

required permits and/or regulatory approvals; acquisition of site options and options on other necessary rights; negotiation and execution of contractual commitments with owners of existing facilities, equipment vendors, construction firms, power purchasers, thermal "hosts," fuel suppliers and other project contractors; negotiation of financing commitments with lenders and other third-party investors; and other preliminary activities as may be required in connection with the purchase, acquisition or construction of facilities or the securities of other companies. PNM Resources proposes to expend directly or through subsidiaries up to \$300 million in the aggregate outstanding at any time during the Authorization Period on all Development Activities and Administrative Activities. Amounts expended in the development of projects leading to an investment in a Nonutility Subsidiaries will not count against the limitation on expenditures for Development Activities. Administrative Activities will include ongoing personnel, accounting, engineering, legal, financial and other support activities necessary to manage Development Activities and investments in subsidiaries.

PNM Resources requests authority to acquire directly or indirectly the securities of one or more corporations, trusts, partnerships, limited liability companies or other entities (collectively, "Intermediate Subsidiaries"), which would be organized exclusively for the purpose of acquiring, holding and/or financing the acquisition of the securities of or other interest in one or more Nonutility Subsidiaries, provided that Intermediate Subsidiaries may also engage in Development Activities and Administrative Activities. To the extent such transactions are not exempt from the Act or otherwise authorized or permitted by rule, regulation or order of the Commission, PNM Resources requests authority for Intermediate Subsidiaries to engage in the Activities described above. To the extent that PNM Resources provides funds directly or indirectly to an Intermediate Subsidiary which are used for the purpose of making an investment in any Nonutility Subsidiary, the amount of such funds will be included in PNM Resources' "aggregate investment" in these entities, as calculated in accordance with rule 53 or rule 58, as applicable.

PNM Resources specifically requests authority to expend up to \$300 million during the Authorization Period to acquire Energy Assets, within the United States and within Mexico, to the

extent incidental to those United States operations and authorized under applicable import/export law. These acquisitions may also take the form of the acquisition of the securities of companies that exclusively engage in activities pertaining to the development or operation of the Energy Assets.

VII. Changes in Capital Stock of Subsidiaries

The portion of an individual subsidiary's aggregate financing to be effected through the sale of stock to PNM Resources during the Authorization Period pursuant to rule 52 and/or pursuant to an order issued in this proceeding cannot be ascertained at this time. It may happen that the proposed sale of capital securities may in some cases exceed the then-authorized capital stock of the subsidiary. In addition, the subsidiary may choose to use capital stock with no par value or receive a capital contribution without issuing capital stock. Also, a wholly-owned subsidiary may wish to engage in a reverse stock split to reduce franchise taxes. As needed to accommodate such proposed transactions and to provide for future issues, PNM Resources requests authority to change the terms of any such wholly-owned subsidiary's authorized capital stock capitalization by an amount deemed appropriate by PNM Resources or other intermediate parent company in the instant case. A subsidiary would be able to change the par value, or change between par value and no-par stock, without additional Commission approval. Any such action by a utility subsidiary would be subject to and would only be taken upon the receipt of any necessary approvals by the state commission(s) in the state or states in which such utility subsidiary is incorporated and doing business. PNM Resources states that in the event that proxy solicitations are necessary with respect to internal corporate reorganizations, PNM Resources will seek approval pursuant to sections 6(a)(2) and 12(e) of the Act, through the filing of an appropriate declaration.

VIII. Services Provided to Subsidiaries

PNM Resources intends to file with the Commission, no later than ninety (90) days after the Commission issues an order with respect to this Application, an application-declaration seeking authority to create a service company pursuant to rule 88 of the Act. Until the service company application is made effective, PNM Resources requests authorization under section 13(a) of the Act and Commission rules for PNM Resources to continue to provide

support services on an interim basis to its subsidiaries through June 30, 2005. Currently, PNM Resources performs substantially all of the corporate activities of PNM. Charges for all services will be on an at-cost basis, as determined under rules 90 and 91 of the Act.

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

J. Lynn Taylor,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-50689; File No. SR-MSRB-2004-05]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Order Approving Proposed Rule Change To Offer New Historical Data Product

November 18, 2004.

On September 16, 2004, the Municipal Securities Rulemaking Board ("MSRB" or "Board"), filed with the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² a proposed rule change to offer a new transparency product containing historical trade data obtained through the MSRB's Transaction Reporting System (the "Historical Data Product"). The proposed rule change was published for comment in the **Federal Register** on October 18, 2004.³ The Commission received no comments on the proposal.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the MSRB⁴ and, in particular, the requirements of Section 15B(b)(2)(C) of the Act and the rules and regulations thereunder.⁵ Section 15B(b)(2)(C) of the Act requires, among other things, that the MSRB's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 50491 (October 5, 2004), 69 FR 61422 (October 18, 2004) ("Notice").

⁴ In approving this rule the Commission notes that it has considered the proposed rule's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

⁵ 15 U.S.C. 78o-4(b)(2)(C).

trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.

In particular, the Commission finds that the proposed rule change will increase transparency and facilitate the fair pricing of municipal securities transactions. The Commission believes that the Historical Data Product will provide more information on infrequently traded issues and will help achieve a wider dissemination of transaction information that will help ensure the fairest and most accurate pricing of municipal securities transactions.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁶ that the proposed rule change (SR-MSRB-2004-05) be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁷

J. Lynn Taylor,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-50692; File No. SR-MSRB-2004-07]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Municipal Securities Rulemaking Board To Establish Implementation Plan for Real-Time Transaction Reporting and Price Dissemination

November 18, 2004.

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 November 15, 2004, the Municipal Securities Rulemaking Board ("MSRB" or "Board") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the MSRB. The MSRB has designated this proposal as constituting a stated policy, practice, or interpretation with respect

to the meaning, administration, or enforcement of an existing rule of the MSRB under Section 19(b)(3)(A)(i) of the Act³ and Rule 19b-4(f)(1) thereunder,⁴ which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The MSRB is filing with the Commission a proposal to establish the implementation plan for its real-time transaction reporting and price dissemination, which includes the amendments to Rule G-14, on transaction reporting, and Rule G-12(f), on automated comparison of inter-dealer transactions. No changes to the text of MSRB rules are required by this proposal.

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 MSRB included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposal. The text of these statements may be examined at the places specified in Item IV below. The MSRB 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

On August 31, 2004, the SEC approved a proposed rule change relating to the MSRB's implementation of real-time transaction reporting and price dissemination—the Real-Time Transaction Reporting System or "RTRS."⁵ That rule change includes amendments to Rule G-14 and Rule G-

12(f), which will become effective concurrently with the operation of RTRS, that will require dealers to report most municipal securities transactions to the MSRB within 15 minutes of the time of trade execution rather than by midnight on trade date, as is currently required,⁶ and to submit inter-dealer transactions to the central comparison system within the same time frame. The new requirements are designed to increase price transparency in the municipal securities market and to enhance the surveillance database and audit trail used by enforcement agencies.⁷ In that filing, the MSRB stated that it expected to make a second filing on the RTRS facility in the future, stating the date of effectiveness, describing the technical means of data dissemination, and proposing fees to be charged for RTRS data products.

On October 25, 2004, the MSRB filed a proposal describing the proposed RTRS service for dissemination of real-time transaction price data (which is named the Real-Time Transaction Price Service) and proposed an annual subscription fee of \$5,000.⁸ That filing also described the fees, if any, associated with other RTRS data products. Thus, this proposal addresses the final remaining aspect of RTRS by establishing the implementation plan.

Implementation Plan

As announced in MSRB Notice 2003-44, dated December 11, 2003, the MSRB is implementing its real-time transaction reporting requirements for brokers, dealers and municipal securities dealers (collectively, "dealers") in January 2005. The implementation plan for the January transition is described below.

⁶ For operational reasons, the rule will allow dealers more than 15 minutes to report certain kinds of transactions. These transactions still will be reported to subscribers immediately upon receipt at RTRS.

⁷ The RTRS filing noted that certain trade reports made by dealers, which are coded by the dealers to indicate that the trade is for a specific reason not done at a market price, will not be disseminated but will be available to regulators as part of the surveillance function offered by RTRS. The RTRS Notice also noted that certain other types of "transactions" that are required to be reported exclusively for audit trail purposes (relating to clearing brokers and their correspondents in certain fully-disclosed clearing arrangements where the correspondent does not take a principal position) also will not be disseminated but will be available to regulators.

⁸ File No. SR-MSRB-2004-06. See "Notice of Filing to Create the Real-Time Transaction Price Service and Establish an Annual Subscription Fee," MSRB Notice 2004-35 (October 26, 2004), at <http://www.msrb.org>.

It should be noted that the transaction data will be available free-of-charge through The Bond Market Association's Web site at <http://www.investinginbonds.com>, as well as through other means.

⁶ 15 U.S.C. 78s(b)(2).

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(i).

⁴ 17 CFR 240.19b-4(f)(1).

⁵ Exchange Act Release No. 50294 (August 31, 2004), 69 FR 54170 (September 7, 2004); see "Approval by the SEC of Real-Time Transaction Reporting and Price Dissemination: Rules G-12(f) and G-14," MSRB Notice 2004-29 (September 2, 2004), at <http://www.msrb.org>.

The text of the rule change, along with a description of the RTRS facility, can be found in the MSRB's notice announcing its filing with the SEC. See "Real-Time Transaction Reporting: Notice of Filing of Proposed Rule Change to Rules G-14 and G-12(f)," MSRB Notice 2004-13 (June 1, 2004), at <http://www.msrb.org>.