

application with the Securities and Exchange Commission ("Commission"), pursuant to Section 12(d) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 12d2-2(d) thereunder,<sup>2</sup> to withdraw its 9½% Senior Debentures (due September 15, 2004) ("Security"), from listing and registration on the New York Stock Exchange, Inc. ("NYSE" or "Exchange").

The Issuer stated in its application that it has complied with all applicable laws in effect in the state of California, in which it is incorporated, and with the NYSE's rules governing an issuer's voluntary withdrawal of a security from listing and registration. The Issuer's application relates solely to the Security's withdrawal from listing on the NYSE and from registration under Section 12(b) of the Act<sup>3</sup> and shall not affect its obligation to be registered under Section 12(g) of the Act.<sup>4</sup>

The Board of Directors ("Board") of the Issuer unanimously adopted resolutions on September 16, 2002 to withdraw the Issuer's Security from listing on the NYSE. In making the decision to withdraw its Security from the NYSE, the Issuer noted that: (i) As of September 12, 2002, there were approximately 75 holders of the Security, including holders of record and those firms that held the Security through Cede & Co.; (ii) the Issuer states that it is not obligated under the indenture under which the Security was issued nor any other documents to maintain a listing of the Security on the NYSE or any other exchange and; (iii) the burden and expense of maintaining the Issuer's listing on the NYSE are disproportionate, given the small number of holders of the Security, and the fact that the Security will mature in less than two years.

Any interested person may, on or before December 20, 2002, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609, facts bearing upon whether the application has been made in accordance with the rules of the NYSE and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

<sup>1</sup> 15 U.S.C. 78j(d).

<sup>2</sup> 17 CFR 240.12d2-2(d).

<sup>3</sup> 15 U.S.C. 78j(b).

<sup>4</sup> 15 U.S.C. 78j(g).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>5</sup>

**Jonathan G. Katz,**  
*Secretary.*

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**BILLING CODE 8010-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27607]

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

November 22, 2002.

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 December 17, 2002, 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 17, 2002, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

#### Northeast Gas Markets LLC, et al. (70-10097)

Northeast Gas Markets LLC ("NEGM"), 100 Cummings Center, Suite 457G, Beverly, Massachusetts 01915-6132, a nonutility subsidiary of KeySpan Corporation ("KeySpan"), a registered holding company; and KeySpan's utility subsidiaries Brooklyn Union Gas Company d/b/a KeySpan Energy Delivery New York ("KEDNY"), One MetroTech Center, Brooklyn New

York, 11201; KeySpan Gas East Corporation d/b/a KeySpan Energy Delivery Long Island ("KEDLI"), 175 East Old Country Road, Hicksville, New York 11801; Boston Gas d/b/a KeySpan Energy Delivery New England ("Boston Gas") and Essex Gas Company d/b/a KeySpan Energy Delivery New England ("Essex Gas"), both located at One Beacon Street, Boston, Massachusetts 02108; and EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England ("ENGI"), 1260 Elm Street, P.O. Box 329, Manchester, New Hampshire 03105 (collectively "Applicants"),<sup>1</sup> have filed an application-declaration, as amended, under sections 12(f) and 13(b) of the Act and rule 54 under the Act.

NEGM, a Delaware limited liability company, is a nonutility company that provides natural gas procurement, contract management and marketing services to clients located in the northeastern part of the United States. KeySpan indirectly holds a 90% ownership interest in NEGM. Michael S. Lucy Associates, a company which is wholly owned by Michael S. Lucy, owns the remaining 10% interest of NEGM. Mr. Lucy is the president of NEGM.

Currently, NEGM is a "facilitating entity" providing contract services to customers in connection with large natural gas supply contracts with Western Canadian gas producers. The two major gas supply projects administered by NEGM are Boundary Gas, Inc. ("Boundary") and Alberta Northeast Gas Limited ("ANE"). NEGM provides contract services to ANE and Boundary under longstanding management services arrangements. ANE and Boundary purchase Canadian natural gas and resell it to numerous local distribution companies ("US Customers") in the northeast United States. The Boundary arrangements end on January 15, 2003. The ANE arrangements will not expire in their entirety until 2007.

In order to avoid interruption of the base load supplies once the Boundary arrangement ends, the KeySpan Gas Utilities as well as several gas utilities that are Boundary participants but not affiliated with KeySpan ("Unaffiliated Utilities"),<sup>2</sup> have each entered into contracts with EnCana Corporation ("Encana") to supply Canadian gas beginning on January 15, 2003 ("Encana

<sup>1</sup> KEDNY, KEDLI, Boston Gas, Essex Gas and ENGI are collectively referred to as the "KeySpan Gas Utilities."

<sup>2</sup> The Unaffiliated Utilities are Bay State Gas Company, The Berkshire Gas Company, and Northern Utilities, Inc., gas utility subsidiaries of NiSource and Energy East.

<sup>5</sup> 17 CFR 200.30-3(a)(1).

Gas Contracts"). Specifically, the Unaffiliated Utilities and the KeySpan Gas Utilities have entered into a management service agreement and agency agreement (collectively, the "M&A Agreement") under which NEGM will provide contract services to the utilities for the EnCana Gas Contracts after Boundary expires. However, the KeySpan Gas Utilities and NEGM have executed a letter of agreement which states that the effectiveness of the M&A Agreement as between NEGM and the KeySpan Gas Utilities is conditioned upon obtaining any necessary approvals from the Commission under the Act and applicable state regulatory commissions.

In accordance with the M&A Agreement it has negotiated with the Unaffiliated Utilities and the KeySpan Gas Utilities, NEGM will provide day-to-day contract services consisting of notifying EnCana of the amounts of gas the utilities would like to schedule for delivery; processing and auditing the EnCana gas supply bills to ensure their accuracy and submitting to the utilities their pro rata share of the gas supply costs based on the amount of gas they each purchased; preparing and filing regulatory and customs reports in Canada and the U.S. relating to the EnCana gas supply; providing informational support to the gas utilities for their federal and state regulatory filings; and daily interactions with EnCana regarding the Encana Gas Contracts (including price negotiations when appropriate). These are the same types of services NEGM currently provides under the Boundary and ANE arrangements. The fee structure under the M&A Agreement with NEGM is the same as for a Boundary and ANE projects—\$0.0128/Mcf of contracted volume. Because the KeySpan Gas Utilities and the Unaffiliated Utilities are parties to the same M&A Agreement, all of the participating utilities (affiliated and non-affiliated) will receive the same services at the same price and terms. Accordingly, Applicants seek authorization for NEGM to provide gas contract services to the KeySpan Gas Utilities under the terms as outlined above.

With respect to the KeySpan Gas Utilities, the Encana Gas Contracts and the M&A Agreement expire on March 31, 2004, unless extended pursuant to the terms of those agreements. Once these arrangements terminate, NEGM may wish to enter into contracts to provide the KeySpan Gas Utilities with contract services for new Canadian gas supplies that the KeySpan Gas Utilities purchase. Accordingly, NEGM also requests authorization to enter into future agreements to provide contract

services to the KeySpan Gas Utilities with respect to their gas supplies provided the following conditions are met: (1) The price charged to a KeySpan Gas Utility is no greater than the prices that unaffiliated entities pay to NEGM for the same type of contract services; (2) the non-price terms of any NEGM gas contract services provided to a KeySpan Gas Utility are the same as those provided to non-affiliated entities obtaining the same type of service from NEGM; and (3) the KeySpan Gas Utility's cost of gas is regulated by its applicable state commission and the utility treats the price paid for NEGM services as a cost of gas.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meeting during the week of December 2, 2002: A Closed Meeting will be held on Tuesday, December 3, 2002, at 10 a.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)(5), (6), (7), (9)(B) and (10) and 17 CFR 200.402(a)(5), (6), (7), (9)(ii) and (10), permit consideration of the scheduled matters at the Closed Meeting.

The subject matter of the Closed Meeting scheduled for Tuesday, December 3, 2002 will be: Institution and settlement of administrative proceedings of an enforcement nature; settlement of injunctive actions; and amicus consideration.

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

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

Dated: November 26, 2002.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 02-30567 Filed 11-27-02; 10:54 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46885; File No. SR-NASD-2002-142]

### Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Granting Approval to a Proposed Rule Change and Amendment No. 1 Thereto To Establish an Execution Price Governor in SuperMontage

November 22, 2002.

On October 9, 2002, the National Association of Securities Dealers, Inc. ("NASD"), through its subsidiary, the Nasdaq Stock Market, Inc. ("Nasdaq"), filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to establish in SuperMontage a permanent execution price governor to prevent inadvertent executions significantly away from the inside market. The NASD amended its proposals on October 10, 2002.<sup>3</sup> The proposed rule change, as amended, was published for comment in the **Federal Register** on October 21, 2002.<sup>4</sup> The Commission received no comments on the proposed rule change, as amended.

The Commission finds that the proposed rule change, as amended, is consistent with the requirements of Section 15A of the Act<sup>5</sup> and the rules and regulations thereunder.<sup>6</sup> Specifically, the Commission finds that the proposed rule change, as amended, is consistent with Section 15(A)(b)(6),<sup>7</sup> which provides that the rules of the association be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principals of trade, to foster cooperation

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See letter from Thomas P. Moran, Associate General Counsel, Nasdaq, to Katherine A. England, Assistant Director, Division of Market Regulation ("Division"), Commission, dated October 10, 2002 ("Amendment No. 1").

<sup>4</sup> See Securities Exchange Act Release No. 46650 (October 11, 2002), 67 FR 64683.

<sup>5</sup> 15 U.S.C. 78o-3.

<sup>6</sup> In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>7</sup> 15 U.S.C. 78o-3(b)(6).