

things, (1) NU to issue and sell unsecured short-term notes and commercial paper and to make loans to participants in the NU system money pool ("Money Pool"); (2) Service to administer the Money Pool in accordance with the authority granted in the Prior Orders; (3) WMECO, CL&P, NNECO, YES, Yankee Gas, HWP, PSNH and NAEC (together, the "Utility Subsidiaries") to issue and sell unsecured short-term notes; (4) WMECO, CL&P, Yankee Gas and PSNH to issue and sell commercial paper; and (5) WMECO, CL&P, NNECO, YES, Yankee Gas and HWP to borrow from NU and each other, and to lend to each other, all under the Money Pool ("Short-Term Debt Authority"). The Prior Orders limited the Applicants' Short-Term Debt Authority, as appropriate, to any combination of notes, commercial paper or Money borrowings outstanding at any one time in aggregate amounts of \$400 million for NU, \$250 million for WMECO, \$375 million for CL&P, \$75 million for NNECO, \$50 million for YES, \$100 million for Yankee Gas, \$5 million for HWP, \$225 million for PSNH and \$260 million for NAEC ("Debt Limitation").¹

The Applicants now request that the Commission modify and supersede the Prior Orders to extend the Authorization Period from December 31, 2000 to June 30, 2003 ("New Authorization Period").² The Applicants request further that the Short-Term Debt Authority, subject to the Debt Limitation, be extended through the New Authorization Period. The Applicants propose that short-term borrowings will take the form of notes to banks and other financial institutions ("Notes"), commercial paper ("Paper"), loans and open-account advances from NU to the Utility Subsidiaries and Money Pool borrowings.

In particular, the Applicants propose that any Notes issued by NU or the Utility Subsidiaries will bear interest at

a rate not exceeding 500 basis points over the base rate in effect from time to time of the lending institutions or the base rate of a representative institution. The Notes may be secured or unsecured and will mature no later than 364 days from the date of their issuance. The Applicants further propose that Paper issued by NU, WMECO, CL&P, Yankee Gas and PSNH ("Issuers") will be issued at rates not exceeding the annual rate prevailing at the time of issuance for commercial paper of comparable qualities and maturities. The Paper will mature no later than 270 days from the date of issuance and will not be repayable prior to maturity. The Applicants state that each of the Issuers will not issue Paper unless the effective cost of Paper will be equal to or less than that for the issuance of Notes in an amount at least equal to the principal amount of Paper proposed to be issued.

The Applicants finally propose, through the New Authorization Period, that the Utility Subsidiaries be authorized to borrow from NU and each other, and to lend each other, all under the Money Pool and subject to the Debt Limitation.³ Service will continue to administer the Money Pool under the same terms and conditions approved by the Commission in the Prior Orders. The Applicants state that all other terms, conditions, limitations and reporting obligations contained in the Prior Orders will apply to the proposed transactions.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-30663 Filed 11-30-00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43605; File No. 4-208]

Intermarket Trading System; Order Approving Sixteenth Amendment to the ITS Plan Relating to Decimal Pricing in Listed Securities

November 21, 2000.

On August 24, 2000, the Intermarket Trading System ("ITS") submitted to the Securities and Exchange Commission ("Commission") an amendment to the restated ITS Plan ("Plan") pursuant to section 11A of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 11A3a3-2 thereunder.² The Participants filed the amendment to: (1) Recognize the transition from quoting in fractions to decimal pricing; (2) reduce the pre-opening price change parameter for certain securities; and (3) expand the pre-opening price change parameters for certain stocks. Notice of the proposal appeared in the **Federal Register** on September 8, 2000 to solicit comments on the amendment from interested persons.³ The Commission made the proposed amendment summarily effective upon publication of the notice for a period of 120 days.⁴ The Commission received no comments on the proposal. For the reasons discussed below, the Commission is approving the proposal.

The proposal amends section 6(a)(ii) of the Plan to recognize the transition from fractions to decimal pricing, the new method of pricing for equity securities and options. In addition, the proposal amends section 7(a) of the Plan

¹ U.S.C. 78k-1.

² 17 CFR 240.11Aa3-2. The ITS is a National Market System ("NMS") plan, which was designed to facilitate intermarket trading in exchange-listed equity securities based on current quotation information emanating from the linked markets. See Securities Exchange Act Release No. 19456 (January 27, 1983), 48 FR 4938 (February 3, 1983).

The ITS participants include the American Stock Exchange LLC ("Amex"), the Boston Stock Exchange, Inc. ("BSE"), the Chicago Board Options Exchange, Inc. ("CBOE"), the Chicago Stock Exchange, Inc. ("CHX"), the Cincinnati Stock Exchange, Inc. ("CSE"), the National Association of Securities Dealers, Inc. ("NASD"), the New York Stock Exchange, Inc. ("NYSE"), the Pacific Exchange, Inc. ("PCX"), and the Philadelphia Stock Exchange, Inc. ("PHLX") ("Participants").

³ Securities Exchange Act Release No. 43236 (August 31, 2000), 65 FR 54571 (September 8, 2000).

⁴ See 17 CFR 240.11Aa3-2(c)(4) (allowing the Commission to summarily put into effect on a temporary basis a Plan amendment "if the Commission finds that such action is necessary or appropriate in the public interest, for the protection of investors or the maintenance of fair and orderly markets, to remove impediments to, and perfect mechanisms of, a national market system or otherwise in furtherance of the purpose of the Act").

¹ CL&P, WMECO, PSNH and NAEC are currently subject to charter limitations and/or state laws that would prevent them from incurring short-term debt up to their Debt Limitation.

² On January 20, 2000 (S.E.C. File 70-9613), NU and Consolidated Edison, Inc. ("CEI") requested that the Commission approve the terms of an Agreement and Plan of Merger to merge the two companies, resulting in NU becoming a wholly owned subsidiary of CEI. Subsequently, on June 30, 2000 (S.E.C. File 70-9711) ("Financing Order"), NU and CEI requested that the Commission approve certain financing activities for the combined companies, including authority for NU system companies to issue and sell short-term debt and participate in the Money Pool. The Applicants propose that the authority granted in the Prior Orders, as modified and extended in this matter, be superseded by the authority requested in the Financing Order.

³ Currently, an order of the Massachusetts Department of Telecommunications and Energy limits WMECO's authority to make loans under the Money Pool to CL&P and HWP and three nonutility subsidiaries. WMECO has requested that the Commission reserve jurisdiction over its authority to lend to other Money Pool participants, pending completion of the record. PSNH may not lend to the Money Pool participants under a New Hampshire Public Utilities Commission ("NHPUC") order authorizing such lending, subject to the elimination of certain write-offs associated with restructuring mandated by the NHPUC. WMECO and PSNH may borrow from the Money Pool.

to reduce the pre-opening price change parameter for certain securities from $\frac{1}{8}$ point (\$0.125) to \$0.10, as well as change pricing references to decimal pricing. Finally, the proposal expands the pre-opening price change parameters for certain stocks, which are reported on Network B of the Consolidated Tape Association, similar to those stocks reported on Network A.

The Commission finds that the proposed amendment is consistent with the Act in general, and in particular, with section 11A(a)(1)(C)(ii),⁵ which provides for fair competition among the Participants and their members, and section 11A(a)(1)(D),⁶ which provides for linking of markets for qualified securities through communications and data processing facilities that foster efficiency, enhance competition, increase the information available to brokers, dealers, and investors, facilitate the offsetting of investors' orders, and contribute to the best execution of such orders. The Commission also finds that the amendment is consistent with Rule 11Aa3-2(c)(2),⁷ which requires the Commission to determine that the amendment is necessary and appropriate in the public interest, for the protection of investors and the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system or otherwise in furtherance of the purposes of the Act.

On June 8, 2000, the Commission ordered the self-regulatory organizations ("SROs") to submit a plan that would begin phasing in decimal pricing in equity securities and options on or before September 5, 2000, and complete this phase-in no later than April 9, 2001.⁸ On July 24, 2000, the SROs submitted a phase-in plan to the Commission. On August 7, 2000, the SROs filed proposed rule changes necessary to implement decimal pricing. The Commission believes that the proposed amendment to the ITS Plan is another required adjustment in the process of the market-wide conversion to decimal pricing that may improve the efficiency and reliability of ITS. Lastly, the proposed amendment is necessary to accommodate decimal pricing, the new method of pricing for equity securities among the Participants, and therefore is consistent with ITS's purpose: to facilitate intermarket trading in listed equity securities.

For the foregoing reasons, the Commission finds that the proposed amendment is consistent with Act and the rules and regulations thereunder applicable to the ITS and, in particular, sections 11A(a)(1)(C)(ii) and (D) of the Act⁹ and Rule 11Aa3-2(c)(2) thereunder.¹⁰

It is Therefore Ordered, pursuant to section 11A(a)(3)(B) of the Act,¹¹ that the proposed amendment be, and hereby is, approved.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-30668 Filed 11-30-00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the closed meeting scheduled for Thursday, November 30, 2000 at 11:00 a.m. time has been changed to Thursday, November 30, 2000 at 10:30 a.m.

Commissioner Carey, as duty officer, determined that no earlier notice thereof was possible.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact:

The Office of the Secretary at (202) 942-7070.

Dated: November 28, 2000.

Jonathan G. Katz,

Secretary.

[FR Doc. 00-30763 Filed 11-29-00; 11:17 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43592; International Series Release No. 1235; File No. 601-01]

Self-Regulatory Organizations; Morgan Guaranty Trust Company, Brussels Office, as Operator of the Euroclear System and Euroclear Bank, S.A.; Notice of Filing of Application To Modify an Existing Exemption From Clearing Agency Registration

November 17, 2000.

I. Introduction

On September 21, 2000, Morgan Guaranty Trust Company of New York, Brussels office ("MGT-Brussels"), as operator of the Euroclear System,¹ and Euroclear Bank, S.A., ("Euroclear Bank") filed pursuant to Section 17A of the Securities Exchange Act of 1934 ("Exchange Act")² and Rule 17Ab2-1 thereunder³ with the Securities and Exchange Commission ("Commission") an application on Form CA-1⁴ to modify MGT-Brussels' existing exemption from clearing agency registration ("Modification Application"). MGT-Brussels' current exemption allows it to perform, with certain limits, the functions of a clearing agency with respect to U.S. government and agency securities for its U.S. participants without registering as a clearing agency. The purpose of the Modification Application is to have Euroclear Bank substituted for MGT-Brussels as operator of the Euroclear System with respect to the Commission's exemption. The Commission is publishing this notice to solicit comment from interested persons.

II. Background

A. 1998 Exemption Order

On February 11, 1998, the Commission granted MGT-Brussels an exemption from registration as a clearing agency, subject to certain conditions, to the extent MGT-Brussels performs the functions of a clearing agency with respect to transactions involving U.S. government and agency securities for its U.S. participants ("1998 Exemption Order").⁵ Specifically, the 1998 Exemption Order

¹ MGT-Brussels presently operates the Euroclear System pursuant to an operating agreement with Euroclear Bank.

² 15 U.S.C. 78q-1.

³ 17 CFR 240.17Ab2-1.

⁴ Copies of the application for exemption are available for inspection and copying at the Commission's Public Reference Room.

⁵ Securities Exchange Act Release No. 39643 (February 11, 1998), 63 FR 8232.

⁵ 15 U.S.C. 78k-1(a)(1)(C)(ii).

⁶ 15 U.S.C. 78k-1(a)(1)(D).

⁷ 17 CFR 240.11Aa3-2(c)(2).

⁸ See Securities Exchange Act Release No. 42914 (June 8, 2000), 65 FR 38010 (June 19, 2000).

⁹ 15 U.S.C. 78k-1(a)(1)(C)(ii) and (D).

¹⁰ 17 CFR 240.11Aa3-2(c)(2).

¹¹ 15 U.S.C. 78k-1(a)(3)(B).

¹² 17 CFR 200.30-3(a)(29).