

RMS, a Connecticut corporation, was formed in 1994 to provide debt collection services to utilities and other businesses nationwide.

NU also has six wholly owned nonutility subsidiaries:

NUSCO is a wholly owned subsidiary of NU and provides centralized accounting, administrative, information resources, engineering, financial, legal, operational, planning, purchasing and other services to the NU System companies.

NAESCO is a wholly owned subsidiary of NU. NAESCO has operational responsibility for Seabrook.

NNECO is a wholly owned subsidiary of NU, NNECO acts as an agent for the System companies and other New England utilities in operating the Millstone Nuclear generating facilities, which are located in Waterford, Connecticut.

Rocky River and Quinnehtuk, both wholly owned subsidiaries of NU, and Properties, Inc. construct, acquire, or lease some of the property and facilities used by the NU System companies.

NU Enterprises, Inc. ("NUEI"), a wholly owned subsidiary of NU, acts as the holding company for NU's nonutility businesses.

Northeast Generation Company ("NGC"), a subsidiary of NUEI, was formed to acquire and manage generating facilities.

Northeast Generation Services Company, another subsidiary of NUEI, was formed to acquire and manage generating facilities.

Northeast Generation Services Company, another subsidiary of NUEI, was formed to provide services to the electric generation market as well as to large commercial and industrial customers in the Northeast.

In January of 1999, NU transferred to NUEI the stock of three of its wholly owned subsidiaries: Select Energy, Inc., HEC, Inc. and Mode I Communications, Inc. These companies engage, either directly or indirectly through subsidiaries, in a variety of energy-related and telecommunications activities, primarily in the unregulated energy retail and wholesale commodity, marketing and services fields.

Select Energy Portland Pipeline, Inc., a subsidiary of NUEI, and was formed as a single purpose rule 58 subsidiary to hold a 5% partnership interest in the Portland Natural Gas Transmission System Partnership, the partnership that owns and operates the Portland Natural Gas Transmission Pipeline.

The NU electric operating companies are members of the New England Power Pool ("NEPOOL" and have transferred control over most of their transmission

facilities to Independent System Operator-New England. NEPOOL is a cooperative association of the major electric utilities operating in the New England region.

For the twelve month period ending March 31, 2000 NU had approximately \$4.8 billion in consolidated operating revenues. The Common Shares of NU are listed on the New York Stock Exchange. As of March 31, 2000, NU had approximately 143,150,550 shares outstanding (\$5.50 par value per share).

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

Jonathan G. Katz,
Secretary.

[FR Doc. 00-21038 Filed 8-17-00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43147; File No. SR-NASD-00-11]

Self-Regulatory Organizations; Order Approving Proposed Rule Change by the National Association of Securities Dealers, Inc., Amending Its Mediation Fee Structure

August 11, 2000.

I. Introduction

On March 9, 2000, the National Association of Securities Dealers, Inc. ("NASD" or "Association"), through its wholly owned subsidiary, NASD Regulation, Inc. ("NASD Regulation"), filed with the Securities and Exchange Commission ("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 amend certain aspects of NASD Regulation's mediation program. The proposed rule change was published for comment in the **Federal Register** on May 24, 2000³ and no comments were received. This order approves the proposed rule change.

II. Description of the Proposal

NASD Regulation proposes to amend its Code of Arbitration Procedure ("Code") to increase revenue by adjusting the mediation fee schedules and to permit parties to agree to stay arbitrations in order to mediate their claims. The proposed rule change also would eliminate the adjournment fees when parties conduct their mediation

through NASD Regulation. NASD Regulation believes that the proposal would encourage the use of mediation and be a first step toward making the NASD Regulation mediation program financially self-sustaining.

NASD Regulation initiated a mediation program in 1995 to provide an additional dispute resolution option for parties.⁴ According to NASD Regulation, the goal of the mediation program is to provide public customers, member firms, and associated persons with an alternative and effective means of resolving their disputes. Since its inception in 1995, over 3,500 cases have been submitted to the mediation program. By 1999, parties in twenty percent of all arbitration cases filed with NASD Regulation used mediation to help resolve their disputes. NASD Regulation believes that a settlement that results from mediation, rather than arbitration or litigation, often saves the parties substantial time and expense.

Summary of Proposal

The mediation program is currently subsidized. Because the mediation program has continued to grow steadily since its inception, NASD Regulation believes that this is an appropriate time to change the mediation fee structure. The objective of the proposed rule change is to take preliminary steps toward making the mediation program financially self-sustaining while preserving it as a cost-effective alternative to arbitration for parties with claims of any dollar value.

The rules establishing mediation filing fees are currently contained in Rules 10205 and 10332 of the Code, which address intra-industry and customer arbitration fees, respectively. NASD Regulation proposes to delete the provisions relating to mediation fees from the arbitration sections of the Code, and to include them in the Rule 10400 Series that pertains to mediation. NASD Regulation would create a new rule, Rule 10407, entitled "Mediation Fees."

The proposed rule change includes three components. First, new Rule 10407(a) would replace the current flat fee with a sliding-scale schedule of fees for cases filed directly in mediation. Second, new Rule 10407(b) would require parties to pay a mediation case filing fee when they choose to use the mediation program after having initiated arbitration. Third, Rule 10403(a) would be changed to make clear that the parties in arbitration can agree to stay

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 42792 (May 17, 2000), 65 FR 33602 (May 24, 2000).

⁴ See Securities Exchange Act Release No. 35990 (July 19, 1995), 60 FR 38384 (July 26, 1995), (SR-NASD-95-25).

the proceeding in order to mediate their claims.

Mediation Case Filing Fees for Cases Filed Directly in Mediation: Rule 10407(a)

According to NASD Regulation, about 15% of the mediation cases filed annually are filed directly in mediation. NASD Regulation currently charges \$150 per party for customer cases and \$250 per party for intra-industry cases, regardless of the amount in dispute. These fees are found in Rules 10205(j) and 10332(i). NASD Regulation proposes to replace the flat fee with a sliding scale fee schedule in new Rule 10407(a). The schedule has one column of filing fees for customers and associated persons, and another column for member firms. The filing fees are lowest for the smallest claims but increase as the amount in controversy increases.⁵

Customers and associated persons in mediation whose cases involve up to \$25,000 in dispute would be charged only \$50, rather than the present filing fee of \$150. For claims between \$25,000 and \$100,000, customers and associated persons would pay a filing fee of \$150. When the claim exceeds \$100,000, customers and associated persons would pay a \$300 filing fee.

Fees also are adjusted for members. Under the proposed rule, for cases up to \$25,000 in dispute, members would pay \$150, which is the current flat rate for a customer dispute, but is lower than the current \$250 flat rate for intra-industry disputes. For claims between \$25,000 and \$100,000, the charge for members would increase to \$300, slightly higher than the current intra-industry rate under the flat fee schedule. For claims exceeding \$100,000, the member fee would increase to \$500. For all claims, regardless of the amount in dispute, customers and members would pay less under the proposal than the corresponding filing fees for arbitration.

Mediation Case Filing Fees for Cases Initially Filed in Arbitration: Rule 10407(b)

According to NASD Regulation, about 85% of the mediation cases filed annually are first filed in arbitration and later go to mediation. In these cases, NASD Regulation currently waives all mediation case filing fees for the parties, as stated in Rules 10205(j) and 10332(i). NASD Regulation now proposes to charge mediation filing fees to parties choosing mediation after the arbitration

case is already filed for cases over \$25,000.

According to NASD Regulation, arbitration fees currently cover arbitration case administrative tasks, but they do not cover the expenses of the mediation staff. NASD Regulation believes that imposing a fee would allow them to recover some of the costs incurred by the mediation staff in attempting to move cases from arbitration to mediation. However, consistent with its other efforts to increase the incentives for parties to mediate claims under \$25,000, NASD Regulation would not impose any filing fee for converting small cases under the new Rule 10407(b).

Because NASD Regulation would like to continue to encourage members and investors to choose mediation, members' filing fees for these converted cases would be fifty percent less than the fee for a case that is first filed in mediation, and fees for customers would be \$50 less. Further, in matters involving more than \$100,000 in dispute, the proposed mediation filing fee for members would be equal to the fee for a case that is first filed in mediation.

Mediator Fees and Expenses: Rule 10407(c)

The rule language regarding mediator fees and expenses contained in Rules 10205(j) and 10332(j) will be moved to Rule 10407(c). The rule language would remain unchanged, with one exception. NASD Regulation proposes to delete the final sentence in Rules 10205(j) and 10332(j), respectively, specifying mediator charges. NASD Regulation has found that mediators do not charge the parties fees for "mediation sessions," as indicated in the rule. Rather, mediators charge for the actual hours of the services they provide. Therefore, NASD Regulation proposed to delete the final sentence in Rules 10205(j) and 10332(j) when it moves the other relevant language to new Rule 10407(c).

Staying Arbitration During Mediation: Rule 10403

NASD Regulation proposes to amend Rule 10403 of the Code in two ways. First, NASD proposes to add language to Rule 10403(a) to make it clear that parties who agree to submit a matter for mediation can also agree to stay the arbitration. The parties can do so notwithstanding Rule 10319, which gives arbitrators discretion to stay an arbitration proceeding. NASD Regulation believes that this rule change would benefit the parties to a proceeding by saving them time and money and by relieving them of the

problems of proceeding in two arenas at the same time. Moreover, according to NASD Regulation, this change is consistent with the approach of other alternative dispute resolution providers.

Second, NASD Regulation proposes to add a new provision, Rule 10403(b), that encourages the use of the NASD Regulation mediation program. Whenever the mediation is conducted through NASD Regulation, the parties would avoid payment of arbitration adjournment fees.

Conclusion

NASD Regulation estimates that the proposed changes to the mediation fee schedule would generate income of \$640,000 on an annual basis, assuming a level number of case filings. These funds would be used to help offset the operational costs of the Mediation Program and to ensure the continuation of this service. In addition, the fee adjustments should add incentives for parties to mediate smaller cases.

In addition to filing this proposed rule change, NASD Regulation has recently instituted another revenue-increasing measure which it believes did not require a change to the Code. Formerly, NASD Regulation charged mediators on the roster of the mediation program a fee of \$25 for each hour the mediator billed the parties. Effective April 3, 2000, NASD Regulation eliminated the flat rate in favor of a sliding rate tied to the mediator's hourly compensation. This new fee schedule is designed to encourage mediators to charge lower rates for small claims and to agree to handle some cases *pro bono*.

NASD Regulation has also recently asked its mediators to help reduce the cost of mediation for small cases by agreeing to charge reduced rates to mediate cases involving claims of \$25,000 or less. Specifically, it has suggested that mediators agree to charge \$50 an hour for mediations where the amount in dispute is less than \$25,000. In addition, mediators may set a limit on the number of reduced-fee mediations they will conduct during a year.

Effective Date

The NASD will announce the effective date of the proposed rule change in a Notice to Members, which will be published no later than 60 days following Commission approval. The effective date will be 30 days following publication of the Notice of Members announcing Commission approval.

III. Discussion

After careful review, the Commission finds that the proposed rule change is

⁵ NASD Regulation currently has a sliding scale schedule in place for arbitration fees. See NASD Rules 10205 and 10332.

consistent with the requirements of the Act and the rules and regulations thereunder that govern the NASD.⁶ The Commission finds that the proposal is consistent with Section 15A(b)(6) of the Act,⁷ which requires, among other things, that the Association's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. The Commission also finds that the proposal is consistent with Section 15A(b)(5) of the Act,⁸ which requires that the rules of an association provide for the equitable allocation of reasonable dues, fees, and other charges among members and other persons using any facility of the association.

The Commission believes that the proposal is consistent with Section 15A(b)(6) of the Act⁹ because it provides an alternative and generally less expensive form of dispute resolution. According to NASD Regulation, most mediations are successfully conducted in less than a single day and typically result in lower attorney fees for the parties. Further, parties who use mediation as compared to arbitration may save money by avoiding discovery costs.

In addition, the proposal is consistent with Section 15A(b)(5) of the Act¹⁰ because it is reasonably designed to allow NASD Regulation to recover its costs in administering the mediation program. NASD Regulation represents that the mediation program is subsidized and results in an annual program deficit of \$860,000. NASD Regulation estimates that the amended fee schedule will generate annual income of \$640,000, and believes that these funds should help offset the operational costs of the mediation program. Most of this new revenue will come from fees imposed on parties who first choose arbitration and then switch to mediation. In the past, these parties were not charged a fee when they switched to mediation, even though NASD Regulation represents that it incurs expenses through these switches. Based on these representations and the fact that parties with small claims will be charged little or no fees to use mediation, the Commission finds that proposal equitably allocates fees among its customers, broker-dealers, and

associated persons, and is reasonable under the circumstances.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹¹ that the proposed rule change (SR-NASD-00-11) is hereby approved.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 00-21072 Filed 8-17-00; 8:45 am]

BILLING CODE 8010-01-M

SOCIAL SECURITY ADMINISTRATION

Agency Information Collection Activities: Request for Comments

The Social Security Administration (SSA) publishes a list of information collection packages that will require clearance by the Office of Management and Budget (OMB) in compliance with Pub. L. 104-13 effective October 1, 1995, The Paperwork Reduction Act of 1995. SSA is soliciting comments on the accuracy of the agency's burden estimate; the need for the information; its practical utility; ways to enhance its quality, utility and clarity; and on ways to minimize burden on respondents, including the use of automated collection techniques or other forms of information technology.

Written comments and recommendations regarding the information collection(s) should be submitted to the SSA Reports Clearance Officer and to the OMB Desk Officer at the following addresses:

(OMB), Attn: Desk Officer for SSA, New Executive Office Building, Room 10230, 725 17th St., NW, Washington, D.C. 20503.

(SSA), Social Security Administration, DCFAM, Attn: Frederick W. Brickenkamp, 1-A-21 Operations Bldg., 6401 Security Blvd., Baltimore, MD 21235.

The information collection listed below has been submitted to OMB for clearance. Your comments on the information collection would be most useful if received by OMB and SSA within 30 days from the date of this publication. You can obtain a copy of the OMB clearance package by calling the SSA Reports Clearance Officer on (410) 965-4145, or by writing to him at the address listed above.

Internet Retirement Insurance Benefit (IRIB) Application—0960-0618. SSA will offer its customers another way to

apply for retirement insurance benefits. Currently, applicants for retirement insurance benefits complete a SSA-1, Application for Retirement Insurance Benefits, by telephone or in person with the assistance of a SSA employee. The IRIB application will enable individuals to complete the application on their own electronically over the Internet. The information that SSA collects will be used to determine entitlement to retirement insurance benefits. SSA plans to implement the IRIB application nationally later this year. The respondents are individuals who apply for retirement insurance benefits over the Internet.

Number of Respondents: 139,308.

Frequency of Response: 1.

Average Burden Per Response: 20 minutes.

Estimated Annual Burden: 46,436 hours.

Dated: August 14, 2000.

Frederick W. Brickenkamp,
SSA Reports Clearance Officer.

[FR Doc. 00-21013 Filed 8-17-00; 8:45 am]

BILLING CODE 4191-02-P

TENNESSEE VALLEY AUTHORITY

Paperwork Reduction Act of 1995, as Amended by Pub. L. 104-13; Submission for OMB Review; Comment Request

AGENCY: Tennessee Valley Authority.

ACTION: Proposed collection; comment request.

SUMMARY: The proposed information collection described below will be submitted to the Office of Management and Budget (OMB) for review, as required by the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35, as amended). The Tennessee Valley Authority is soliciting public comments on this proposed collection as provided by 5 CFR 1320.8(d)(1). Requests for information, including copies of the information collection proposed and supporting documentation, should be directed to the Agency Clearance Officer: Wilma H. McCauley, Tennessee Valley Authority, 1101 Market Street (EB 5B), Chattanooga, Tennessee 37402-2801; (423) 751-2523.

Comments should be sent to the Agency Clearance Officer no later than October 17, 2000.

SUPPLEMENTARY INFORMATION:

Type of Request: Regular submission, proposal to reinstate with change a previously approved collection for which approval has expired (OMB control number 3316-0062).

⁶In approving this rule change, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁷ 15 U.S.C. 78o-3(b)(6).

⁸ 15 U.S.C. 78o-3(b)(5).

⁹ 15 U.S.C. 78o-3(b)(6).

¹⁰ 15 U.S.C. 78o-3(b)(5).

¹¹ 15 U.S.C. 78s-(b)(2).

¹² 17 CFR 200.30-3(a)(12).