

SECURITIES AND EXCHANGE COMMISSION

FORM U-1

Application or declaration under the act 1935

Filing Date: **1994-02-02**
SEC Accession No. **0000067646-94-000009**

([HTML Version](#) on secdatabase.com)

FILER

MONONGAHELA POWER CO /OH/

CIK: **67646** | IRS No.: **135229392** | State of Incorporation: **OH** | Fiscal Year End: **1231**
Type: **U-1** | Act: **35** | File No.: **070-08349** | Film No.: **94504250**
SIC: **4911** Electric services

Mailing Address
*ALLEGHENY POWER
SERVICE CORP
800 CABIN HILL DR
GREENSBURG PA 15601*

Business Address
*1310 FAIRMONT AVE
FAIRMONT WV 26555
3043663000*

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM U-1

APPLICATION OR DECLARATION

UNDER

THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

Monongahela Power Company
1310 Fairmont Avenue
Fairmont, WV 26554

The Potomac Edison Company
10435 Downsville Pike
Hagerstown, MD 21740-1766

West Penn Power Company
800 Cabin Hill Drive
Greensburg, PA 15601

(Name of company or companies filing this statement and addresses of principal executive offices)

Allegheny Power System, Inc.

(Name of top registered holding company parent of each applicant or declarant)

Nancy H. Gormley
Vice President
Allegheny Power System, Inc.
Tower Forty-Nine
12 East 49th Street
New York, NY 10017

(Name and address of agent for service)

1. Description of Proposed Transaction.

The proposed transactions involve the optional redemption of all of the shares of preferred stock of certain series by Monongahela Power Company (Monongahela), The Potomac Edison Company (Potomac Edison) and West Penn Power Company (West Penn) (collectively, the "Applicants") as follows:

Company	Series	Dividend Rate	Number of Shares	Par Value	Current Optional Redemption Price	Date Price Applicable
Monongahela	G	\$8.80	50,000	\$100	\$104.20	After 5/1/86
Monongahela	H	\$7.92	50,000	\$100	\$103.52	After 4/1/87
Monongahela	I	\$7.92	100,000	\$100	\$103.52	After 11/1/88
Monongahela	J	\$8.60	150,000	\$100	\$103.33	After 12/1/91
Potomac Edison	F	\$8.32	50,000	\$100	\$103.54	After 5/1/86
Potomac Edison	G	\$8.00	100,000	\$100	\$103.25	After 5/1/87
West Penn	G	\$8.08	100,000	\$100	\$103.27	After 7/1/86
West Penn	H	\$7.60	100,000	\$100	\$103.23	After 6/1/87
West Penn	I	\$7.64	100,000	\$100	\$103.16	After 11/1/88
West Penn	J	\$8.20	200,000	\$100	\$103.30	After 12/1/91

Applicants request authority through December 31, 1996 to redeem the foregoing series of preferred stock.

The optional redemption of the above-described securities will be undertaken only if advantageous to the respective customers and shareholders of each Applicant by reducing the cost of their respective outstanding series of preferred stock. The Applicants would effect such redemptions by issuing new preferred stock with a lower dividend rate. Applicants will not enter into the proposed refunding transactions unless, in each instance, the estimated present value savings derived from the net difference between interest payments on the new issue of comparable securities and on the securities to be refunded is, on an after tax basis, greater than the present value of all redemption and issuing costs, assuming an appropriate discount rate. The discount rate used shall be the estimated after tax interest rate on the securities to be issued.

As noted in the table above, at the present time each series of preferred stock is eligible for optional redemption at specified premiums over their respective par value. The Potomac Edison preferred stock is eligible for optional redemption pursuant to Sections 7 and 8 of Article VI of the Potomac Edison charter. The Monongahela preferred stock is eligible for optional redemption pursuant to Sections 1.5(8), 1.5(4)D, 1.5(4)E, 1.5(4)F, and 1.5(4)G of Monongahela's charter. The West Penn preferred stock is eligible for optional redemption pursuant to Sections 5.14(G), 5.14(H), 5.14(I) and 5.14(J) of West Penn's charter.

2. Fees, Commissions and Expenses

None, other than (i) ordinary expenses not over \$500 in connection with the preparation of this Application or Declaration, and (ii) the \$2,000 filing fee for this Application or Declaration.

3. Applicable Statutory Provisions

Applicants are advised that Sections 9(a), 10 and 12(c) and Rule 42 promulgated under the Act are or may be applicable to the proposed transactions.

4. Regulatory Approval

No commission other than the Securities and Exchange Commission has jurisdiction over the proposed transactions.

5. Procedure

It is requested that the Commission's order granting this Application or Declaration be issued as soon as possible. There should be no recommended decision by a hearing or other responsible officer of the Commission and no 30-day waiting period between the issuance of the Commission's order and its effective date. Applicants consent to the Division of Corporate Regulation's assisting in the preparation of the Commission's decision and order in this matter, unless the Division opposes the transactions covered by this Application or Declaration.

6. Exhibits and Financial Statements

- (a) Exhibits
- | | |
|-----|--------------------------------------|
| A-E | Not applicable |
| F | Opinion of Nancy H. Gormley, Esquire |
| H | Form of Notice |
- (b) Financial Statements are not deemed relevant or necessary for a proper disposition of the proposed transactions by the Commission and are omitted.

7. Information as to Environmental Effects

- (a) For the reasons set forth in Item 1 above, the authorization applied for herein does not require major federal action significantly affecting the quality of the human environment for purposes of Section 102(2)(C) of the National Environmental Policy Act (42 U.S.C. 4232(2)(C)).
- (b) Not applicable.

SIGNATURE

Pursuant to the requirements of the Public Utility Holding Company Act of 1935, each of the undersigned companies has duly caused this statement to be signed on its behalf by the undersigned thereunto duly authorized.

MONONGAHELA POWER COMPANY
THE POTOMAC EDISON COMPANY
WEST PENN POWER COMPANY

By: NANCY H. GORMLEY
Nancy H. Gormley
Counsel

Dated: February 2, 1994

February 2, 1994

Securities and Exchange Commission
450 5th Street, N.W.
Washington, DC 20549

Gentlemen:

Referring to the Application or Declaration on Form U-1 contemporaneously filed by Monongahela Power Company (Monongahela), The Potomac Edison Company (Potomac Edison) and West Penn Power Company (West Penn) under the Public Utility Holding Company Act of 1935 with respect to the proposed preferred stock redemption programs for Monongahela, Potomac Edison and West Penn, all as described in the joint Application or Declaration of which this Opinion is a part, I have examined such documents and questions of law as I deemed necessary to enable me to render this opinion.

I understand that the actions taken in connection with the proposed redemptions of preferred stock will be in accordance with the Application or Declaration; that all amendments necessary to complete the above-mentioned Application or Declaration will be filed with the Commission; and that all other necessary corporate action by the Boards of Directors and officers of Monongahela, Potomac Edison and West Penn in connection with the redemption programs has been or will be taken prior thereto.

Based upon the foregoing, I am of the opinion that

- (1) Monongahela, Potomac Edison and West Penn are validly organized and duly existing corporations; and
- (2) if the said joint Application or Declaration is permitted to become effective and the proposed transactions are consummated in accordance therewith: (a) all state laws applicable to the proposed transactions will have been complied with; (b) Monongahela, Potomac Edison and West Penn will legally acquire the preferred stock as set forth in the Application or Declaration; and (c) the consummation of the proposed transactions will not violate the legal rights of the holders of any of the securities issued by Monongahela, Potomac Edison or West Penn or by any associate or affiliate company or any of them.

This opinion does not relate to State Blue Sky or securities laws.

I consent to the use of this Opinion as part of the joint Application or Declaration to which it is appended, which is to be filed by Monongahela, Potomac Edison and West Penn.

Very truly yours,

NANCY H. GORMLEY

Nancy H. Gormley
Counsel for
MONONGAHELA POWER COMPANY
THE POTOMAC EDISON COMPANY
WEST PENN POWER COMPANY

SECURITIES AND EXCHANGE COMMISSION

(Release No. 35- :)

Monongahela Power Company, et al.

Monongahela Power Company (Monongahela) 1310 Fairmont Avenue, Fairmont, WV 26554, The Potomac Edison Company (Potomac Edison) 10435 Downsville Pike, Hagerstown, MD 21740-1766 and West Penn Power Company (West Penn) 800 Cabin Hill Drive, Greensburg, PA 15601, wholly-owned subsidiaries of Allegheny Power System, Inc., a registered public utility holding company, (collectively, the "Applicants") have filed a joint Application or Declaration pursuant to Sections 9(a), 10 and 12(c) of the Public Utility Holding Company Act of 1935 and Rule 42 thereunder.

The Applicants request authority through December 31, 1996 to effect the optional redemption of all of the shares of preferred stock of certain series. The series proposed to be redeemed are as follows:

Company	Series	Dividend Rate	Number of Shares	Par Value	Current Optional Redemption Price	Date Price Applicable
Monongahela	G	\$8.80	50,000	\$100	\$104.20	After 5/1/86
Monongahela	H	\$7.92	50,000	\$100	\$103.52	After 4/1/87
Monongahela	I	\$7.92	100,000	\$100	\$103.52	After 11/1/88
Monongahela	J	\$8.60	150,000	\$100	\$103.33	After 12/1/91
Potomac Edison	F	\$8.32	50,000	\$100	\$103.54	After 5/1/86
Potomac Edison	G	\$8.00	100,000	\$100	\$103.25	After 5/1/87
West Penn	G	\$8.08	100,000	\$100	\$103.27	After 7/1/86

West Penn	H	\$7.60	100,000	\$100	\$103.23	After 6/1/87
West Penn	I	\$7.64	100,000	\$100	\$103.16	After 11/1/88
West Penn	J	\$8.20	200,000	\$100	\$103.30	After 12/1/91

The optional redemption of the above-described securities will be undertaken only if advantageous to the respective customers and shareholders of each Applicant by reducing the cost of their respective outstanding series of preferred stock. The Applicants would effect such redemptions by issuing new preferred stock with a lower dividend rate. Applicants will not enter into the proposed refunding transactions unless, in each instance, the estimated present value savings derived from the net difference between interest payments on the new issue of comparable securities and on the securities to be refunded is, on an after tax basis, greater than the present value of all redemption and issuing costs, assuming an appropriate discount rate. The discount rate used shall be the estimated after tax interest rate on the securities to be issued.

As noted in the table above, at the present time each series of preferred stock is eligible for optional redemption at specified premiums over their respective par value. The Potomac Edison preferred stock is eligible for optional redemption pursuant to Sections 7 and 8 of Article VI of the Potomac Edison charter. The Monongahela preferred stock is eligible for optional redemption pursuant to Sections 1.5(8), 1.5(4)D, 1.5(4)E, 1.5(4)F and 1.5(4)G of Monongahela's charter. The West Penn preferred stock is eligible for optional redemption pursuant to Sections 5.14(G), 5.14(H), 5.14(I) and 5.14(J) of West Penn's charter.

Except as described herein, no associate company or affiliate of the Applicants or any affiliate of any such associate company has any material interest, directly or indirectly in the proposed transactions.

This application and any amendments thereto are available for public inspection through the Commission's Office of Public Reference. Interested persons wishing to comment or request a hearing should submit their views in writing by _____, 1994, to the Secretary, Securities and Exchange Commission, Washington, DC 20549, and serve a copy on the Applicants at the address specified above. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for a hearing shall identify specifically the issues of fact 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 this matter. After said date, the application, as filed or as it may be amended, may be granted.

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