmerenCILCO.⁹ Ameren also has five other direct wholly owned nonutility subsidiaries, in addition to CILCORP.¹⁰ AmerenUE has one direct wholly owned nonutility subsidiary, Union Electric

⁸ AmerenCILCO, a subsidiary of CILCORP Inc. ("CILCORP"), owns AmerenEnergy Resources Generating Company (f/k/a Central Illinois Generation, Inc.) ("AERG"), an electric public-utility subsidiary. AERG is a generating company only, formed by AmerenCILCO in November 2001 to facilitate AmerenCILCO's restructuring, required by the Illinois Electric Service Customer Choice and Rate Relief Law of 1997. In October 2003, AmerenCILCO transferred substantially all of its generating assets (in the aggregate approximately 1,100 megawatts of generating capacity) to AERG.

⁹ CILCORP was acquired pursuant to Commission order dated January 29, 2003). See *Ameren Corporation, et al.*, Holding Co. Act Release Nos. 27645 and 27835 (Jan. 29, 2003 and Apr. 15, 2004, respectively). The acquisition was completed on Jan. 31, 2003. In the Jan. 29, 2003 order, the Commission also reserved jurisdiction over Ameren's retention of certain indirect nonutility subsidiaries and investments of CILCORP and, in the Apr. 15, 2004 order, addressed their retention and certain divestitures.

¹⁰ The five wholly owned nonutility subsidiaries are: Ameren Services Company (a service company), Ameren Development Company (an intermediate nonutility holding company), Ameren Energy Resources Company (an intermediate nonutility holding company), Ameren Energy, Inc. (a rule 58 "energy-related company") and CIPSCO Investment Company.

⁴ As of December 31, 2003, those eight units had a collective net book value of approximately \$155.3 million.

⁵ As of December 31, 2003, those two units had a net book value of approximately \$93.3 million.

⁶ Both the Pinckneyville Plant and the Kinmundy Plant are already connected directly to the Ameren transmission system with no operating guide restrictions.

⁷ *Ameren Corporation, Holding Co. Act Release No. 27449* (Oct. 5, 2001) ("Current Financing Order"). At this time, the Current Financing Order is effective through September 30, 2004.

Development Corporation, which holds investments in affordable housing projects that qualify for federal income tax credits and other passive investments, and also directly holds 40% of Electric Energy, Inc. ("EEI"), an exempt wholesale generator ("EWG") under section 32 of the Act, that owns and operates an electric generating station and transmission facilities in Joppa, Illinois.¹¹

CILCORP directly owns three nonutility subsidiaries.¹² AmerenCILCO also directly owns two nonutility subsidiaries, neither of which conducts any significant business at this time.¹³

AmerenUE, AmerenCIPS, AmerenCILCO, and AERG are referred to collectively as the "Utility Subsidiaries." The nonutility subsidiaries (other than CILCORP) are referred to collectively as "Nonutility Subsidiaries." The Utility Subsidiaries and Nonutility Subsidiaries are referred to collectively as the "Subsidiaries." The term Subsidiaries is also intended to include any other subsidiaries that may be acquired, directly or indirectly, by Ameren in a transaction that is exempt under the Act or the rules or that has otherwise been approved by the Commission.

II. The Proposed Authorizations

Applicants request authorization for the following transactions during the Authorization Period:

(1) For Ameren, to issue and sell, from time to time, directly, Common Stock, Preferred Stock,¹⁴ Equity-linked Securities¹⁵ and, directly or indirectly, through one or more of its financing subsidiaries ("Financing Subsidiaries"), Preferred Securities and/or unsecured Long-term Debt in an aggregate amount at any time outstanding not to exceed \$2.5 billion;

(2) For Ameren, to issue up to 25 million shares of Common Stock pursuant to its dividend reinvestment and stock purchase plan and employee savings and incentive compensation plans maintained for its officers and employees, or other similar

stock-based plans adopted in the future, such shares to be in addition to any shares of Common Stock issued under the authority requested in (1) above;

(3) For Ameren, to issue and sell, from time to time, Short-term Debt in an aggregate principal amount at any time outstanding not to exceed \$1.5 billion;

(4) For Ameren, to provide Guarantees on behalf, or for the benefit, of its Subsidiaries in an aggregate principal or nominal amount not to exceed \$1.5 billion at any one time outstanding, *provided that* the amount of any securities issued by a Financing Subsidiary of Ameren that are guaranteed or supported by other forms of credit enhancement provided by Ameren will not count against this limitation but will instead be counted against the limitation on long-term securities proposed in (1) above;

(5) For Ameren, directly or indirectly through any of its Financing Subsidiaries, to enter into hedging transactions ("Interest Rate Hedges") with respect to existing indebtedness, in order to manage and minimize interest rate costs, and to enter into hedging transactions ("Anticipatory Hedges") with respect to anticipatory debt issuances, in order to lock-in current interest rates and/or manage interest rate risk exposure; and

(6) For AmerenUE and AmerenCIPS, (a) to acquire the equity securities of one or more Financing Subsidiaries to facilitate the issuance of long-term debt and/or preferred securities (including, without limitation, trust preferred securities) and (b) for any of AmerenUE's and AmerenCIPS' Financing Subsidiaries to engage in Interest Rate Hedges with respect to existing indebtedness, in order to manage and minimize interest rate costs, and Anticipatory Hedges with respect to anticipatory debt issuances, in order to lock-in current interest rates and/or manage interest rate risk exposure, as described in subparagraph (5) above.

A. Use of Proceeds

Ameren states that it will utilize the proceeds of the authorized financing for general and corporate purposes including: (a) Financing, in part, of the capital expenditures of Ameren and its Subsidiaries; (b) financing working capital requirements and capital spending of the Subsidiaries, including by making contributions to the Ameren System Utility Money Pool and Ameren System Non-State Regulated Subsidiary Money Pool; (c) financing exempt acquisitions of interests in EWGs and "foreign utility companies" ("FUCOs"), subject to the limitations of rule 53; (d) financing exempt acquisitions of interests in "energy-related companies," as defined in rule 58, subject to the limitations of that rule; (e) the acquisition, retirement, refinancing or redemption of securities of which Ameren is the issuer under rule 42; and/or (f) the acquisition of the securities or assets of other companies, as may be authorized by the Commission in a separate proceeding.

B. Parameters Applicable to External Financing Transactions

Applicants state that the following general terms will be applicable to the proposed external financing activities where appropriate (including, without limitation, securities issued for the purpose of refinancing or refunding outstanding securities of the issuer).

1. **Effective Cost of Money.** The effective cost of capital on Long-term Debt, Preferred Stock, Preferred Securities, Equity-linked Securities and Short-term Debt will not exceed competitive market rates available at the time of issuance for securities having the same or reasonably similar terms and conditions issued by similar companies of reasonably comparable credit quality; *provided, that*, in no event will the effective cost of capital: (1) On any series of Long-term Debt exceed 500 basis points over a U.S. Treasury security having a remaining term equal to the term of such series; (2) on any series of Preferred Stock, Preferred Securities or Equity-linked Securities exceed 700 basis points over a U.S. Treasury security having a remaining term equal to the term of such series; and (3) on Short-term Debt exceed 300 basis points over the London Interbank Offered Rate for maturities of less than one year.

2. **Maturity.** The maturity of Long-term Debt will be between one and 50 years after issuance. Preferred Securities and Equity-linked Securities will be redeemed no later than 50 years after issuance, unless converted into Common Stock. Preferred Stock issued directly by Ameren may be perpetual in duration.

3. **Issuance Expenses.** The underwriting fees, commissions or other similar remuneration paid in connection with the non-competitive issue, sale or distribution of securities proposed in this Application will not exceed the greater of: (1) 6% of the principal or total amount of the securities being issued; or (2) issuance expenses that are generally paid at the time of the pricing for sales of the particular issuance, having the same or reasonably similar terms and conditions issued by similar companies of reasonably comparable credit quality.

4. **Common Equity Ratio.** At all times during the Authorization Period, Ameren and each Utility Subsidiary will maintain common equity of at least 30% of its consolidated capitalization (common equity, preferred stock, long-term debt and short-term debt); *provided that* Ameren will in any event be authorized to issue Common Stock (including through stock-based plans

¹¹ Twenty percent (20%) of EEI is directly held by Ameren Energy Resources Company, as well.

¹² CILCORP Investment Management Inc., CILCORP Ventures Inc. and QST Enterprises Inc.

¹³ The two nonutility subsidiaries are: CILCO Exploration and Development Company (exploration and development of gas, oil and other mineral resources) and CILCO Energy Corporation (research and develop new energy sources).

¹⁴ Applicants state that any shares of Preferred Stock issued under the authorization requested in this proceeding would be in addition to any Preferred Stock that may be issued under Ameren's shareholder rights plan, as authorized by the Commission in SEC File No. 70-9383. See *Ameren Corporation*, Holding Co. Act Release No. 26961 (Dec. 29, 1998).

¹⁵ Any Equity-linked Security would be linked only to a security that Ameren is otherwise authorized to issue directly.

maintained for shareholders (including new investors, officers, employees and non-employee directors)) to the extent authorized in this proceeding.

5. Investment Grade Ratings.

Applicants further represent that, except for securities issued to fund intrasystem financings, no guarantees or other securities, other than Common Stock, may be issued in reliance upon the authorization granted by the Commission pursuant to this Application, unless: (1) The security to be issued, if rated, is rated investment grade; and (2) all outstanding securities of the issuer, that are rated, are rated investment grade; and (3) all outstanding securities of all the registered holding companies, that are rated, are rated investment grade. For purposes of this provision, a security will be deemed to be rated "investment grade" if it is rated investment grade by at least one nationally recognized statistical rating organization, as that term is used in paragraphs (c)(2)(vi)(E), (F) and (H) of rule 15c3-1 under the Securities Exchange Act of 1934, as amended. Applicants request that the Commission reserve jurisdiction over the issuance of any such securities that are rated below investment grade.¹⁶ Applicants further request that the Commission reserve jurisdiction over the issuance of any guarantee or other securities at any time that the conditions set forth in clauses (1) through (3) above are not satisfied.

6. Authorization Period. No security will be issued pursuant to the proposed authorization after the last day of the Authorization Period, June 30, 2007.

III. The Specific Transactions

Ameren contemplates that Common Stock (including options, warrants and/or forward equity purchase contracts), Preferred Stock, Preferred Securities, Equity-linked Securities and Long-term Debt will be issued directly to one or more purchasers in privately-negotiated transactions or to one or more investment banking or underwriting firms or other entities who would resell such securities without registration under the Securities Act of 1933, as amended, in reliance upon one or more applicable exemptions from registration, or to the public.¹⁷

¹⁶ See also *Ameren Corporation, et al.*, Holding Co. Act Release Nos. 27645 and 27835 (Jan. 29, 2003 and Apr. 15, 2004, respectively) (recently, for CILCORP and AERG, the Commission modified these investment grade requirements for, respectively, certain refinancing transactions and long-term securities transactions).

¹⁷ Ameren states that issuance may occur either (1) through underwriters selected by negotiation or competitive bidding; or (2) through selling agents acting either as agent or as principal for resale to

A. Common Stock

Ameren proposes that it may issue and sell Common Stock through underwriters or dealers, through agents, or directly to a limited number of purchasers or a single purchaser. If underwriters are used in the sale of Common Stock, the securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale.¹⁸

Ameren also proposes that it be permitted to issue Common Stock or options, warrants or other stock purchase rights exercisable for Common Stock in public or privately-negotiated transactions as consideration for the equity securities or assets of other companies, *provided that* the acquisition of those equity securities or assets has been authorized in a separate proceeding or is exempt under the Act or the rules (specifically rule 58).

B. Preferred Stock, Preferred Securities, Equity-Linked Securities and Long-Term Debt

Ameren proposes to issue, directly, Preferred Stock and Equity-linked Securities, or, directly or indirectly, through one or more Financing Subsidiaries, Long-Term Debt, and Preferred Securities.

Ameren proposes that Preferred Stock, Preferred Securities and Equity-linked Securities may be issued in one or more series with any rights, preferences, and priorities as may be designated in the instrument creating each series. These securities will be redeemed no later than 50 years after issuance, unless converted into Common Stock, except that Preferred Stock may be perpetual in duration.¹⁹

the public either directly or through dealers. All securities sales will be at rates or prices and under conditions negotiated or based upon, or otherwise determined by, competitive capital markets.

¹⁸ Common Stock may be offered to the public either through underwriting syndicates (which may be represented by a managing underwriter or underwriters designated by Ameren) or directly by one or more underwriters acting alone. Common Stock may be sold directly by Ameren or through agents designated by Ameren from time to time. If dealers are utilized in the sale of Common Stock, Ameren will sell such securities to the dealers, as principals. Any dealer may then resell the Common Stock to the public at varying prices to be determined by such dealer at the time of resale. If Common Stock is being sold in an underwritten offering, Ameren may grant the underwriters a "green shoe" option permitting the purchase from Ameren at the same price of additional shares.

¹⁹ Dividends or distributions on Preferred Stock, Preferred Securities or Equity-linked Securities will be made periodically and to the extent funds are legally available for the purpose, but may be made subject to terms that allow the issuer to defer

With respect to Long-term Debt, Ameren also proposes that Long-term Debt of a particular series (1) will be unsecured; (2) will have a maturity ranging from one to 50 years; (3) may be subject to optional and/or mandatory redemption, in whole or in part, at par or at various premiums above the principal amount; (4) may be entitled to mandatory or optional sinking fund provisions; (5) may provide for reset of the coupon as provided for in a remarketing or auction arrangement; and (6) may be called from existing investors by a third party. The maturity dates, interest rates, and redemption and sinking fund provisions, if any, with respect to the Long-term Debt of a particular series, as well as any associated placement, underwriting or selling agent fees, commissions and discounts, if any, will be established by negotiation or competitive bidding.

C. Short-term Debt

Ameren proposes to issue and sell from time to time Short-term Debt in an aggregate principal amount at any time outstanding not to exceed \$1.5 billion. Short-term Debt may include commercial paper notes, bank notes and other forms of short-term indebtedness.²⁰ All Short-term Debt will be unsecured and will have maturities of less than one year from the date of issuance.

Ameren also proposes to establish and maintain back-up credit lines with banks or other institutional lenders to support its commercial paper program(s) and other credit arrangements and/or borrowing facilities generally available to borrowers with comparable credit ratings as it may deem appropriate in light of its needs and existing market conditions. Only the amounts drawn and outstanding under these agreements and facilities will be counted against the proposed limit on Short-term Debt.

dividend payments or distributions for specified periods. Preferred Securities and Equity-linked Securities may be convertible or exchangeable into shares of Common Stock and may be issued in the form of shares or units.

²⁰ Commercial paper will be sold in established domestic or European commercial paper markets. Commercial paper would typically be sold to dealers at the discount rate per annum prevailing at the date of issuance for commercial paper of comparable quality and maturities sold to commercial paper dealers generally. It is expected that the dealers acquiring commercial paper will reoffer it at a discount to corporate, institutional and, with respect to European commercial paper, individual investors. It is anticipated that commercial paper will be reoffered to investors such as commercial banks, insurance companies, pension funds, investment trusts, foundations, colleges and universities, finance companies and nonfinancial corporations.

D. Common Stock Issued Under Stock-Based Plans

Ameren also proposes to issue up to 25 million shares of Common Stock under stock-based plans that it or any of its subsidiaries maintain for shareholders, investors, employees and nonemployee directors. Ameren currently maintains a dividend reinvestment plan, the Ameren Long-term Incentive Plan, the Ameren Corporation Savings Investment Plan (formerly the Union Electric Savings Investment Plan) and the Ameren Corporation Employee Long-term Savings Plan.

E. Guarantees

Ameren requests authorization to provide Guarantees with respect to financial or contractual obligations of any Subsidiary as may be appropriate in the ordinary course of such Subsidiary's business, in an aggregate principal or nominal amount not to exceed \$1.5 billion outstanding at any one time, *provided however*, that the amount of any Guarantees in respect of obligations of any Nonutility Subsidiaries shall also be subject to the limitations of rule 53(a)(1) and rule 58(a)(1), as applicable, and *provided further*, that any Guarantee that is outstanding, on the last day of the Authorization Period, will expire or terminate in accordance with the stated terms of the Guarantee. In addition to providing direct parent guarantees, Ameren may also provide Guarantees in the form of formal credit enhancement agreements, including but not limited to "keep well" agreements and reimbursement undertakings under letters of credit. The proposed limitation on Guarantees shall not include the amount of any guarantees or other forms of credit support provided with respect to securities issued by any Financing Subsidiary of Ameren (the amounts of which would count only against the proposed limitations on the amounts of debt and equity securities that Ameren may issue). Guarantees may, in some cases, be provided to support obligations of Subsidiaries that are not readily susceptible of exact quantification or that may be subject to varying quantification. In such cases, Ameren will determine the exposure under the guarantee for purposes of measuring compliance with the proposed limitation on Guarantees by appropriate means, including estimation of exposure based on loss experience or projected potential payment amounts. If appropriate, estimates will be made in accordance with generally accepted accounting principles in the United States of America, *i.e.*, U.S. GAAP. The

estimations will be reevaluated periodically.²¹

F. Hedging Transactions

Ameren, as well as AmerenUE and AmerenCIPS (these two, only to the extent described in subsection III.G. below), request authorization, directly or indirectly, through any of its Financing Subsidiaries, to enter into interest rate hedging transactions with respect to outstanding indebtedness ("Interest Rate Hedges"), subject to certain limitations and restrictions, in order to reduce or manage the effective interest rate cost.²² In no case will the notional amount of any Interest Rate Hedge exceed the principal amount of the underlying debt instrument. Transactions will be entered into for a fixed or determinable period. Applicants state that it will not engage in speculative transactions.

Ameren, as well as AmerenUE and AmerenCIPS (these two, to the extent described in subsection III.G. below), also propose, directly or indirectly through any Financing Subsidiary, to enter into interest rate hedging transactions with respect to anticipated debt offerings ("Anticipatory Hedges"), subject to certain limitations and restrictions, in order to fix the interest rate and/or limit the interest rate risk associated with any new issuance.²³

²¹ Ameren may charge any Subsidiary a fee for each Guarantee provided on its behalf that is not greater than the cost, if any, of obtaining the liquidity necessary to perform the guarantee (for example, bank line commitment fees or letter of credit fees, plus other transactional expenses) for the period of time the Guarantee remains outstanding.

²² Interest Rate Hedges will involve the use of financial instruments commonly used in today's capital markets, such as exchange traded interest rate futures contracts and over the counter interest rate swaps, options, caps, collars, floors, and structured notes (*i.e.*, a debt instrument in which the principal and/or interest payments are indirectly linked to the value of an underlying asset or index), or transactions involving the purchase or sale, including short sales, of U.S. Treasury Securities. The transactions would be for fixed periods and stated notional amounts. Fees, commissions and other amounts payable to the counterparty or exchange (excluding, however, the swap or option payments) in connection with an Interest Rate Hedge will not exceed those generally obtainable in competitive markets for parties of comparable credit quality.

²³ Anticipatory Hedges may be executed on-exchange ("On-Exchange Trades") through brokers by the opening of futures and/or options positions traded on the Chicago Board of Trade, Chicago Mercantile Exchange or other financial exchange, the opening of over-the-counter positions with one or more counterparties ("Off-Exchange Trades"), or a combination of On-Exchange Trades and Off-Exchange Trades. The optimal structure of each Anticipatory hedge transaction will be determined at the time of execution. Anticipatory hedges would be utilized to fix the interest rate and/or limit the interest rate risk associated with any new issuance through: (1) A forward sale of exchange-traded U.S.

Interest Rate Hedges and Anticipatory Hedges (other than exchange-traded interest rate futures contracts) would only be entered into with counterparties ("Approved Counterparties") whose senior debt ratings, or the senior debt ratings of any credit support providers who have guaranteed the obligations of such counterparties, as published by S&P, are equal to or greater than BBB, or an equivalent rating from Moody's or Fitch, Inc.

Statement of Financial Accounting Standard ("SFAS") 133 (Accounting for Derivative Instruments and Hedging Activities) and SFAS 138 (Accounting for Certain Derivative Instruments and Certain Hedging Activities) or other standards applicable to accounting for derivative transactions as are adopted and implemented by the Financial Accounting Standards Board ("FASB") will be complied with. Applicants represent that each Interest Rate Hedge and each Anticipatory Hedge will qualify for hedge accounting treatment under the current FASB standards in effect and as determined as of the date such Interest Rate Hedge or Anticipatory Hedge is entered into. Applicants will also comply with any future FASB financial disclosure requirements associated with hedging transactions.

G. Financing Subsidiaries

In connection with the issuance of long-term debt and preferred securities, AmerenUE and AmerenCIPS request authorization to acquire, directly or indirectly, the common stock or other equity securities of one or more Financing Subsidiaries formed exclusively for the purpose of facilitating the issuance of long-term debt securities and/or preferred securities (including, without limitation, trust preferred securities) and for the loan or other transfer of the resulting proceeds to AmerenUE or AmerenCIPS, as applicable. In connection with any of this kind of financing transactions, AmerenUE and AmerenCIPS may enter into one or more Guarantees in favor of its Financing Subsidiary. AmerenUE and AmerenCIPS also request authorization to enter into expense agreements with

Treasury futures contracts, U.S. Treasury Securities and/or a forward swap (each a "Forward Sale"); (2) the purchase of put options on U.S. Treasury Securities (a "Put Options Purchase"); (3) a Put Options Purchase in combination with the sale of call options on U.S. Treasury Securities (A "Zero Cost Collar"); (4) transactions involving the purchase or sale, including short sales, of U.S. Treasury Securities; or (5) some combination of a Forward Sale, Put Options Purchase, Zero Cost Collar and/or other derivative or cash transactions, including, but limited to, structured notes, caps and collars, appropriate for the Anticipatory Hedges.

its respective Financing Subsidiary, in which each company would agree to pay all expenses of the Financing Subsidiary.

Applicants state that the proposed Financing Subsidiaries shall be organized only if, in management's opinion, the creation and utilization of a Financing Subsidiary will likely result in tax savings, increased access to capital markets and/or lower cost of capital for AmerenUE or AmerenCIPS, as the case may be. They state, further, that no Financing Subsidiary shall acquire or dispose of, directly or indirectly, any interest in any "utility asset," as that term is defined under the Act.

AmerenUE and AmerenCIPS also request authorization to issue to any Financing Subsidiary, at any time or from time to time in one or more series, unsecured debentures, unsecured promissory notes or other unsecured debt instruments or preferred securities (individually, a "Note" and, collectively, the "Notes") governed by an indenture or indentures or other documents, and the Financing Subsidiary will apply the proceeds of any external financing by it, plus the amount of any equity contribution made to it, from time to time, to purchase the Notes. The terms (*e.g.*, interest rate, maturity, amortization, prepayment terms, default provisions, *etc.*) of any the Notes would generally be designed to parallel the terms of the securities issued by the Financing Subsidiary to which the Notes relate.

In addition, AmerenUE and AmerenCIPS request that any of their Financing Subsidiaries be authorized to engage in Interest Rate Hedges with respect to existing indebtedness, in order to manage and minimize interest rate costs, and Anticipatory Hedges with respect to anticipatory debt issuances, in order to lock-in current interest rates and/or manage interest rate risk exposure, as described in subsection III.F. above.

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. 35-27843]

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

May 3, 2004.

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 May 24, 2004, 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 May 24, 2004, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Enron Corp., et al. (70-10200)

Enron Corp. ("Enron"), Four Houston Center, 1221 Lamar, Suite 1600, Houston, Texas 77010-1221, a registered holding company, on its behalf and on behalf of its subsidiaries, including Portland General Electric Company ("Portland General"), a public utility company, 121 Salmon Street, Portland, Oregon 97204 (collectively, "Applicants") has filed a post-effective amendment to an application-declaration ("Application") under sections 6(a), 7, 12(b), 12(c) of the Act and rule 45, 46 and 54 under the Act.¹

On February 6, 2004, as amended on March 9, 2004, Applicants filed with the Commission an application-declaration on Form U-1 under File No. 70-10200

(the "Omnibus Application").² On March 9, 2004, the Commission issued an order granting the relief requested by Applicants in the Omnibus Application. In this Application, Applicants seek a supplemental order authorizing: Revisions to the list of Applicants and Enron to issue letters of credit in connection with the expiration of the second amended debtor in possession credit agreement.

Enron states that some of its subsidiaries were inadvertently excluded from the list of Applicants in Exhibit H of the Omnibus Application ("Omitted Subsidiaries"). Enron requests that the Commission issue a supplemental order confirming that these nonutility subsidiaries of Enron also are entitled to the relief granted to other Enron nonutility subsidiaries in connection with the Omnibus Application. Enron also is submitting an amended Exhibit H, which includes the companies below as Applicants. Amended Exhibit H also reflects the deletion of companies which have been dissolved or sold and the reorganization of certain subsidiaries in connection with various reorganizations.

The Omitted Subsidiaries are Dais-Analytic, Inc., Encorp, Inc., FSMx.com, Inc., Serveron, Corp., Venoco, Inc., 217 State Street, Inc., Ellwood Pipeline Inc., Whittier Pipeline Corporation, Inc., BMC, Ltd., Advanced Mobile Power Systems, LLC, Unkwang Gas Industry Co., Ltd, and PEI Venezuela Services LLC.

The second amended debtor in possession credit agreement will expire on June 3, 2004. Enron may decide against renewing/extending the second amended debtor in possession credit agreement; however, Enron would have to extend or replace the letters of credit that are currently outstanding under the second amended debtor in possession credit agreement.

Applicants request authority for Enron to (i) obtain up to \$25,000,000.00, in the aggregate, in new, cash collateralized letters of credit to replace the letters of credit currently outstanding under the second amended debtor in possession credit agreement, (ii) to obtain a new debtor in possession credit agreement that would allow Enron to issue letters of credit in an amount not to exceed \$25,000,000.00 in the event that Enron elects not to renew or extend the second amended debtor in possession credit agreement, or (iii) a combination of items (i) and (ii) above that would not, in the aggregate exceed an amount of \$25,000,000.00. Any new letters of credit issued either as a stand

¹ Applicants include both debtor and non-debtor subsidiaries of Enron.

² Holding Co. Act Release No. 27809.