

proposed activity encompasses a level of control sufficient to constitute "effecting transactions in securities." Because TRS would conduct this activity on an ongoing basis, the Commission would deem TRS to be "in the business." Therefore, TRS's proposal would require TRS to register as a broker-dealer with the Commission.

Section 15(a)(2) of the Act authorizes the Commission to exempt any broker or dealer or class of brokers or dealers, either conditionally or unconditionally, from the registration requirements of section 15(a)(1) of the Act, if the Commission deems the exemption consistent with the public interest and the protection of investors. The Commission believes that granting TRS's request for exemption meets this standard.

The Commission finds that granting this exemptive order is consistent with the protection of investors. The registered broker-dealers will have exclusive responsibility for opening accounts, entering orders, executing transactions, transferring investment monies to the appropriate mutual fund companies, and distributing transaction confirmations and account statements. TRS employees and unregistered affiliates will be strictly prohibited from recommending, endorsing, responding to questions about, or engaging in any negotiations involving brokerage accounts or related securities-transactions. TRS will guarantee the safety of investors' funds by obtaining a surety bond, automating the processing procedures, and surveilling all sensitive areas at all times. Moreover, TRS will provide accessibility to its books and records for the Commission and other appropriate regulatory authorities.

The Commission also finds that the requested exemption is consistent with the public interest. The Arrangement will allow many investors to invest through a payment process with which they are already familiar. TRS states that its proposal is in direct response to requests from Cardmembers for this type of service.

*It Is Therefore Ordered*, pursuant to section 15(a)(2) of the Act, that the application by TRS for exemption from the registration requirements of Section 15(a)(1) of the Act be, and hereby is, granted effective forthwith. This exemption is conditioned on the representations made by TRS, as outlined above, and on TRS not engaging in the business of buying and selling securities other than as described herein.

*It Is Further Ordered*, pursuant to section 36 of the Act, that TRS shall be exempt, with respect only to the services relating to the Arrangement described above, from the reporting and other requirements specifically imposed by the Act and the rules and regulations thereunder, on a broker or a dealer that is not registered with the Commission.<sup>4</sup>

By the Commission.

Jonathan G. Katz,  
Secretary.

<sup>4</sup> TRS remains subject to all other applicable provisions of the federal securities laws, including without limitation Section 10(b) of the Act and Rule 10b-5 thereunder.

## Exhibit B

### Securities and Exchange Commission

[FILE NO. 4-436]

July 24, 2000

#### Order Granting Confidential Treatment for the Exemption of American Express Travel Related Services Company, Inc., From Broker-Dealer Registration

The Commission has issued an order (Exemptive Order) pursuant to section 15(a) of the Securities Exchange Act of 1934 exempting American Express Travel Related Services Company, Inc. (TRS) from broker-dealer registration. The Exemptive Order is attached as Exhibit A.

In a letter dated May 31, 2000, TRS requested confidential treatment pursuant to Rule 81(b) of the Commission's Regulation Concerning Information and Requests,<sup>5</sup> for 120 days from the issuance of any written response by the staff. TRS represents that their request for an exemption and the Commission's response to such request includes sensitive, proprietary, and confidential information, which is not available to the public from any other source.

The Division of Market Regulation has determined that the request for confidential treatment is reasonable and appropriate. Therefore, the request for confidential treatment has been granted until the earlier of (a) 120 days from the date of issuance of the Exemptive Order; or (b) the date that any information contained in the application by TRS for exemption or the Exemptive Order is made publicly available by TRS.

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

Jonathan G. Katz,  
Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27281]

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

November 22, 2000.

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.

<sup>5</sup> 17 CFR 200.81(b).

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by December 18, 2000, 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 December 18, 2000, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

#### Northeast Utilities, et al. (70-9755)

Northeast Utilities ("NU"), 174 Brush Hill Avenue, West Springfield, Massachusetts 01090-0010, a registered holding company, its service company subsidiary, Northeast Utilities Service Company ("Service"), P.O. Box 270, Hartford, Connecticut 06141-0270, and its public utility subsidiary companies, Western Massachusetts Electric Company ("WMECO"), 174 Brush Hill Avenue, West Springfield, Massachusetts, 01090-0010; The Connecticut Light and Power Company ("CL&P"), Northeast Nuclear Energy Company ("NNECO") and Yankee Energy System, Inc. ("YES"), all located at 107 Selden Street, Berlin, Connecticut 06037; Yankee Gas Services Company ("Yankee Gas"), 599 Research Parkway, Meriden, Connecticut 06450; Holyoke Water Power Company ("HWP"), Canal Street, Holyoke, Massachusetts 01040; and Public Street Company of New Hampshire ("PSNH") and North Atlantic Energy Corporation ("NAEC"), both located at 1000 Elm Street, Manchester, New Hampshire 03015; (together, "Applicants") have filed an application-declaration under sections 6(a), 7, 9(a), 10, 12(b), 13, 32 and 33 of the Act and rules 43, 45, 52, 90 and 91 under the Act.

By order dated December 28, 1994 (HCAR No. 26207) and Supplemental Orders dated November 20, 1996 (HCAR 26612), February 11, 1997 (HCAR 26665), March 25, 1997 (HCAR 26692), May 29, 1997 (HCAR 26721), January 16, 1998 (HCAR 26816), May 13, 1999 (HCAR 27022), November 17, 1999 (HCAR 27103) and November 13, 2000 (HCAR No. 27275) (collectively, the "Prior Orders"), the Commission authorized through December 31, 2000 ("Authorization Period"), among other

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").<sup>1</sup>

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").<sup>2</sup> 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

<sup>1</sup> 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.

<sup>2</sup> 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.

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.<sup>3</sup> 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.*

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<sup>3</sup> 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.

## 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"),<sup>1</sup> and Rule 11A3a3-2 thereunder.<sup>2</sup> 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.<sup>3</sup> The Commission made the proposed amendment summarily effective upon publication of the notice for a period of 120 days.<sup>4</sup> 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

<sup>1</sup> U.S.C. 78k-1.

<sup>2</sup> 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")

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

<sup>4</sup> 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").