

Wisconsin transmission system necessary to maintain reliability.

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

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27281A]

Amended Notice; A Filing Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

November 28, 2000

A notice issued in this matter on November 22, 2000 (HCAR No. 27281), concerning a proposal by Northeast Utilities (NU), a registered holding company, and its utility subsidiaries to issue short-term debt. NU intended to, and by this amended notice does, include its nonutility subsidiaries in its request for authority to issue short-term debt.

An amended notice is given that the following filing has 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-declaration for complete statements of the proposed transactions summarized below. The application-declaration and any amendments 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-declaration should submit their views in writing by December 26, 2000, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549-0609, and serve a copy on the applicant-declarants at the addresses 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 26, 2000, the application-declaration, as filed or as amended, may be granted and/or permitted to become effective.

Northeast Utilities, et al. (70-9755)

Northeast Utilities ("NU"), 174 Brush Hill Avenue, West Springfield, Massachusetts 01090-0010, a registered

holding company, its service company subsidiary, Northeast Utilities Service Company ("Service"), P.O. Box 270, Hartford, Connecticut 06141-0270, and its public utility and nonutility subsidiary companies (together, "Subsidiaries"), Western Massachusetts Electric Company ("WMECO") and The Quinnehtuk Company ("Quinnehtuk", both located at 174 Brush Hill Avenue, West Springfield, Massachusetts, 01090-0010; The Connecticut Light and Power Company ("CL&P"), NU Enterprises, Inc. ("NUEI"), Northeast Generation Service Company ("NGS"), Northeast Generation Company ("NGC"), Select Energy, Inc. ("Select"), Model 1 Communications, Inc. ("Mode 1"), Northeast Nuclear Energy Company ("NNECO"), The Rocky River Realty Company ("RR") and Yankee Energy System, Inc. ("YES"), all located at 107 Selden Street, Berlin, Connecticut 06037; Yankee Gas Services Company ("Yankee Gas"), Yankee Energy Financial Services Company ("Yankee Financial") and NorConn Properties, Inc. ("NorConn"), all located at 599 Research Parkway, Meriden, Connecticut 06450; Holyoke Water Power Company ("HWP"), Canal Street, Holyoke, Massachusetts 01040; Public Service Company of New Hampshire ("PSNH") and North Atlantic Energy Corporation ("NAEC"), both located at 1000 Elm Street, Manchester, New Hampshire 03015; Yankee Energy Services Company ("YESCO"), 148 Norton Street, Milldale, Connecticut 06467; HEC, Inc. ("HEC"), 24 Prime Parkway, Natick, Massachusetts 01760; and R.M. Services, Inc. ("RMS"), 639 Research Parkway, Meridan, Connecticut 06467 (together with NU and Service, "Applicants") have filed an application-declaration under sections 6(a), 7, 9(a), 10, 12(b), 13, 32 and 33 of the Act and rules 43, 45, 52, 54, 90 and 91 under the Act.

By order dated December 28, 1994 (HCAR No. 26207) and Supplemental Orders dated November 20, 1996 (HCAR 26612), February 11, 1997 (HCAR 26665), March 25, 1997 (HCAR 26692), May 29, 1997 (HCAR 26721), January 16, 1998 (HCAR 26816), May 13, 1999 (HCAR 27022), November 17, 1999 (HCAR 27103) and November 13, 2000 (HCAR No. 27275) (collectively, the "Prior Orders"), the Commission authorized through December 31, 2000 ("Authorization Period"), among other things, (1) NU to issue and sell unsecured short-term notes and commercial paper and to make loans to participants in the NU system money pool ("Money Pool"); (2) Service to administer the Money Pool in

accordance with the authority granted in the Prior Orders; (3) WMECO, CL&P, NNECO, YES, Yankee Gas, HWP, PSNH and NAEC (together, the "Utility Subsidiaries") to issue and sell unsecured short-term notes; (4) WMECO, CL&P, Yankee Gas and PSNH to issue and sell commercial paper; and (5) the Subsidiaries to borrow from NU and each other, and to lend to each other under the Money Pool, all as provided for in the Prior Orders ("Short-Term Debt Authority").¹ The Prior Orders limited the Utility Subsidiaries' Short-Term Debt Authority, as appropriate, to any combination of notes, commercial paper or Money Pool borrowings outstanding at any one time in aggregate amounts of \$400 million for NU, \$250 million for WMECO, \$375 million for CL&P, \$75 million for NNECO, \$50 million for YES, \$100 million for Yankee Gas, \$5 million for HWP, \$225 million for PSNH and \$260 million for NAEC ("Debt Limitation").²

The Applicants now request that the Commission modify and supersede the Prior Orders to extend the Authorization Period from December 31, 2000 to June 30, 2003 ("New Authorization Period").³ The Applicants request further that the Short-Term Debt Authority, subject to the Debt Limitation, be extended through the New Authorization Period. The Applicants propose that short-term borrowings will take the form of notes to banks and other financial institutions ("Notes"), commercial paper ("Paper"), loans and open-account advances from

¹ Subject to a reservation of jurisdiction over all the nonutility Subsidiaries' Money Pool borrowing authority, Quinnehtuk could borrow up to \$16 million outstanding at any one time, NUEI up to \$100 million, NGS up to \$20 million, Select up to \$200 million, RR up to \$30 million, Yankee Financial up to \$10 million, NorConn up to \$10 million, YESCO up to \$30 million, HEC up to \$20 million and RMS up to \$10 million. Subject to the same reservation of jurisdiction, NGC and Mode 1 currently do not have authority to borrow from the Money Pool.

² CL&P, WMECO, PSNH and NAEC are currently subject to charter limitations and/or state laws that would prevent them from incurring short-term debt up to their Debt Limitation.

³ On January 20, 2000 (S.E.C. File 70-9613), NU and Consolidated Edison, Inc. ("CEI") requested that the Commission approve the terms of an Agreement and Plan of Merger to merge the two companies, resulting in NU becoming a wholly owned subsidiary of CEI. Subsequently, on June 30, 2000 (S.E.C. File 70-9711) ("Financing Order"), NU and CEI requested that the Commission approve certain financing activities for the combined companies, including authority for NU system companies to issue and sell short-term debt and participate in the Money Pool. The Applicants propose that the authority granted in the Prior Orders, as modified and extended in this matter, be superseded by the authority requested in the Financing Order.

NU to the Utility Subsidiaries and Money Pool borrowings.

In particular, the Applicants propose that any Notes issued by NU or the Utility Subsidiaries will bear interest at a rate not exceeding 500 basic points over the base rate in effect from time to time of the lending institution or the base rate of a representative institution. The Notes may be secured or unsecured and will mature no later than 364 days from the date of their issuance. The Applicants further propose that Paper issued by NU, WMECO, CL&P, Yankee Gas and PSNH ("Issuers") will be issued at rates not exceeding the annual rate prevailing at the time of issuance for commercial paper of comparable qualities and maturities. The Paper will mature no later than 270 days from the date of issuance and will not be repayable prior to maturity. The Applicants state that each of the Issuers will not issue Paper unless the effective cost of the Paper will be equal to or less than that for the issuance of Notes in an amount at least equal to the principal amount of Paper proposed to be issued.

The Applicant finally propose, through the New Authorization Period, that the Subsidiaries be authorized to borrow from NU and each other, and to lend to each other under the Money Pool, as authorized in the Prior Orders and subject to the Debt Limitation.⁴ Service will continue to administer the Money Pool under the same terms and conditions approved by the Commission in the Prior Orders. The Applicants state that all other terms, conditions, limitations and reporting obligations contained in the Prior Orders will apply to the proposed transactions.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43628; File No. SR-DTC-00-8]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Tax Certificate as to Beneficial Ownership

November 28, 2000.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 ("Act"), notice is hereby given that on June 1, 2000, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by DTC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The proposed rule change eliminates the requirement for DTC's participants to submit a "Tax Certificate as to Beneficial Ownership" form.²

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.³

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

The proposed rule change eliminates the requirement that DTC participants file a "Tax Certificate as to Beneficial Ownership" form ("Tax Certificate").⁴

¹ 15 U.S.C. 78s(b)(1).

² A copy of the Tax Certificate is set forth in Exhibit 2 of DTC's proposed rule change, which is available through the Commission's Public Reference Room or through DTC.

³ The Commission has modified the text of the summaries prepared by DTC.

⁴ It has been DTC's practice to require applicants to submit the Tax Certificate prior to becoming DTC participants in order to continue as a participant.

The Tax Certificate requires participants to certify that each beneficial owner of a "foreign security"⁵ credited to the participant's DTC account will be entitled to the same reduction in rate or exemption from any applicable withholding tax as would apply if the owner of such foreign security were an individual citizen of the United States who (1) was a resident in the United States and (2) who had no connection with the jurisdiction imposing the tax that would affect the rate at which the tax is to be withheld or an exemption from the tax. By submitting the Tax Certificate, participants also represent that they will withdraw from custody outside of DTC any foreign security which becomes beneficially owned by a person not entitled to such tax treatment.

DTC began requiring the Tax Certificate in 1976, in conjunction with DTC's program to make foreign securities eligible for a full range of DTC services, in order to stop its participants from depositing at DTC physical certificates evidencing foreign issues beneficially owned by customers (primarily foreign persons) not entitled to a treaty rate or to an exemption. Based on the Tax Certificate, issuers could make payment of dividends and other distributions on foreign securities at single rate without regard to the varying withholding tax rates that might otherwise apply.

DTC believes that developments in industry practices and DTC initiatives over the last twenty years make continued reliance upon the Tax Certificate inappropriate and unnecessary. Reliance on the Tax Certificate is no longer necessary because DTC has developed the TaxRelief service over DTC's Elective Dividend Service ("EDS"). Using this service, DTC can solicit certifications from participants regarding the characteristics of beneficial owners of foreign securities held in the participant's account at DTC. The certification can reflect various categories of the tax attributes of the beneficial owners, as relevant under the tax laws of the foreign jurisdictions and any relevant tax treaties, and in accordance with the extent of the participant's knowledge of the

Under the proposed rule change, applicants will no longer be required to submit the certificate, and all such certificates previously submitted will be null and void.

⁵ The Tax Certificate defines a "foreign security" as "any security any income from which would be subject to withholding tax imposed by any country other than the United States."

⁴ Currently, an order of the Massachusetts Department of Telecommunications and Energy limits WMECO's authority to make loans under the Money Pool to CL&P and HWP and three nonutility subsidiaries. WMECO has requested that the Commission reserve jurisdiction over its authority to lend to other Money Pool participants, pending completion of the record. PSNH may not lend to the Money Pool participants under a New Hampshire Public Utilities Commission ("NHPUC") order authorizing such lending, subject to the elimination of certain write-offs associated with restructuring mandated by the NHPUC. WMECO and PSNH may borrow from the Money Pool.