

Addenda (the latest Edition and Addenda of the ASME Code which had been incorporated into 10 CFR 50.55a at the time of the staff's review of CE NPSD-683-A, Revision 6). Therefore, in conjunction with the licensee's October 8, 2002, license amendment request, the licensee also submitted an exemption request, consistent with the requirements of 10 CFR 50.60, to apply the K_{It} calculational methodology of CE NPSD-683-A, Revision 6 as part of the FCS pressure temperature limit report (PTLR) methodology.

Environmental Impacts of the Proposed Action

The NRC has completed its evaluation of the proposed action and concludes that the exemption described above would provide an adequate margin of safety against brittle failure of the reactor pressure vessel at FCS. The details of the staff's evaluation will be provided in the exemption to Appendix G, which will allow the use of the methodology in Topical Report NPSD-683-A, Revision 6, to calculate the flaw stress intensity factors due to thermal stress loadings (K_{It}), that will be issued in a future letter to the licensee.

The proposed action will not significantly increase the probability or consequences of accidents, no changes are being made in the types of effluents that may be released off site, and there is no significant increase in occupational or public radiation exposure. Therefore, there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential nonradiological impacts, the proposed action does not have a potential to affect any historic sites. It does not affect nonradiological plant effluents and has no other environmental impact. Therefore, there are no significant nonradiological environmental impacts associated with the proposed action.

Accordingly, the NRC concludes that there are no significant environmental impacts associated with the proposed action.

Environmental Impacts of the Alternatives to the Proposed Action

As an alternative to the proposed action, the staff considered denial of the proposed action (*i.e.*, the "no-action" alternative). Denial of the application would result in no change in current environmental impacts. The environmental impacts of the proposed action and the alternative action are similar.

Alternative Use of Resources

The action does not involve the use of any different resource than those previously considered in the Final Environmental Statement for the FCS dated August 1972.

Agencies and Persons Consulted

On July 18, 2003, the staff consulted with the Nebraska State official, Howard Shuman of the Nebraska Consumer Health Services Agency, regarding the environmental impact of the proposed action. The State official had no comments.

Finding of No Significant Impact

On the basis of the environmental assessment, the NRC concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the NRC has determined not to prepare an environmental impact statement for the proposed action.

For further details with respect to the proposed action, see the licensee's letter dated October 8, 2002. Documents may be examined, and/or copied for a fee, at the NRC's Public Document Room (PDR), located at One White Flint North, Public File Area O1 F21, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible electronically from the Agencywide Documents Access and Management System (ADAMS) Public Electronic Reading Room on the Internet at the NRC Web site, <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR Reference staff by telephone at 1-800-397-4209 or 301-415-4737, or by e-mail to pdr@nrc.gov.

Dated at Rockville, Maryland, this 18th day of July, 2003.

For the Nuclear Regulatory Commission.

Stephen Dembek,

*Chief, Section 2, Project Directorate IV,
Division of Licensing Project Management,
Office of Nuclear Reactor Regulation.*

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27699]

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

July 21, 2003.

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 August 15, 2003, 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 August 15, 2003, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Progress Energy, Inc. (70-10132)

Progress Energy, Inc. ("Progress Energy"), a registered holding company, 410 South Wilmington Street, Raleigh, North Carolina 27602, has filed an application under sections 9(a)(1), 10, and 12(f) of the Act and rule 54 under the Act.

Progress Energy directly or indirectly owns all of the outstanding common stock of Carolina Power & Light Company, Florida Power Corporation, and North Carolina Natural Gas Corporation (collectively, the "Utility Subsidiaries"). Together, the Utility Subsidiaries provide electric service and natural gas or gas transportation service to approximately 2.9 million wholesale and retail customers in parts of three states. The Utility Subsidiaries and non-regulated generating subsidiaries of Progress Energy own all or portions of thirty-six electric generating plants in

the United States having a combined generating capability of more than 21,900 megawatts. Through direct and indirect subsidiaries, Progress Energy is also engaged in various nonutility businesses.

Progress Energy requests authority to acquire, directly or indirectly through one or more subsidiaries, a membership interest in PowerTree Carbon Company, LLC ("PowerTree Carbon"). The initial capital contribution of Progress Energy would be \$100,000. Progress Energy also requests authority to sell all or a portion of its membership interest in PowerTree Carbon at any time to any of its associate companies.

PowerTree Carbon, a Delaware limited liability company, was organized in cooperation with the U.S. Department of Energy ("DOE"). It is designed to facilitate investments by energy companies such as Progress Energy in forestation projects in the Lower Mississippi River Valley and possibly other sites.

One proven means for reducing greenhouse gases is to use trees to remove CO₂ from the atmosphere and store it in tree biomass and roots and soil. PowerTree Carbon is part of an industry-wide effort to voluntarily address climate change through measures designed to reduce greenhouse gas emissions in response to President Bush's recent "Climate VISION" plan, or Climate, Voluntary Innovative Sector Initiatives: Opportunities Now. Climate VISION is the first step in the President's policy of encouraging industry to produce voluntary cuts in greenhouse gas emissions. The Bush Administration has also proposed, as part of its Global Climate Change program, the creation of transferable emission control credits for measures that reduce greenhouse gas emissions.

PowerTree Carbon has obtained commitments totaling approximately \$3.5 million from approximately twenty-five electric utilities, electric utility holding companies and other energy concerns that will be used to fund six forestation projects located in Louisiana, Mississippi and Arkansas.¹

¹ Progress Energy is one of eleven registered holding companies that have committed, either directly or through subsidiaries, to make capital contributions to PowerTree Carbon. The others are: Ameren Corporation; American Electric Power Company, Inc.; Cinergy Corp.; Dominion Resources, Inc.; Entergy Corporation; Exelon Corporation; FirstEnergy Corp.; Great Plains Energy Incorporated; PEPCO Holdings, Inc.; and Xcel Energy, Inc. Other energy companies that have committed to make capital contributions are: CLECO Corporation; The Detroit Edison Company; Duke Energy Corporation; Minnesota Power (a division of ALLETE, Inc.); OGE Energy Corp.;

These projects will provide multiple environmental benefits, including removing from the atmosphere and storing over 2 million tons of CO₂ over the projects' 100-year lifetimes. Other benefits will include: restoring habitat for birds and animals; reducing fertilizer inputs to waters; and stabilizing soils. Two of the projects will involve purchase and donation of land to the U.S. Fish & Wildlife Service, while other projects will involve obtaining easements for tree planting on private land. The contributions of the members to PowerTree Carbon will be utilized for land acquisition and to pay the cost of planting tree seedlings. It is estimated that these projects will provide carbon benefits of more than 400 and 450 tons of CO₂ per acre by years 70 and 100, respectively, at a cost of less than two dollars per ton.

PowerTree Carbon was organized as a for-profit limited liability company ("LLC"), to allow carbon or CO₂ reduction credits, if and when they become available, to be more readily transferred. The LLC structure will also allow members to take advantage of tax benefits of land donation. Although formed as a for-profit LLC, PowerTree Carbon is essentially a passive medium for making investments in projects that are not expected to have any operating revenues, and will not engage in any active business operations.

Under the Operating Agreement of PowerTree Carbon ("Operating Agreement"), the business and affairs of the company shall be managed by its board of managers ("Board"). Each member that commits to make a capital contribution of at least \$100,000 is entitled to appoint one representative to the Board. In general, actions by the Board may be taken by a majority of the managers present at a meeting. However, certain actions of the Board or of any individual manager or any officer require authorization by a two-thirds vote of the full board. These include, among other actions: the sale, exchange or other disposition of any of the assets of the company greater than \$20,000 in value; the commencement of a voluntary bankruptcy proceeding; the declaration or making of any distributions to members; the incurrence of any indebtedness by the company; capital expenditures

Oglethorpe Power Corporation; Peabody Energy Corporation; Pinnacle West Capital Corporation; Public Service Electric and Gas Company; Public Service Company of New Mexico; Reliant Resources, Inc.; Tennessee Valley Authority; TXU Corp.; We Energies (the trade name of Wisconsin Electric Power Company and Wisconsin Gas Company); and Wisconsin Public Service Corporation.

exceeding \$20,000; and the acquisition or lease of any real property and any sale of, donation, lease or sublease affecting real property owned by the company.

New members would be admitted to PowerTree Carbon only upon the unanimous approval of the then existing members. Upon admission of any new member, the percentage interests of existing members shall be reduced accordingly. A member may transfer all or a portion of its membership interest only upon receiving approval of two-thirds of the existing members, except that, without the prior approval of the other members, a member may transfer all or a part of its membership interest to an affiliate of such member or to any other member. A two-thirds vote of the members also would be required to elect officers of PowerTree Carbon. The members have equal voting rights, regardless of their percentage interests in PowerTree Carbon.

The Operating Agreement provides that, so long as any member is a registered holding company or subsidiary company thereof, any voting rights received or otherwise obtained by that member equal to or exceeding ten percent of the total outstanding voting rights in PowerTree Carbon shall be automatically (and without any requirement for consent on the part of the affected member) allocated to the other members in equal portions such that no registered holding company member will hold ten percent or more of voting rights in PowerTree Carbon. In addition, any member may elect to limit its voting rights to less than five percent of the total voting rights in PowerTree Carbon, in which case the voting rights of such member or members equal to or exceeding five percent of the total voting rights in PowerTree Carbon would be automatically allocated in equal portions to the other members.

The Operating Agreement further provides that each member (or its designee(s) or transferee(s)) shall be entitled to claim a *pro rata* share of all carbon that is determined to be sequestered by PowerTree Carbon's efforts to which legal rights, if any, have been obtained ("Carbon Reductions") based on the member's percentage interest in PowerTree Carbon. A member may generally utilize its share of any Carbon Reductions in connection with its participation in any greenhouse gas reporting or regulatory program or transfer or assign such Carbon Reductions to one or more other persons.

Ameren Corporation (70-10133)

Ameren Corporation (“Ameren”), a registered holding company, 1901 Chouteau Avenue, St. Louis, Missouri 63103, has filed an application under sections 9(a)(1), 10, and 12(f) of the Act and rule 54 under the Act.

Ameren directly or indirectly owns all of the outstanding common stock of the following public-utility companies: Union Electric Company; Central Illinois Public Service Company; and Central Illinois Light Company (collectively, the “Utility Subsidiaries”). Together, the Utility Subsidiaries provide electric service to approximately 1.7 million wholesale and retail customers and approximately 500,000 retail natural gas customers in parts of Missouri and Illinois. The Utility Subsidiaries and non-regulated generating subsidiaries of Ameren own all or portions of electric generating plants in the United States having a combined generating capability of more than 14,500 megawatts. Through direct and indirect subsidiaries, Ameren is also engaged in various nonutility businesses.

Ameren requests authority to acquire, directly or indirectly through one or more subsidiaries, a membership interest in PowerTree Carbon Company, LLC (“PowerTree Carbon”). The initial capital contribution of Ameren would be \$100,000. Ameren also requests authority to sell all or a portion of its membership interest in PowerTree Carbon at any time to any of its associate companies.

PowerTree Carbon, a Delaware limited liability company, was organized in cooperation with the U.S. Department of Energy (“DOE”). It is designed to facilitate investments by energy companies such as Ameren in reforestation projects in the Lower Mississippi River Valley and possibly other sites.

One proven means for reducing greenhouse gases is to use trees to remove CO₂ from the atmosphere and store it in tree biomass and roots and soil. PowerTree Carbon is part of an industry-wide effort to voluntarily address climate change through measures designed to reduce greenhouse gas emissions in response to President Bush’s recent “Climate VISION” plan, or Climate, Voluntary Innovative Sector Initiatives: Opportunities Now. Climate VISION is the first step in the President’s policy of encouraging industry to produce voluntary cuts in greenhouse gas emissions. The Bush Administration has also proposed, as part of its Global Climate Change program, the creation of

transferable emission control credits for measures that reduce greenhouse gas emissions.

PowerTree Carbon has obtained commitments totaling approximately \$3.5 million from approximately twenty-five electric utilities, electric utility holding companies and other energy concerns that will be used to fund six reforestation projects located in Louisiana, Mississippi and Arkansas.² These projects will provide multiple environmental benefits, including removing from the atmosphere and storing over 2 million tons of CO₂ over the projects’ 100-year lifetimes. Other benefits will include: Restoring habitat for birds and animals; reducing fertilizer inputs to waters; and stabilizing soils. Two of the projects will involve purchase and donation of land to the U.S. Fish & Wildlife Service, while other projects will involve obtaining easements for tree planting on private land. The contributions of the members to PowerTree Carbon will be utilized for land acquisition and to pay the cost of planting tree seedlings. It is estimated that these projects will provide carbon benefits of more than 400 and 450 tons of CO₂ per acre by years 70 and 100, respectively, at a cost of less than two dollars per ton.

PowerTree Carbon was organized as a for-profit limited liability company (“LLC”), to allow carbon or CO₂ reduction credits, if and when they become available, to be more readily transferred. The LLC structure will also allow members to take advantage of tax benefits of land donation. Although formed as a for-profit LLC, PowerTree Carbon is essentially a passive medium for making investments in projects that are not expected to have any operating revenues, and will not engage in any active business operations.

Under the Operating Agreement of PowerTree Carbon (“Operating Agreement”), the business and affairs of

the company shall be managed by its board of managers (“Board”). Each member that commits to make a capital contribution of at least \$100,000 is entitled to appoint one representative to the Board. In general, actions by the Board may be taken by a majority of the managers present at a meeting. However, certain actions of the Board or of any individual manager or any officer require authorization by a two-thirds vote of the full board. These include, among other actions: The sale, exchange or other disposition of any of the assets of the company greater than \$20,000 in value; the commencement of a voluntary bankruptcy proceeding; the declaration or making of any distributions to members; the incurrence of any indebtedness by the company; capital expenditures exceeding \$20,000; and the acquisition or lease of any real property and any sale of, donation, lease or sublease affecting real property owned by the company.

New members would be admitted to PowerTree Carbon only upon the unanimous approval of the then existing members. Upon admission of any new member, the percentage interests of existing members shall be reduced accordingly. A member may transfer all or a portion of its membership interest only upon receiving approval of two-thirds of the existing members, except that, without the prior approval of the other members, a member may transfer all or a part of its membership interest to an affiliate of such member or to any other member. A two-thirds vote of the members also would be required to elect officers of PowerTree Carbon. The members have equal voting rights, regardless of their percentage interests in PowerTree Carbon.

The Operating Agreement provides that, so long as any member is a registered holding company or subsidiary company thereof, any voting rights received or otherwise obtained by that member equal to or exceeding ten percent of the total outstanding voting rights in PowerTree Carbon shall be automatically (and without any requirement for consent on the part of the affected member) allocated to the other members in equal portions such that no registered holding company member will hold ten percent or more of voting rights in PowerTree Carbon. In addition, any member may elect to limit its voting rights to less than five percent of the total voting rights in PowerTree Carbon, in which case the voting rights of such member or members equal to or exceeding five percent of the total voting rights in PowerTree Carbon

² Ameren is one of eleven registered holding companies that have committed, either directly or through subsidiaries, to make capital contributions to PowerTree Carbon. The others are: American Electric Power Company, Inc.; Cinergy Corp.; Dominion Resources, Inc.; Entergy Corporation; Exelon Corporation; FirstEnergy Corp.; Great Plains Energy Incorporated; PEPCO Holdings, Inc.; Progress Energy, Inc.; and Xcel Energy, Inc. Other energy companies that have committed to make capital contributions are: CLECO Corporation; The Detroit Edison Company; Duke Energy Corporation; Minnesota Power (a division of ALLETE, Inc.); OGE Energy Corp.; Oglethorpe Power Corporation; Peabody Energy Corporation; Pinnacle West Capital Corporation; Public Service Electric and Gas Company; Public Service Company of New Mexico; Reliant Resources, Inc.; Tennessee Valley Authority; TXU Corp.; We Energies (the trade name of Wisconsin Electric Power Company and Wisconsin Gas Company); and Wisconsin Public Service Corporation.

would be automatically allocated in equal portions to the other members.

The Operating Agreement further provides that each member (or its designee(s) or transferee(s)) shall be entitled to claim a *pro rata* share of all carbon that is determined to be sequestered by PowerTree Carbon's efforts to which legal rights, if any, have been obtained ("Carbon Reductions") based on the member's percentage interest in PowerTree Carbon. A member may generally utilize its share of any Carbon Reductions in connection with its participation in any greenhouse gas reporting or regulatory program or transfer or assign such Carbon Reductions to one or more other persons.

Cinergy Corp. (70-10134)

Cinergy Corp. ("Cinergy"), a registered holding company, 139 East Fourth Street, Cincinnati, Ohio 45202, has filed an application under sections 9(a)(1), 10, and 12(f) of the Act and rule 54 under the Act.

Cinergy directly or indirectly owns all of the outstanding common stock of the following public-utility companies: PSI Energy, Inc.; The Cincinnati Gas & Electric Company; The Union Light, Heat & Power Company; Lawrenceburg Gas Company; and Miami Power Corporation (collectively, the "Utility Subsidiaries"). Together, the Utility Subsidiaries provide retail gas and electric and wholesale electric service to more than 1.5 million customers in parts of Indiana, Ohio, and Kentucky. The Utility Subsidiaries and non-regulated generating subsidiaries of Cinergy own all or portions of thirty-one electric generating plants in the United States having a combined generating capability of approximately 13,929 megawatts. Through direct and indirect subsidiaries, Cinergy is also engaged in various nonutility businesses.

Cinergy requests authority to acquire, directly or indirectly through one or more subsidiaries, a membership interest in PowerTree Carbon Company, LLC ("PowerTree Carbon"). The initial capital contribution of Cinergy would be \$100,000. Cinergy also requests authority to sell all or a portion of its membership interest in PowerTree Carbon at any time to any of its associate companies.

PowerTree Carbon, a Delaware limited liability company, was organized in cooperation with the U.S. Department of Energy ("DOE"). It is designed to facilitate investments by energy companies such as Cinergy in forestation projects in the Lower Mississippi River Valley and possibly other sites.

One proven means for reducing greenhouse gases is to use trees to remove CO₂ from the atmosphere and store it in tree biomass and roots and soil. PowerTree Carbon is part of an industry-wide effort to voluntarily address climate change through measures designed to reduce greenhouse gas emissions in response to President Bush's recent "Climate VISION" plan, or Climate, Voluntary Innovative Sector Initiatives: Opportunities Now. Climate VISION is the first step in the President's policy of encouraging industry to produce voluntary cuts in greenhouse gas emissions. The Bush Administration has also proposed, as part of its Global Climate Change program, the creation of transferable emission control credits for measures that reduce greenhouse gas emissions.

PowerTree Carbon has obtained commitments totaling approximately \$3.5 million from approximately twenty-five electric utilities, electric utility holding companies and other energy concerns that will be used to fund six forestation projects located in Louisiana, Mississippi and Arkansas.³ These projects will provide multiple environmental benefits, including removing from the atmosphere and storing over 2 million tons of CO₂ over the projects' 100-year lifetimes. Other benefits will include: restoring habitat for birds and animals; reducing fertilizer inputs to waters; and stabilizing soils. Two of the projects will involve purchase and donation of land to the U.S. Fish & Wildlife Service, while other projects will involve obtaining easements for tree planting on private land. The contributions of the members to PowerTree Carbon will be utilized for land acquisition and to pay the cost of planting tree seedlings. It is estimated that these projects will provide carbon benefits of more than 400 and 450 tons

³ Cinergy is one of eleven registered holding companies that have committed, either directly or through subsidiaries, to make capital contributions to PowerTree Carbon. The others are: Ameren Corporation; American Electric Power Company, Inc.; Progress Energy, Inc.; Dominion Resources, Inc.; Entergy Corporation; Exelon Corporation; FirstEnergy Corp.; Great Plains Energy Incorporated; PEPSCO Holdings, Inc.; and Xcel Energy, Inc. Other energy companies that have committed to make capital contributions are: CLECO Corporation; The Detroit Edison Company; Duke Energy Corporation; Minnesota Power (a division of ALLETE, Inc.); OGE Energy Corp.; Oglethorpe Power Corporation; Peabody Energy Corporation; Pinnacle West Capital Corporation; Public Service Electric and Gas Company; Public Service Company of New Mexico; Reliant Resources, Inc.; Tennessee Valley Authority; TXU Corp.; We Energies (the trade name of Wisconsin Electric Power Company and Wisconsin Gas Company); and Wisconsin Public Service Corporation.

of CO₂ per acre by years 70 and 100, respectively, at a cost of less than two dollars per ton.

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Under the Operating Agreement of PowerTree Carbon ("Operating Agreement"), the business and affairs of the company shall be managed by its board of managers ("Board"). Each member that commits to make a capital contribution of at least \$100,000 is entitled to appoint one representative to the Board. In general, actions by the Board may be taken by a majority of the managers present at a meeting. However, certain actions of the Board or of any individual manager or any officer require authorization by a two-thirds vote of the full board. These include, among other actions: the sale, exchange or other disposition of any of the assets of the company greater than \$20,000 in value; the commencement of a voluntary bankruptcy proceeding; the declaration or making of any distributions to members; the incurrence of any indebtedness by the company; capital expenditures exceeding \$20,000; and the acquisition or lease of any real property and any sale of, donation, lease or sublease affecting real property owned by the company.

New members would be admitted to PowerTree Carbon only upon the unanimous approval of the then existing members. Upon admission of any new member, the percentage interests of existing members shall be reduced accordingly. A member may transfer all or a portion of its membership interest only upon receiving approval of two-thirds of the existing members, except that, without the prior approval of the other members, a member may transfer all or a part of its membership interest to an affiliate of such member or to any other member. A two-thirds vote of the members also would be required to elect officers of PowerTree Carbon. The members have equal voting rights, regardless of their percentage interests in PowerTree Carbon.

The Operating Agreement provides that, so long as any member is a registered holding company or

subsidiary company thereof, any voting rights received or otherwise obtained by that member equal to or exceeding ten percent of the total outstanding voting rights in PowerTree Carbon shall be automatically (and without any requirement for consent on the part of the affected member) allocated to the other members in equal portions such that no registered holding company member will hold ten percent or more of voting rights in PowerTree Carbon. In addition, any member may elect to limit its voting rights to less than five percent of the total voting rights in PowerTree Carbon, in which case the voting rights of such member or members equal to or exceeding five percent of the total voting rights in PowerTree Carbon would be automatically allocated in equal portions to the other members.

The Operating Agreement further provides that each member (or its designee(s) or transferee(s)) shall be entitled to claim a *pro rata* share of all carbon that is determined to be sequestered by PowerTree Carbon's efforts to which legal rights, if any, have been obtained ("Carbon Reductions") based on the member's percentage interest in PowerTree Carbon. A member may generally utilize its share of any Carbon Reductions in connection with its participation in any greenhouse gas reporting or regulatory program or transfer or assign such Carbon Reductions to one or more other persons.

Pepco Holdings, Inc. (70-10135)

Pepco Holdings, Inc. ("Pepco"), a registered holding company, 701 9th Street, 10th Floor, Suite 1300, Washington DC 20068, has filed an application under sections 9(a)(1), 10, and 12(f) of the Act and rule 54 under the Act.

Pepco directly or indirectly owns all of the outstanding common stock of the following public-utility companies: Atlantic City Electric Company; Delmarva Power & Light Company; Potomac Electric Power Company; Conectiv Delmarva Generation, Inc.; and Conectiv Atlantic Generation, LLC (collectively, the "Utility Subsidiaries"). Together, the Utility Subsidiaries provide retail and wholesale electric service to more than 1.8 million customers in parts of the District of Columbia, Delaware, Maryland, New Jersey, and Virginia. The Utility Subsidiaries and other non-regulated generating subsidiaries of Pepco own all or portions of twenty-four electric generating plants in the United States having a combined generating capability of approximately 4,580 megawatts. Through direct and indirect

subsidiaries, Pepco is also engaged in various nonutility businesses.

Pepco requests authority to acquire, directly or indirectly through one or more subsidiaries, a membership interest in PowerTree Carbon Company, LLC ("PowerTree Carbon"). The initial capital contribution of Pepco would be \$50,000. Pepco also requests authority to sell all or a portion of its membership interest in PowerTree Carbon at any time to any of its associate companies.

PowerTree Carbon, a Delaware limited liability company, was organized in cooperation with the U.S. Department of Energy ("DOE"). It is designed to facilitate investments by energy companies such as Pepco in forestation projects in the Lower Mississippi River Valley and possibly other sites.

One proven means for reducing greenhouse gases is to use trees to remove CO₂ from the atmosphere and store it in tree biomass and roots and soil. PowerTree Carbon is part of an industry-wide effort to voluntarily address climate change through measures designed to reduce greenhouse gas emissions in response to President Bush's recent "Climate VISION" plan, or Climate, Voluntary Innovative Sector Initiatives: Opportunities Now. Climate VISION is the first step in the President's policy of encouraging industry to produce voluntary cuts in greenhouse gas emissions. The Bush Administration has also proposed, as part of its Global Climate Change program, the creation of transferable emission control credits for measures that reduce greenhouse gas emissions.

PowerTree Carbon has obtained commitments totaling approximately \$3.5 million from approximately twenty-five electric utilities, electric utility holding companies and other energy concerns that will be used to fund six forestation projects located in Louisiana, Mississippi and Arkansas.⁴

⁴ Pepco is one of eleven registered holding companies that have committed, either directly or through subsidiaries, to make capital contributions to PowerTree Carbon. The others are: Ameren Corporation; American Electric Power Company, Inc.; Cinergy Corp.; Dominion Resources, Inc.; Entergy Corporation; Exelon Corporation; FirstEnergy Corp.; Great Plains Energy Incorporated; Progress Energy, Inc.; and Xcel Energy, Inc. Other energy companies that have committed to make capital contributions are: CLECO Corporation; The Detroit Edison Company; Duke Energy Corporation; Minnesota Power (a division of ALLETE, Inc.); OGE Energy Corp.; Oglethorpe Power Corporation; Peabody Energy Corporation; Pinnacle West Capital Corporation; Public Service Electric and Gas Company; Public Service Company of New Mexico; Reliant Resources, Inc.; Tennessee Valley Authority; TXU Corp.; We Energies (the trade name of Wisconsin Electric Power Company and Wisconsin Gas

These projects will provide multiple environmental benefits, including removing from the atmosphere and storing over 2 million tons of CO₂ over the projects' 100-year lifetimes. Other benefits will include: restoring habitat for birds and animals; reducing fertilizer inputs to waters; and stabilizing soils. Two of the projects will involve purchase and donation of land to the U.S. Fish & Wildlife Service, while other projects will involve obtaining easements for tree planting on private land. The contributions of the members to PowerTree Carbon will be utilized for land acquisition and to pay the cost of planting tree seedlings. It is estimated that these projects will provide carbon benefits of more than 400 and 450 tons of CO₂ per acre by years 70 and 100, respectively, at a cost of less than two dollars per ton.

PowerTree Carbon was organized as a for-profit limited liability company ("LLC"), to allow carbon or CO₂ reduction credits, if and when they become available, to be more readily transferred. The LLC structure will also allow members to take advantage of tax benefits of land donation. Although formed as a for-profit LLC, PowerTree Carbon is essentially a passive medium for making investments in projects that are not expected to have any operating revenues, and will not engage in any active business operations.

Under the Operating Agreement of PowerTree Carbon ("Operating Agreement"), the business and affairs of the company shall be managed by its board of managers ("Board"). Each member that commits to make a capital contribution of at least \$100,000 is entitled to appoint one representative to the Board. In general, actions by the Board may be taken by a majority of the managers present at a meeting. However, certain actions of the Board or of any individual manager or any officer require authorization by a two-thirds vote of the full board. These include, among other actions: the sale, exchange or other disposition of any of the assets of the company greater than \$20,000 in value; the commencement of a voluntary bankruptcy proceeding; the declaration or making of any distributions to members; the incurrence of any indebtedness by the company; capital expenditures exceeding \$20,000; and the acquisition or lease of any real property and any sale of, donation, lease or sublease affecting real property owned by the company.

Company); and Wisconsin Public Service Corporation.

New members would be admitted to PowerTree Carbon only upon the unanimous approval of the then existing members. Upon admission of any new member, the percentage interests of existing members shall be reduced accordingly. A member may transfer all or a portion of its membership interest only upon receiving approval of two-thirds of the existing members, except that, without the prior approval of the other members, a member may transfer all or a part of its membership interest to an affiliate of such member or to any other member. A two-thirds vote of the members also would be required to elect officers of PowerTree Carbon. The members have equal voting rights, regardless of their percentage interests in PowerTree Carbon.

The Operating Agreement provides that, so long as any member is a registered holding company or subsidiary company thereof, any voting rights received or otherwise obtained by that member equal to or exceeding ten percent of the total outstanding voting rights in PowerTree Carbon shall be automatically (and without any requirement for consent on the part of the affected member) allocated to the other members in equal portions such that no registered holding company member will hold ten percent or more of voting rights in PowerTree Carbon. In addition, any member may elect to limit its voting rights to less than five percent of the total voting rights in PowerTree Carbon, in which case the voting rights of such member or members equal to or exceeding five percent of the total voting rights in PowerTree Carbon would be automatically allocated in equal portions to the other members.

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FirstEnergy Corporation (70-10138)

FirstEnergy Corporation ("FirstEnergy"), a registered holding company, 76 South Main Street, Akron, Ohio 44308, has filed an application under sections 9(a)(1), 10, and 12(f) of the Act and rule 54 under the Act.

FirstEnergy directly or indirectly owns all of the outstanding common stock of eleven public-utility companies: Ohio Edison Company; The Cleveland Electric Illuminating Company; The Toledo Edison Company; American Transmission Systems, Incorporated; Jersey Central Power & Light Company; Pennsylvania Electric Company; Metropolitan Edison Company; Pennsylvania Power Company; York Haven Power Company; The Waverly Electric Power & Light Company (collectively, the "Electric Utility Subsidiaries"); and Northeast Ohio Natural Gas Corp. ("NONG"). Together, the Electric Utility Subsidiaries provide electric service to approximately 4.3 million retail and wholesale customers in a 37,200 square mile area in Ohio, New Jersey, New York, and Pennsylvania. NONG provides gas transportation and distribution services to approximately 5,000 customers in central and northeast Ohio. Certain of FirstEnergy's public-utility company subsidiaries own all or a portion of the units at sixteen electricity generating stations in the United States having a combined generating capability of approximately 13,387 megawatts. Through direct and indirect subsidiaries, FirstEnergy is also engaged in various nonutility businesses.

FirstEnergy requests authority to acquire, directly or indirectly through one or more subsidiaries, a membership interest in PowerTree Carbon Company, LLC ("PowerTree Carbon"). The initial capital contribution of FirstEnergy would be \$100,000. FirstEnergy also requests authority to sell all or a portion of its membership interest in PowerTree Carbon at any time to any of its associate companies.

PowerTree Carbon, a Delaware limited liability company, was organized in cooperation with the U.S. Department of Energy ("DOE"). It is designed to facilitate investments by energy companies such as FirstEnergy in forestation projects in the Lower Mississippi River Valley and possibly other sites.

One proven means for reducing greenhouse gases is to use trees to remove CO₂ from the atmosphere and store it in tree biomass and roots and soil. PowerTree Carbon is part of an industry-wide effort to voluntarily address climate change through measures designed to reduce greenhouse gas emissions in response to President Bush's recent "Climate VISION" plan, or Climate, Voluntary Innovative Sector Initiatives: Opportunities Now. Climate VISION is the first step in the President's policy of

encouraging industry to produce voluntary cuts in greenhouse gas emissions. The Bush Administration has also proposed, as part of its Global Climate Change program, the creation of transferable emission control credits for measures that reduce greenhouse gas emissions.

PowerTree Carbon has obtained commitments totaling approximately \$3.5 million from approximately twenty-five electric utilities, electric utility holding companies and other energy concerns that will be used to fund six forestation projects located in Louisiana, Mississippi and Arkansas.⁵ These projects will provide multiple environmental benefits, including removing from the atmosphere and storing over 2 million tons of CO₂ over the projects' 100-year lifetimes. Other benefits will include: restoring habitat for birds and animals; reducing fertilizer inputs to waters; and stabilizing soils. Two of the projects will involve purchase and donation of land to the U.S. Fish & Wildlife Service, while other projects will involve obtaining easements for tree planting on private land. The contributions of the members to PowerTree Carbon will be utilized for land acquisition and to pay the cost of planting tree seedlings. It is estimated that these projects will provide carbon benefits of more than 400 and 450 tons of CO₂ per acre by years 70 and 100, respectively, at a cost of less than two dollars per ton.

PowerTree Carbon was organized as a for-profit limited liability company ("LLC"), to allow carbon or CO₂ reduction credits, if and when they become available, to be more readily transferred. The LLC structure will also allow members to take advantage of tax benefits of land donation. Although formed as a for-profit LLC, PowerTree Carbon is essentially a passive medium for making investments in projects that are not expected to have any operating

⁵ FirstEnergy is one of eleven registered holding companies that have committed, either directly or through subsidiaries, to make capital contributions to PowerTree Carbon. The others are: Ameren Corporation; American Electric Power Company, Inc.; Cinergy Corp.; Dominion Resources, Inc.; Entergy Corporation; Exelon Corporation; Progress Energy, Inc.; Great Plains Energy Incorporated; PEPCO Holdings, Inc.; and Xcel Energy, Inc. Other energy companies that have committed to make capital contributions are: CLECO Corporation; The Detroit Edison Company; Duke Energy Corporation; Minnesota Power (a division of ALLETE, Inc.); OGE Energy Corp.; Oglethorpe Power Corporation; Peabody Energy Corporation; Pinnacle West Capital Corporation; Public Service Electric and Gas Company; Public Service Company of New Mexico; Reliant Resources, Inc.; Tennessee Valley Authority; TXU Corp.; We Energies (the trade name of Wisconsin Electric Power Company and Wisconsin Gas Company); and Wisconsin Public Service Corporation.

revenues, and will not engage in any active business operations.

Under the Operating Agreement of PowerTree Carbon (“Operating Agreement”), the business and affairs of the company shall be managed by its board of managers (“Board”). Each member that commits to make a capital contribution of at least \$100,000 is entitled to appoint one representative to the Board. In general, actions by the Board may be taken by a majority of the managers present at a meeting. However, certain actions of the Board or of any individual manager or any officer require authorization by a two-thirds vote of the full board. These include, among other actions: The sale, exchange or other disposition of any of the assets of the company greater than \$20,000 in value; the commencement of a voluntary bankruptcy proceeding; the declaration or making of any distributions to members; the incurrence of any indebtedness by the company; capital expenditures exceeding \$20,000; and the acquisition or lease of any real property and any sale of, donation, lease or sublease affecting real property owned by the company.

New members would be admitted to PowerTree Carbon only upon the unanimous approval of the then existing members. Upon admission of any new member, the percentage interests of existing members shall be reduced accordingly. A member may transfer all or a portion of its membership interest only upon receiving approval of two-thirds of the existing members, except that, without the prior approval of the other members, a member may transfer all or a part of its membership interest to an affiliate of such member or to any other member. A two-thirds vote of the members also would be required to elect officers of PowerTree Carbon. The members have equal voting rights, regardless of their percentage interests in PowerTree Carbon.

The Operating Agreement provides that, so long as any member is a registered holding company or subsidiary company thereof, any voting rights received or otherwise obtained by that member equal to or exceeding ten percent of the total outstanding voting rights in PowerTree Carbon shall be automatically (and without any requirement for consent on the part of the affected member) allocated to the other members in equal portions such that no registered holding company member will hold ten percent or more of voting rights in PowerTree Carbon. In addition, any member may elect to limit its voting rights to less than five percent of the total voting rights in PowerTree

Carbon, in which case the voting rights of such member or members equal to or exceeding five percent of the total voting rights in PowerTree Carbon would be automatically allocated in equal portions to the other members.

The Operating Agreement further provides that each member (or its designee(s) or transferee(s)) shall be entitled to claim a *pro rata* share of all carbon that is determined to be sequestered by PowerTree Carbon’s efforts to which legal rights, if any, have been obtained (“Carbon Reductions”) based on the member’s percentage interest in PowerTree Carbon. A member may generally utilize its share of any Carbon Reductions in connection with its participation in any greenhouse gas reporting or regulatory program or transfer or assign such Carbon Reductions to one or more other persons.

Exelon Corporation (70–10139)

Exelon Corporation (“Exelon”), a registered holding company, 10 South Dearborn Street, 37th Floor, Chicago, Illinois 60603, has filed an application under sections 9(a)(1), 10, and 12(f) of the Act and rule 54 under the Act.

Exelon has a number of public-utility company subsidiaries: PECO Energy Company, which transmits, distributes and sells electricity and purchases and sells natural gas in Pennsylvania; Commonwealth Edison Company, which transmits, distributes and sells electricity in Illinois; Exelon Generation Company (also a registered holding company), which generates and sells electricity in Pennsylvania, Illinois, and elsewhere;⁶ Commonwealth Edison Company of Indiana; PECO Energy Power Company, Susquehanna Power Company; and Susquehanna Electric Company. Through direct and indirect subsidiaries, Exelon is also engaged in various nonutility businesses.

Exelon requests authority to acquire, directly or indirectly through one or more subsidiaries, a membership interest in PowerTree Carbon Company, LLC (“PowerTree Carbon”). Exelon also requests authority to sell all or a portion of its membership interest in PowerTree Carbon at any time to any of its associate companies.

PowerTree Carbon, a Delaware limited liability company, was organized in cooperation with the U.S. Department of Energy (“DOE”). It is designed to facilitate investments by energy companies such as Exelon in

⁶ Exelon Generation Company owns, directly or indirectly, electricity generating plants in the United States having a combined generating capability of approximately 26,241 megawatts.

forestation projects in the Lower Mississippi River Valley and possibly other sites.

One proven means for reducing greenhouse gases is to use trees to remove CO₂ from the atmosphere and store it in tree biomass and roots and soil. PowerTree Carbon is part of an industry-wide effort to voluntarily address climate change through measures designed to reduce greenhouse gas emissions in response to President Bush’s recent “Climate VISION” plan, or Climate, Voluntary Innovative Sector Initiatives: Opportunities Now. Climate VISION is the first step in the President’s policy of encouraging industry to produce voluntary cuts in greenhouse gas emissions. The Bush Administration has also proposed, as part of its Global Climate Change program, the creation of transferable emission control credits for measures that reduce greenhouse gas emissions.

PowerTree Carbon has obtained commitments totaling approximately \$3.5 million from approximately twenty-five electric utilities, electric utility holding companies and other energy concerns that will be used to fund six forestation projects located in Louisiana, Mississippi and Arkansas.⁷ These projects will provide multiple environmental benefits, including removing from the atmosphere and storing over 2 million tons of CO₂ over the projects’ 100-year lifetimes. Other benefits will include: restoring habitat for birds and animals; reducing fertilizer inputs to waters; and stabilizing soils. Two of the projects will involve purchase and donation of land to the U.S. Fish & Wildlife Service, while other projects will involve obtaining easements for tree planting on private land. The contributions of the members to PowerTree Carbon will be utilized for land acquisition and to pay the cost of

⁷ Exelon is one of eleven registered holding companies that have committed, either directly or through subsidiaries, to make capital contributions to PowerTree Carbon. The others are: Ameren Corporation; American Electric Power Company, Inc.; Cinergy Corp.; Dominion Resources, Inc.; Entergy Corporation; Progress Energy, Inc.; FirstEnergy Corp.; Great Plains Energy Incorporated; PEPCO Holdings, Inc.; and Xcel Energy, Inc. Other energy companies that have committed to make capital contributions are: CLECO Corporation; The Detroit Edison Company; Duke Energy Corporation; Minnesota Power (a division of ALLETE, Inc.); OGE Energy Corp.; Oglethorpe Power Corporation; Peabody Energy Corporation; Pinnacle West Capital Corporation; Public Service Electric and Gas Company; Public Service Company of New Mexico; Reliant Resources, Inc.; Tennessee Valley Authority; TXU Corp.; We Energies (the trade name of Wisconsin Electric Power Company and Wisconsin Gas Company); and Wisconsin Public Service Corporation.

planting tree seedlings. It is estimated that these projects will provide carbon benefits of more than 400 and 450 tons of CO₂ per acre by years 70 and 100, respectively, at a cost of less than two dollars per ton.

PowerTree Carbon was organized as a for-profit limited liability company ("LLC"), to allow carbon or CO₂ reduction credits, if and when they become available, to be more readily transferred. The LLC structure will also allow members to take advantage of tax benefits of land donation. Although formed as a for-profit LLC, PowerTree Carbon is essentially a passive medium for making investments in projects that are not expected to have any operating revenues, and will not engage in any active business operations.

Under the Operating Agreement of PowerTree Carbon ("Operating Agreement"), the business and affairs of the company shall be managed by its board of managers ("Board"). Each member that commits to make a capital contribution of at least \$100,000 is entitled to appoint one representative to the Board. In general, actions by the Board may be taken by a majority of the managers present at a meeting. However, certain actions of the Board or of any individual manager or any officer require authorization by a two-thirds vote of the full board. These include, among other actions: the sale, exchange or other disposition of any of the assets of the company greater than \$20,000 in value; the commencement of a voluntary bankruptcy proceeding; the declaration or making of any distributions to members; the incurrence of any indebtedness by the company; capital expenditures exceeding \$20,000; and the acquisition or lease of any real property and any sale of, donation, lease or sublease affecting real property owned by the company.

New members would be admitted to PowerTree Carbon only upon the unanimous approval of the then existing members. Upon admission of any new member, the percentage interests of existing members shall be reduced accordingly. A member may transfer all or a portion of its membership interest only upon receiving approval of two-thirds of the existing members, except that, without the prior approval of the other members, a member may transfer all or a part of its membership interest to an affiliate of such member or to any other member. A two-thirds vote of the members also would be required to elect officers of PowerTree Carbon. The members have equal voting rights, regardless of their percentage interests in PowerTree Carbon.

The Operating Agreement provides that, so long as any member is a registered holding company or subsidiary company thereof, any voting rights received or otherwise obtained by that member equal to or exceeding ten percent of the total outstanding voting rights in PowerTree Carbon shall be automatically (and without any requirement for consent on the part of the affected member) allocated to the other members in equal portions such that no registered holding company member will hold ten percent or more of voting rights in PowerTree Carbon. In addition, any member may elect to limit its voting rights to less than five percent of the total voting rights in PowerTree Carbon, in which case the voting rights of such member or members equal to or exceeding five percent of the total voting rights in PowerTree Carbon would be automatically allocated in equal portions to the other members.

The Operating Agreement further provides that each member (or its designee(s) or transferee(s)) shall be entitled to claim a *pro rata* share of all carbon that is determined to be sequestered by PowerTree Carbon's efforts to which legal rights, if any, have been obtained ("Carbon Reductions") based on the member's percentage interest in PowerTree Carbon. A member may generally utilize its share of any Carbon Reductions in connection with its participation in any greenhouse gas reporting or regulatory program or transfer or assign such Carbon Reductions to one or more other persons.

Dominion Resources, Inc. (70-10140)

Dominion Resources, Inc. ("Dominion"), a registered holding company, 120 Tredegar Street, Richmond, Virginia, has filed an application under sections 9(a)(1), 10, and 12(f) of the Act and rule 54 under the Act.

Dominion directly owns all of the outstanding common stock of Virginia Electric & Power Company ("Virginia Electric"), which sells electricity to approximately 2.2 million retail customers and to wholesale customers. Virginia Electric non-regulated generating subsidiaries of Dominion own all or portions of thirty-eight electric generating plants in the United States having a combined generating capability of approximately 19,927 megawatts. Through direct and indirect subsidiaries, Dominion is also engaged in various nonutility businesses.

Dominion requests authority to acquire, directly or indirectly through one or more subsidiaries, a membership interest in PowerTree Carbon Company,

LLC ("PowerTree Carbon"). The initial capital contribution of Dominion would be \$100,000. Dominion also requests authority to sell all or a portion of its membership interest in PowerTree Carbon at any time to any of its associate companies.

PowerTree Carbon, a Delaware limited liability company, was organized in cooperation with the U.S. Department of Energy ("DOE"). It is designed to facilitate investments by energy companies such as Dominion in forestation projects in the Lower Mississippi River Valley and possibly other sites.

One proven means for reducing greenhouse gases is to use trees to remove CO₂ from the atmosphere and store it in tree biomass and roots and soil. PowerTree Carbon is part of an industry-wide effort to voluntarily address climate change through measures designed to reduce greenhouse gas emissions in response to President Bush's recent "Climate VISION" plan, or Climate, Voluntary Innovative Sector Initiatives: Opportunities Now. Climate VISION is the first step in the President's policy of encouraging industry to produce voluntary cuts in greenhouse gas emissions. The Bush Administration has also proposed, as part of its Global Climate Change program, the creation of transferable emission control credits for measures that reduce greenhouse gas emissions.

PowerTree Carbon has obtained commitments totaling approximately \$3.5 million from approximately twenty-five electric utilities, electric utility holding companies and other energy concerns that will be used to fund six forestation projects located in Louisiana, Mississippi and Arkansas.⁸ These projects will provide multiple environmental benefits, including removing from the atmosphere and storing over 2 million tons of CO₂ over

⁸ Dominion is one of eleven registered holding companies that have committed, either directly or through subsidiaries, to make capital contributions to PowerTree Carbon. The others are: Ameren Corporation; American Electric Power Company, Inc.; Cinergy Corp.; Progress Energy, Inc.; Entergy Corporation; Exelon Corporation; FirstEnergy Corp.; Great Plains Energy Incorporated; PEPCO Holdings, Inc.; and Xcel Energy, Inc. Other energy companies that have committed to make capital contributions are: CLECO Corporation; The Detroit Edison Company; Duke Energy Corporation; Minnesota Power (a division of ALLETE, Inc.); OGE Energy Corp.; Oglethorpe Power Corporation; Peabody Energy Corporation; Pinnacle West Capital Corporation; Public Service Electric and Gas Company; Public Service Company of New Mexico; Reliant Resources, Inc.; Tennessee Valley Authority; TXU Corp.; We Energies (the trade name of Wisconsin Electric Power Company and Wisconsin Gas Company); and Wisconsin Public Service Corporation.

the projects' 100-year lifetimes. Other benefits will include: restoring habitat for birds and animals; reducing fertilizer inputs to waters; and stabilizing soils. Two of the projects will involve purchase and donation of land to the U.S. Fish & Wildlife Service, while other projects will involve obtaining easements for tree planting on private land. The contributions of the members to PowerTree Carbon will be utilized for land acquisition and to pay the cost of planting tree seedlings. It is estimated that these projects will provide carbon benefits of more than 400 and 450 tons of CO₂ per acre by years 70 and 100, respectively, at a cost of less than two dollars per ton.

PowerTree Carbon was organized as a for-profit limited liability company ("LLC"), to allow carbon or CO₂ reduction credits, if and when they become available, to be more readily transferred. The LLC structure will also allow members to take advantage of tax benefits of land donation. Although formed as a for-profit LLC, PowerTree Carbon is essentially a passive medium for making investments in projects that are not expected to have any operating revenues, and will not engage in any active business operations.

Under the Operating Agreement of PowerTree Carbon ("Operating Agreement"), the business and affairs of the company shall be managed by its board of managers ("Board"). Each member that commits to make a capital contribution of at least \$100,000 is entitled to appoint one representative to the Board. In general, actions by the Board may be taken by a majority of the managers present at a meeting. However, certain actions of the Board or of any individual manager or any officer require authorization by a two-thirds vote of the full board. These include, among other actions: the sale, exchange or other disposition of any of the assets of the company greater than \$20,000 in value; the commencement of a voluntary bankruptcy proceeding; the declaration or making of any distributions to members; the incurrence of any indebtedness by the company; capital expenditures exceeding \$20,000; and the acquisition or lease of any real property and any sale of, donation, lease or sublease affecting real property owned by the company.

New members would be admitted to PowerTree Carbon only upon the unanimous approval of the then existing members. Upon admission of any new member, the percentage interests of existing members shall be reduced accordingly. A member may transfer all or a portion of its membership interest

only upon receiving approval of two-thirds of the existing members, except that, without the prior approval of the other members, a member may transfer all or a part of its membership interest to an affiliate of such member or to any other member. A two-thirds vote of the members also would be required to elect officers of PowerTree Carbon. The members have equal voting rights, regardless of their percentage interests in PowerTree Carbon.

The Operating Agreement provides that, so long as any member is a registered holding company or subsidiary company thereof, any voting rights received or otherwise obtained by that member equal to or exceeding ten percent of the total outstanding voting rights in PowerTree Carbon shall be automatically (and without any requirement for consent on the part of the affected member) allocated to the other members in equal portions such that no registered holding company member will hold ten percent or more of voting rights in PowerTree Carbon. In addition, any member may elect to limit its voting rights to less than five percent of the total voting rights in PowerTree Carbon, in which case the voting rights of such member or members equal to or exceeding five percent of the total voting rights in PowerTree Carbon would be automatically allocated in equal portions to the other members.

The Operating Agreement further provides that each member (or its designee(s) or transferee(s)) shall be entitled to claim a *pro rata* share of all carbon that is determined to be sequestered by PowerTree Carbon's efforts to which legal rights, if any, have been obtained ("Carbon Reductions") based on the member's percentage interest in PowerTree Carbon. A member may generally utilize its share of any Carbon Reductions in connection with its participation in any greenhouse gas reporting or regulatory program or transfer or assign such Carbon Reductions to one or more other persons.

American Electric Power Company, Inc. (70-10142)

American Electric Power Company, Inc. ("AEP"), a registered holding company, 1 Riverside Plaza, Columbus, Ohio 43215, has filed an application under sections 9(a)(1), 10, and 12(f) of the Act and rule 54 under the Act.

AEP directly or indirectly owns all of the outstanding common stock of nine public-utility company subsidiaries (collectively, the "Utility Subsidiaries"). Together, the Utility Subsidiaries provide retail and wholesale electric service to approximately 5 million

customers in parts of eleven states (Arkansas, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, and West Virginia). The Utility Subsidiaries and non-regulated generating subsidiaries of the Applicant own all or portions of ninety-three electric generating plants in the United States having a combined generating capability of approximately 40,000 megawatts. Through direct and indirect subsidiaries, AEP is also engaged in various nonutility businesses.

AEP requests authority to acquire, directly or indirectly through one or more subsidiaries, a membership interest in PowerTree Carbon Company, LLC ("PowerTree Carbon"). The initial capital contribution of AEP would be \$300,000. AEP also requests authority to sell all or a portion of its membership interest in PowerTree Carbon at any time to any of its associate companies.

PowerTree Carbon, a Delaware limited liability company, was organized in cooperation with the U.S. Department of Energy ("DOE"). It is designed to facilitate investments by energy companies such as AEP in forestation projects in the Lower Mississippi River Valley and possibly other sites.

One proven means for reducing greenhouse gases is to use trees to remove CO₂ from the atmosphere and store it in tree biomass and roots and soil. PowerTree Carbon is part of an industry-wide effort to voluntarily address climate change through measures designed to reduce greenhouse gas emissions in response to President Bush's recent "Climate VISION" plan, or Climate, Voluntary Innovative Sector Initiatives: Opportunities Now. Climate VISION is the first step in the President's policy of encouraging industry to produce voluntary cuts in greenhouse gas emissions. The Bush Administration has also proposed, as part of its Global Climate Change program, the creation of transferable emission control credits for measures that reduce greenhouse gas emissions.

PowerTree Carbon has obtained commitments totaling approximately \$3.5 million from approximately twenty-five electric utilities, electric utility holding companies and other energy concerns that will be used to fund six forestation projects located in Louisiana, Mississippi and Arkansas.⁹

⁹ AEP is one of eleven registered holding companies that have committed, either directly or through subsidiaries, to make capital contributions to PowerTree Carbon. The others are: Ameren Corporation; Progress Energy, Inc.; Cinergy Corp.;

These projects will provide multiple environmental benefits, including removing from the atmosphere and storing over 2 million tons of CO₂ over the projects' 100-year lifetimes. Other benefits will include: Restoring habitat for birds and animals; reducing fertilizer inputs to waters; and stabilizing soils. Two of the projects will involve purchase and donation of land to the U.S. Fish & Wildlife Service, while other projects will involve obtaining easements for tree planting on private land. The contributions of the members to PowerTree Carbon will be utilized for land acquisition and to pay the cost of planting tree seedlings. It is estimated that these projects will provide carbon benefits of more than 400 and 450 tons of CO₂ per acre by years 70 and 100, respectively, at a cost of less than two dollars per ton.

PowerTree Carbon was organized as a for-profit limited liability company ("LLC"), to allow carbon or CO₂ reduction credits, if and when they become available, to be more readily transferred. The LLC structure will also allow members to take advantage of tax benefits of land donation. Although formed as a for-profit LLC, PowerTree Carbon is essentially a passive medium for making investments in projects that are not expected to have any operating revenues, and will not engage in any active business operations.

Under the Operating Agreement of PowerTree Carbon ("Operating Agreement"), the business and affairs of the company shall be managed by its board of managers ("Board"). Each member that commits to make a capital contribution of at least \$100,000 is entitled to appoint one representative to the Board. In general, actions by the Board may be taken by a majority of the managers present at a meeting. However, certain actions of the Board or of any individual manager or any officer require authorization by a two-thirds vote of the full board. These include, among other actions: The sale, exchange or other disposition of any of the assets of the company greater than \$20,000 in

value; the commencement of a voluntary bankruptcy proceeding; the declaration or making of any distributions to members; the incurrence of any indebtedness by the company; capital expenditures exceeding \$20,000; and the acquisition or lease of any real property and any sale of, donation, lease or sublease affecting real property owned by the company.

New members would be admitted to PowerTree Carbon only upon the unanimous approval of the then existing members. Upon admission of any new member, the percentage interests of existing members shall be reduced accordingly. A member may transfer all or a portion of its membership interest only upon receiving approval of two-thirds of the existing members, except that, without the prior approval of the other members, a member may transfer all or a part of its membership interest to an affiliate of such member or to any other member. A two-thirds vote of the members also would be required to elect officers of PowerTree Carbon. The members have equal voting rights, regardless of their percentage interests in PowerTree Carbon.

The Operating Agreement provides that, so long as any member is a registered holding company or subsidiary company thereof, any voting rights received or otherwise obtained by that member equal to or exceeding ten percent of the total outstanding voting rights in PowerTree Carbon shall be automatically (and without any requirement for consent on the part of the affected member) allocated to the other members in equal portions such that no registered holding company member will hold ten percent or more of voting rights in PowerTree Carbon. In addition, any member may elect to limit its voting rights to less than five percent of the total voting rights in PowerTree Carbon, in which case the voting rights of such member or members equal to or exceeding five percent of the total voting rights in PowerTree Carbon would be automatically allocated in equal portions to the other members.

The Operating Agreement further provides that each member (or its designee(s) or transferee(s)) shall be entitled to claim a *pro rata* share of all carbon that is determined to be sequestered by PowerTree Carbon's efforts to which legal rights, if any, have been obtained ("Carbon Reductions") based on the member's percentage interest in PowerTree Carbon. A member may generally utilize its share of any Carbon Reductions in connection with its participation in any greenhouse gas reporting or regulatory program or

transfer or assign such Carbon Reductions to one or more other persons.

Entergy Arkansas, Inc. (70-10143)

Entergy Arkansas, Inc. ("Entergy Arkansas"), 425 West Capitol Avenue, Little Rock, Arkansas 72201, a public-utility company subsidiary of Entergy Corporation, a registered holding company, has filed an application under sections 9(a)(1), 10, and 12(f) of the Act and rule 54 under the Act.

Entergy Arkansas provides retail electric service to approximately 649,000 customers in the State of Arkansas. It owns or leases all or portions of twelve electric generating plants having a combined generating capability of 4,690 megawatts. Entergy Corporation, through direct and indirect subsidiaries, is also engaged in various nonutility businesses.

Entergy Arkansas requests authority to acquire, directly or indirectly through one or more subsidiaries, a membership interest in PowerTree Carbon Company, LLC ("PowerTree Carbon"). The initial capital contribution of Entergy Arkansas would be \$100,000. Entergy Arkansas also requests authority to sell all or a portion of its membership interest in PowerTree Carbon at any time to any of its associate companies.

PowerTree Carbon, a Delaware limited liability company, was organized in cooperation with the U.S. Department of Energy ("DOE"). It is designed to facilitate investments by energy companies such as Entergy Arkansas in forestation projects in the Lower Mississippi River Valley and possibly other sites.

One proven means for reducing greenhouse gases is to use trees to remove CO₂ from the atmosphere and store it in tree biomass and roots and soil. PowerTree Carbon is part of an industry-wide effort to voluntarily address climate change through measures designed to reduce greenhouse gas emissions in response to President Bush's recent "Climate VISION" plan, or Climate, Voluntary Innovative Sector Initiatives: Opportunities Now. Climate VISION is the first step in the President's policy of encouraging industry to produce voluntary cuts in greenhouse gas emissions. The Bush Administration has also proposed, as part of its Global Climate Change program, the creation of transferable emission control credits for measures that reduce greenhouse gas emissions.

PowerTree Carbon has obtained commitments totaling approximately \$3.5 million from approximately twenty-five electric utilities, electric

Dominion Resources, Inc.; Entergy Corporation; Exelon Corporation; FirstEnergy Corp.; Great Plains Energy Incorporated; PEPCO Holdings, Inc.; and Xcel Energy, Inc. Other energy companies that have committed to make capital contributions are: CLECO Corporation; The Detroit Edison Company; Duke Energy Corporation; Minnesota Power (a division of ALLETE, Inc.); OGE Energy Corp.; Oglethorpe Power Corporation; Peabody Energy Corporation; Pinnacle West Capital Corporation; Public Service Electric and Gas Company; Public Service Company of New Mexico; Reliant Resources, Inc.; Tennessee Valley Authority; TXU Corp.; We Energies (the trade name of Wisconsin Electric Power Company and Wisconsin Gas Company); and Wisconsin Public Service Corporation.

utility holding companies and other energy concerns that will be used to fund six forestation projects located in Louisiana, Mississippi and Arkansas.¹⁰ These projects will provide multiple environmental benefits, including removing from the atmosphere and storing over 2 million tons of CO₂ over the projects' 100-year lifetimes. Other benefits will include: restoring habitat for birds and animals; reducing fertilizer inputs to waters; and stabilizing soils. Two of the projects will involve purchase and donation of land to the U.S. Fish & Wildlife Service, while other projects will involve obtaining easements for tree planting on private land. The contributions of the members to PowerTree Carbon will be utilized for land acquisition and to pay the cost of planting tree seedlings. It is estimated that these projects will provide carbon benefits of more than 400 and 450 tons of CO₂ per acre by years 70 and 100, respectively, at a cost of less than two dollars per ton.

PowerTree Carbon was organized as a for-profit limited liability company ("LLC"), to allow carbon or CO₂ reduction credits, if and when they become available, to be more readily transferred. The LLC structure will also allow members to take advantage of tax benefits of land donation. Although formed as a for-profit LLC, PowerTree Carbon is essentially a passive medium for making investments in projects that are not expected to have any operating revenues, and will not engage in any active business operations.

Under the Operating Agreement of PowerTree Carbon ("Operating Agreement"), the business and affairs of the company shall be managed by its board of managers ("Board"). Each member that commits to make a capital contribution of at least \$100,000 is entitled to appoint one representative to

the Board. In general, actions by the Board may be taken by a majority of the managers present at a meeting. However, certain actions of the Board or of any individual manager or any officer require authorization by a two-thirds vote of the full board. These include, among other actions: the sale, exchange or other disposition of any of the assets of the company greater than \$20,000 in value; the commencement of a voluntary bankruptcy proceeding; the declaration or making of any distributions to members; the incurrence of any indebtedness by the company; capital expenditures exceeding \$20,000; and the acquisition or lease of any real property and any sale of, donation, lease or sublease affecting real property owned by the company.

New members would be admitted to PowerTree Carbon only upon the unanimous approval of the then existing members. Upon admission of any new member, the percentage interests of existing members shall be reduced accordingly. A member may transfer all or a portion of its membership interest only upon receiving approval of two-thirds of the existing members, except that, without the prior approval of the other members, a member may transfer all or a part of its membership interest to an affiliate of such member or to any other member. A two-thirds vote of the members also would be required to elect officers of PowerTree Carbon. The members have equal voting rights, regardless of their percentage interests in PowerTree Carbon.

The Operating Agreement provides that, so long as any member is a registered holding company or subsidiary company thereof, any voting rights received or otherwise obtained by that member equal to or exceeding ten percent of the total outstanding voting rights in PowerTree Carbon shall be automatically (and without any requirement for consent on the part of the affected member) allocated to the other members in equal portions such that no registered holding company member will hold ten percent or more of voting rights in PowerTree Carbon. In addition, any member may elect to limit its voting rights to less than five percent of the total voting rights in PowerTree Carbon, in which case the voting rights of such member or members equal to or exceeding five percent of the total voting rights in PowerTree Carbon would be automatically allocated in equal portions to the other members.

The Operating Agreement further provides that each member (or its designee(s) or transferee(s)) shall be entitled to claim a *pro rata* share of all

carbon that is determined to be sequestered by PowerTree Carbon's efforts to which legal rights, if any, have been obtained ("Carbon Reductions") based on the member's percentage interest in PowerTree Carbon. A member may generally utilize its share of any Carbon Reductions in connection with its participation in any greenhouse gas reporting or regulatory program or transfer or assign such Carbon Reductions to one or more other persons.

Great Plains Energy Incorporated (70-10146)

Great Plains Energy Incorporated ("Great Plains"), a registered holding company, 1201 Walnut, Kansas City, Missouri 64106, has filed an application under sections 9(a)(1), 10, and 12(f) of the Act and rule 54 under the Act.

Great Plains directly owns all of the outstanding common stock of Kansas City Power & Light Company ("KCP&L"), a public-utility company. KCP&L provides retail and wholesale electric service to more than 485,000 customers in parts of Missouri and Kansas, and owns or leases all or portions of twenty-six electric generating plants in the United States having a combined generating capability of more than 4,043 megawatts. Through direct and indirect subsidiaries, Great Plains is also engaged in various nonutility businesses.

Great Plains requests authority to acquire, directly or indirectly through one or more subsidiaries, a membership interest in PowerTree Carbon Company, LLC ("PowerTree Carbon"). The initial capital contribution of Great Plains would be \$50,000. Great Plains also requests authority to sell all or a portion of its membership interest in PowerTree Carbon at any time to any of its associate companies.

PowerTree Carbon, a Delaware limited liability company, was organized in cooperation with the U.S. Department of Energy ("DOE"). It is designed to facilitate investments by energy companies such as Great Plains in forestation projects in the Lower Mississippi River Valley and possibly other sites.

One proven means for reducing greenhouse gases is to use trees to remove CO₂ from the atmosphere and store it in tree biomass and roots and soil. PowerTree Carbon is part of an industry-wide effort to voluntarily address climate change through measures designed to reduce greenhouse gas emissions in response to President Bush's recent "Climate VISION" plan, or Climate, Voluntary Innovative Sector Initiatives:

¹⁰ Entergy Corporation, through Entergy Arkansas, is one of eleven registered holding companies that have committed, either directly or through subsidiaries, to make capital contributions to PowerTree Carbon. The others are: Ameren Corporation; American Electric Power Company, Inc.; Cinergy Corp.; Dominion Resources, Inc.; Progress Energy, Inc.; Exelon Corporation; FirstEnergy Corp.; Great Plains Energy Incorporated; PEPCO Holdings, Inc.; and Xcel Energy, Inc. Other energy companies that have committed to make capital contributions are: CLECO Corporation; The Detroit Edison Company; Duke Energy Corporation; Minnesota Power (a division of ALLETE, Inc.); OGE Energy Corp.; Oglethorpe Power Corporation; Peabody Energy Corporation; Pinnacle West Capital Corporation; Public Service Electric and Gas Company; Public Service Company of New Mexico; Reliant Resources, Inc.; Tennessee Valley Authority; TXU Corp.; We Energies (the trade name of Wisconsin Electric Power Company and Wisconsin Gas Company); and Wisconsin Public Service Corporation.

Opportunities Now. Climate VISION is the first step in the President's policy of encouraging industry to produce voluntary cuts in greenhouse gas emissions. The Bush Administration has also proposed, as part of its Global Climate Change program, the creation of transferable emission control credits for measures that reduce greenhouse gas emissions.

PowerTree Carbon has obtained commitments totaling approximately \$3.5 million from approximately twenty-five electric utilities, electric utility holding companies and other energy concerns that will be used to fund six reforestation projects located in Louisiana, Mississippi and Arkansas.¹¹ These projects will provide multiple environmental benefits, including removing from the atmosphere and storing over 2 million tons of CO₂ over the projects' 100-year lifetimes. Other benefits will include: Restoring habitat for birds and animals; reducing fertilizer inputs to waters; and stabilizing soils. Two of the projects will involve purchase and donation of land to the U.S. Fish & Wildlife Service, while other projects will involve obtaining easements for tree planting on private land. The contributions of the members to PowerTree Carbon will be utilized for land acquisition and to pay the cost of planting tree seedlings. It is estimated that these projects will provide carbon benefits of more than 400 and 450 tons of CO₂ per acre by years 70 and 100, respectively, at a cost of less than two dollars per ton.

PowerTree Carbon was organized as a for-profit limited liability company ("LLC"), to allow carbon or CO₂ reduction credits, if and when they become available, to be more readily transferred. The LLC structure will also allow members to take advantage of tax benefits of land donation. Although formed as a for-profit LLC, PowerTree Carbon is essentially a passive medium

for making investments in projects that are not expected to have any operating revenues, and will not engage in any active business operations.

Under the Operating Agreement of PowerTree Carbon ("Operating Agreement"), the business and affairs of the company shall be managed by its board of managers ("Board"). Each member that commits to make a capital contribution of at least \$100,000 is entitled to appoint one representative to the Board. In general, actions by the Board may be taken by a majority of the managers present at a meeting. However, certain actions of the Board or of any individual manager or any officer require authorization by a two-thirds vote of the full board. These include, among other actions: The sale, exchange or other disposition of any of the assets of the company greater than \$20,000 in value; the commencement of a voluntary bankruptcy proceeding; the declaration or making of any distributions to members; the incurrence of any indebtedness by the company; capital expenditures exceeding \$20,000; and the acquisition or lease of any real property and any sale of, donation, lease or sublease affecting real property owned by the company.

New members would be admitted to PowerTree Carbon only upon the unanimous approval of the then existing members. Upon admission of any new member, the percentage interests of existing members shall be reduced accordingly. A member may transfer all or a portion of its membership interest only upon receiving approval of two-thirds of the existing members, except that, without the prior approval of the other members, a member may transfer all or a part of its membership interest to an affiliate of such member or to any other member. A two-thirds vote of the members also would be required to elect officers of PowerTree Carbon. The members have equal voting rights, regardless of their percentage interests in PowerTree Carbon.

The Operating Agreement provides that, so long as any member is a registered holding company or subsidiary company thereof, any voting rights received or otherwise obtained by that member equal to or exceeding ten percent of the total outstanding voting rights in PowerTree Carbon shall be automatically (and without any requirement for consent on the part of the affected member) allocated to the other members in equal portions such that no registered holding company member will hold ten percent or more of voting rights in PowerTree Carbon. In addition, any member may elect to limit

its voting rights to less than five percent of the total voting rights in PowerTree Carbon, in which case the voting rights of such member or members equal to or exceeding five percent of the total voting rights in PowerTree Carbon would be automatically allocated in equal portions to the other members.

The Operating Agreement further provides that each member (or its designee(s) or transferee(s)) shall be entitled to claim a *pro rata* share of all carbon that is determined to be sequestered by PowerTree Carbon's efforts to which legal rights, if any, have been obtained ("Carbon Reductions") based on the member's percentage interest in PowerTree Carbon. A member may generally utilize its share of any Carbon Reductions in connection with its participation in any greenhouse gas reporting or regulatory program or transfer or assign such Carbon Reductions to one or more other persons.

Xcel Energy Inc. (70-10147)

Xcel Energy Inc. ("Xcel"), a registered holding company, 800 Nicollet Mall, Minneapolis, Minnesota 55402, has filed an application under sections 9(a)(1), 10, and 12(f) of the Act and rule 54 under the Act.

Xcel directly and indirectly owns all of the outstanding common stock of: Cheyenne Light, Fuel and Power Company; Northern States Power Company; Public Service Company of Colorado; and Southwestern Public Service Company (collectively, the "Utility Subsidiaries"). Together, the Utility Subsidiaries provide retail and wholesale electric service to more than 3.2 million customers in parts of Colorado, Kansas, Michigan, Minnesota, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Wisconsin, and Wyoming. The Utility Subsidiaries own all or portions of seventy electric generating plants in the United States having a combined generating capability of approximately 15,246 megawatts. Through direct and indirect subsidiaries, Xcel is also engaged in various nonutility businesses.

Xcel requests authority to acquire, directly or indirectly through one or more subsidiaries, a membership interest in PowerTree Carbon Company, LLC ("PowerTree Carbon"). The initial capital contribution of Xcel would be \$100,000. Xcel also requests authority to sell all or a portion of its membership interest in PowerTree Carbon at any time to any of its associate companies.

PowerTree Carbon, a Delaware limited liability company, was organized in cooperation with the U.S. Department of Energy ("DOE"). It is

¹¹ Great Plains is one of eleven registered holding companies that have committed, either directly or through subsidiaries, to make capital contributions to PowerTree Carbon. The others are: Ameren Corporation; American Electric Power Company, Inc.; Cinergy Corp.; Dominion Resources, Inc.; Entergy Corporation; Exelon Corporation; FirstEnergy Corp.; Progress Energy, Inc.; PEPCO Holdings, Inc.; and Xcel Energy, Inc. Other energy companies that have committed to make capital contributions are: CLECO Corporation; The Detroit Edison Company; Duke Energy Corporation; Minnesota Power (a division of ALLETE, Inc.); OGE Energy Corp.; Oglethorpe Power Corporation; Peabody Energy Corporation; Pinnacle West Capital Corporation; Public Service Electric and Gas Company; Public Service Company of New Mexico; Reliant Resources, Inc.; Tennessee Valley Authority; TXU Corp.; We Energies (the trade name of Wisconsin Electric Power Company and Wisconsin Gas Company); and Wisconsin Public Service Corporation.

designed to facilitate investments by energy companies such as Xcel in forestation projects in the Lower Mississippi River Valley and possibly other sites.

One proven means for reducing greenhouse gases is to use trees to remove CO₂ from the atmosphere and store it in tree biomass and roots and soil. PowerTree Carbon is part of an industry-wide effort to voluntarily address climate change through measures designed to reduce greenhouse gas emissions in response to President Bush's recent "Climate VISION" plan, or Climate, Voluntary Innovative Sector Initiatives: Opportunities Now. Climate VISION is the first step in the President's policy of encouraging industry to produce voluntary cuts in greenhouse gas emissions. The Bush Administration has also proposed, as part of its Global Climate Change program, the creation of transferable emission control credits for measures that reduce greenhouse gas emissions.

PowerTree Carbon has obtained commitments totaling approximately \$3.5 million from approximately twenty-five electric utilities, electric utility holding companies and other energy concerns that will be used to fund six forestation projects located in Louisiana, Mississippi and Arkansas.¹² These projects will provide multiple environmental benefits, including removing from the atmosphere and storing over 2 million tons of CO₂ over the projects' 100-year lifetimes. Other benefits will include: Restoring habitat for birds and animals; reducing fertilizer inputs to waters; and stabilizing soils. Two of the projects will involve purchase and donation of land to the U.S. Fish & Wildlife Service, while other projects will involve obtaining easements for tree planting on private land. The contributions of the members

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to PowerTree Carbon will be utilized for land acquisition and to pay the cost of planting tree seedlings. It is estimated that these projects will provide carbon benefits of more than 400 and 450 tons of CO₂ per acre by years 70 and 100, respectively, at a cost of less than two dollars per ton.

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Under the Operating Agreement of PowerTree Carbon ("Operating Agreement"), the business and affairs of the company shall be managed by its board of managers ("Board"). Each member that commits to make a capital contribution of at least \$100,000 is entitled to appoint one representative to the Board. In general, actions by the Board may be taken by a majority of the managers present at a meeting. However, certain actions of the Board or of any individual manager or any officer require authorization by a two-thirds vote of the full board. These include, among other actions: The sale, exchange or other disposition of any of the assets of the company greater than \$20,000 in value; the commencement of a voluntary bankruptcy proceeding; the declaration or making of any distributions to members; the incurrence of any indebtedness by the company; capital expenditures exceeding \$20,000; and the acquisition or lease of any real property and any sale of, donation, lease or sublease affecting real property owned by the company.

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regardless of their percentage interests in PowerTree Carbon.

The Operating Agreement provides that, so long as any member is a registered holding company or subsidiary company thereof, any voting rights received or otherwise obtained by that member equal to or exceeding ten percent of the total outstanding voting rights in PowerTree Carbon shall be automatically (and without any requirement for consent on the part of the affected member) allocated to the other members in equal portions such that no registered holding company member will hold ten percent or more of voting rights in PowerTree Carbon. In addition, any member may elect to limit its voting rights to less than five percent of the total voting rights in PowerTree Carbon, in which case the voting rights of such member or members equal to or exceeding five percent of the total voting rights in PowerTree Carbon would be automatically allocated in equal portions to the other members.

The Operating Agreement further provides that each member (or its designee(s) or transferee(s)) shall be entitled to claim a *pro rata* share of all carbon that is determined to be sequestered by PowerTree Carbon's efforts to which legal rights, if any, have been obtained ("Carbon Reductions") based on the member's percentage interest in PowerTree Carbon. A member may generally utilize its share of any Carbon Reductions in connection with its participation in any greenhouse gas reporting or regulatory program or transfer or assign such Carbon Reductions to one or more other persons.

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

Jill M. Peterson,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-26101; File No. 812-12924]

ReliaStar Life Insurance Company of New York, et al.

July 21, 2003.

AGENCY: Securities and Exchange Commission ("SEC" or "Commission").

ACTION: Notice of application for an amended order pursuant to Section 6(c) of the Investment Company Act of 1940 (the "Act") granting exemption from Sections 2(a)(32) and 27(i)(2)(A) of the Act and Rule 22c-1 thereunder.