

Subsidiaries, and other Subsidiaries. KENG would be staffed by transferring certain existing personnel from KUS. The capitalization of each of KCS, KUS, and KENG would consist of no more than 10% equity.

In order to allow time to develop all required systems, Applicants seek authority to delay the full implementation of its proposed service company plan until January 1, 2001. During the period between completion of the Merger and that date, KeySpan states that it would use certain interim measures for allocating costs and assigning services within the combined registered holding company system.

B. Other Affiliate Transactions

Applicants request authority for the Nonutility subsidiaries to provide certain construction, goods or services at a fair market value, under certain circumstances, to any nonutility associate company in the KeySpan system. In addition, certain Nonutility Subsidiaries of KeySpan currently participate in certain transactions with affiliates at rates that may exceed cost under existing arrangements. KeySpan requests an interim exemption from the cost standards of rules 90 and 91 under the Act to allow these Nonutility Subsidiaries to continue participating in these arrangements for a period of not longer than 12 months following the date of the Commission's order in this matter. Specifically, KeySpan requests this interim approval for Northeast Gas Markets LLC, a wholly owned nonutility subsidiary of KeySpan, to continue to provide contract administrative services at market rates to two nonutility affiliate companies, Alberta Northeast Gas Limited and Boundary Gas Inc., for the specified 12-month period: KeySpan also requests an exemption from the cost standards of rules 90 and 91 under the Act to allow another Nonutility Subsidiary, Transgas, Inc., to continue providing gas transportation services to the Utility Subsidiaries to the extent that these services are not exempt under rule 81.

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. 34-43310, File No. 4-429]

Joint Industry Plan; Notice of Filing and Order Granting Temporary Effectiveness of Amendment to the Options Intermarket Linkage Plan

September 20, 2000.

Pursuant to Section 11A(a)(3) of the Securities and Exchange Act of 1934 ("Act")¹ and rule 11Aa3-2 thereunder,² notice is hereby given that on September 18, 2000, the Pacific Exchange, Inc. ("PCX" or "Exchange") submitted to the Securities and Exchange Commission ("SEC" or "Commission") an amendment to the Options Intermarket Linkage Plan ("Linkage Plan").³ The amendment proposes to add the PCX as a participant to the Linkage Plan. The Commission is publishing this notice and order to solicit comments from interested persons on the proposed Linkage Plan amendment, and to grant temporary effectiveness to the proposed Linkage Plan amendment through January 18, 2001.

I. Description and Purpose of the Amendment

The current participants to the Linkage Plan are Amex, CBOE, and ISE. The proposed amendment to the Linkage Plan would add the PCX as a participant to the Linkage Plan. The PCX has submitted a signed copy of the Linkage Plan to the Commission in accordance with the procedures set forth in the Linkage Plan regarding new participants. Sections 4(c) and 5(c)(ii) of the Linkage Plan provide for the admission of new participants, in which eligible exchanges⁴ may become a party to the plan by: (i) executing a copy of the plan, as then in effect; (ii) effecting an amendment to the plan reflecting the addition of the new participant's name and obtaining the Commission's approval of the plan as amended to

¹ 15 U.S.C. 78k-1(a)(3).

² 17 CFR 240.11Aa3-2.

³ On July 28, 2000, the Commission approved a national market system plan for the purpose of creating and operating an intermarket options market linkage proposed by the American Stock Exchange LLC ("Amex"), the Chicago Board Options Exchange, Inc. ("CBOE"), and the International Securities Exchange LLC ("ISE"). See Securities Exchange Act Release No. 43086 (July 28, 2000), 65 FR 48023 (August 4, 2000).

⁴ The Plan defines an "eligible exchange" as a national securities exchange registered with the Commission pursuant to Section 6(a) of the Act, 15 U.S.C. 78f(a), that is a participant in the Options Clearing Corporation and a party to the Options Price Reporting Authority Plan.

reflect the new participant; and (iii) paying the applicable fee.

II. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed Linkage Plan amendment is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, and all written statements with respect to the proposed Linkage Plan amendment that are filed with the Commission, and all written communications relating to the proposed Linkage Plan amendment between the Commission and any person, other than those 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 Room. Copies of the filing also will be available at the principal offices of the PCX. All submissions should refer to File No. 4-429 and should be submitted by October 30, 2000.

III. Commission's Findings and Order Granting Accelerated Approval of Proposed Plan Amendment

After careful review, the Commission finds that the proposed Linkage Plan amendment is consistent with the requirements of the Act and the rules and regulations thereunder.⁵ Specifically, the Commission believes that the proposed amendment, which permits PCX to become a participant to the Linkage Plan, is consistent with Section 11A(a)(1)(D) of the Act,⁶ in which Congress found that the linking of all markets for qualified securities through communication and data processing facilities will foster efficiency, enhance competition, increase the information available to brokers, dealers, and investors, facilitate the offsetting of investors' orders, and contribute to best execution of such orders. The Commission believes the proposed amendment to include PCX as a participant in the Linkage Plan is also consistent with Rule 11Aa3-2⁷ in that it will contribute to the maintenance of fair and orderly markets and remove impediments to and perfect the mechanisms of a national market system

⁵ In approving this proposed Linkage Plan amendment, the Commission has considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁶ 15 U.S.C. 78k-1(a)(1)(D).

⁷ 17 CFR 240.11Aa3-2.

by allowing the linked markets to more easily access better prices available on the participant exchanges.

The Commission finds good cause to grant temporary effectiveness to the proposed Linkage Plan amendment, for 120 days, until January 18, 2001. The Commission believes that it is necessary and appropriate in the public interest, for the maintenance of fair and orderly markets, to remove impediments to, and perfect mechanisms of, a national market system to allow the PCX to become a participant in the Linkage Plan. The commission finds, therefore, that granting temporary effectiveness of the proposed Linkage Plan amendment is appropriate and consistent with Section 11A of the Act.⁸

IV. Conclusion

It Is Therefore Ordered, pursuant to Section 11A of the Act⁹ and Rule 11Aa3-2 thereunder,¹⁰ that the proposed Linkage Plan amendment is approved for 120 days, through January 18, 2001.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹¹

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43311, File No. 4-429]

Joint Industry Plan; Notice of Filing and Order Granting Temporary Effectiveness of Amendment to the Options Intermarket Linkage Plan

September 20, 2000.

Pursuant to section 11A(a)(3) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 11Aa3-2 thereunder,² notice is hereby given that on September 20, 2000, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") submitted to the Securities and Exchange Commission ("SEC" or "Commission") an amendment to the Options Intermarket Linkage Plan ("Linkage Plan").³ The amendment

proposes to add the Phlx as a participant to the Linkage Plan. The Commission is publishing this notice and order to solicit comments from interested persons on the proposed Linkage Plan amendment, and to grant temporary effectiveness to the proposed Linkage Plan amendment through January 18, 2001.

I. Description and Purpose of the Amendment

The current participants to the Linkage Plan are Amex, CBOE, and ISE. The proposed amendment to the Linkage Plan would add the Phlx as a participant to the Linkage Plan. The Phlx has submitted a signed copy of the Linkage Plan to the Commission in accordance with the procedures set forth in the Linkage Plan regarding new participants. Section 4(c) and 5(c)(ii) of the Linkage Plan provide for the admission of new participants, in which eligible exchanges⁴ may become a party to the plan by: (i) executing a copy of the plan, as then in effect; (ii) effecting an amendment to the plan reflecting the addition of the new participant's name and obtaining the Commission's approval of the plan as amended to reflect the new participant; and (iii) paying the applicable fee.

II. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed Linkage Plan amendment is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, and all written statements with respect to the proposed Linkage Plan amendment that are filed with the Commission, and all written communications relating to the proposed Linkage Plan amendment between the Commission and any person, other than those 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 Room. Copies of the filing also will be available at the principal offices of the

Phlx. All submissions should refer to File No. 4-429 and should be submitted by October 30, 2000.

III. Commission's Findings and Order Granting Accelerated Approval of Proposed Plan Amendment

After careful review, the Commission finds that the proposed Linkage Plan amendment is consistent with the requirements of the Act and the rules and regulations thereunder.⁵ Specifically, the Commission believes that the proposed amendment, which permits Phlx to become a participant to the Linkage Plan, is consistent with Section 11A(a)(1)(D) of the Act,⁶ in which Congress found that the linking of all markets for qualified securities through communication and data processing facilities will foster efficiency, enhance competition, increase the information available to brokers, and investors, facilitate the offsetting of investors' orders, and contribute to best execution of such orders. The Commission believes the proposed amendment to include Phlx as a participant in the Linkage Plan is also consistent with Rule 11Aa3-2⁷ in that it will contribute to the maintenance of fair and orderly markets and remove impediments to and perfect the mechanisms of a national market system by allowing the linked markets to more easily access better prices available on the participant exchanges.

The Commission finds good cause to grant temporary effectiveness to the proposed Linkage Plan amendment, for 120 days, until January 18, 2001. The Commission believes that it is necessary and appropriate in the public interest, for the maintenance of fair and orderly markets, to remove impediments to, and perfect mechanisms of, a national market system to allow the Phlx to become a participant in the Linkage Plan. The Commission finds, therefore, that granting temporary effectiveness of the proposed Linkage Plan amendment is appropriate and consistent with Section 11A of the Act.⁸

IV. Conclusion

It Is Therefore Ordered, pursuant to Section 11A of the Act⁹ and Rule 11Aa3-2 thereunder,¹⁰ that the proposed Linkage Plan amendment is

⁸ 15 U.S.C. 78k-1.

⁹ 15 U.S.C. 78k-1.

¹⁰ 17 CFR 240.11Aa3-2.

¹¹ 17 CFR 200-30-3(a)(29).

¹ 15 U.S.C. 78k-1(a)(3).

² 17 CFR 240.11Aa3-2.

³ On July 28, 2000, the Commission approved a national market system plan for the purpose of creating and operating an intermarket options market linkage proposed by the American Stock Exchange LLC ("Amed"), the Chicago Board Options Exchange, Inc. ("CBOE"), and the

International Securities Exchange LLC ("ISE"). See Securities Exchange Act Release No. 43086 (July 28, 2000), 65 FR 48023 (August 4, 2000).

⁴ The Plan defines an "eligible exchange" as a national securities exchange registered with the Commission pursuant to Section 6(a) of the Act, 15 U.S.C. 78f(a), that is a participant in the Options Clearing Corporation and a party to the Options Price Reporting Authority Plan.

⁵ In approving this proposed Linkage Plan amendment, the Commission has considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁶ 15 U.S.C. 78k-1(a)(1)(D).

⁷ 17 CFR 240.11Aa3-2.

⁸ 15 U.S.C. 78k-1.

⁹ 15 U.S.C. 78k-1.

¹⁰ 17 CFR 240.11Aa3-2.