

**AmerenUE's Response to
ICC Staff Data Request
DOCKET NO. 00-0664**

Company Person Responsible: Kevin L. Redhage
Title: Financial Specialist
Business Address: 1901 Chouteau Ave.
St. Louis, MO 63103
Phone: (314) 554-3836

FD 1 The Company's proposed investment guidelines allow cash to be invested in money market accounts or other interest-bearing short-term investment accounts. Please define these two accounts.

Response:

Assuming that the Company's request to appoint The Bank of New York (BNY) as trustee of the Callaway Plant Tax Qualified and Non-Tax Qualified Nuclear Decommissioning Trust Funds is approved, two funds will be available for the investment of cash. These are the BNY Hamilton Money Market Fund and the BNY Cash Reserve Account. The general investment practice each day will be to invest all free cash known to be available as of the investment deadline into the BNY Hamilton Money Market Fund. Then, at the close of each business day, any remaining cash will be "swept" into the BNY Cash Reserve Account. In this manner, the majority of any free cash should be invested in the fund expected to provide the greatest yield (the BNY Hamilton Money Market Fund); and, no cash will remain uninvested as any remainder will automatically be invested in the BNY Cash Reserve Account. "Fact Sheets" describing the foregoing funds are attached.

OFFICIAL FILE

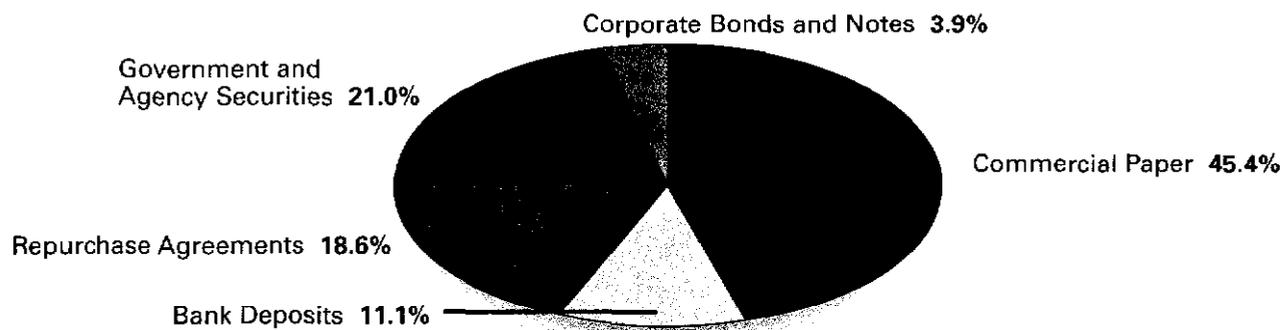
ILL. C. C. DOCKET NO. 00-0664
AmerenUE Exhibit No. 1

Witness _____
Date 11-2-00 Reporter tgw



MONTHLY FUND UPDATE (AUGUST 31, 2000)

PORTFOLIO COMPOSITION¹



DESCRIPTION

The BNY Hamilton Money Fund—Hamilton Shares is rated “AAA_m” by Standard & Poor’s Corporation (“S&P”), rated “Aaa” by Moody’s and is on the NAIC Approved List of Class 1 Money Market Funds.² According to S&P, “AAA_m” signifies excellent safety of invested principal and superior capacity to maintain a \$1.00 per share net asset value at all times.

INVESTMENT OBJECTIVE

The Fund seeks to earn a high level of current income with preservation of capital and maintenance of liquidity by investing principally in high quality money market instruments.

INCOME POLICY

The Fund’s net interest income is declared as a daily dividend. Declared dividends are accrued throughout the month and are distributed to shareholders within 5 business days of the following month.

INVESTMENT/OTHER RESTRICTIONS

The deadline for investment in the Fund is 4:30 p.m. (EST). Shares are redeemed at their current net asset value, which may be worth more or less than the original investment.

PORTFOLIO PERFORMANCE³

Period	Performance As of 8/31/00	Performance As of 6/30/00
One Month	0.55%	0.51%
Year-to-Date	4.06%	2.95%
Average Annual		
1 Year	5.90%	5.63%
3 Year	5.48%	5.42%
5 Year	5.46%	5.43%
Since Inception	4.90%	4.86%

The class of shares commenced on August 7, 1992.

LARGEST HOLDINGS¹

	% of Net Assets
J.P. Morgan Repurchase Agreement, 6.65%, 9/01/00	4.3%
Barclay Repurchase Agreement, 6.65%, 9/01/00	3.8%
Salomon Brothers Repurchase Agreement, 6.65%, 9/01/00	3.8%
Morgan Stanley Repurchase Agreement, 6.65%, 9/01/00	3.6%
Deutsche Bank Repurchase Agreement, 6.65%, 9/01/00	3.0%

YIELD³

	As of 8/31/00
7-Day Current Yield	6.52%
7-Day Effective Yield	6.73%

DISTRIBUTION HISTORY

Total (Trailing 12 Months)	0.0575
Average Maturity	46 Days

Mutual fund shares are not deposits or obligations of, or guaranteed by, The Bank of New York. Shares are NOT insured by the FDIC, the Federal Reserve or any other agency, and are subject to investment risks, including the possible loss of principal.

The Funds are sponsored and distributed by BNY Hamilton Distributors, Inc., which is not affiliated with The Bank of New York.

¹ The Fund’s portfolio composition is subject to change.
² The “Aaa” money market fund rating is historical and reflects the superior quality of the Fund’s investments, sound liquidity management, and strong operations and trading support. Periodic reviews are conducted to ensure a secure operations environment. The NAIC Class 1 list allows an insurance company to reclassify its money market funds that were classified as Schedule D and reschedule as Schedule DA-Part 1.
³ Yields will fluctuate with changes in market conditions, and there can be no assurance that the Fund will be able to maintain a stable NAV of \$1.00 per share. An investment in the Fund is neither insured nor guaranteed by the U.S. government.

The Fund also has Premier Shares which are available to certain institutions that enter in servicing agreements and Classic Shares which are available to retail investors. As of August 31, 2000, the 7-day current yield for the Premier Shares was 6.27% and Classic Shares was 6.02%. Past performance is not indicative of future results. This material must be preceded or accompanied by a current Fund prospectus.

**BNY
HAMILTON
FUNDS**
INVEST WITH A TRUSTED LEADER

GLOBAL LIQUIDITY SERVICES**The Bank of New York****Cash Reserve*****September 2000***

Description: Cash Reserve is a separate Demand Cash Account backed by The Bank of New York. All funds in the Cash Reserve are deposits of The Bank of New York and earn competitive returns. Convenient features for institutional investors include end-of-day sweep, automated systematic deposit and withdrawal, and FDIC insurance. Cash Reserve can be an extremely effective tool in a portfolio's overall cash management program as the available funds in portfolios are carefully monitored by the Bank to ensure participation.

Investment Objective: The objective of Cash Reserve is preservation of capital with a consistently competitive rate of return. Funds are swept from accounts into The Bank of New York Cash Reserve for the exact dollar amount available for investment. Earnings are indexed to the Federal Reserve "Fed Funds Rate."

Eligibility: All investors are eligible to deposit funds in the BNY Cash Reserve account.

Portfolio Performance: The portfolio performance is based on value of the Fund as of September 30, 2000. Past performance is no guarantee of future results.

	Yield
September 2000	5.20%
One year moving	4.73%
Three year moving	4.39%
Five year moving	4.45%

Income Policy: Interest accrues daily and is credited by the third business day of the following month and is paid on all available balances.

Investment Limits & Other Restrictions: Funds are automatically swept into the Cash Reserve as the last transaction of the evening. Participants in this program are assured that there will be no idle overnight cash balances.



THE
BANK OF
NEW
YORK

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FD 2 In the Company's current investment guidelines, the investment of cash in money market funds is prohibited in order to avoid potential problems resulting from the pooling of trust assets. State with specificity whether the Company's proposed investment guidelines would avoid potential problems resulting from the pooling of trust assets.

Response:

The restriction against pooling in the current investment guidelines is a "carryover" from the investment restrictions that used to exist under the "Black Lung" rules that existed prior to the passage of the "Comprehensive National Energy Policy Act of 1992" (the "Energy Policy Act"). These restrictions required the assets of a nuclear decommissioning fund to be "invested directly in public debt securities of the United States, obligations of a State or local government, or time or demand deposits." Consequently, mutual funds (including money market funds) were not permissible investments.

The Energy Policy Act repealed the foregoing "Black Lung" investment restrictions, thus eliminating the requirement that investments be made directly in the previously specified assets. In T.D. 8461, the Internal Revenue Service issued final regulations incorporating the changes resulting from the Energy Policy Act. A copy of this document is attached for your reference.

The Company's proposed investment guidelines will allow "free cash" to be invested in "pooled" funds, such as money market funds or cash reserve accounts, that will earn a return on the investment rather than simply sit as idle cash in the account. Given that the treasury regulations have been changed to eliminate the restrictions on this type of investment, no problems are anticipated. Please note that this change has already been implemented in the other jurisdictions, and no problems have been experienced.

personal holding company provisions (sections 551 through 558).

(ii) *Controlled foreign corporations.* If an amount to which paragraph (b) of this section otherwise applies is owed to a related foreign person that is a controlled foreign corporation within the meaning of section 957, then the amount is allowable as a deduction as of the day on which the amount is includible in the income of the controlled foreign corporation. The day on which the amount is includible in income is determined with reference to the method of accounting under which the controlled foreign corporation computes its taxable income and earnings and profits for purposes of sections 951 through 964. See section 6038 and the regulations thereunder for the reporting requirements of the controlled foreign corporation provisions (sections 951 through 964).

(iii) *Passive foreign investment companies.* If an amount to which paragraph (b) of this section otherwise applies is owed to a related foreign person that is a passive foreign investment company within the meaning of section 1296, then the amount is allowable as a deduction as of the day on which amount is includible in the income of the passive foreign investment company. The day on which the amount is includible in income is determined with reference to the method of accounting under which the earnings and profits of the passive foreign investment company are computed for purposes of sections 1291 through 1297. See sections 1291 through 1297 and the regulations thereunder for the reporting requirements of the passive foreign investment company provisions. This exception shall apply, however, only if the person that owes the amount at issue has made and has in effect an election pursuant to section 1295 with respect to the passive foreign investment company to which the amount at issue is owed.

(iv) *Examples.* The rules of this paragraph (c)(4) may be illustrated by the following examples. Application of the provisions of sections 951 through 964 are provided for illustration only, and do not provide sub-

stantive rules concerning the operation of those provisions. The principles of these examples apply equally to the provisions of paragraphs (c)(4)(i) through (iii) of this section.

Example 1. P, a domestic corporation, owns 100 percent of the total combined voting power and value of the stock of both FC1 and FC2. P is a calendar year taxpayer that uses the accrual method of accounting in computing its income and deductions. FC1 is incorporated in Country X, and FC2 is incorporated in Country Y. FC1 and FC2 are controlled foreign corporations within the meaning of section 957, and are both calendar year taxpayers. FC1 computes its taxable income and earnings and profits, for purposes of sections 951 through 964, using the accrual method of accounting, while FC2 uses the cash method. In Year 1 FC1 has gross income of \$10,000 that is described in section 952(a) ("subpart F income"), and which includes interest owed to FC1 by P that is described in paragraph (b) of this section and that is otherwise allowable as a deduction to P under chapter 1. The interest owed to FC1 is allowable as a deduction to P in Year 1.

Example 2. The facts are the same as in *Example 1*, except that in Year 1 FC1 reports no subpart F income because of the application of section 954(b)(3)(A) (the subpart F *de minimis* rule). Because the amount owed to FC1 by P is includible in FC1's gross income in Year 1, the interest owed to FC1 is allowable as a deduction to P in Year 1.

Example 3. The facts are the same as in *Example 1*. In Year 1, FC1 accrues interest owed to FC2 that would be allowable as a deduction by FC1 under chapter 1 if FC1 were a domestic corporation. The interest owed to FC2 by FC1 is paid by FC1 in Year 2. Because FC2 uses the cash method of accounting in computing its taxable income for purposes of subpart F, the interest owed by FC1 is allowable as a deduction by FC1 in Year 2, and not in Year 1.

(d) *Effective date.* The rules of this section are effective with respect to interest that is allowable as a deduction under chapter 1 (without regard to the rules of this section) in taxable years beginning after December 31, 1983, but are not effective with respect to interest that is incurred with respect to indebtedness incurred on or before September 29, 1983, or incurred after that date pursuant to a contract that was binding on that date and at all times thereafter (unless the indebtedness or the contract was renegotiated, extended, renewed, or revised after that date). The regulations in this section issued under section 267 apply to all other deductible amounts that are incurred after July 31, 1989, but do not apply to

amounts that are incurred pursuant to a contract that was binding on September 29, 1983 and at all times thereafter (unless the contract was renegotiated, extended, renewed, or revised after that date).

Michael P. Dolan,
*Acting Commissioner of
Internal Revenue.*

Approved December 17, 1992.

Alan J. Wilensky,
*Deputy Assistant Secretary
of the Treasury.*

(Filed by the Office of the Federal Register on December 31, 1992, 8:45 a.m., and published in the issue of the Federal Register for January 5, 1993, 58 F.R. 235)

Section 468A.—Special Rules for Nuclear Decommissioning Costs

26 CFR 1.468A-0: Nuclear decommissioning costs; table of contents.

T.D. 8461

DEPARTMENT OF THE TREASURY
Internal Revenue Service
26 CFR Part 1

Nuclear Decommissioning Fund Qualification Requirements

AGENCY: Internal Revenue Service, Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations relating to the qualification requirements of a nuclear decommissioning fund.

Pursuant to former section 468A(e)(4)(C) of the Internal Revenue Code, current regulations require that nuclear decommissioning funds invest directly in permissible assets and permitted two or more such funds to combine assets for investment purposes. The Comprehensive National Energy Policy Act of 1992 repealed the investment restriction contained in section 468A(e)(4)(C). These final regulations amend the existing regulations to reflect the statutory change.

DATES: These regulations are effective December 30, 1992.

FOR FURTHER INFORMATION CONTACT: Peter C. Friedman of

the Office of Assistant Chief Counsel (Passthroughs and Special Industries) at (202) 622-3110 (not a toll-free call).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collection of information contained in this final regulation have been reviewed and approved by the Office of Management and Budget in accordance with the requirements of the Paperwork Reduction Act (44 U.S.C. 3504(h)) under control number 1545-1269. The estimated annual burden per respondent varies from two to four hours, depending on individual circumstances, with an estimated average of three hours.

These estimates are an approximation of the average time expected to be necessary for a collection of information. They are based on such information as is available to the Internal Revenue Service. Individual respondents may require greater or less time, depending on their particular circumstances.

Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Internal Revenue Service, Attn: IRS Reports Clearance Officer T:FP, Washington, D.C. 20224, and to the Office of Management and Budget, Attention: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, D.C. 20503.

Background

This document contains amendments to the Income Tax Regulations (26 CFR part 1) to provide rules under section 468A of the Internal Revenue Code of 1986 (Code). Section 468A, relating to nuclear decommissioning costs, was added to the Code by section 91(c) of the Tax Reform Act of 1984 (Public Law 98-369, 98 Stat. 609 [1984-3 C.B. (Vol. 1) 1, 112]). Section 1917 of the Comprehensive National Energy Policy Act of 1992 (Act) revised section 468A(e)(4) to eliminate the requirement that a nuclear decommissioning fund make investments only in "black lung" assets described in section 501(c)(21)(B)(ii) of the Code.

Section 1917 also revised section 468A(e)(2) to reduce the rate of tax on nuclear decommissioning funds.

Explanation of Provisions

As a result of the repeal of the investment restrictions of section 468A(e) of the Code by section 1917 of the Act, these final regulations eliminate from the existing regulations the requirement that nuclear decommissioning funds invest in black lung assets, as well as the requirement that the funds invest directly in those assets. The Treasury Department and the Internal Revenue Service believe that Congress intended the changes made by section 1917 to shift oversight of the type of investments made by nuclear decommissioning funds to the public utility commissions. Nevertheless, when assets of a nuclear decommissioning fund are invested through an arrangement that adds an additional level of corporate tax, the schedule of ruling amounts for the fund is directly affected. These regulations, therefore, allow an electing taxpayer that invests through an unincorporated organization, within the meaning of §301.7701-2, to request, in connection with the taxpayer's request for a schedule of ruling amounts, a ruling whether the organization is an association taxable as a corporation for federal tax purposes.

The approach in these regulations reflects the Service's response to comments received on previously issued proposed regulations in light of the recent changes to section 468A(e) by the Act. The previous proposed rules permitted black lung assets of nuclear decommissioning funds to be combined for investment purposes if certain requirements were satisfied. See 55 FR 26460 [PS-7-90, 1990-2 C.B. 879] (June 28, 1990) and 56 FR 41102 [PS-7-90, 1991-2 C.B. 1100] (August 19, 1991).

Commentators raised two basic issues in connection with the proposed regulations. First, they requested additional guidance on the classification of master trust arrangements for the pooling of assets. Some commentators expressed the view that master trust arrangements do not constitute separate entities for tax purposes and others suggested that even if the arrangements are entities, they are not

associations taxable as corporations. However, based on a sampling of master trust arrangements submitted by the commentators, the Service continues to be of the view that these types of arrangements, as currently drafted, are separate entities for tax purposes and are classified as associations taxable as corporations under §§301.7701-2 and 301.7701-3. The Service believes that certain modifications to these arrangements, such as those suggested in the comments received, would cause many of the arrangements to be classified as partnerships for tax purposes, notwithstanding that the arrangements are in the form of trusts. For example, depending on the specifics of a master trust arrangement and applicable local law, changes could be made to the agreement so that the arrangement would terminate at the will of any participant and, thus, would not have the corporate characteristic of continuity of life described in §301.7701-2(b).

To afford taxpayers time to modify existing pooling arrangements to avoid classification as an association taxable as a corporation, these regulations establish a transition period during which the Service will not challenge the classification of these arrangements. Under the final regulations, the Service will not challenge the classification of an unincorporated organization, established prior to January 1, 1993, through which the assets of a nuclear decommissioning fund are invested, for tax years beginning prior to January 1, 1995. One commentator requested that this transition period be extended to all tax years beginning before an electing taxpayer is required to request a revised schedule of ruling amounts under §1.468A-3(j). The Service is of the view that this suggested transition period, which could extend for ten years, is too long and would unreasonably differentiate among electing taxpayers on the basis of the dates they received their most recent schedules of ruling amounts.

Second, a number of commentators argued that rulings on the classification of pooling arrangements should not be required. The final regulations adopt this view by permitting, but not requiring, an electing taxpayer for a fund that invests through an unincorporated organization to request a rul-

ing on the classification of that organization.

These final regulations make a number of additional changes to the existing regulations to conform them to changes made to section 468A(e) by section 1917 of the Act. In addition, these regulations delete an obsolete reference to section 6154. The duty to pay estimated taxes for a fund, as well as the penalty for underpayment are subsumed in the existing reference to section 6655. Finally, the definition of "nuclear decommissioning fund" is clarified to eliminate ambiguities in terminology throughout the regulations.

Because of the changes made by the Act (with respect to the investment restrictions and the reduction in the tax rate), in order to accurately determine a schedule of ruling amounts the Service will, pursuant to §1.468A-3(h)(2)(vi)(B)(8) and (h)(2)(ix)(C), ask all electing taxpayers who request a schedule of ruling amounts to provide information as to the types of investments made by the fund, the expected after-tax rate of return for each category of investment, and the methodology by which the after-tax rate of return was determined.

Special Analysis

It has been determined that these rules are not major rules as defined in Executive Order 12291. Therefore, a Regulatory Impact Analysis is not required. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) and the Regulatory Flexibility Act (5 U.S.C. chapter 6) do not apply to these regulations, and, therefore, a final Regulatory Flexibility Analysis is not required. Pursuant to section 7805(f) of the Code, a copy of these regulations was submitted to the Small Business Administration for comment on their impact on small business.

Drafting Information

The principal author of these regulations is Peter C. Friedman of the Office of Assistant Chief Counsel (Passthroughs and Special Industries), Internal Revenue Service. However, personnel from other offices of the Internal Revenue Service and Treasury Department participated in developing the regulations, both on matters of substance and style.

* * * * *

Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

PART 1—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 2. Section 1.468A-0 is amended as follows:

1. The entry for §1.468A-5(a)(3)(ii) is revised.

2. An entry for §1.468A-8(b)(11) is added.

3. The added and revised provisions read as follows:

§1.468A-0 Nuclear decommissioning costs; table of contents.

* * * * *

§1.468A-5 Nuclear decommissioning fund—miscellaneous provisions.

(a) * * *

(3) * * *

(ii) Definition of administrative costs and expenses.

* * * * *

§1.468A-8 Effective date and transitional rules.

* * * * *

(b) * * *

(11) Nuclear decommissioning fund qualification requirements.

Par. 3. Section 1.468A-1(b)(3) is revised to read as follows:

§1.468A-1 Nuclear decommissioning costs; general rules.

* * * * *

(b) * * *

(3) The terms "nuclear decommissioning fund" and "qualified nuclear decommissioning fund" mean a fund that satisfies the requirements of §1.468A-5. The term "nonqualified decommissioning fund" means a fund that does not satisfy those requirements.

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Par. 4. Section 1.468A-2(d)(2)(i) is amended by removing the reference "(a)(3)(ii)(A)" and adding "(a)(3)(ii)" in its place.

Par. 5. Section 1.468A-3 is amended as follows:

1. The third sentence of paragraph (a)(1) is amended by removing the reference "(a)(3)(ii)(A)" and adding "(a)(3)(ii)" in its place.

2. Paragraph (h)(1)(iii) is revised.

3. Paragraph (h)(2)(xii) is redesignated as (h)(2)(xv).

4. Paragraphs (h)(2)(xii) and (xiii) are reserved, and paragraph (xiv) is added.

5. Paragraph (i)(1)(ii) is redesignated (i)(1)(ii)(A).

6. Paragraph (i)(1)(ii)(B) is added and reserved.

7. The added and revised provisions read as follows:

§1.468A-3 Ruling amount.

* * * * *

(h) * * *

(1) * * *

(iii) Except as provided by §1.468A-5(a)(1)(iv) (relating to certain unincorporated organizations that may be taxable as corporations), a request for a schedule of ruling amounts must not contain a request for a ruling on any other issue, whether the issue involves section 468A or another section of the Internal Revenue Code.

* * * * *

(2) * * *

(xii) Reserved.

(xiii) Reserved.

(xiv) If the request for a schedule of ruling amounts contains a request, pursuant to §1.468A-5(a)(1)(iv), that the Service rule whether an unincorporated organization through which the assets of the fund are invested is an association taxable as a corporation for federal tax purposes, a copy of the legal documents establishing or otherwise governing the organization.

* * * * *

(i) * * *

(1) * * *

(ii) * * *

(B) Reserved.

* * * * *

Par. 6. Section 1.468A-4 is amended as follows:

1. Paragraph (a) is revised.

2. Paragraph (b)(3) is revised.

3. Paragraph (c)(4) is revised.

4. Paragraph (d)(4) is removed.

5. Paragraphs (d)(5) and (d)(6) are redesignated as (d)(4) and (d)(5), respectively.

6. Newly designated paragraph (d)(5)(ii) is revised.

7. The revised provisions read as follows:

§1.468A-4 Treatment of nuclear decommissioning fund. (a) *In general.* A nuclear decommissioning fund is subject to tax on all of its modified gross income (as defined in paragraph (b) of this section). The rate of tax is 22 percent for taxable years beginning in calendar year 1994 or 1995, 20 percent for taxable years beginning after December 31, 1995, and the highest rate of tax specified by section 11(b) for other years. This tax is in lieu of any other tax that may be imposed under subtitle A of the Internal Revenue Code on the income earned by the assets of the nuclear decommissioning fund.

(b) * * *
(3) A deduction is allowed for the amount of an otherwise deductible loss that is sustained by the nuclear decommissioning fund in connection with the sale, exchange or worthlessness of any investment. A loss is otherwise deductible for purposes of this paragraph (b)(3) if such loss would be deductible by a corporation under section 165(f) or (g) and sections 1211(a) and 1212(a).

(c) * * *
(4) *Other corporate taxes inapplicable.* Although the modified gross income of a nuclear decommissioning fund is subject to tax at the rate specified by section 468A(e)(2) and paragraph (a) of this section, a nuclear decommissioning fund is not subject to the other taxes imposed on corporations under subtitle A of the Internal Revenue Code. For example, a nuclear decommissioning fund is not subject to the alternative minimum tax imposed by section 55, the accumulated earnings tax imposed by section 531, the personal holding company tax imposed by section 541, and the alternative tax imposed on a corporation under section 1201(a).

(d) * * *
(5) * * *
(ii) The taxable income with respect to which the nuclear decommissioning fund's status as a "large corporation" is measured is "modified gross income" (as defined by paragraph (b) of this section).

Par. 7. Section 1.468A-5 is amended as follows:

- 1. Paragraph (a)(1)(i)(B) is revised.
- 2. Paragraph (a)(1)(iii) is removed.

3. Paragraph (a)(1)(v) is redesignated as (a)(1)(iii).

4. Paragraph (a)(1)(iv) is revised.

5. Paragraph (a)(3)(i)(C) is revised.

6. Paragraph (a)(3)(ii) is revised.

7. The added and revised provisions read as follows:

§1.468A-5 Nuclear decommissioning fund qualification requirements; prohibitions against self-dealing; disqualification of nuclear decommissioning fund; termination of fund upon substantial completion of decommissioning.

(a) * * *

(1) * * *

(i) * * *

(B) One or more funds that are to be used for the decommissioning of a nuclear power plant and that do not qualify as nuclear decommissioning funds under this paragraph (a) can be established and maintained pursuant to a trust agreement that governs one or more nuclear decommissioning funds.

(iv) *If assets of a nuclear decommissioning fund are (or will be) invested through an unincorporated organization, within the meaning of §301.7701-2 of this chapter, the Internal Revenue Service will rule, if requested, whether the organization is an association taxable as a corporation for federal tax purposes. A request for such a ruling may be made by the electing taxpayer as part of its request for a schedule of ruling amounts.*

(3) * * *

(i) * * *

(C) To the extent that the assets of the nuclear decommissioning fund are not currently required for the purposes described in paragraph (a)(3)(i)(A) or (B) of this section, to make investments.

(ii) *Definition of administrative costs and expenses.* For purposes of paragraph (a)(3)(i) of this section, the term "administrative costs and other incidental expenses of a nuclear decommissioning fund" means all ordinary and necessary expenses incurred in connection with the operation of the nuclear decommissioning fund. Such term includes the tax imposed by section 468A(e)(2) and paragraph (a) of §1.468A-4, any State or local tax imposed on the income or the

assets of the fund, legal expenses, accounting expenses, actuarial expenses and trustee expenses. Such term does not include decommissioning costs. Such term also does not include the excise tax imposed on the trustee or other disqualified person under section 4951 or the reimbursement of any expenses incurred in connection with the assertion of such tax unless such expenses are considered reasonable and necessary under section 4951(d)(2)(C) and it is determined that the trustee or other disqualified person is not liable for the excise tax.

Par. 8. Section 1.468A-8 is amended by adding paragraph (b)(11) to read as follows:

§1.468A-8 Effective date and transitional rules.

(b) * * *

(11) *Nuclear decommissioning fund qualification requirements.*

For tax years beginning prior to January 1, 1995, the Service will not assert that an unincorporated organization referred to in §1.468A-5(a)(1)(iv), established prior to January 1, 1993, through which the assets of a nuclear decommissioning fund are invested, is an association taxable as a corporation for federal tax purposes.

PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT

Par. 9. The authority citation for part 602 continues to read as follows: Authority: 26 U.S.C. 7805.

Par. 10. Section 602.101(c) is amended by revising the entries for §1.468A-3 and §1.468A-8 to read as follows:

§602.101 OMB Control Numbers.

(c) * * *

CFR part or section where identified or described	Current OMB control no.
1.468A-3	1545-1269
1.468A-8	1545-1269

Michael P. Dolan,
Acting Commissioner
of Internal Revenue.

Approved December 14, 1992.

Alan J. Wilensky,
Deputy Assistant Secretary
of the Treasury.

(Filed by the Office of the Federal Register on December 29, 1992, 8:45 a.m., and published in the issue of the Federal Register for December 30, 1992, 57 F.R. 62198 as corrected by 58 F.R. 7988)

Section 472.—Last-in, First-out Inventories

26 CFR 1.472-1: Last-in, first-out inventories.

LIFO; price indexes; department stores. The September 1992 Bureau of

Labor Statistics price indexes are accepted for use by department stores employing the retail inventory and last-in, first-out inventory methods for valuing inventories for tax years ended on, or with reference to, September 30, 1992.

Rev. Rul. 93-17

The following price indexes for September 1992 were issued by the Bureau of Labor Statistics on October 15, 1992, for use by department stores, and are accepted by the Internal Revenue Service, under section 1.472-1(k) of the Income Tax Regula-

tions and Rev. Proc. 86-46, 1986-2 C.B. 739, for appropriate application to inventories of department stores employing the retail inventory and last-in, first-out inventory methods for tax years ended on, or with reference to, September 30, 1992.

Indexes are prepared on a national basis for the store total, for 23 major groups of departments, and for three special combinations - soft goods, durable goods and miscellaneous goods. The store total index covers all departments, including some not listed separately, with the following exceptions: candy, foods, liquor, tobacco, as well as contract departments.

**BUREAU OF LABOR STATISTICS, DEPARTMENT STORE
INVENTORY PRICE INDEXES BY DEPARTMENT GROUPS
(January 1941 = 100, unless otherwise noted)**

Groups	September 1991	September 1992	Percent Change from September 1991 to September 1992 ¹
1. Piece Goods	464.0	477.9	3.0
2. Domestic and Draperies	621.7	632.5	1.7
3. Women's and Children's Shoes	621.5	643.5	3.5
4. Men's Shoes	891.5	923.7	3.6
5. Infants' Wear	607.5	622.3	2.4
6. Women's Underwear	502.7	515.6	2.6
7. Women's Hosiery	261.5	268.1	2.5
8. Women's and Girls' Accessories	548.2	585.6	6.8
9. Women's Outerwear and Girls' Wear	434.4	430.4	-0.9
10. Men's Clothing	591.6	598.5	1.2
11. Men's Furnishings	560.9	558.8	-0.4
12. Boys' Clothing and Furnishings	485.4	476.0	-1.9
13. Jewelry	890.0	926.6	4.1
14. Notions	601.7	611.0	1.5
15. Toilet Articles and Drugs	798.2	816.6	2.3
16. Furniture and Bedding	592.3	601.7	1.6
17. Floor Coverings	534.2	522.1	-2.3
18. Housewares	759.8	760.5	0.1
19. Major Appliances	248.0	248.1	0.0
20. Radio and Television	88.9	88.4	-0.6
21. Recreation and Education ²	114.5	115.2	0.6
22. Home Improvements ²	116.1	117.6	1.3
23. Auto Accessories ²	107.8	108.3	0.5
Groups 1-15: Soft Goods	577.9	585.4	1.3
Groups 16-20: Durable Goods	456.3	456.7	0.1
Groups 21-23: Misc. Goods ²	113.4	114.2	0.7
Store Total ³	537.9	542.8	0.9

¹Absence of a minus sign before percentage change in this column signifies price increase.

²Indexes on a January 1986=100 base.

³The store total index covers all departments, with the following exceptions: candy, foods, liquor, tobacco, as well as contract departments.