

Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the Wiscasset Public Library, High Street, P.O. Box 367, Wiscasset, ME 04578. If a request for a hearing or petition for leave to intervene is filed by the above date, the Commission or an Atomic Safety and Licensing Board, designated by the Commission or by the Chairman of the Atomic Safety and Licensing Board Panel, will rule on the request and/or petition; and the Secretary or the designated Atomic Safety and Licensing Board will issue a notice of hearing or an appropriate order.

As required by 10 CFR 2.714, a petition for leave to intervene shall set forth with particularity the interest of the petitioner in the proceeding, and how that interest may be affected by the results of the proceeding. The petition should specifically explain the reasons why intervention should be permitted with particular reference to the following factors: (1) The nature of the petitioner's right under the Act to be made party to the proceeding; (2) the nature and extent of the petitioner's property, financial, or other interest in the proceeding; and (3) the possible effect of any order which may be entered in the proceeding on the petitioner's interest. The petition should also identify the specific aspect(s) of the subject matter of the proceeding as to which petitioner wishes to intervene. Any person who has filed a petition for leave to intervene or who has been admitted as a party may amend the petition without requesting leave of the Board up to 15 days prior to the first prehearing conference scheduled in the proceeding, but such an amended petition must satisfy the specificity requirements described above.

Not later than 15 days prior to the first prehearing conference scheduled in the proceeding, a petitioner shall file a supplement to the petition to intervene which must include a list of the contentions which are sought to be litigated in the matter. Each contention must consist of a specific statement of the issue of law or fact to be raised or controverted. In addition, the petitioner shall provide a brief explanation of the bases of the contention and a concise statement of the alleged facts or expert opinion which support the contention and on which the petitioner intends to rely in proving the contention and on which the petitioner intends to rely in proving the contention at the hearing. The petitioner must also provide references to those specific sources and documents of which the petitioner is aware and on which the petitioner intends to rely to establish those facts or

expert opinion. Petitioner must provide sufficient information to show that a genuine dispute exists with the applicant on a material issue of law or fact. Contentions shall be limited to matters within the scope of the amendment under consideration. The contention must be one which, if proven, would entitle the petitioner to relief. A petitioner who fails to file such a supplement which satisfies these requirements with respect to at least one contention will not be permitted to participate as a party.

Those permitted to intervene become parties to the proceeding, subject to any limitations in the order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing, including the opportunity to present evidence and cross-examine witnesses.

If a hearing is requested, the Commission will make a final determination on the issue of no significant hazards consideration. The final determination will serve to decide when the hearing is held.

If the final determination is that the amendment request involves no significant hazards consideration, the Commission may issue the amendment and make it immediately effective, notwithstanding the request for a hearing. Any hearing held would take place after issuance of the amendment.

If the final determination is that the amendment request involves a significant hazards consideration, any hearing held would take place before the issuance of any amendment.

A request for a hearing or a petition for leave to intervene must be filed with the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555, Attention: Docketing and Services Branch, or may be delivered to the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, by the above date. Where petitions are filed during the last 10 days of the notice period, it is requested that the petitioner promptly so inform the Commission by a toll-free telephone call to Western Union at 1-(800) 248-5100 (in Missouri 1-(800) 342-6700). The Western Union operator should be given Datagram Identification Number N1023 and the following message addressed to Phillip F. McKee: petitioner's name and telephone number, date petition was mailed, plant name, and publication date and page number of this **Federal Register** notice. A copy of the petition should also be sent to the Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and to Mary Ann Lynch,

Esquire, Maine Yankee Atomic Power Company, 329 Bath Road, Brunswick, ME 04011, attorney for the licensee.

Nontimely filings of petitions for leave to intervene, amended petitions, supplemental petitions and/or requests for hearing will not be entertained absent a determination by the Commission, the presiding officer or the presiding Atomic Safety and Licensing Board that the petition and/or request should be granted based upon a balancing of the factors specified in 10 CFR 2.714 (a)(1) (i)-(v) and 2.714(d).

For further details with respect to this action, see the application for amendment dated April 14, 1995, which is available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the Wiscasset Public Library, High Street, P.O. Box 367, Wiscasset, ME 04578.

Dated at Rockville, Maryland, this 17th day of April 1995.

For the Nuclear Regulatory Commission.

**Edouard H. Trottier,**

*Project Manager, Project Directorate I-3, Division of Reactor Projects—I/II, Office of Nuclear Reactor Regulation.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-35613; File No. SR-DTC-95-06]

### Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of a Proposed Rule Change Seeking to Modify the Same-Day Funds Settlement System to Accommodate the Overall Conversion to Same-Day Funds Settlement for Securities Transactions

April 17, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on March 22, 1995, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-DTC-95-06) as described in Items I, II, and III below, which items have been prepared primarily by DTC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

<sup>1</sup> 15 U.S.C. 78s(b)(1) (1988).

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

The purpose of the proposed rule change is to convert DTC's current same-day funds<sup>2</sup> settlement ("SDFS") system Participants Fund to an all cash fund and to modify certain risk management controls and other features of the SDFS system. The proposed rule change is part of the conversion of DTC's entire money settlement system to an SDFS system. The Participants Fund for the next-day funds<sup>3</sup> settlement ("NDFS") system will not be affected by the proposed rule change.

### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, DTC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments that it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. DTC 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

DTC currently processes the money settlements related to different types of securities transactions in either the NDFS system or the SDFS system. The NDFS system is used primarily for the money settlement of equity, corporate debt, and municipal debt issue transactions. The SDFS system began operation in 1987 and is used primarily for the money settlement of transactions in commercial paper and other money market instruments ("MMIs").<sup>4</sup>

DTC and the National Securities Clearing Corporation ("NSCC") jointly issued three memoranda which described DTC's and NSCC's respective

plans for converting their payment system to SDFS.<sup>5</sup> DTC's sections of the memoranda described its plan to combine its NDFS and SDFS systems into a single system which will be based on the design of the current SDFS system with some modifications. DTC's and NSCC's plans are in accord with the 1989 recommendation of the international Group of Thirty<sup>6</sup> that all securities transactions should settle in same-day funds.<sup>7</sup>

All issues currently settling in DTC's NDFS system will be converted to the SDFS system on a single day, which DTC anticipates will occur in the fourth quarter of 1995 or the first quarter of 1996. In order to assure an efficient conversion, certain modifications to the current SDFS system will be implemented at various times during 1995 prior to the overall conversion date. The proposed rule change will implement a number of the modifications described in the 1994 Memorandum.

Currently, the SDFS system Participants Fund consists of cash and securities and has separate components for money market instruments and for other SDFS system securities. The proposed rule change seeks to convert DTC's SDFS system Participants Fund to an all cash fund with no separate component for the MMI Program.<sup>8</sup> The proposed rule change also seeks to decrease the minimum deposit to the SDFS system Participants Fund from \$200,000 to \$10,000 and to change the method of calculating a participant's required deposit.

The proposed SDFS Participants Fund formula bases each participant's required deposit on the amount of liquidity that the participant uses in the system. A participant's liquidity use is

<sup>5</sup> The Depository Trust Company and National Securities Clearing Corporation, Memorandum (July 1, 1992) ("1992 Memorandum"); The Depository Trust Company and National Securities Clearing Corporation, Memorandum (July 26, 1993) ("1993 Memorandum"); The Depository Trust Company and National Securities Clearing Corporation, Memorandum (July 29, 1994) ("1994 Memorandum").

<sup>6</sup> The Group of Thirty was established in 1978 as an independent, non-partisan, non-profit organization composed of international financial leaders whose focus is on international economic and financial issues.

<sup>7</sup> Group of Thirty, Clearance and Settlement Systems in the World's Securities Markets (March 1989) ("Group of Thirty Report").

<sup>8</sup> Only one DTC Participants Fund will be needed when the NDFS system and the SDFS system are combined in a new SDFS system. Based on current activity levels, DTC believes that a \$400 million cash-only Participants Fund will provide sufficient protection against present liquidity and credit risks. Pursuant to its rules, DTC may change the formulas used to determine a participant's required deposit or require a participant to make additional deposits to the Participants Fund.

determined by a sixty day rolling average of the participant's intraday net debit peaks.<sup>9</sup> The proposed rule change will require a participant to deposit in the SDFS Participants Fund an amount equal to that participant's proportional liquidity needs.<sup>10</sup>

A:	\$10,000+(\$99,990,000×.799988)=	\$80,000,800
B:	\$10,000+	
	(\$199,990,000×.799988)=	159,999,600
C:	\$10,000+	
	(\$199,990,000×.799988)=	159,999,600
		400,000,000

In addition, the proposed rule change seeks to modify certain risk management controls in the SDFS system. The method used to calculate the net debit cap for each participant will be changed<sup>11</sup> and the maximum net debit cap for each participant will be increased to \$900,000,000 for approximately \$580,000,000 today. The proposed rule change also seeks to add the Largest Provisional Net Credit ("LPNC") calculation control which is applied to a participant's net settlement balance and collateral monitor in order to protect DTC against the combined failure of an issuer of MMIs and a participant. The LPNC control creates a provisional or simulated net balance by

<sup>9</sup> The new SDFS system would monitor the levels of a participant's net settlement debits during each day and record the highest net debit experienced by that participant. This measure of liquidity is referred to as the participant's "intra-day net debit peak."

<sup>10</sup> For example, assume DTC had three participants, A, B, and C, and had established a \$400,000,000 Participants Fund. Each participant's minimum deposit would be \$10,000 for a total of \$30,000 which leaves \$399,970,000 as the incremental fund deposit amount needed for the Participants Fund. In order to allocate the \$399,970,000 among the three participants, their respective average intraday net debit peaks would be used. Assume Participant A's average net debit peak is \$300,000,000, Participant B's is \$500,000,000, and Participant C's is \$500,000,000. Since all incurred net debit peaks of at least \$300,000,000, each created liquidity needs of \$300,000,000 and would contribute equally to provide DTC's first \$300,000,000. Each would be responsible for a \$10,000 minimum deposit plus a \$99,990,000 increment bringing the total to \$100,000,000 for each participant. Participants B and C would be assigned an additional \$100,000,000 increment since they were responsible for creating liquidity needs up to \$500,000,000. Together, A, B, and C would be assigned incremental amounts totaling \$499,970,000. Since the goal is to create a \$400,000,000. Participants Fund, the \$499,970,000 must be prorated downward to 399,370,000, the amount needed in addition to their minimum contributions to achieve \$400,000,000. Each participant's increments would be reduced by applying a factor of .799988 (i.e., 399,370,000/499,970,000). Their required deposits would then be as follows:

<sup>11</sup> Net debit caps will be determined by and will be applied to a participant's simulated net debit balances caused by the Largest Provisional Net Credit ("LPNC") procedure described below.

<sup>2</sup> The term "same-day funds" refers to payment in funds that are immediately available and generally are transferred by electronic means.

<sup>3</sup> The term "next-day funds" refers to payment by means of certified checks that are for value on the following day.

<sup>4</sup> For a description of the SDFS system, refer to Securities Exchange Act Release Nos. 24689 (July 9, 1987), 52 FR 26613 [File No. SR-DTC-87-04] (order granting temporary approval to DTC's SDFS settlement service); 26051 (August 31, 1988), 53 FR 34853 [File No. SR-DTC-88-06] (order granting permanent approval to DTC's SDFS settlement service); and 33958 (April 22, 1994), 59 FR 22878 [SR-DTC-93-12] (order temporarily approving the MMI settlement program).

withholding a participant's largest net settlement credit due to transactions in any single issuer's MMIs. The risk management controls will be applied to the provisional net balance that is created by the LPNC procedure, and transactions that cause the provisional net balance to violate those risk management controls will not be completed.<sup>12</sup>

The proposed rule change also seeks to modify certain aspects of DTC's Participant Operating Procedures on reclamations for both the NDFS and the SDFS systems,<sup>13</sup> the Receiver Authorized Delivery ("RAD") service<sup>14</sup> and the recycle algorithm for delivery orders.<sup>15</sup> The modified procedures provide for the validation of all delivery order and payment order reclaims by DTC's system and establish a minimum threshold of \$15,000,000 for bilateral RAD limits. DTC also proposes to offer SDFS system users a second recycle option for delivery orders. Transactions that are recycled because of insufficient positions or management controls are currently prioritized based on type of transaction and then size of transaction ("Option 1"). The second option will provide participants with the ability to choose whether pending transactions caused by an insufficient position would be recycled in the order in which they were entered (first in, first out) or in the Option 1 prioritization schedule.<sup>16</sup>

Most of the modifications to be implemented by the proposed rule change will be effective on dates to be specified by DTC in the second quarter of 1995. The control involving the LPNC

calculation and the \$15,000,000 threshold of bilateral RAD limits will be made effective on dates to be specified by DTC in the third quarter of 1995.

DTC believes the proposed rule change is consistent with the requirements of Section 17A of the Act and the rules and regulations thereunder because converting all of DTC's payment systems to an SDFS system will facilitate the prompt and accurate clearance and settlement of securities transactions.

*(B) Self-Regulatory Organization's Statement on Burden on Competition*

DTC does not believe that the proposed rule change will impact or impose a burden on competition.

*(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

The conversion plans were described in detail in the three memoranda referenced above and have been discussed extensively with DTC participants and securities industry organizations. The 1994 Memorandum described changes in the conversion plans as a result of those discussions. Since the distribution of the 1994 Memorandum, written comments from DTC participants or others on the modifications to the current SDFS system to be implemented by this proposed rule change have not been received. No other written comments have been solicited or received. DTC will notify the Commission of any written comments received by DTC.

**III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

Within thirty-five days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which DTC consents, the Commission will:

- (a) By order approve such proposed rule change or
- (b) Institute proceedings to determine whether the proposed rule change should be disapproved.

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W.,

Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of DTC. All submissions should refer to file number SR-DTC-95-06 and should be submitted by May 12, 1995.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>17</sup>

**Margaret H. McFarland,**  
Deputy Secretary.

[FR Doc. 95-9911 Filed 4-20-95; 8:45 am]

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[Release No. 35-26273]

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

April 14, 1995.

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 thereunder. 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 amendments thereto is/are available for public inspection through the Commission's Office 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 May 8, 1995, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, 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 case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing,

<sup>12</sup> DTC will subtract the amount of a participant's largest provisional net credit due to transactions in any single issuer's MMIs from the participant's collateral monitor ("simulated collateral monitor") and net debit or credit balance ("simulated balance"). If a transaction will cause the simulated collateral monitor to turn negative (i.e., the participant's collateral would be insufficient to cover its simulated net debit after the transaction) or the resulting net debit balance to exceed the participant's net debit cap, the transaction will be blocked. Blocked transactions will be recycled until credits from other transactions in MMIs of issuers other than those of the largest provisional net credit cause the simulated collateral monitor to be positive or the resulting net debit to be within the net debit cap limits.

<sup>13</sup> A reclamation is the return of a delivery order or a payment order by a participant.

<sup>14</sup> RAD allows participants to review and either approve or cancel incoming deliveries before they are processed in DTC's system.

<sup>15</sup> DTC's Account Transfer Processor system provides for the recycling or pending of transactions that cannot be completed due to a participant's insufficient positions or violation of risk management controls (i.e., Net Debit Cap and Collateral Monitor).

<sup>16</sup> Under Options 1 and 2, CNS deliveries are always given the highest priority on the recycle guene.

<sup>17</sup> 17 CFR 200.30-3(a)(12) (1994).