

in the recapture. However, to avoid any uncertainty as to full compliance with the Act, Applicants request an exemption from the provisions of Section 22(c) and rule 22c-1 to the extent deemed necessary to permit them to recapture the 2% Bonus under the New Contracts.

Conclusion

For the reasons summarized above, Applicants submit that the Exchange Offer is consistent with the protections provided by Section 11 of the Act, and that approval of the Exchange Offer is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act. Applicants further submit that their request for exemptions from Sections 2(a)(32), 22(c) and 27(i)(2)(A) of the Act and Rule 22c-1 thereunder meet the standards set out in Section 6(c) of the Act. Applicants submit that the requested order should therefore be granted.

By the Commission.

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27136]

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

February 11, 2000.

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 7, 2000, to the Secretary, Securities and Exchange Commission, Washington, D.C. 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 7, 2000, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Yankee Atomic Electric Company (70-9561)

Yankee Atomic Electric Company ("Yankee"), located at Suite 200, 19 Midstate Drive, Auburn, Massachusetts, 01501, a subsidiary of New England Electric System and Northeast Utilities, both registered holding companies, has filed a declaration under section 12(c) of the Act and rule 42 under the Act.

Yankee proposes to repurchase, on a *pro rata* basis, from its ten stockholders ("Sponsors"), 95%, or 145,730 shares, of its presently outstanding common stock at a purchase price of \$100 per share.¹ The purchase price is equal to the book value per share of the common stock on June 30, 1999. The repurchase is subject to the condition that all Sponsors tender their allotment of shares. Yankee intends to accomplish this repurchase in one or more steps over the next one to two years. The funds for the repurchase will be obtained by liquidating short-term investments held by Yankee at June 30, 1999. After the proposed repurchase, Yankee will maintain minimal equity until it ultimately prepares to liquidate and wrap up its affairs.

Yankee is a single purpose electric utility which formerly operated a nuclear powered electric generation facility ("Rowe Plant"), the output of which was sold to Yankee's ten Sponsors. The Rowe Plant was permanently taken out of service in February 1992 and Yankee is in the process of decommissioning the facility. Under power contracts between Yankee and each Sponsor, which have been approved by the Federal Energy Regulatory Commission, the Sponsors are continuing to make payments to Yankee to cover funds for decommissioning the Rowe Plant and waste disposal, amortization of plant

¹ The ten Sponsors, each of which is an affiliate of Yankee, are: New England Power Company; The Connecticut Light & Power Company; Public Service Company of New Hampshire; Western Massachusetts Electric Company; Boston Edison Company; Central Maine Power Company; Montaup Electric Company; Commonwealth Electric Company; Cambridge Electric Light Company; and Central Vermont Public Service Corp. The Sponsors currently hold all the outstanding shares of common stock of Yankee.

investment and return on equity. As these obligations are reduced or provided for, Yankee believes its minimum equity requirements will also significantly decline. Therefore, Yankee contemplates this initial repurchase of common stock to reduce its equity.

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. 34-42418; File No. SR-NASD-00-03]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the National Association of Securities Dealers, Inc. To Amend NASD Rule 2520 Relating to Margin Requirements for Day-Trading Customers

February 11, 2000.

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 13, 1999, the National Association of Securities Dealers, Inc. ("NASD"), through its wholly-owned subsidiary, the National Association of Securities Dealers Regulation ("NASD Regulation"), filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the NASD. 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

NASD Regulation proposes to amend NASD Rule 2520 to impose overall more stringent margin requirements for day-trading customers. The text of the proposal is below. Deletions are in brackets, and additions are in italics.

NASD RULE 2520. Margin Requirements

(a) Definitions No change.

(b) Initial Margin

For the purpose of effecting new securities transactions and commitments, the customer shall be required to deposit margin in cash and/

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.