

other comprehensive income or loss and/or treasury stock), minority interests, preferred stock, preferred securities, equity linked securities, long-term debt (including Rate Reduction Bonds), short-term debt and current maturities.

On March 7, 2000, the Commission issued an order in file 70-9541 (HCAR 35-27147, the "Prior Order") granting WMECO's and its affiliates' previously-submitted application/declaration ("Original Application") in which the Commission recognized the fact that WMECO (and other affiliated utilities) would fall below the 30% Threshold when the impact of Rate Reduction Bonds were included in its capitalization calculation and authorized this through December 31, 2004. The Commission noted that restructuring legislation in Massachusetts where WMECO operates allowed for the issuance of Rate Reduction Bonds to finance a portion of the utility's cost incurred in the sale of its regulatory assets and/or renegotiation of its obligations under purchase power contracts. Rate Reduction Bonds are securities issued in accordance with state law by a special purpose subsidiary of the utility to finance a portion of a utility's cost incurred in the sale of its regulatory assets and/or renegotiation of its obligations under purchase power contracts, and are non-recourse to WMECO or the NU system. As stated in the Original Application, because of the state-mandated divestiture of generating assets and issuance of Rate Reduction Bonds, NU's utilities, including WMECO, experienced a significant decrease in the amount of tangible assets that each owned and received a significant influx of cash causing each of NU's electric utilities to fall below the 30% Threshold when the impact of Rate Reduction Bonds and the effects of capital restructuring associated with the asset divestitures were considered. On May 17, 2001, WMECO Funding LLC, a subsidiary of WMECO, issued \$155 million of Rate Reduction Bonds causing WMECO to fall below the 30% Threshold at that time.¹

The Original Application also stated that the ratings of the respective senior debt securities of WMECO would be unaffected or would be improved by the issuance of the Rate Reduction Bonds, as such bonds are not considered obligations of the utilities by the ratings agencies. The Original Application

stated that the senior debt ratings of WMECO issued by Standard & Poor's ("S&P") were "BBB-" while the senior debt ratings of WMECO issued by Moody's Investor Service, Inc. ("Moody's") were "Baa3". Since that time, WMECO's credit ratings have improved. As of the date of this filing, WMECO's senior unsecured debt ratings from S&P and Moody's were BBB+ and Baa2, respectively.

By order issued December 28, 2004 the Commission authorized an extension for WMECO's utility affiliates, Connecticut Light and Power Company ("CL&P") and Public Service of New Hampshire ("PSNH"), to remain below the 30% Threshold when the impact of the Rate Reduction Bonds is considered. The Commission reserved jurisdiction on the request by CL&P and PSNH to remain below the 30% Threshold through December 31, 2007 but granted authority beyond December 31, 2006. WMECO was not an applicant for that extension of authority and did not receive the extension granted to its utility affiliates. During the fourth quarter of 2004, WMECO was forecasted to be at 30.6% common equity ratio at year's end and to improve thereafter. WMECO's actual common equity ratio at December 31, 2004 was 30.7%, but at March 31, 2005 its actual common equity ratio was at 30.8%, slightly lower than had been forecast.

In preparing the budget and financing plans for WMECO for 2005, management noted that there is a risk that WMECO could fall below the 30% Threshold, when the impact of the Rate Reduction Bonds is considered, at some point during the Authorization Period and is forecast to remain only slightly above 30% through December 31, 2005. Management's forecast does anticipate that WMECO's common equity ratio will end the year at 31.7%. WMECO states, however, that there is inherent uncertainty in forecasts, and therefore is WMECO now seeking authorization through the Authorization Period for its common equity ratio to remain below the 30% Threshold when the impact of Rate Reduction Bonds is considered while remaining above 30% when the impact of Rate Reduction Bonds is excluded.

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

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. E5-3721 Filed 7-13-05; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-51991; File No. SR-BSE-2005-23]

Self-Regulatory Organizations; Boston Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto To Add New Account Identification Codes

July 7, 2005.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on June 23, 2005, the Boston Stock Exchange, Inc. ("BSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the BSE. On July 7, 2005, the BSE filed Amendment No. 1 to the proposed rule change.³ The BSE filed the proposal pursuant to Section 19(b)(3)(A) of the Act,⁴ and Rule 19b-4(f)(6) thereunder,⁵ which renders the proposal effective upon filing with the Commission.⁶ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The BSE proposes to amend its rules regarding Account Identification Codes.⁷ The text of the proposed rule change is available on the BSE's Internet Web site (<http://www.bostonstock.com>), at the BSE's Office of the Secretary, and

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ In Amendment No. 1, the Exchange made non-substantive changes to re-format certain account identification code headings and clarify references made to rules of the New York Stock Exchange, Inc. ("NYSE") and the American Stock Exchange LLC ("AMEX"). The effective date of the original proposed rule change is June 23, 2005, and the effective date of Amendment No. 1 is July 7, 2005. For purposes of calculating the 60-day period within which the Commission may summarily abrogate the proposed rule change under Section 19(b)(3)(C) of the Act, the Commission considers such period to commence on July 7, 2005, the date on which the Exchange filed Amendment No. 1. See 15 U.S.C. 78s(b)(3)(C).

⁴ 15 U.S.C. 78s(b)(3)(A).

⁵ 17 CFR 240.19b-4(f)(6).

⁶ The BSE has asked the Commission to waive the five-day pre-filing notice requirement and the 30-day operative delay. See Rule 19b-4(f)(6)(iii), 17 CFR 240.19b-4(f)(6)(iii). See also discussion *infra* Section III.

⁷ See *infra* Section II.A.1 for a complete description of the terms and purpose of the proposed rule change.

¹ In a financing order issued July 2, 2004, HCAR No. 27868A, the Commission noted that WMECO's Debt/Equity Ratio had improved to a level of 66.6% / 33.4%.

at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the BSE included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements

may be examined at the places specified in Item IV below. The BSE has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange is seeking to add several Account Identification Codes to

its existing rules regarding recordkeeping requirements. In Chapter II, "Dealings on the Exchange", Section 15, "Record of Orders from Offices to Floor", the BSE requires that each order be marked with one of several Account Identification Codes. The codes that are currently available are as follows:

	Program trade index arbitrage	Program trade non-index arbitrage	All other orders
Member/member organization:			
—Proprietary	D	C	P
—As agent for other member	M	N	W
Customer:			
—Individual (80A)	J	K	I
—Other agency	U	Y	A

Accompanying the existing Account Identification Codes are definitions, as follows:

Definitions

Member/member organization, proprietary: A member/member organization trading for its own account.

Member/member organization, as agent for other member: A member/member organization trading as agent for the account of another member/member organization.

Program Trade, Index Arbitrage: The purchase or sale of "baskets" or groups of stocks in conjunction with the intended purchase or sale of one or more cash-settled options or futures

contracts in an attempt to profit by the price difference, as defined in NYSE Rule 80A.

Program Trade, Non-Index Arbitrage: A trading strategy involving the related purchase or sale of a group of 15 or more stocks having a total market value of \$1 million or more, as defined in NYSE Rule 80A.

Individual (80A): An account for an individual as defined by NYSE Rule 80A.

Other Agency: Any other non-member or non-member organization.

The BSE proposes to add new Account Identification Codes and definitions to its rules in order to

provide its members and customers with the ability to more accurately reflect their specific type of trading in the records of their orders. Similar identification codes and accompanying definitions are presently utilized by other exchanges, such as the NYSE, as required by NYSE Rule 123 "Record of Orders," and the AMEX, as set forth in AMEX Rule 719, "Comparison of Exchange Transactions." The account types and definitions that the BSE seeks to add to its existing rules are similar to those set forth by the NYSE and AMEX. The BSE proposes to add the following information to its account indicator requirements:

	Competing mar- ket maker	Short exempt	Competing mar- ket, maker, short exempt
Member/member organization:			
—Proprietary	O	E	L
—As agent for other member	T	F	X
Customer:			
—Individual (80A)	—	H	—
—Other agency	R	B	Z

Additional definitions would also be added to reflect the new codes:

Competing Market Maker: Any person acting as a market maker, as defined in Section 3(a)(38) of the Securities Exchange Act of 1934, in an exchange-listed security. A person acting solely in the capacity of a block positioner would not be considered a competing market maker.

Proprietary, Competing Market Maker: A member or member organization

trading for its own competing market maker account.

As Agent for Other Member, Competing Market Maker: A member or member organization trading as agent for another member's competing market maker account.

Other Agency, Competing Market Maker: A member or member organization trading as agent for the proprietary account for a non-member competing market maker.

Short Exempt: Short sale transactions that are exempt from the provisions of SEC Rule 10a-1.

In proposing the above changes, the BSE seeks to be consistent with the similar requirements of other exchanges regarding account identification codes. Moreover, the addition of the various codes will provide Exchange members the ability to more appropriately identify the types of trading activity in which they engage, and therefore, to

maintain more accurate and detailed records of their trading activity.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of Section 6(b) of the Act,⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁹ in particular, in that it is designed to promote just and equitable principles of trade and to remove impediments to and perfect the mechanism of a free and open market and a national market system, and is not designed to permit unfair discrimination between customers, brokers, or dealers, or to regulate by virtue of any authority matters not related to the administration of the Exchange.

B. Self-Regulatory Organization's Statement on Burden on Competition

The BSE does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The BSE has neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change: (1) Does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; and (3) by its terms does not become operative for 30 days after the date of this filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative for 30 days after the date of filing. However, Rule 19b-4(f)(6)(iii) permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to provide the Commission with written notice of its intent to file the proposed rule

change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

The BSE has asked the Commission to waive the five-day pre-filing notice requirement and the 30-day operative delay to allow the Exchange to immediately apply the new Account Identification Codes. The Commission waives the five-day pre-filing notice requirement. In addition, the Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because the proposed rule change will provide the Exchange's members and customers with the ability to more appropriately identify the types of trading activity in which they engage and more accurately reflect their specific type of trading in the records of their orders.¹⁰

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.¹¹

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File No. SR-BSE-2005-23 on the subject line.

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE., Washington, DC 20549-9303.

All submissions should refer to File No. SR-BSE-2005-23. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your

comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the BSE. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions.

You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR-BSE-2005-23 and should be submitted on or before August 4, 2005.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. E5-3729 Filed 7-13-05; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-51992; File No. SR-CBOE-2005-24]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Order Approving Proposed Rule Change Relating to the Assignment of RAES Orders to Logged-In Market-Makers Participating on RAES

July 7, 2005.

I. Introduction

On March 15, 2005, the Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act")¹ and Rule 19b-4

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹¹ See *supra* note 3.

¹² 17 CFR 200.30-3(a)(12).

¹³ 15 U.S.C. 78s(b)(1).