The Commission estimates that the cost burden for preparing and filing a post-effective amendment on proposed Form N–6 will be $7,500. Thus, the total annual cost burden for preparing and filing post-effective amendments would be $1,500,000 (200 post-effective amendments annually times $7,500 per amendment). The Commission estimates that the cost burden for preparing and filing an initial registration statement on proposed Form N–6 will be $20,000. Thus, the annual cost burden for preparing and filing initial registration statements would be $1,000,000 (50 initial registration statements annually times $20,000 per registration statement). The total annual cost burden for proposed Form N–6, therefore, is estimated to be $2,500,000 ($1,500,000 for post-effective amendments plus $1,000,000 for initial registration statements).

The hour and cost burdens would be offset by a decrease in the burdens attributable to Forms N–8B–2 and S–6 because separate accounts registering on Form N–6 would no longer be required to register on Forms N–8B–2 and S–6. The Commission expects that the aggregate burden imposed by Forms N–6, S–6, and N–8B–2 after Form N–6 is adopted will be no greater, and may be less, than the burden currently imposed by Forms S–6 and N–8B–2.

Form N–6 has not yet been adopted, and therefore no variable life separate accounts are currently using Form N–6 to register pursuant to the Securities Act and the Investment Company Act.

The information collection requirements that would be imposed by Form N–6 are mandatory. Responses to the collection of information will not be kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549.

Dated: February 16, 2001.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01–4650 Filed 2–23–01; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35–27347]

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

February 16, 2001.

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 March 13, 2001, 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 March 13, 2001, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Dominion Resources, Inc., et al. (70–9807)

Dominion Resources, Inc. (''DRI''), a registered public utility holding company under the Act, and is wholly owned electric utility company subsidiary, Virginia Electric and Power Company (''Vepco''), both located at 120 Tredegar Street, Richmond, VA 23219, have filed an application under sections 9(a)(1) and 10 of the Act.

DRI and Vepco request approval of Vepco's proposed acquisition of three generating facilities (''Generating Facilities'') located in Hopewell, Altavista, and Southampton County, Virginia, within Vepco's service area. Vepco would effect the acquisition by purchasing all of the partnership interests in each of the three limited partnerships that currently own the facilities.

Each of the three Generating Facilities is currently both a ''qualifying facility'' (''QF'') under the Public Utility Regulatory Policies Act of 1978, as amended (''PURPA''), and an ''exempt wholesale generator'' (''EWG'') under section 32 of the Act. Each comprises a stoker coal-fired cogeneration facility with a maximum net power production capacity of 62.7 MW and related interconnection facilities that is interconnected with Vepco, to whom it sells all of its energy and capacity through long term power purchase and operating agreements, at the high voltage (115 kV) side of its main step-up transformer. Upon consummation of the proposed acquisition, the Generating Facilities will no longer meet the criteria for QFs and PURPA and for EWGs under the Act. The Generating Facilities would then be operated in the same manner as the rest of Vepco's facilities, and their production would be controlled by the same mechanism that drive the dispatch of Vepco's other facilities. The same system operator responsible for coordination and control of Vepco's other generating units will also be responsible for the Generating Facilities, and their dispatch order will be based on their relative operating expenses compared with the rest of Vepco's generating units, and their capacity and energy will be available for Vepco's native load.

Three California general partnerships (''Partnerships''), LG&E—Westmoreland Southampton (''Southampton''), LG&E—Westmoreland Altavista (''Altavista'') and LG&E—Westmoreland Hopewell (''Hopewell'') currently own and operate the Generating Facilities. The Partnerships are owned by six limited partnerships and three corporations (''Seller''): Westpower-Franklin, L.P., a Virginia limited partnership, LG&E Southampton, L.P., a California limited partnership, LG&E Power 11 Incorporated, a California corporation, Westpower—Altavista, L.P., a Virginia limited partnership, LG&E Altavista, L.P., a California limited partnership, LG&E Power 12 Incorporated, a California corporation, Westpower-Hopewell, L.P., a Virginia limited

partnership, LG&E Hopewell, L.P., a California limited partnership, and LG&E Power 13 Incorporated, a California corporation.

The acquisition would be effected through a Put and Call Agreement dated November 22, 2000 (''Agreement'') that Vepco has entered into with the Sellers. Under the terms of that Agreement, Vepco grants Sellers an absolute right and option to require Vepco to purchase and accept the transfer of the Sellers' interests in the Partnerships (the ''Put''). The Sellers may exercise the Put at any time from and after January 5, 2001 and before September 30, 2001. The Sellers also grant to Vepco an absolute and exclusive right and option to require Sellers to sell and transfer to the Company Sellers' interests in the partnerships (the ''Call''). Vepco may exercise the Call at any time on or after March 1, 2001 and before September 30, 2001. Through either the Put or the Call, Vepco may acquire the entirety of the Sellers' interests in the Partnerships. When Vepco acquires the Sellers' interests in the Partnerships, the Partnerships will dissolve as a matter of law, and Vepco will directly hold title to the Generation Facilities.

The Sellers will receive approximately $206 million in consideration in exchange for their partnership interests. Vepco will initially finance the acquisition through commercial paper issuances, which at some later date, and possibly combined with other outstanding commercial paper may be refinanced with long-term debt under currently approved issuance authority. Vepco received authorization to issue securities in an amount sufficient to cover the costs of the acquisition in an order from the Virginia State Corporation Commission (PUF 000016, May 26, 2000), that was registered with the Commission on June 8, 2000 (SEC File No. 333–38510). Accordingly, all financings for the acquisition will be accomplished in compliance with rule 52.

Entergy Corporation, et al. (70–8899)

Entergy Corporation (''Entergy''), a registered holding company, 639 Loyola Avenue, New Orleans, Louisiana 70113, and its retail public utility subsidiary companies, Entergy Arkansas, Inc., 425 West Capitol Avenue, Little Rock, Arkansas 72201, Entergy Gulf States, Inc., 350 Pine Street, Beaumont, Texas 77701, Entergy Louisiana, Inc. 4809 Jefferson Highway, Jefferson Louisiana 70121, Entergy Mississippi, Inc. (''Mississippi''), 308 East Pearl Street, Jackson, Mississippi 39201, Entergy New Orleans, Inc. (''New Orleans''), 1600 Perdido Building, New Orleans, Louisiana 70112, as well as Entergy's service company subsidiary, Entergy Services, Inc. (''ESI''), 639 Loyola Avenue, New Orleans, Louisiana 70113, System Energy Resources, Inc., a generating public utility subsidiary company of Entergy, Entergy Operations, Inc., a nuclear management public utility of Entergy, both located at 1340 Echelon Parkway, Jackson, Mississippi 39213, and System Fuels, Inc. (''SFI''), a nonutility subsidiary, 350 Pine Street, Beaumont, Texas 77701 (Mississippi, New Orleans, ESI and SFI, collectively, ''Applicants''), have filed a post-effective amendment to their application-declaration under sections 6(a), 7, 9(a), 10, and 12(b) of the Act and rules 43, 45 and 54 under the Act.

In *Entergy Corp, et al.,* Holding Co. Act Release No. 26617 (November 27, 1996) (''1996 Order''), the Commission, among other things, authorized Applicants to engage in short-term borrowings through November 30, 2001 (''Authorization Period'') in the following amounts: (1) $103 million for Mississippi; (2) $35 million for New Orleans; (3) $150 million for ESI; and (4) $95 million for SFI [1]

Applicants now request increases in their short-term borrowing limits by the following amounts: (1) $57 million, for a total of $160 million for Mississippi; (2) $35 million, for a total of $60 million for New Orleans; (3) $50 million, for a total of $200 million for ESI; and (4) $105 million, for a total of $200 million for SFI.

The short-term borrowings may take the form of borrowings from the Entergy intrasystem money (''Money Pool'') and in the case of Mississippi and New Orleans, issuance and sale of short term notes and commercial paper to banks and dealers in commercial paper. The terms of the commercial paper, bank borrowings, and Money Pool borrowings will remain unchanged from the 1996 Order. Applicants request the proposed increases because of increased fuel costs, increased capital spending on transmission and distribution facilities to improve system reliability, and other general corporate purposes.

Alliant Energy Corporation et al. (70–9735)

Alliant Energy Corporation (''Alliant''), a registered public utility holding company and its wholly owned utility subsidiaries, Wisconsin Power & Light Company (''WPL'') and South Beloit Water, Gas & Electric Company (''South Beloit''), each with principal executive offices N16 W23217 Stone Ridge Drive, Waukesha, Wisconsin 53187, American Transmission Company LLC (''Transco''), a Wisconsin limited liability transmission utility subsidiary company of WPL, and ATC Management Inc., a Wisconsin subsidiary corporation of WPL (''Corporate Manager'', and together with Alliant, WPL, South Beloit and Transco, ''Applicants''), with principal executive offices at 231 W. Michigan Street, Milwaukee, Wisconsin 53203, have filed a post-effective amendment under sections 6(a), 7, 9(a), 10, and 12 of the Act and rules 43, 44, and 54 under the Act to an application-declaration previously filed.

In the original application, filed on September 25, 2000, Applicants sought various grants of authority, including authority to incur short-term debt under a credit agreement between Transco and Bank One, N.A., as agent (''Credit Facility'') and through the sale of commercial paper in an aggregate amount not to exceed $125 million outstanding at any time. Transco was also authorized to incur long-term debt consisting of debentures, bank borrowing and other forms of long-term financing. Transco was authorized to issue short-term and long-term debt in an aggregate amount not to exceed $400 million outstanding at any time. Applicants were authorized to use the proceeds from these financings for ''general corporate purposes, including working capital requirements, and to fund construction spending to undertake large scale capital improvements to the Wisconsin transmission system necessary to maintain reliability.''

Applicants now request that the Commission expressly authorize them to engage in the transactions set forth in Section 3.10 of the Operating Agreement of American Transmission Company LLC.[2] As contemplated by this provision, Applicants intend to use the proceeds from the issuance of the securities authorized in the Order to redeem Member Units from certain

[1] Borrowings by ESI and SFI from Entergy and commercial banks are now exempt from prior Commission approval under rules 45 and 52.

[2] Section 3.10 of the Operating Agreement of American Transmission Company LLC provides that:

(a) The Company shall use its best efforts to issue, within 90 days following the Operations Date, long-term debt in an amount equal to approximately 50% of its total initial capitalization.

(b) The net proceeds of such financing shall be distributed to the Members that contributed Transmission Assets in accordance with their respective Percentage Interests, exclusive of the Percentage Interests held by Members that did not contribute Transmission Assets, and the Corporate Manager shall revise Schedule A to reflect such distribution. Members Units redeemed shall be valued at the initial value, as set forth in the definition of Member Unit.

Members as described in Section 3.10 of the Operating Agreement. Additionally, WPL and South Beloit request authority to sell the interests in Transco which Transco seeks to redeem. The redemption is designed to reduce the amount of Transco's equity capitalization and will bring Transco's common equity ratio to approximately fifty percent, which is more congruent with industry standards than its current 100% ratio.

Consolidated Edison, Inc., et al. (70–9711)

Consolidated Edison, Inc. (''CEI''), a New York corporation and a public utility holding company claiming exemption from registration under section 3(a)(1) by rule 2 under the Act, and Consolidated Edison, Inc. (''New CEI''), a Delaware corporation and a wholly owned subsidiary of CEI, both located at 4 Irving Place, New York, New York 10003; CEI's utility subsidiaries, Consolidated Edison Company of New York, Inc. (''CECONY''), 4 Irving Place, New York, New York 10003, Orange and Rockland Utilities, Inc. (''O&R''),[3] Rockland Electric Company (''RECO''), and Pike County Light & Power Company (''Pike''), all located at 1 Blue Hill Plaza, Pearl River, New York 10965; CEI's nonutility subsidiaries, Consolidated Edison Solutions, Inc. and Consolidated Edison Energy, Inc., both located at 701 Westchester Avenue, Suite 201 West, White Plains, New York 10604, Consolidated Edison Communications, Inc., 132 West 31st Street, 13th Floor, New York, New York 10001, Consolidated Edison Development, Inc. (''CEDI''), CED/SCS Newington, LLC, CED Generation Holding Company, LLC, CED Management Company, Inc., CED Operating Company, L.P., Consolidated Edison Energy Massachusetts, Inc., CED–GTM, LLC, CED Ada, Inc., Lakewood Cogeneration, L.P., CED Lakewood, Inc., CED Generation Lakewood Company, all located at 111 Broadway, 16th Floor, New York, New York 10006; Northeast Utilities (''NU''), a registered public utility holding company, 107 Selden Street, Berlin, Connecticut 06037; NU's utility subsidiaries, Connecticut Light and Power Company (''CL&P''), 107 Selden Street, Berlin, Connecticut 06037, Public Service Company of New Hampshire (''PSNH''), North Atlantic Energy Corporation (''NAEC''), both located at 1000 Elm Street, Manchester, New Hampshire 03105, Western Massachusetts Electric Company (''WMECO''), 174 Brush Hill Road, West Springfield, Massachusetts 01089, Holyoke Water Power Company (''HWP''), 1 Canal Street, Holyoke, Massachusetts 01040, and; NU's nonutility subsidiaries, Northeast Utilities Service Company (''NUSCO''), Northeast Nuclear Energy Company (''NNECO''), NU Enterprises, Northeast Generation Company (''NGC''), Northeast Generation Services Company (''NGCS''), Select Energy, Inc., Mode 1 Communications, Inc., The Rocky River Realty Company, Select Energy Portland Pipeline, Inc., and Charter Oak Energy, each located at 107 Selden Street, Berlin, Connecticut 06037, North Atlantic Energy Services (''NAESCO''), 1000 Elm Street, Manchester, New Hampshire 03105, The Quinnehtuck Company, 174 Brush Hill Road, West Springfield, Massachusetts 01089, HEC, Inc., and Reeds Ferry, Inc., both located at 24 Prime Parkway, Natick, Massachusetts 01760; and Yankee Energy System, Inc. (''YES''),[4] a subsidiary exempt gas utility holding company of NU, 107 Selden Street, Berlin, Connecticut 06037; YES's utility subsidiary, Yankee Gas Services Company (''Yankee Gas''), 599 Research Parkway, Meriden, Connecticut 06405; YES's nonutility subsidiaries, Yankee Energy Financial Services Company and NorConn Properties, Inc., both located at 599 Research Parkway, Meriden, Connecticut 06450, Yankee Energy Services Company, 148 Norton Street, P.O. Box 526 Milldale, Connecticut 06467, and R.M. Services, Inc. (''RMS''), located at 639 Research Parkway, Meriden, Connecticut 06450 (collectively, ''Applicants'') have filed an application-declaration under sections 6(a), 7, 9, 10, 12, 13, 32, and 33 of the Act and rules 42, 43, 44, 45, 53, 54, and 80–92 under the Act.

I. Background and Summary

CEI and NU have previously filed an application-declaration (''Merger Application'')[5] seeking approvals related to the proposed merger of CEI and NU (''Merger''). CEI, NU, New CEI, and N Acquisition LLC, a Massachusetts limited liability company, which is directly and indirectly owned by New CEI, have entered into an amended and restated plan of merger dated as of January 11, 2000 (''Merger Agreement''). Under the Merger Agreement, CEI will be merged with and into New CEI, with New CEI being the surviving entity (''New CEI Merger''), and NU will be merged with N Acquisition, with NU being the surviving entity (''NU Merger''). Upon consummation of the Merger, New CEI will own all of the assets of CEI and NU will become a wholly owned subsidiary of New CEI. Applicants now request authority with respect to financing in connection with the Merger, ongoing financings, and other matters pertaining to New CEI and its subsidiaries after giving effect to the Merger.

Upon completion of the Merger, New CEI will wholly own, directly or indirectly, interests in the following twelve public utility companies: (1) CECONY; (2) O&R; (3) RECO; (4) Pike; (5) CL&P; (6) WMECO; (7) PSNH; (8) NAEC; (9) HWP; (10) Holyoke Power and Electric Company; (11) Yankee Gas; and (12) NNECO (collectively, ''Utility Subsidiaries'').

As explained more fully in the Merger Application, New CEI has proposed to retain O&R as a subsidiary exempt holding company, NU as a subsidiary registered holding company, and YES as a subsidiary of NU and as an exempt public utility holding company (collectively, ''Intermediate Holding Companies'').

Upon completion of the Merger, New CEI will also own interests in four companies owning nuclear power plants: Maine Yankee Atomic Power Co. (''Maine Yankee''), Yankee Atomic Electric Company, (''Yankee Atomic,'') Connecticut Yankee Atomic Power Company (''Connecticut Yankee''), and Connecticut and Vermont Yankee Nuclear Power Company (''Connecticut and Vermont Yankee''). Maine Yankee, Yankee Atomic and Connecticut Yankee have permanently shut down their plants. Connecticut and Vermont Yankee has contracted to sell its nuclear power plant.

Additionally, upon completion of the Merger, New CEI will own, directly or indirectly, approximately 50 other active nonutility subsidiary companies (''Nonutility Subsidiaries'').[6]

Collectively, the Utility Subsidiaries, the Intermediate Holding Companies and the Nonutility Subsidiaries are

[3] O&R is a holding company for Rockland Electric Company and Pike County Light & Power Company. O&R is exempt by order under section 3(a)(2) of the Act. *See Rockland Light and Power Co.*, 1 S.E.C. 354 (1936) (Rockland Light and Power Company subsequently became O&R); *Consolidated Edison, Inc.*, Holding Co. Act Release No. 27021 (May 13, 1999) (authorizing CEI's acquisition of O&R and continuation of O&R's exemption under section 3(a)(2)).

[4] By order dated January 31, 2000, *Northeast Utilities*, (Holding Co. Act Release No. 27127), the Commission approved NU's acquisition of YES. YES is the holding company of Yankee Gas and is currently claiming an exemption from registration under section 3(a)(1) of the Act by rule 2.

[5] The Commission issued a notice of the Merger Application on August 11, 2000 (''Merger Notice''). *See Consolidated Edison, Inc. and Northeast Utilities,* (Holding Co. Act Release No. 27211).

[6] A listing and description of the Nonutility Subsidiaries may be found in the Merger Notice.

referred to as the ''Subsidiaries.'' The term ''Subsidiaries'' shall also include entities that become subsidiaries of New CEI after the consummation of the Merger.

In summary, Applicants request authority for a period through September 30, 2004 (''Authorization Period''), unless otherwise noted, for: (1) New CEI to issue unsecured debt and hybrid debt securities (''Acquisition Debt'') and to refund and replace the Acquisition Debt; (2) New CEI to issue New CEI stock to NU shareholders; (3) Applicants to maintain, amend, and/or refinance existing financing arrangements; (4) New CEI to engage in external financing; (5) New CEI and NU to engage in guaranties of other Nonutility Subsidiaries; (6) the Utility Subsidiaries and the Intermediate Holding Companies to issue short-term debt; (7) the Nonutilities to issue debt and equity securities; (8) New CEI to acquire financing subsidiaries; (9) New CEI and the Subsidiaries to establish a New CEI system money pool (''Money Pool''); (10) New CEI to consolidate or otherwise reorganize one or more of the Nonutility Subsidiaries; (11) the Nonutility Subsidiaries to pay dividends to each subsidiaries' direct parent; (12) New CEI to form two subsidiary service companies; (13) certain Subsidiaries to provide sales and services to certain other Subsidiaries under an exemption from the at cost requirements of section 13(b); (14) Nonutility Subsidiaries to engage in certain categories of energy-related activities outside the United States; (15) New CEI and certain of the Subsidiaries to enter into hedging and derivative transaction for existing and anticipated debt; and (16) the allocation of consolidated income tax liabilities among New CEI and the Subsidiaries.

NU received Commission authorization to issue up to $400 million in short-term debt through June 30, 2002 (''NU Short-term Debt'').[7] New CEI and NU request authorization for NU to continue being able to issue the NU Short-term Debt from time to time through the Authorization Period. NU also received Commission authorization to issue up to $275 million in short- or long-term debt for the purpose of acquiring YES (the ''YES Acquisition Debt'') through June 30, 2002.[8] New CEI and NU request authorization for NU to amend, renew, extend, and/or replace the YES Acquisition Debt through the Authorization Period.

In addition, NU intends to continue to provide guaranties and other forms of credit support with respect to the securities or other obligations (''NU Guaranties'') of the nonutility subsidiaries of NU in an aggregate amount not to exceed $500 million, as authorized through December 31, 2002.[9] NU seeks authority to continue to be able to issue NU Guaranties up to such amount through the Authorization Period.

New CEI requests authority to issue and sell from time to time preferred stock (''Preferred Stock'') of up to $750 million. New CEI also requests authority to tissue secured or unsecured indebtedness having maturities of one year or less (''Short-term Debt''), and secured or unsecured long-term debt (''Debentures'') with an aggregate principal amount at any time outstanding (including debt incurred to acquire NU, ''Acquisition Debt'') of not more than $4.75 billion. New CEI requests authority to issue Short-term Debt and Debentures in place of NU's authorized Short-term Debt and YES Acquisition Debt. If New CEI substitutes the NU Short-term Debt and the YES Acquisition Debt with New CEI issuances, then New CEI's aggregate debt limit will increase to up to $5.245 billion (''New CEI Debt Limit''). Applicants state that any New CEI short- or long-term debt that will be secured debt will not be secured by shares of stock or other securities or property of the Utility Subsidiaries.

New CEI also requests authority to provide guaranties and other forms of credit support (''New CEI Guaranties'') with respect to the securities or other obligations of its Nonutility Subsidiaries in an aggregate principal amount not to exceed $2.5 billion at any one time outstanding. New CEI also requests authority to undertake an additional $500 million of guaranties so that it may assume any of the NU Guaranties it deems necessary and appropriate to acquire. As a result, the New CEI Guaranties could aggregate up to $3.0 billion.

The Utility Subsidiaries and Intermediate Holding Companies request authority to issue, sell and have outstanding at any time Short-term Debt in the following aggregate principal amounts: CECONY, $800 million; O&R, $113 million; Pike, $2 million; RECO, $60 million; CL&P, $375 million; WMECO, $250 million; PSNH, $225 million; NAEC, $260 million; Yankee Gas, $100 million; HWP, $5 million; NNECO, $75 million; NU, $400 million; and YES, $50 million.

Applicants propose that the requested financings will be subject to the limits set forth in the paragraphs above and the following limitations (collectively, ''Financing Conditions''), unless otherwise indicated: (1) The cost of money relative to the requested Short-term financing shall not exceed 500 basis points over LIBOR for comparable short term or variable rate debt; (2) the effective cost of money on long-term debt will not exceed at issuance 500 basis points over comparable term U.S. Treasury Securities; (3) the maturity of the debt will not exceed 50 years from date of issuance; (4) New CEI will only issue long-term debt that is at the investment grade level; (5) New CEI's common stock equity will be at least 30% of its consolidated capitalization; (6) the common stock equity of NU and each of the Utility Subsidiaries will be at least 30% of the total capitalization, except that under certain circumstances set forth in *Northeast Utilities, et al.,* Holding Co. Act Release No. 27147 (March 7, 2000), NU's consolidated common equity ratio, and the common equity ratios of the NU's utility subsidiaries may decline below 30%; (7) NU's consolidated common equity ratio will be restored above 30% prior to December 31, 2002; and (8) the underwriting fees, commissions, or other similar remuneration paid in connection with the non-competitive issue, sale or distribution of a security under authority granted to this application-declaration will not exceed 5% of the principal amount of the financing.

The proceeds from the financings will be used for general corporate purposes, including: (1) The refunding of the Acquisition Debt and the YES Acquisition Debt; (2) the financing, in part, of investments made by and capital expenditures of New CEI and its Subsidiaries, including, the funding of future investments in exempt wholesale generators (''EWGs''), foreign utility companies (''FUCOs''), subsidiaries that engage in nonutility businesses permitted by rule 58 under the Act (''Rule 58 Subsidiaries''), and exempt telecommunications companies (''ETCs''); (3) the repayment, redemption, refunding or purchase by New CEI or any Subsidiary of any of its own securities by non-affiliates under rule 42; and (4) financing working capital requirements of New CEI and its Subsidiaries.

[7] *See Northeast Utilities, et al.*, Holding Co. Act Release No. 27328 (Dec. 28, 2000).

[8] *See Northeast Utilities, et al.*, Holding Co. Act Release No. 27127 (Jan. 31, 2000).

[9] *See Northeast Utilities, et al.*, Holding Co. Act Release No. 27093 (Oct. 21, 1999).

II. Merger Financing and Outstanding CEI Financing

A. Securities Issued in Connection With the Merger

New CEI is authorized under its Amended and Restated Certificate of Incorporation to issue 510,000,000 shares consisting of 500,000,000 shares of common stock, par value $.10 per share (''Common Stock'') and 10,000,000 shares of preferred stock, par value $.01 per share (''Preferred Stock''). The Merger Agreement provides that each CEI common share outstanding immediately prior to closing of the Merger will, at closing, be converted into one share of New CEI common stock.[10] NU common shareholders may elect to receive, in connection with the Merger, a fraction of a share of New CEI stock or cash.[11] The election for the stock or cash consideration will be subject to allocation procedures. Accordingly, New CEI will incur debt to finance cash payments to NU shareholders who elect the cash consideration.

New CEI anticipates that the cash portion of the consideration given for the NU shares will initially be financed through New CEI's issuance of approximately $2.2 billion of unsecured debt or a mix of unsecured debt and hybrid debt securities, the Acquisition Debt, or a combination of the Acquisition Debt and Preferred Stock and cash on hand. The hybrid securities, which are considered debt for financial statement purposes, would be structured to have characteristics of both debt and equity and may have maturities ranging up to 50 years. New CEI requests authorization to issue Acquisition Debt from time to time through the Authorization Period to satisfy the cash portion of the consideration in connection with the NU Merger and to refund and replace any and all Acquisition Debt initially issued. The application states that the Acquisition Debt may include short or long term notes, debentures, medium-term notes and hybrid securities and/or borrowings from banks and other financial institutions. Any long-term debt security will have the designations, aggregate principal amounts, maturities, interest rate(s) or methods of determining the same, terms of payment of interest, redemption provisions, non-refunding provisions, sinking fund terms and other terms and conditions that will be established by negotiation or competitive bidding. The proposed issuance and/or refunding and replacing the Acquisition Debt will be subject to the Financing Conditions.

New CEI also requests authority to issue up to 60 million shares of its Common Stock to NU shareholders to satisfy the stock portion of the Merger consideration.

B. Other Outstanding Securities and Obligations of CEI

Applicants request authorization, to the extent not exempt under rule 52, to maintain in effect through the Authorization Period existing financing arrangements of CEI and the Subsidiaries as of the date of the completion of the Merger,[12] as well as any additional financing arrangements entered into before completion of the Merger,[13] and to enter into Refinancing. Any Refinancing that occurs after completion of the Merger and that is subject to Commission approval under the Act will comply with the Financing Conditions.

III. Requested and Other Transactions After the Merger

A. Preferred Stock and Long-Term Debt

New CEI requests authority to issue and sell from time to time up to $750 million of Preferred Stock subject to the Financing Conditions.

New CEI requests authority to issue and sell from time to time Debentures, subject to the Financing Conditions.

B. Short-Term Debt

New CEI requests authority to issue and sell from time to time unsecured indebtedness having maturities of one year or less (''Short-term Debt''), subject to the Financing Conditions.

C. Common Stock

New CEI proposes during the Authorization Period to issue and/or acquire up to 50 million shares[14] of new CEI Common Stock under New CEI's dividend reinvestment and cash payment plan, certain incentive compensation plans and certain other employee benefit plans and employment or other agreements, as described below.

Both CEI and NU also currently maintain dividend reinvestment plans with a direct stock purchase feature. New CEI will have a similar plan (''New CEI DRIP''). Participants in the current CEI and NU plans will be eligible to become participants in the New CEI DRIP.

CEI and NU currently maintain employee stock option plans. NU also maintains an incentive compensation plan under which stock options and restricted shares may be granted. Upon completion of the Merger, New CEI will assume the CEI and NU stock option plans and each outstanding CEI and NU stock option issued under the various CEI and NU plans. It is currently anticipated that prior to the Merger, CEI will adjust its employee stock options to provide that the options will constitute options to acquire shares of New CEI common stock, on the same terms and conditions as apply to the CEI stock options. Prior to the Merger NU will adjust the terms of all outstanding NU employee stock options to provide that the options will constitute options to acquire, on the same terms and conditions as apply to the NU employee stock options, the same number of shares of New CEI common stock (rounded down to the nearest whole share) as the holder of the option would have received in the NU Merger had the holder exercised the option in full immediately prior to the NU Merger. The amount of the exercise price per share of New CEI common stock (rounded to the nearest cent) under any option will be equal to the aggregate amount of the exercise price of the NU common shares subject to the NU option divided by the total number of shares of New CEI common stock to be subject to the option.

Both CEI and NU maintain various stock plans for employees and directors, including investments in company stock through the employee's 401(k) plan. New CEI has not yet decided what specific plans will be maintained for employees or directors subsequent to the Merger.

In addition, CEI, prior to the Merger, or New CEI, subsequent to the Merger, may enter into employment or other agreements with certain of its officers and employees that may provide for grants of stock options and/or restricted stock or units, which would be satisfied through open market purchases.

D. Guaranties

In addition to New CEI's request to maintain in place existing guaranties at the time of the Merger,[15] New CEI requests authorization for the period

[10] Any CEI common shares held by CEI as treasury shares or owned by New CEI will be canceled without payment for those shares.

[11] See the Merger Application and its notice (Holding Co. Act Release No. 27211) for a more detailed description of the exchange ratio.

[12] These are described in Appendix A to the notice.

[13] Within 90 days following completion of the Merger, New CEI will, under rule 24, notify the Commission of all financing arrangements that CEI entered into prior to the Merger, that will remain in effect upon closing of the Merger and that New CEI will assume.

[14] New CEI requests that this number be adjusted to reflect any stock split.

[15] *See* Appendix A to this notice for a discussion of these guarantees.

from and after the Merger through the Authorization Period to provide additional guaranties or other credit support for the Nonutility Subsidiaries (''New CEI Guaranties'') within the parameters of the Financing Conditions.

E. Utility Subsidiary and Intermediate Holding Companies Financing

The Utility Subsidiaries and Intermediate Holding Companies request authority to issue, sell and have outstanding at any time Short-term Debt in the following aggregate principal amounts: CECONY, $800 million; O&R, $113 million; Pike, $2 million; RECO, $60 million; CL&P, $375 million; WMECO, $250 million; PSNH, $225 million; NAEC, $260 million; Yankee Gas, $100 million; HWP, $5 million; NNECO, $75 million; NU, $400 million; and YES, $50 million (collectively, ''Utility Short-term Debt Limits''), subject to the Financing Conditions.[16]

The parent of a Financing Subsidiary may, if required, guarantee or enter into support or expense agreements in respect of the obligations of its Financing Subsidiaries. Any amounts issued by a Financing Subsidiary to third parties will be included in the proposed financing limit, if any, applicable to its immediate parent. However, if a parent guarantees these issuances by the Financing Subsidiary, the guaranties would not be counted against the proposed limits on New CEI Guaranties of NU Guaranties. In other cases, in which the parent company is not authorized to issue similar types of securities, the amount of any guaranty not exempt under rules 45(b)(7) and 52 that the parent company enters into with respect to securities that its Financing Subsidiary issues will be counted against the limitation on New CEI Guaranties of NU Guaranties.

G. New CEI Money Pool

New CEI and the Subsidiaries (''Pool Participants'')[17] request authorization to establish a Money Pool. Applicants propose that the Money Pool will principally consist of surplus funds in the treasury of Pool Participants, including New CEI (''Internal Funds''). A Pool Participant's chief financial officer or treasurer, or a designee, will determine on the basis of cash flow projections and other relevant factors, whether a Pool Participant at any time has surplus funds to lend to the Money Pool. Borrowings from the Money Pool would also require the authorization of the borrower's chief financial officer or treasurer, or a designee. The funds available to the Money Pool will be loaned on a short-term basis to those Subsidiaries, other than any public utility holding company, EWG, FUCO, or ETC (collectively, ''Nonborrowing Companies''). No loans or borrowings through the Money Pool would be made to the Nonborrowing Companies. Under Massachusetts law, WMECO may not invest in its affiliates through the money pool without specific Massachusetts Department of Telecommunication and Energy approval. The Applicants request that the Commission authorize the participation of WMECO in the Money Pool, but reserve jurisdiction over any contributions of funds by WMECO to the Money Pool, pending completion of the record.

Applicants propose that Consolidated Edison, Inc. Service Company (''CEISCO'') administer and maintain the Money Pool at cost and under the direction of an officer in the CEISCO Treasury Organization.

In addition to surplus funds, New CEI proposes to borrow funds through the issuance of short-term notes, selling of commercial paper, or through other borrowings (collectively, ''External Funds'') as a source of funds for making loans or open account advances to certain of its Subsidiaries through the Money Pool. These borrowings will be subject to the proposed New CEI Short-term debt limits. The Pool Participants, excluding the Nonborrowing Companies, are the potential recipients of the open account advances.

The aggregate outstanding amount of borrowings that each Utility subsidiary may incur will count against the proposed Utility Short-term Debt Limits. Applicants request that, to the extent borrowings from the Money Pool by the Nonutility Subsidiaries are not exempt under rule 52, there be no limitation on the borrowings of the Nonutility Subsidiaries.

Applicants state that they anticipate that the short-term borrowing requirements of the Subsidiaries (other than the Nonborrowing Companies) will be met first with the proceeds of borrowings available through the Money Pool, and thereafter, with the proceeds of external short-term borrowings. Pool Participants that do not have access to the commercial paper market will have priority over other Money Pool borrowers. No Pool Participant would be required to borrow through the Money Pool if it is determined that it could effect a borrowing at a lower cost directly through banks or through the sale of its own commercial paper. All borrowings from and contributions to the Money Pool, including the open account advances, will be documented and will be evidenced on the books of each Participant that is borrowing from or contributing surplus funds to the Money Pool. Any Participant contributing funds to the Money Pool may withdraw those funds at any time without notice to satisfy its daily need for funds. Loans made by the Pool will be open account advances for periods of less than twelve months, although the agent may receive upon demand a promissory note evidencing the transaction. All loans made by the Money Pool from surplus funds are payable on demand by the agent. The interest rate applicable to the loans of External Funds would be equal to New CEI's cost for those External Funds. These loans cannot be prepaid unless New CEI is made whole for any additional costs that may be incurred because of such prepayment. Applicants propose that New CEI be fully reimbursed for all costs that it incurs in relation to loans made to the other Pool Participants.

Funds not required by the Money Pool to make loans (with the exception of funds not required by the Money Pool's liquidity requirements) would ordinarily be invested in one of more short-term investments, including: (1) Interest-bearing accounts with banks; (2) obligations issued or guaranteed by the U.S. government and/or its agencies and instrumentalities, including obligations under repurchase agreements; (3) obligations issued or guaranteed by any state or political subdivision of the state, provide the obligations are not rated less than ''A,'' ''A–1'' or ''P–1'' or their equivalent by a nationally recognized rating agency; (4) commercial paper rated not less than ''A–1'' or ''P–1'' or their equivalent by a nationally recognized rating agency; (5) money market funds; (6) bank certificates of deposit; (7) Eurodollar funds; or (8) such other investments as are permitted by section 9(c) of the Act and rule 40 under the Act, and, with respect to contributions from WMECO, approved by the Massachusetts Department of Telecommunications and Energy. Applicants proposed that CEISCO, as agent for the Money Pool, will invest the funds not required by the Money Pool to make loans as described above and allocate the earnings on the investments among the Pool Participants that provided the excess funds on a pro rata

[16] PSNH and NAEC only seek short-term debt authorization for amounts up to 10% of each company's respective net fixed plant. Short-term debt in excess of such amount requires approval of the New Hampshire Public Utility Commission (''NHPUC'').

[17] Consolidated Edison, Inc. Service Company and any FUCO subsidiary of New CEI will not be participants in the Money Pool.

basis, according to the amount of funds a subsidiary provided.

H. Consolidation and Reorganization of Nonutility Subsidiaries

New CEI's nonutility businesses will be conducted principally through Nonutility Holding Company, a new wholly owned subsidiary of New CEI. The Nonutility Subsidiaries are principally involved in energy-related and telecommunications businesses.

New CEI requests authorization under the Act to consolidate or otherwise reorganize, under one or more new or existing subsidiaries, New CEI's ownership interests in one or more Nonutility Subsidiaries not currently owned, directly or indirectly, by a utility company, or sell the equity securities of one or more Nonutility Subsidiaries to a new or existing subsidiary. Alternatively, a Nonutility Subsidiary could dividend the securities of one or more Nonutility Subsidiaries to a new or existing subsidiary. To the extent that such transactions are not exempt under the Act or otherwise authorized or permitted by rule under the Act, New CEI requests authorization to consolidate or otherwise reorganize, under one or more new or existing subsidiaries, New CEI's ownership interests in one or more of Nonutility Subsidiaries that are not currently owned directly or indirectly, by a utility company, the acquisition of the securities of which is exempt from Commission approval under the Act.

I. Payment of Dividends

New CEI requests authorization on behalf of CEI's current and New CEI's future nonexempt Nonutility Subsidiaries (other than Nonutility Subsidiaries that are subsidiaries of public utility companies) to pay dividends to each subsidiaries' direct parent with respect to the securities of the companies, from time to time through the Authorization Period, out of capital and unearned surplus.

NU has already been granted authority for certain of its utilities and nonutilities to pay dividends out of capital or unearned surplus.[18] The Applicants request that this authority remain in effect after the Merger, but only through the Authorization Period.

J. Establishment of Service Companies; Service Agreements; Sales and Services

New CEI intends to form two subsidiary service companies to perform services for the companies in the New CEI System.[19] Subsequent to the Merger, New CEI seeks approval for NU to transfer to New CEI, through sale at book value, all the stock of NUSCO, which will be renamed CEISCO. Additionally, prior to the closing of the Merger, New CEI will establish one new subsidiary service company, Nonutility ServCo. CEISCO will be a direct subsidiary of New CEI and Nonutility ServCo will be a direct subsidiary of the proposed Nonutility Holding Company. Initially, Nonutility Holding Company will issue 1000 shares of common stock, at no or nominal par value, all of which will be subscribed to by New CEI at a price of $1 per share. CEISCO and Nonutility ServCo will, subsequent to the Merger, assume from CECONY, O&R and NUSCO, all of the service functions currently performed for affiliates by CECONY, O&R, and NUSCO.[20] Applicants request, however, a transition period of fifteen months from the date of the order issued in this filing to study and effectuate these changes.

Upon closing of the Merger, New CEI and the Subsidiaries (including the Nonutility Subsidiaries) propose to enter into a new single system wide Service Agreement with CEISCO. The Nonutility Subsidiaries also propose to enter into a Nonutility Service Agreement with Nonutility ServCo.

CEISCO will provide a variety of administrative, management, and support services. The Applicants state that CEISCO's accounting and cost allocation methods will comply with Commission standards for service companies in a registered holding company system, and that its billing system will follow the Commission's Uniform System of Accounts for Mutual Service Companies and Subsidiary Service Companies. Additionally, charges for all services provided by CEISCO to affiliated companies will be performed on an ''at cost'' basis in accordance with rules 90 and 91.

Nonutility ServCo will provide specified competitive services to the Nonutility Subsidiaries, which will include: employee recruiting, engineering, hedging and financial derivatives and arbitrage services, electric purchasing for resale, purchasing of electric transmission, system operations and marketing.

New CEI also seeks approval for O&R to provide services at cost to Pike and RECO.

Nonutility ServCo and the Nonutility Subsidiaries propose to provide services to each other at cost or fair market prices. Therefore, they request an exemption from section 13(b) of the Act from the ''at cost'' requirements of Rules 90 and 91 under the Act. Accordingly, the Nonutility Subsidiaries[21] request authorization to provide services to each other at other than cost, provided that no services will be rendered to an associate power project unless one or more of the following conditions is satisfied: (1) The project is a FUCO or an EWG which derives no part of its income, directly or indirectly, from the generation, transmission, or distribution of electric energy for sale within the United States; (2) the project is an EWG which sells electricity at market-based rates which have been approved by the Federal Energy Regulatory Commission (''FERC''), provided that the purchaser is not one of the Utility Subsidiaries; (3) the project is a ''qualifying facility'' (''QF'') within the meaning of the Public Utility Regulatory Policies Act of 1978, as amended (''PURPA'') that sells electricity exclusively (a) at rates negotiated at arms'-length to one or more industrial or commercial customers purchasing such electricity for their own use and not for resale, and/or (b) to an electric utility company (other than a Utility Subsidiary) at the purchaser's ''avoided cost'' as determined in accordance with the regulations under PURPA; (4) the project is a domestic EWG or QF that sells electricity at rates based upon its cost of service, as approved by FERC or any state public utility commission having jurisdiction, providing that the purchaser of the electricity is not one of the Utility Subsidiaries; or (5) the project is a Rule 58 Subsidiary or any other Nonutility Subsidiary that (a) is partially-owned by New CEI, provided that the ultimate purchaser of such goods or services is not a Utility Subsidiary (or any other entity that New CEI may form whose activities and operations are primarily related to the provisions of goods and services to the Utility Subsidiaries), (b) is engaged solely in the business of developing, owning, operating and/or providing services or goods to Nonutility Subsidiaries described in clauses (1) through (4) immediately above, or (c) does not derive, directly or indirectly, any material part of its income from

[18] *See Northeast Utilities, et al.,* Holding Co. Act Release No. 27147 (March 7, 2000).

[19] Applicants state that New CEI is setting up two service companies in accordance with the order of the NHPUC. *See* NHPUC Order No. 23,594, Docket No. DE 00–009, Dec. 6, 2000, slip op. at 117.

[20] In addition, New CEI requests that the Commission find that the application-declaration is deemed to constitute a filing by CEISCO and Nonutility ServCo on Form U–13–1 for purposes of rule 88 under the Act, or, alternatively, that the filing on Form U–13–1 is not necessary under the Act.

[21] This request does not include NGSC's proposal to provide services to NGC at other than cost, which is a subject of S.E.C. file No. 70–9543.

sources within the United States and is not a public-utility company operating within the United States.

K. Activities of Rule 58 Subsidiaries Outside the United States

New CEI, on behalf of any current or future Nonutility Subsidiaries, requests authority to engage in the type of business activities listed in rule 58 outside of the United States. These activities would include: (1) The brokering and marketing of electricity, natural gas and other energy commodities (''Energy Marketing''); (2) energy management services (''Energy Management Services'') including the marketing, sale, installation, operation and maintenance of various products and services related to energy management and demand-side management; and (3) engineering, consulting and other technical support services (''Consulting Serivces'') with respect to energy-related businesses and for individuals.

New CEI requests that the Commission: (1) Authorize Nonutility Subsidiaries to engage in Energy Marketing Activities in Canada and reserve jurisdiction over Energy Marketing activities outside the United States and Canada, pending completion of the record; and (2) authorize Nonutility Subsidiaries to provide Energy Management Services and Consulting Services anywhere outside the United States.

L. Hedging and Derivative Transactions

New CEI, and to the extent not exempt under rule 52, the Subsidiaries, request authorization to enter into interest rate hedging transactions with respect to outstanding indebtedness (''Interest Rate Hedges''), subject to certain limitations and restrictions, in order to reduce or manage interest rate costs. Interest Rate Hedges would only be entered into with counterparties (''Approved Counterparties'') whose senior debt ratings, or the senior debt ratings of the parent companies of the counterparties, as published by Standard and Poor's, are equal to or greater than BBB-, or an equivalent rating from Moody's Investors Service, Fitch Investor Service or Duff and Phelps.

Interest Rate Hedges will involve the use of financial instruments commonly used in today's capital markets, such as interest rate swaps, caps, collars, floors, and structured notes (*i.e.,* a debt instrument in which the principal and/or interest payments are indirectly linked to the value of an underlying asset or index), or transactions involving the purchase or sale, including short sales, of U.S. Treasury obligations.

In addition, New CEI and the Subsidiaries request authorization to enter into interest rate derivative transactions with respect to anticipated debt offerings (''Anticipatory Derivatives''), subject to certain limitations and restrictions. Anticipatory Derivatives would only be entered into with Approved Counterparties, and would be utilized to fix and/or limit the interest rate risk associated with any new issuance through (1) a forward sale of exchange-traded U.S. Treasury futures contracts, U.S. Treasury obligations and/or a forward swap (each a ''Forward Sale''), (2) the purchase of put options on U.S. Treasury obligations (a ''Put Options Purchase''), (3) a Put Options Purchase in combination with the sale of call options on U.S. Treasury obligations (a ''Zero Cost Collar''), (4) transactions involving the purchase or sale, including short sales, of U.S. Treasury obligations, or (5) some combination of a Forward Sale, Put Options Purchase, Zero Cost Collar and/or other derivative or cash transactions, including, but not limited to structured notes, caps and collars, appropriate for the Anticipatory Derivatives.

M. Tax Allocation Agreement

Applicants request approval of an agreement for the allocation of consolidated tax among New CEI and the Subsidiaries (''Tax Allocation Agreement''). Applicants state that they require this approval because the proposed Tax Allocation Agreement may provide for the retention by New CEI of certain payments for tax losses incurred from time to time, rather than the allocation of such losses to Subsidiaries without payment as would otherwise be required by rule 45(c)(5). As a result of the Merger, New CEI will be creating tax credits that are non-recourse to the Subsidiaries. New CEI believes that it should retain the benefits of those tax credits. Applicants request that the Commission reserve jurisdiction over the Tax Allocation Agreement, pending completion of the record.

Appendix A

Outstanding Financing

CEI Debt and Guaranties

CEI currently maintains two revolving credit agreements. The first is a $175 million facility with seven major banks, which terminates on December 3, 2003. The second is a $175 million facility with thirteen major banks, which terminates on November 28, 2001 (collectively, ''CEI Credit Facility''). CEI may borrow directly against these facilities or use them to support the issuance of commercial paper, which is sold through dealers to the market, at a discount from par.

In addition to the financing facilities described above, CEI also currently supports the operations of its nonutility subsidiaries through capital contributions, guarantees and other support arrangements. As of December 31, 2000, CEI had approximately $700 million of guaranties, which guarantee payment and performance obligations of the Nonutility Subsidiaries under various agreements.

CEI may also borrow funds from Hawkeye Funding (''Hawkeye''). Hawkeye is a limited partnership and is the lessor on a synthetic lease of a generating station which is currently under construction. This station will be leased to Newington, LLC (''Newington''), an indirect subsidiary of CEI.

Intermediate Holding Companies and the Utility Subsidiaries

CECONY maintains two revolving credit agreements. The first is a $375 million facility with eight major banks that terminates December 23, 2002. The second is a $125 million facility with thirteen major banks that terminates on November 28, 2001. O&R maintains a $100 million facility with thirteen major banks that terminates on November 28, 2001.[22] CECONY and O&R may borrow directly against these facilities or may use them to support the issuance of commercial paper, which is sold through dealers to the market, at discount from par. These facilities do not include letters of credit supporting CECONY and O&R tax-exempt debt.

NU maintains a short-term Credit Agreement dated as of November 17, 2000 (''NU Credit Agreement''), among NU and several banks with the United Bank of California as Administrative Agent. The NU Credit Agreement provides a credit facility of up to $400 million comprised of borrowing commitments and letter of credit commitments. The NU Credit Agreement has a termination date of November 16, 2001.

NU also maintains a short-term credit facility in the amount of $266 million for the YES Acquisition Debt, which terminates February 28, 2001.

Also outstanding is a short-term Credit Agreement dated as of November 17, 2000 (''Regulated Credit

[22] Applicants state that they believe that this credit facility will be extended or renegotiated as well.

Agreement''), among CL&P and WMECO on the one hand and several banks with Citibank, N.A. as Administrative Agent on the other. The Regulated Credit Agreement provides a credit facility of up to $500 million comprised of borrowing commitments. The Regulated Credit Agreement has a termination date of November 16, 2001.

On November 9, 2000, NAEC entered into an unsecured $200 million 364-day Term Credit Agreement with four banks, which was approved by the NHPUC.

Yankee Gas currently has a revolving line of credit of $60 million, which terminates November 16, 2001.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01–4651 Filed 2–23–01; 8:45 am]

BILLING CODE 8010–01–M

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 Securities and Exchange Commission will hold the following meeting during the week of February 26, 2001.

A closed meeting will be held on Thursday, March 1, 2001, at 2:30 p.m.

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.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(4), (8), (9)(A), and (10) and 17 CFR 200.402(a)(4), (8), (9)(A) and (10), permit consideration of the scheduled matters at the closed meeting.

The subject matters of the closed meeting will be:

institution and settlement of injunctive actions; and

institution and settlement of administrative proceedings of an enforcement nature.

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: February 22, 2001.

Jonathan G. Katz,

Secretary.

[FR Doc. 01–4747 Filed 2–22–01; 12:17 pm]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–43974; File No. SR–CHX–01–03]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change by the Chicago Stock Exchange, Incorporated Extending Pilot Rules Relating to the Securities Industry Transition to Decimal Pricing

February 16, 3001.

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 January 19, 2001, the Chicago Stock Exchange, Incorporated (''CHX'' 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 CHX. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to approve the proposed rule change on an accelerated basis.

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

The Exchange proposes to extend, through July 9, 2001, pilot rule changes amending certain CHX rules that have been impacted by the securities industry transition to decimal pricing. Specifically, the pilot rule changes amend portions of Article XX, Rule 37. The pilot currently is due to expire on February 28, 2001. The text of the proposed rule change is available at the Commission and the CHX.

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 CHX included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received regarding the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The CHX 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 24, 2000, the Commission approved, on a pilot basis through February 28, 2001, rule changes amending certain CHX rules that were impacted by the securities industry transition to decimal pricing.[3] The Exchange proposes to extend the current pilot through July 9, 2001.[4]

The Exchange proposes continued pilot approval of three groups of changes to Article XX, Rule 37, which would: (1) Allow specialists to elect, on an issue by issue basis, to either manually or automatically execute limit orders when a trade-through occurs in the primary market; (2) remove the ''pending auto-stop'' functionality in the Exchange's systems; and (3) allow a specialist, on an issue by issue basis, to establish an auto execution guarantee that is not dependent on the ITS Best Bid or Offer (''ITS BBO'') or National Best Bid or Offer (''NBBO'') size. The Exchange believes that decimal pricing is likely to continue to affect the CHX trading environment, and the interaction between the CHX and the national market system, in a manner that necessitates extension of these pilot rule amendments, which are designed to minimize any adverse impacts of decimalization on trading operations.[5]

Manual or automatic execution of limit orders when a trade-through

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 43204 (August 24, 2000), 65 FR 53065 (August 31, 2000) (SR–CHX–00–22).

[4] The Exchange notes that following approval of the pilot rule changes, which included changes to the Exchange's then-current price improvement programs, the Commission approved the Exchange's proposed new price improvement program, called SuperMAX 2000, which is a voluntary price improvement program that will govern price improvement of all orders for issues trading in decimal price increments. *See* Securities Exchange Act Release No. 43742 (December 19, 2000) 65 FR 83119 (December 29, 2000) (SR–CHX–00–37). Because SuperMAX 2000 is intended to replace the Exchange's previous price improvement programs, the Exchange is not requesting an extension of the pilot rule changes that dealt with price improvement.

[5] This proposal does not concern ''typographical'' amendments to CHX rules, where the sole change that was proposed by the Exchange was the substitution of a decimal price increment for the fractional price increment set forth in certain CHX rules. Those amendments were the subject of a separate submission previously approved by the Commission on a permanent basis. *See* Securities Exchange Act Release No. 43256 (September 6, 2000), 65 FR 55659 (September 14, 2000) (SR–CHX–00–25).