

application-declaration in this filing under sections 6(a) and 7 of the Act and rules 44 and 54 under the Act.

CenterPoint is a registered public-utility holding company, created on August 31, 2002, as part of a corporate restructuring of Reliant Energy, Inc. On September 30, 2002, CenterPoint completed the distribution ("Distribution") to shareholders of the remaining stock of Reliant Resources, Inc. ("Reliant Resources"). The Distribution completed the separation from CenterPoint of the merchant power generation and energy trading and marketing business of Reliant Resources.

CenterPoint has three public-utility subsidiary companies that are wholly owned (except as indicated below), that own and operate electric generation plants, electric transmission and distribution facilities, natural gas distribution facilities and natural gas pipelines. CenterPoint Energy Houston Electric LLC ("T&D Utility") engages in the electric transmission and distribution business in a 5,000-square mile area of the Texas Gulf Coast that includes Houston.

Texas Genco Holdings, Inc. ("Texas Genco") is a section 3(a)(1) exempt holding company that indirectly owns the Texas generating plants formerly owned by the integrated electric utility that was a part of Reliant Energy, Inc. ("Texas Genco Assets").¹

CenterPoint Energy Resources Corp. ("GasCo") owns gas distribution systems that together form one of the United States' largest natural gas distribution operations in terms of customers served. Through unincorporated divisions, GasCo provides natural gas distribution services in Louisiana, Mississippi and Texas (Entex Division), Arkansas, Louisiana, Oklahoma and Texas (Arkla Division) and Minnesota (Minnegasco Division). Through wholly owned subsidiaries, GasCo owns two interstate natural gas pipelines and gas gathering systems and provides various ancillary services.

Utility Holding, LLC is a Delaware limited liability company and an intermediate holding company that is registered under the Act. Utility Holding, LLC directly holds approximately 81% of the outstanding common stock of Texas Genco. Applicants state that Utility Holding, LLC is otherwise a conduit entity formed solely to minimize tax liability.

¹ On January 6, 2003, CenterPoint distributed to its shareholders approximately 19% of the common stock of Texas Genco. CenterPoint indirectly owns the remaining approximately 81% of the common stock of Texas Genco.

For the nine months ended September 30, 2002, CenterPoint had revenues of \$5.8 billion and operating income of \$1.1 billion. As of September 30, 2002, CenterPoint had assets totaling \$19.0 billion.

By order dated July 5, 2002, in this filing ("July Order"),² the Commission authorized the formation of CenterPoint as a registered holding company and approved various financing proposals. Among other things, the July Order authorized CenterPoint to issue up to \$5 billion in long-term debt and \$6 billion in short-term debt, subject to an overall limit of no more than \$6 billion in financings at any one time outstanding through June 30, 2003 ("Authorization Period"). In the July Order, CenterPoint committed that debt issued by it pursuant to such authorization would be unsecured.

CenterPoint seeks a modification of the July Order to permit CenterPoint to issue and sell during the Authorization Period up to \$4 billion of debt that is secured by the stock of Texas Genco, including the assets and securities of its indirect subsidiary company, Texas Genco, LP (the entity that directly owns the Texas Genco Assets), to the extent permitted by and consistent with contractual restrictions and applicable law.³

The proceeds of this financing will be used to refinance the existing indebtedness of CenterPoint. The proposed financing will otherwise be subject to the terms and conditions as set forth in the July Order.

CenterPoint also seeks authority to issue warrants or other stock purchase rights, subject to the terms and conditions of the July Order. CenterPoint states that it may be required to issue debt securities convertible into common stock or debt securities with warrants or other stock purchase rights. CenterPoint further states that the proceeds of such financing will be used to refinance the existing indebtedness of CenterPoint. CenterPoint notes that the July Order grants CenterPoint the authority to issue convertible debt securities. CenterPoint now seeks authority to issue warrants to purchase the common stock of CenterPoint or other stock purchase rights subject to the terms and conditions of the July Order.

On October 10, 2002, CenterPoint entered into a \$3.85 billion, 364-day credit facility ("CenterPoint Facility") to replace a similar facility that had expired. The CenterPoint Facility

² Holding Co. Act Release No. 27548.

³ Applicants anticipate that the term of the financing would be from three to five years.

requires, among other things, mandatory commitment reductions of \$600 million each by February 28, 2003, and June 30, 2003.

CenterPoint states that it is negotiating with its lenders to extend the maturity date of the CenterPoint Facility into 2005, by which time CenterPoint expects to have sold its generation assets and recovered its stranded costs as provided by Texas law.⁴ CenterPoint asserts that deteriorating market conditions have made it difficult to refinance CenterPoint's debt on reasonable terms without providing some security. CenterPoint states that with the ability to provide collateral, an adequate financing arrangement may be implemented. As set forth above, CenterPoint seeks authorization pursuant to sections 6(a) and 7 of the Act to issue and sell during the Authorization Period up to \$4 billion of debt that is secured by the stock of Texas Genco, including the assets and securities of its indirect subsidiary company, Texas Genco, LP.

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 Meetings

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 meetings during the week of February 3, 2003: Open meetings will be held on Tuesday, February 4, 2003, at 10 a.m., and Thursday, February 6, 2003, at 10 a.m. in Room 1C30, the William O. Douglas Room, and a closed meeting will be held on Wednesday, February 5, 2003, at 2:30 p.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries

⁴ Reliant Resources has an option that may be exercised in January 2004 to purchase all of the shares of Texas Genco common stock then owned by CenterPoint. Applicants state that if Reliant Resources does not exercise the option, CenterPoint plans to sell or otherwise monetize its interest in Texas Genco. Applicants state that proceeds from the sale, plus proceeds from the securitization in 2004 or 2005 of stranded costs related to generating assets of Texas Genco and generation related regulatory assets, are expected to aggregate in excess of \$5 billion.

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)(3), (5), (7), (9)(B) and (10) and 17 CFR 200.402(a)(3), (5), (7), (9)(ii) and (10), permit consideration of the scheduled matters at the closed meeting.

The subject matter of the open meeting scheduled for Tuesday, February 4, 2003, will be the following:

1. The Commission will consider whether to adopt Regulation Analyst Certification, a new rule that would require analysts to provide certifications regarding the views they express in research reports and public appearances and to provide disclosures regarding any compensation they may have received related to those views and recommendations.

2. The Commission will consider whether to adopt amendments to rule 17f-4 under the Investment Company Act of 1940, the rule that governs investment companies' use of securities depositories. The amendments are designed to update and simplify the rule in response to changes in business practices and commercial law that have occurred since the rule was adopted in 1978. The amendments eliminate unnecessary restrictions in the rule, to reduce compliance burdens on funds and fund boards, without jeopardizing investor protections.

3. The Commission will consider a recommendation to propose for public comment new rule 38a-1 under the Investment Company Act of 1940, new rule 206(4)-7 under the Investment Advisers Act, and amendments to rule 204-2 under the Investment Advisers Act. The recommended proposals would require each investment company and investment adviser registered with the Commission to (i) adopt and implement policies and procedures reasonably designed to prevent violation of the federal securities laws, (ii) review those policies and procedures annually for their adequacy and the effectiveness of their implementation, and (iii) appoint a chief compliance officer to be responsible for administering the policies and procedures. The Commission also will consider a recommendation to seek comment on other ways to involve the private sector in fostering compliance by investment companies and investment advisers with the federal securities laws.

The subject matter of the closed meeting scheduled for Wednesday, February 5, 2003, will be:

Formal orders of investigation;
Institution and settlement of administrative proceedings of an enforcement nature;
Institution and settlement of injunctive actions;
Adjudicatory matters;
Opinions.

The subject matter of the open meeting scheduled Thursday, February 6, 2003, will be the following:

1. The Commission will consider whether to adopt amendments to the definition of terms used in the exception from the definition of dealer for banks under section 3(a)(5) of the Securities Exchange Act of 1934. The Commission will consider whether to adopt amendments to the related exemptions for banks, savings associations, and savings banks as well as adopt a new exemption concerning securities lending. These proposals relate to the implementation of the specific exceptions for banks from the definitions of "broker" and "dealer" that were amended by the Gramm-Leach-Bliley Act.

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: January 28, 2003.

Jonathan G. Katz,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-47216; File No. SR-Amex-2002-114]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange LLC Relating to the Addition of a Fee for the Automatic Execution of Broker-Dealer Options Orders

January 17, 2003.

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 December 23, 2002, the American Stock Exchange LLC ("Amex" or "Exchange") 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 Amex. On January 14, 2003, Amex filed Amendment No. 1 to its proposal with the Commission.³ The Commission is publishing this notice as amended to

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See letter from Jeffery P. Burns, Assistant General Counsel, Amex, to Katherine A. England, Assistant Director, Division of Market Regulation ("Division"), Commission, dated January 13, 2003. In Amendment No. 1, the Amex made technical corrections to the proposed rule change.

solicit comments on the proposed rule change from interested persons.⁴

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

The Amex proposes to modify its options fee schedule adding a fee for the automatic execution of broker-dealer orders. The text of the proposed rule change is available at the Office of the Secretary, Amex, and at the Commission.

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

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

1. Purpose

On June 24, 2002, the Exchange filed with the SEC a proposal to permit broker-dealer orders to be executed through Auto-Ex (the "BD Auto-Ex Proposal").⁵ The Commission approved the BD Auto-Ex Proposal on September 10, 2002.⁶ The Amex is now proposing

⁴ On September 20, 2002, the Exchange submitted a proposed rule change (SR-Amex-2002-75) to adopt a broker-dealer Auto-Ex fee. The Commission returned the filing for failure to comply with the requirements of Section 19(b) of the Act and Form 19b-4, thereunder. See letter from Kelly Riley, Senior Special Counsel, Division, Commission to Jeffery P. Burns, Assistant General Counsel, Amex, dated October 16, 2002. The Exchange submitted a new Form 19b-4 (SR-Amex-2002-93) to comply with the filing requirements of Section 19(b) of the Act and Form 19b-4 on November 8, 2002. Because the proposed fee in SR-Amex-2002-93 did not accurately reflect the intention of the Exchange, Amex has withdrawn the filing. The instant proposal (SR-Amex-2002-114) corrects the prior inaccuracies.

⁵ See Securities Exchange Act Release No. 46479 (September 10, 2002), 67 FR 58654 (September 17, 2002) (SR-Amex-2002-57).

⁶ See Securities Exchange Act Release No. 46479 (September 10, 2002), 67 FR 58654 (September 17, 2002) (SR-Amex-2002-57). The Commission has also approved similar proposals by other options exchanges to permit the execution of broker-dealer orders through automatic execution systems that previously were limited to public customer orders. Securities Exchange Act Release Nos. 45032 (November 6, 2001), 66 FR 57145 (November 14, 2001) (SR-PCX-2000-05) and 45967 (May 20,