

*Filing Dates:* The application was filed on February 10, 2005, and amended on April 7, 2005.

*Applicant's Address:* Safeco Mutual Funds, 4854 154th Pl. NE, Redmond, WA 98052.

**Safeco Common Stock Trust [File No. 811-6167]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On December 10, 2004, applicant transferred its assets to corresponding series of Pioneer Value Fund, Pioneer Fund, Pioneer Growth Shares, Pioneer Mid Cap Value Fund, Pioneer Small Cap Value Fund, Pioneer Series Trust II, Pioneer Balanced Fund and Pioneer International Equity Fund, based on net asset value. Expenses of \$781,076 incurred in connection with the reorganization were paid by Symetra Financial Corporation, the parent of Symetra Asset Management, applicant's former investment adviser, and Pioneer Investment Management, Inc., applicant's investment adviser.

*Filing Dates:* The application was filed on February 10, 2005, and amended on April 7, 2005.

*Applicant's Address:* Safeco Mutual Funds, 4854 154th Pl. NE, Redmond, WA 98052.

**Safeco Money Market Trust [File No. 811-3347]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On December 10, 2004, applicant transferred its assets to corresponding series of Pioneer Money Market Trust and Pioneer Series Trust II, based on net asset value. Expenses of \$105,315 incurred in connection with the reorganization were paid by Symetra Financial Corporation, the parent company of Symetra Asset Management Company, applicant's former investment adviser, and Pioneer Investment Management, Inc., applicant's investment adviser.

*Filing Dates:* The application was filed on February 10, 2005, and amended on April 7, 2005.

*Applicant's Address:* Safeco Mutual Funds, 4854 154th Pl. NE, Redmond, WA 98052.

**Oppenheimer Europe Fund [File No. 811-9097]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On October 17, 2003, applicant transferred its assets to Oppenheimer Global Fund, based on net asset value. Expenses of \$30,295 incurred in connection with the reorganization were paid by applicant.

*Filing Dates:* The application was filed on September 7, 2004, and amended on March 28, 2005.

*Applicant's Address:* 6803 South Tucson Way, Centennial, CO 80112.

**Oppenheimer World Bond Fund [File No. 811-5670]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On February 16, 2001, applicant transferred its assets to Oppenheimer International Bond Fund, based on net asset value. Less than \$60,200 in expenses were incurred in connection with the reorganization and were paid by applicant.

*Filing Dates:* The application was filed on August 9, 2002, and amended on April 18, 2005.

*Applicant's Address:* OppenheimerFunds, Inc., 6803 South Tucson Way, Englewood, CO 80112.

**Smith Barney Shearson Telecommunications Trust [File No. 811-3766]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On March 12, 2004, applicant made a liquidating distribution to its shareholders, based on net asset value. Expenses of \$70,489 incurred in connection with the liquidation were paid by Smith Barney Fund Management LLC, applicant's investment adviser. Applicant has paid \$450 in accounting expenses incurred in connection with the liquidation and has retained \$13,766 in cash, which is being held by applicant's custodian, State Street Bank & Trust Co., to cover additional outstanding liabilities.

*Filing Dates:* The application was filed on July 28, 2004, and amended on April 7, 2005.

*Applicant's Address:* 125 Broad St., New York, NY 10004.

**Protective Investment Company [File No. 811-8674]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On December 19, 2003, pursuant to a Plan and Agreement of Reorganization, all of the assets of the following portfolios of the applicant, Protective CORESM U.S. Equity Fund, Protective Capital Growth Fund, Protective Small Cap Value Fund, Protective International Equity Fund, and Protective Growth and Income Fund were acquired and substantially all of the liabilities were assumed, by certain investment portfolios of the Goldman Sachs Variable Insurance Trust ("GSVIT"). On December 19, 2003, pursuant to a Plan of Liquidation the assets of the Protective Global

Income Fund were liquidated and the proceeds from such liquidation were distributed to shareholders of that portfolio. Expenses of approximately \$1,068,007.39 were incurred in connection with the reorganization and liquidation. All counsel fees and legal expenses incurred in connection with the plan of reorganization were paid by Protective Investment Advisors, Inc. ("PIA") and all other fees and expenses were shared by PIA and Goldman Sachs Asset Management, L.P., the investment adviser to GSVIT.

*Filing Date:* January 5, 2005.

*Applicant's Address:* 2801 Highway 280 South, Birmingham, Alabama 35223.

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

**J. Lynn Taylor,**

*Assistant Secretary.*

[FR Doc. E5-2202 Filed 5-5-05; 8:45 am]

BILLING CODE 8010-01-P

**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 35-27964; International Series Release No. 1286]**

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

April 29, 2005.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendment(s) is/are available for public inspection through the Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by May 24, 2005, to the Secretary, Securities and Exchange Commission, Washington, DC 20549-0609, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a

copy of any notice or order issued in the matter. After May 24, 2005 the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

#### **Wisconsin Electric Power Company (70-10110)**

Wisconsin Electric Power Company ("Wisconsin Electric") a Wisconsin corporation and a 3(a)(1) exempt holding company, 231 West Michigan Street Milwaukee, WI 53201, has filed an application ("Application") with the Commission under sections 3(a)(1), 9(a)(2) and 10 of the Act.

Wisconsin Electric requests approval under sections 9(a)(2) and 10 in connection with Wisconsin Electric's lease and operation of the electric generation facilities owned by Port Washington Generating Station, LLC ("Project Company") which are currently under construction. When its generating and interconnection facilities become operational, Project Company will be an electric utility company under the Act. Wisconsin Electric also requests an exemption by order under section 3(a)(1) from all of the provisions of the Act other than section 9(a)(2) of the Act.

#### *I. Description of the Parties*

##### **A. Wisconsin Electric**

Wisconsin Electric is a wholly owned combined electric and gas utility company subsidiary of Wisconsin Energy Corporation ("WEC"). WEC is a public utility holding company exempt by order under section 3(a)(1) of the Act under the 2000 Order. Wisconsin Electric currently claims an exemption under section 3(a)(1) of the Act by filing under rule 2. As a result of acquiring interests in two public utility companies, and the lease of Project Company's assets, Wisconsin Electric itself is a holding company as defined by section 2(a)(7) of the Act. Wisconsin Electric presently owns an interest in two public utility subsidiaries, American Transmission Company, LLC ("ATC") and ATC Management Inc. ("ATC Management").<sup>1</sup> Wisconsin Electric generates, distributes and sells electric energy at retail and wholesale in Wisconsin and the upper peninsula of Michigan.<sup>2</sup> Wisconsin Electric also

purchases, distributes and sells natural gas to retail customers and transports customer owned gas in Wisconsin. As of December 31, 2004, Wisconsin Electric had 1,081,400 electric retail customers and 437,800 gas retail customers.

Wisconsin Electric states that all of its generating plants are located in Wisconsin, except the Presque Isle plant and 12 small hydro plants which are located in the upper peninsula of Michigan. As of December 31, 2004, Wisconsin Electric operated approximately 21,900 pole-miles of overhead distribution lines and 20,400 miles of underground distribution cable as well as approximately 352 distribution substations and 267,700 line transformers.

As of December 31, 2004, Wisconsin Electric's gas distribution system included approximately 8,983 miles of mains connected at 22 gate stations to the pipeline transmission systems of ANR Pipeline Company, Guardian Pipeline, L.L.C., Natural Gas Pipeline Company of America, Northern Natural Pipeline Company and Great Lakes Transmission Company. Wisconsin Electric has a liquefied natural gas storage plant which converts and stores in liquefied form natural gas received during periods of low consumption. The liquefied natural gas storage plant has a send-out capability of 70,000 dekatherms per day. Wisconsin Electric also has propane air systems for peaking purposes. These propane air systems will provide approximately 2,000 dekatherms per day of supply to the system.

Wisconsin Electric operates two district steam systems that supply steam for space heating and process uses. These systems are located in Milwaukee and in Wauwatosa, Wisconsin and are subject to regulation by the PSCW.

##### **B. ATC**

ATC is a Wisconsin limited liability company and electric public utility company which was formed to own all electric transmission facilities in Wisconsin, as well as certain very limited transmission facilities located in northern Illinois and the upper peninsula of Michigan.<sup>3</sup> As of February 2004, ATC owned a total of 8,776 miles of transmission lines, 6,882 miles of which are located in Wisconsin, 1,884 miles of which are located in the upper peninsula of Michigan and 12 miles of which are located in Illinois.<sup>4</sup>

also subject to regulation by the Public Service Commission of Wisconsin ("PSCW").

<sup>3</sup> *Id.*

<sup>4</sup> Wisconsin Electric states that a small number of miles of transmission lines are under construction by ATC in Minnesota.

Wisconsin Electric states that it currently holds a 33.2% ownership interest in ATC as of December 31, 2004. Additionally, as of December 31, 2004, Edison Sault owns a 4.6% ownership interest in ATC.

##### **C. ATC Management Inc.**

ATC Management, a Wisconsin corporation, is the manager of ATC and as of December 31, 2004, has a nominal membership interest (a one/one millionth share) in ATC. Wisconsin Electric states that as of December 31, 2004, it held a 37.8% ownership interest in ATC Management.

#### *II. Project Company Lease*

W.E. Power, LLC ("W.E. Power") is a Wisconsin limited liability company that is a wholly owned, direct subsidiary of Wisconsin Energy. Project Company, a Wisconsin limited liability company which is a wholly-owned subsidiary of W.E. Power, was formed specifically to develop, construct, and own a 100% interest in two 545 megawatt gas fired, combined cycle generating units located at Wisconsin Electric's existing Port Washington, Wisconsin power plant site ("Port Washington Units"). In addition, Project Company will develop, construct and own a 100% interest in certain generator interconnection equipment necessary to interconnect the Port Washington Units with the ATC transmission grid. W.E. Power does not and will not own any such facilities directly.

Wisconsin Electric requests authority to enter into this lease transaction once the Port Washington Units are complete. The Project Company has entered into two facility leases ("Facility Leases") with Wisconsin Electric under which the Project Company will construct the Port Washington Units and, upon commencement of commercial operation and satisfaction of certain other conditions, will lease them to Wisconsin Electric. The site on which the Port Washington Units will be built is owned by Wisconsin Electric and is leased to the Project Company under the ground leases. Coincident with the commencement of the terms of the Facility Leases, the Project Company will sublease back to Wisconsin Electric the real property on which the Port Washington Units have been constructed under the ground sublease agreements ground Sublease Agreements.

Wisconsin Electric will recover lease payments in rates. Also recovered in rates are management costs, demolition costs and community impact mitigation costs. Lease payments will cover carrying costs during construction and

<sup>1</sup> See HCAR No. 27329 (December 28, 2000) ("2000 Order").

<sup>2</sup> Wisconsin Electric is subject to regulation by a number of regulatory bodies including the Federal Energy Regulatory Commission ("FERC") under the Federal Power Act's authority to regulate wholesale sales of electric power, accounting and certain other matters. Wisconsin Electric's hydroelectric facilities are also regulated by FERC. Wisconsin Electric is

plant costs plus an allowed return on equity during operation. The lease payments will be further adjusted to incorporate capital improvements the Project Company is obligated to fund under most circumstances.

Wisconsin Electric will make fixed payments over the terms of the respective Facility Leases beginning when each Port Washington Unit becomes operational. Each Facility Lease will be treated as an operating lease under regulatory accounting and as a capital lease under generally accepted accounting principles. Each Facility Lease is a "net lease" under which Wisconsin Electric's obligations to make rent payments is absolute and unconditional.

### III. Section 3(a)(1) Exemption

Wisconsin Electric requests an order of exemption under section 3(a)(1) on the basis that its material public utilities are located substantially within the state of Wisconsin and derive their operating revenues substantially within the state of Wisconsin.<sup>5</sup> Wisconsin Electric states that its out of state operating revenue percentages for the years 2004, 2003 and 2002 respectively are 5.94%, 5.69% and 5.51%. In addition, ATC's out-of-state operating revenue for the years 2004, 2003 and 2002 respectively are 9.6%, 11.8% and 6.87% respectively. Wisconsin Electric further states that all of the operating revenue derived from the lease of the Port Washington Units will come from utility operations within Wisconsin.

### Ohio Valley Electric Corporation, et al. (70-10187)

Ohio Valley Electric Corporation ("OVEC"), 3932 U. S. Route 23, P.O. Box 468, Piketon, OH 45661, a public utility subsidiary owned by American Electric Power, Inc., ("AEP") and FirstEnergy Corp. ("FirstEnergy"), each a registered holding company under the Act, and other investor-owned utilities; and AEP MEMCo LLC, ("MEMCo"), 1 Riverside Plaza, Columbus, OH 43215, a wholly-owned nonutility subsidiary of AEP have filed an application under sections 13(b) of the Act and rules 54, 90 and 91 under the Act.

OVEC and its wholly-owned subsidiary, Indiana-Kentucky Electric Corporation ("IKEC"), own two generating stations located in Ohio and Indiana with a combined electric production capability of approximately 2,256 megawatts. OVEC is owned by

AEP, FirstEnergy and other investor-owned utilities. The owners and their respective ownership percentages are: Allegheny Energy (3.5%), AEP (39.17%), Buckeye Power Generating, LLC (9.0%), The Cincinnati Gas & Electric Company, a subsidiary of Cinergy Corp. (9.0%), Columbus Southern Power Company, a subsidiary of AEP (4.3%), The Dayton Power and Light Company, a subsidiary of DPL Inc. (4.9%), Kentucky Utilities Company, a subsidiary of E.ON AG (2.5%), Louisville Gas and Electric Company, also a subsidiary of E.ON AG (5.63%), Ohio Edison Company, a subsidiary of FirstEnergy (16.5%), Southern Indiana Gas and Electric Company, a subsidiary of Vectren Corporation (1.5%), and The Toledo Edison Company, also a subsidiary of FirstEnergy (4.0%). These entities or their affiliates (collectively, "Sponsoring Companies") purchase power from OVEC.

OVEC was formed in the early 1950s by a group of holding companies and utilities located in the Ohio Valley region in response to the request of the United States Atomic Energy Commission ("AEC") to supply the electric power and energy necessary to meet the needs of a uranium enrichment plant being built by AEC in Pikes County, Ohio. The Department of Energy ("DOE") subsequently became the successor to AEC.

OVEC owns two coal-fired generating stations: (i) The Kyger Creek Plant in Cheshire, Ohio, which has a generating capacity of 1,075 megawatts, and (ii) the Clifty Creek Plant in Madison, Indiana, which has a generating capacity of 1,290 megawatts and is owned by OVEC's wholly-owned subsidiary, IKEC. Upon its formation, OVEC entered into two power sales agreements: (i) The DOE power agreement between OVEC and the United States (through the DOE) and (ii) the inter-company power agreement among OVEC and the Sponsoring Companies. Each of the Sponsoring Companies is either an owner of OVEC's stock or an affiliate of an owner. Under the power agreement with the United States, the DOE was entitled to essentially all of the generating capacity of OVEC's generating facilities. The Sponsoring Companies were granted certain rights to surplus energy not needed to service the DOE's Ohio enrichment facility. The DOE terminated its power agreement as of April 30, 2003. As a result, each of the Sponsoring Companies is currently entitled to its specified share of all net power and energy produced by OVEC's two generating stations, and the Sponsoring Companies are required to pay their share of all of OVEC's costs

resulting from the ownership, operation and maintenance of its generating and transmission facilities, except those costs that were paid by the DOE.

MEMCo is an inland marine transporter operating approximately 1,700 barges and 40 towboats on the Ohio, Mississippi and Illinois Rivers and along the inter-coastal canal of the Gulf Coast. In addition to other services, MEMCo provides barge transportation services to associates and non-affiliated companies.

OVEC states that the operation of OVEC's generating stations require the movement and storage of substantial quantities of coal to ensure the availability of power to its customers, and that barging has been, and continues to be, the cheapest mode of transporting bulk commodities such as coal.

OVEC and IKEC were under contract for barge services from American Commercial Barge Line, LLC ("ACBL") through December 31, 2003. ACBL declared bankruptcy in January, 2003, and MEMCo began providing barge services to OVEC and IKEC at cost in March 2003 pursuant to rule 87(b)(2). MEMCo continued to provide services while OVEC and IKEC solicited bids for barge services from several non-affiliates, as well as MEMCo. MEMCo's bid at cost was lower than bids received from non-affiliates. Accordingly, MEMCo seeks approval in this filing to provide barge services to OVEC and IKEC at cost in accordance with rules 90 and 91.

### National Grid Transco plc (70-10295)

National Grid Transco plc ("NGT"), 1-3 Strand, London WC2N 5EH, United Kingdom, a foreign registered holding company, has filed a declaration ("Declaration") under sections 6(a)(2), 12(c) and 12(e) of the Act and rules 42, 62 and 65 under the Act.

By the Declaration, NGT requests various authorizations relating to the issuance and repurchase of certain preferred securities it would issue to effect a return of cash. The company also seeks authority to solicit shareholder consents in connection with these transactions.

#### I. The NGT System

NGT's ordinary shares are listed on the London Stock Exchange, and its American Depositary Receipts ("ADRs") are listed on the New York Stock Exchange.

#### A. Domestic Operations

NGT's U.S. business is conducted through National Grid USA, a registered holding company and an indirect

<sup>5</sup> For a discussion of the "materiality" and "substantially" standards in the determination of exemptions under sections 3(a)(1) and 3(a)(2), see NIPSCO Industries, HCAR No. 26975 (February 10, 1999).

wholly-owned subsidiary of NGT. National Grid USA is held directly and indirectly by several intermediate registered holding companies. The National Grid USA group of companies includes five wholly-owned electricity distribution companies: Niagara Mohawk Power Corporation, Massachusetts Electric Company, The Narragansett Electric Company, Granite State Electric Company, and Nantucket Electric Company; and four other utility companies: New England Power Company, New England Electric Transmission Corporation, New England Hydro-Transmission Corporation and New England Hydro-Transmission Electric Company, Inc. Through these subsidiaries, National Grid USA provides electric transmission and distribution services to residential, commercial, and industrial customers in New England and the transmission and distribution of electricity and the distribution of natural gas to residential, commercial, and industrial customers in New York.<sup>6</sup>

In addition, other companies within the National Grid USA group: (1) Provide metering, billing, and customer services; manage, design and build transmission and distribution-related facilities; and (3) provide related products and services including energy efficiency programs for customers.

#### B. Foreign Operations

Through its direct wholly-owned subsidiary, National Grid Holdings One plc ("NGH One"), and that company's subsidiary, National Grid Holdings Limited, NGT owns The National Grid Company plc ("NGC") and certain other non-U.S. subsidiaries. NGC is engaged in the transmission of electricity in England and Wales. NGC owns and operates a transmission system consisting of approximately 4,500 route miles of overhead lines and approximately 410 route miles of underground cable together with approximately 340 substations at some 240 sites.

Through NGH One, its subsidiary Lattice Group plc ("Lattice Group"), and its subsidiary Transco Holdings plc, NGT owns Transco plc ("Transco") and certain other non-U.S. subsidiaries. Transco is the owner and operator of the majority of Great Britain's gas transportation and distribution system. Transco's transportation network comprises approximately 4,200 miles of

high pressure national transmission pipelines and approximately 170,000 miles of lower pressure regional transmission and distribution systems pipelines. Gas is transported on behalf of approximately 70 "shippers" either to consumers or third party pipeline systems. Transco receives gas from several coastal reception terminals, storage sites, and onshore fields around Great Britain. An interconnector to Belgium links Transco's own gas transportation system to continental Europe. A second interconnector supplies gas to Eire and Northern Ireland. In addition, Transco is responsible for the safety, development and maintenance of the transportation and distribution system. The company, however, does not sell gas to consumers.

#### C. Foreign Assets Sale

On August 31, 2004, NGT announced the sale of four U.K. gas distribution networks for £5.8 billion in cash plus approximately £130 million of assumed liabilities. The transactions are subject to certain regulatory consents and approvals including from the U.K. Gas and Electricity Markets Authority, the U.K. Department for Trade and Industry and the U.K. Health and Safety Executive. The Office of Gas and Electricity Markets has issued a detailed timetable that outlines the consent and approvals process, and NGT aims to complete these transactions during the summer of 2005. Completion of the transactions is also subject to termination rights, exercisable by each of NGT and the purchasers, in the event of defined circumstances arising which would have a material adverse impact on the distribution networks being sold.

NGT has indicated that it would provide a one-time return of cash to its shareholders of £2.0 billion from the proceeds of the distribution networks sales. It is expected that the profit from the sale will be significantly in excess of the amount being distributed to shareholders.

#### D. Return of Cash

More specifically, NGT intends to return cash to its shareholders through a mechanism described below involving a *pro rata* issuance of preferred stock referred to as "B shares." According to NGT, this method would afford its shareholders choices as to the form and timing of the receipt of funds. NGT would use its share premium account to issue the B shares to existing holders of NGT's ordinary shares following shareholder approval at an Extraordinary General Meeting ("EGM") currently scheduled for July 25, 2005.

NGT's issuance of B shares would be accompanied by a share consolidation (*i.e.*, a reverse stock split). Shareholders would receive a reduced number of new NGT ordinary shares to replace their existing shares according to a ratio that would be set prior to the EGM. The ratio would be set using the trading price of NGT's shares immediately before announcement of the details of the transaction and would be designed so that, subject to normal market movements, the share price of the new shares immediately after the £2.0 billion distribution would be approximately equal to the share price of the existing shares immediately beforehand.<sup>7</sup> The priorities, preferences, voting rights and other terms of the NGT ordinary shares would not change as a consequence of the share consolidation.

The B shares would rank ahead of the ordinary shares for the payment of dividends and in liquidation and would vote only with respect to matters directly affecting the B share class. Shareholders would receive one B share for every ordinary share that they hold. Holders of NGT ADRs, which represent five NGT ordinary shares, would receive five B shares per ADR.

The B shares would be listed on the London Stock Exchange.<sup>8</sup> B share owners could elect to: (1) receive a dividend of 65 pence per share ("Income Election") shortly after the EGM; (2) sell their shares for 65 pence per share ("Initial Capital Election") shortly after the EGM; or (3) hold their shares and wait (a) to sell their shares for 65 pence per share at a later date ("Deferred Capital Election"); or (b) until NGT converts them into new NGT ordinary shares ("Final Maturity Election"). Shareholders that do not affirmatively make an election will be deemed to have selected the Income Election.

1. *Income Elections.* Shareholders choosing Income Elections would have all of their B shares converted into "deferred shares" with no voting rights and negligible value once the dividend is paid. NGT may repurchase all deferred shares in existence at any time for the aggregate consideration of one

<sup>7</sup> NGT states that, if it did not combine the B share issuance with the consolidation, the value of its ordinary shares would, all things being equal, be expected to decrease by 65 pence per share immediately after the distribution, and NGT's per share financial ratios would also be affected. The company also states that the share consolidation would help to maintain a consistent and less confusing presentation of per share information to the financial markets.

<sup>8</sup> These securities would not be listed on any securities exchange or quoted on an inter-dealer quotation system in the U.S.

<sup>6</sup> Collectively, National Grid USA's electric utility subsidiaries own and operate approximately 76,000 miles of transmission and distribution lines in New York and New England and deliver electricity to approximately 3.3 million customers in New York, Massachusetts, Rhode Island and New Hampshire.

pence, and then cancel those repurchased shares.

2. *Capital Elections.* Under the repurchase options, JPMorgan Cazenove Limited ("JPMorgan Cazenove") would offer to buy B shares for 65 pence per share, free of all dealing expenses and commissions. The Initial Capital Election would occur shortly after the EGM. At present, NGT expects that JPMorgan Cazenove would offer Deferred Capital Elections in 2006 and 2007.

Following completion of any repurchase offer, JPMorgan Cazenove would have the right to require NGT to purchase at 65 pence per B share, those B shares purchased from shareholders pursuant to JPMorgan Cazenove's repurchase offer. All B shares repurchased by NGT from JPMorgan Cazenove would be cancelled, and would not be held as treasury shares. Those shareholders electing to hold their B shares for a period of time (including those that select the Final Maturity Election, described below) would be entitled to a dividend on the B shares at a rate per annum of 75% of 12-month Sterling London Inter-Bank Offer Rate on a value of 65 pence per B share ("Continuing Dividend").

3. *Final Maturity Elections.* Under the terms and conditions of the B shares, NGT would convert all of the B shares outstanding after a certain date in 2007 (specified in the proxy materials) into ordinary shares. The conversion ratio would be one new ordinary share for every M/65 B shares, where M represents the average of the closing mid-market quotations in pence of the new ordinary shares on the London Stock Exchange, as derived from the Daily Official List (as maintained by the UK Listing Authority for the purposes of the Financial Services and Markets Act 2000, as amended) for the five business days immediately preceding the conversion date), fractional entitlements being disregarded and the balance of those shares (including any fractions) shall be deferred shares as described in the proxy materials. Conversions of the B shares would be effected by NGT through a reorganization of share capital that would result in the elimination of the B shares through their conversion into ordinary shares.

## II. Proposed Transactions

NGT requests authority under section 12(c) and rule 42 to acquire, retire, redeem and/or convert the B shares in connection with Initial Capital Elections, Deferred Capital Elections

and Final Maturity Elections.<sup>9</sup> The company also requests authority under section 6(a)(2) to effect the intended reverse stock split. Further, NGT requests authority to solicit shareholder consents with regard to the B share scheme under section 12(e) and rules 62 and 65. NGT states that it already has the necessary authority to issue the B shares.<sup>10</sup>

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

**J. Lynn Taylor,**

*Assistant Secretary.*

[FR Doc. E5-2198 Filed 5-5-05; 8:45 am]

BILLING CODE 8010-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-51634; File No. SR-Amex-2005-036]

### Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Relating to the Listing and Trading of Notes Linked to the Performance of the CBOE S&P 500 BuyWrite Index(sm)

April 29, 2005.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 25, 2005, the American Stock Exchange LLC ("Amex" 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 Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and is

<sup>9</sup> Not all sellers of B shares would be unaffiliated with NGT, so those repurchases would not be exempt under rule 42.

<sup>10</sup> Economically, the issuance of B shares constitutes a dividend. This dividend, however, would not be subject to section 12(c) of the Act or rule 46 because it would be paid out of NGT's "distributable reserves," which is generally equivalent to unrestricted retained earnings under U.S. GAAP. The issuance of B shares would be subject to sections 6 and 7 of the Act. NGT, however, is authorized through September 30, 2007 to issue various types of securities, including preferred stock and securities convertible into common stock, subject to certain conditions. See HCAR No. 27898 (September 30, 2004) ("Financing Order"). NGT states that the B shares issuance would comply with all of the conditions of the Financing Order.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

approving the proposal on an accelerated basis.

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

The Exchange proposes to list and trade notes, the performance of which is linked to the S&P 500 BuyWrite Index(sm) (the "BXM Index" or "Index"). The text of the proposed rule change is available on the Amex's Web site (<http://www.amex.com>), at the principal offices of the Amex, and 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 Amex 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 III below. The Amex 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

Under Section 107A of the Amex Company Guide ("Company Guide"), the Exchange may approve for listing and trading securities that cannot be readily categorized under the listing criteria for common and preferred stocks, bonds, debentures, or warrants.<sup>3</sup> The Amex proposes to list for trading under Section 107A of the Company Guide notes linked to the performance of the BXM Index (the "Notes"). The BXM Index is determined, calculated and maintained solely by the Chicago Board Options Exchange, Inc. ("CBOE").<sup>4</sup> Wachovia Corporation

<sup>3</sup> See Securities Exchange Act Release No. 27753 (Mar. 1, 1990), 55 FR 8626 (Mar. 8, 1990) (order approving File No. SR-Amex-89-29).

<sup>4</sup> If the CBOE discontinues publication of the Index and the CBOE or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the Index (a "Successor Index"), then the calculation agent shall substitute the Successor Index as calculated by the CBOE or any other entity for the Index and calculate the Redemption Amount (as defined below) by reference to the Successor Index. Telephone conversation between Jeffrey P. Burns, Associate General Counsel, Amex, Florence Harmon, Senior Special Counsel, Division of Market Regulation ("Division"), Commission, and David Liu, Attorney, Division, Commission, on April 26, 2005. In the event that the CBOE discontinues publication of the Index and (a) the