division (''West Virginia Power''). This purchase of utility assets is subject to approval by the West Virginia Public Service Commission. The proposed purchase price of West Virginia Power is approximately $75 million.[1] The purchase price is subject to adjustment shortly after closing, based upon the closing date balance sheet.

UtiliCorp, a combination gas and electric utility based in Kansas City, Missouri, provides electric and gas utility services to more than three million electric and gas customers, primarily in the Midwest. West Virginia Power is UtiliCorp's combination gas and electric division operating only in West Virginia and has its principal place of business in Fairlea, West Virginia. As of October, 1999, West Virginia Power employed about 120 people. For the twelve months ended December 31, 1998, UtiliCorp's revenues were approximately $12.5 billion. West Virginia Power contributed $51.9 million of those revenues—$28.2 million from electric sales and $23.7 million from gas sales.

West Virginia Power provides electric service to approximately 26,000 customers. West Virginia Power's electric assets and electric service territory are located in five counties in southeastern West Virginia. West Virginia Power's electric distribution lines cover approximately 1,989 miles in a 1,360 square mile service area.

West Virginia Power's natural gas assets and service territory serve approximately 24,000 customers in relatively small pockets in central and south-central West Virginia in areas within or relatively close to Applicant's existing service territory. West Virginia Power's gas service territory includes approximately 670 miles of gas pipeline in a 500 square mile service area. It is stated that following completion of the proposed Transaction, the gas utility operations of the Applicant will be substantially smaller than the gas utility operations of Applicant's competitors in the region.

Monongahela Power currently provides electric service to approximately 325,000 West Virginia customers. Its revenues were approximately $645 million for the twelve months ended September 30, 1999. Its service territory is contiguous to West Virginia Power's service territory. Monongahela Power intends to create two new divisions for this acquisition: one division will encompass the UtiliCorp West Virginia electric assets and another, separate division will encompass the UtiliCorp West Virginia gas assets.

[1] This acquisition price approximates the book value of the assets.

Entergy Corporation (70–8903)

Entergy Corporation (''Entergy''), 639 Loyola Avenue, New Orleans 70113, a registered holding company, has filed a post-effective amendment under sections 6(a) and 7 of the Act and rule 54 under the Act to a declaration previously filed under the Act.

By order dated February 26, 1997 (HCAR No. 26674) (''Order''), the Commission authorized Entergy to enter into a credit agreement (''Credit Agreement'') with one or more banks. The Order permitted Entergy to borrow up to an aggregate outstanding principal amount of $500 million in short-term notes through December 31, 2002 (''Notes''), using various rate options having limits on the margins payable over the rates underlying those options.

Entergy now requests authority to change the interest rate terms approved in the Order. It now proposes to pay interest on the Notes at rates that will exceed those paid by companies on debt securities of similar credit quality having similar terms, conditions and maturities.

The Southern Company (70–8277)

The Southern Company (''Southern''), 270 Peachtree Street, N.W., Atlanta, Georgia 30303, a registered holding company, has filed a post-effective amendment under sections 6(a) and 7 of the Act and rules 53 and 54 under the Act to an application-declaration previously filed under the Act.

By order dated August 3, 1995 (HCAR No. 26349) (''Order''), among other things, Southern was authorized to issue and sell in one or more transactions, through December 31, 1999, up to 25 million shares of its common stock, $5 par value (''Common''). As of the date of this filing, Southern has not issued any of the Common authorized to be sold. The Order authorized Southern to adjust the number of shares of Common to be issued and sold to reflect the effects of any subsequent stock splits. Southern now proposes to extend until September 30, 2004 the time in which it may issue and sell up to 25 million shares of Common, as provided in the Order. Some or all of the Common may be issued and sold through a primary shelf registration program in accordance with rule 415 under the Securities Act of 1933, as amended, or otherwise to, or through, one or more underwrites or dealers for resale in one or more public offerings, or to investors directly or through agents.

Southern proposes to use the proceeds from the sale of the Common to make additional investments in exempt wholesale generators and foreign utility companies, as those terms are defined in sections 32 and 33 of the Act, and in its other subsidiary companies to the extent provided in separate proceedings.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99–30194 Filed 11–18–99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–42138; File No. SR–CTA/CQ–99–02]

Consolidated Tape Association; Order Granting Approval of Fifth Charges Amendment to the Second Restatement of the Consolidated Tape Association Plan and the Fourth Charges Amendment to the Restated Consolidated Quotation Plan

November 15, 1999.

I. Introduction

On August 2, 1999, the Consolidated Tape Association (''CTA'') and the Consolidated Quotation (''CQ'') Plan Participants (''Participants'')[1] filed with the Securities and Exchange Commission (''Commission'' or ''SEC'') amendments to the Restated CTA Plan and CQ Plan pursuant to Section 11A(a)(3) of the Securities Exchange Act of 1934 (''Act'')[2] and Rule 11Aa3–2 thereunder.[3] Notice of the proposed plan amendments appeared in the **Federal Register** on August 30, 1999.[4] The Commission received two comment letters in response to the proposals.[5]

[1] The amendments were executed by each Participant in each of the Plans. The participants include American Stock Exchange LLC (''Amex''), Boston Stock Exchange, Inc., Chicago Board Options Exchange, Inc., Chicago Stock Exchange, Inc., Cincinnati Stock Exchange, Inc., National Association of Securities Dealers, Inc., New York Stock Exchange, Inc. (''NYSE''), Pacific Exchange, Inc., and Philadelphia Stock Exchange, Inc.

[2] 15 U.S.C. 78k–1(a)(3).

[3] 17 CFR 240.11Aa3–2.

[4] Securities Exchange Act Rel. No. 41767 (August 19, 1999), 64 FR 47204.

[5] *See* letters from Gene L. Finn, Finn Associates, Inc., received September 23, 1999 (''Finn Letter'') and Sam Scott Miller, Orrick, Herrington & Sutcliffe LLP, to Jonathan G. Katz, Secretary, Commission, dated September 7, 1999 (''Schwab Letter No. 1''). In this letter, Schwab requests that the Commission incorporate by reference comments it submitted concerning network A's proposed reduction in fees. *See* letter from Sam Scott Miller, Orrick, Herrington & Sutcliffe, LLP, to Jonathan G. Katz, Secretary, Commission, dated July 26, 1999 (''Schwab Letter No. 2'').

This order approves the proposed plan amendments.

II. Description of the Proposal

A. Nonprofessional Subscriber Service Rates

The participants under the Plans that make network B last sale information and Network B quotation information available (the ''Network B Participants'') currently impose on vendors a monthly fee of $3.25 for each nonprofessional subscriber to whom the vendor provides a Network B market data display service. These amendments propose to reduce that monthly fee from $3.25 to $1.00 for each nonprofessional subscriber to whom a vendor provides a Network B display service during the month.

For the nonprofessional subscriber rates (rather than the much higher professional subscriber rates) to apply to an of its subscribers, a vendor must make certain that the subscriber qualifies as a nonprofessional subscriber,[6] subject to the same criteria that have applied since 1985, when the network B Participants first established a reduced rate for nonprofessional subscribers. Only those nonprofessional subscribers that actually gain access to at least one real-time Network B quote or price during the month will be charged the proposed fees by the Network B Participants.

B. Pay-for-Use-Rates

Since February 1997, the Network B Participants have conducted a pilot program pursuant to which vendors, providing Network B market data display services to nonprofessional subscribers, have been afforded the following tiered usage schedule as an alternative to the flat $3.25 monthly rate the Network B Participants have historically imposed on nonprofessional subscribers.

1–50 quotes=$0.50 per month, per quote
51–250 quotes=$3.25 per month, per user
251+quotes=$35.00 per month, per user

Based on their experience with the tiered usage schedule and their extensive consultation with vendors and member organizations, the Network B Participants are proposing to alter the tiered usage schedule and to make the altered fee structure part of the Network B rate schedule.

Under the altered rates, each vendor would pay:

i. Three-quarter of one cent ($0.0075) per quote packet[7] for each of the first 20 million quote packets that it distributes during a month;

ii. one-half of one cent ($0.005) per quote packet for each of the next 20 million quote packets that it distributes during that month (*i.e.*, quote packets 20,000,001 through 40,000,000 million); and

iii. one-quarter of one cent ($0.0025) for every quote packet in excess of 40 million that it distributes during that month.

C. Interplay of Nonprofessional-Subscriber and Pay-for-Use Rates

The Network B Participants further propose to reduce the cost exposure of vendors and broker-dealers by permitting them to limit the amount due from each nonprofessional subscriber each month. The vendors and broker-dealers would be eligible to pay the lower of either (i) the aggregate pay-per-use fees that would apply to the subscriber's usage during the month or (ii) the flat monthly $1.00 nonprofessional subscriber fee. The Network B Participants propose to offer this flexibility to each subscriber that qualifies as a nonprofessional subscriber and that has agreed to the terms and conditions that apply to the receipt of market information as a nonprofessional subscriber.

For ease of administration, the Network B Participants propose to allow each vendor and broker-dealer to apply the $1.00 fee for any month in which each nonprofessional subscriber retrievers 134 or more quote packets during the month, without regard to the marginal per-quote rate that the vendor or broker-dealer pays that month (*i.e.*, three-quarters, one-half or one-quarter cent per quote packet). In addition, each vendor may reassess each month to determine which fee is more economical, the per-quote fee or the nonprofessional subscriber fee.

III. Summary of Comments

The Commission received two comment letters concerning the proposed amendments to the CTA and CQ Plans.[8] One comment contends that because the nonprofessional fees are ''per se'' discriminatory, the Commission should abrogate them.[9] Finn also believes that ''without audited incremental cost information, the reasonableness of specific fees cannot be determined.''[10] Moreover, without proper documentation to support the implementation of these fees, Finn believes the proposal is inconsistent with the Act's standards of fairness and competition.[11] Furthermore, Finn suggests that all SRO fee structures be reviewed to determine the feasibility of establishing a universal rate for access to all market data.[12]

The other commenter, however, supported approval of the proposed fee reductions, but also asserted that other aspects of the proposal were not consistent with the statutory standards applicable to market information fees and should be abrogated.[13] Schwab stated that, although the fee reductions benefit retail investors, the CTA's overall fee structure is not fair and reasonable because the fees charged are unrelated to the actual costs of providing the market information.[14] Moreover, Schwab notes that the reduced costs of collecting and disseminating market information have resulted from an increase in dissemination of market information through electronic means. According to Schwab, because the new fee structure does not reflect these reduced costs, the fee structure does not comply with the standards of Section 11A of the Act.[15]

Schwab believes that the tiered fee structure improperly discriminates among broker-dealers and vendors based on the number of subscribers they have and their subscribers' use of market data.[16] However, it suggests that a lower-level fee of $.50 is a more appropriate level for the monthly unlimited-use fee and should be applied [to] all subscribers.[17] Schwab also believes that the enterprise cap included in the Network A proposal could be similarly implemented in the context of this proposal.[18] While Schwab believed the cap for Network A was excessive, it

[6] A ''nonprofessional subscriber'' shall receive the information solely for his personal, non-business use. The subscriber shall not furnish the information to any other person. *See* NYSE and the Amex Application and Agreement for the Privilege of Receiving Last Sale Information & Bond Last Sale Information as a Nonprofessional Subscriber, for the qualifications necessary to be classified as a nonprofessional subscriber.

[7] A ''quote packet'' refers to any data element, or all data elements, relating to a single issue. Last sale price, opening price, high price, low price, volume, net change, bid, offer, size, best bid and best offer all exemplify data elements. ''IBM'' exemplifies a single issue. An index value constitutes a single issue data element.

[8] *See* note 5 *supra.*

[9] Finn Letter at 2–3.

[10] *Id.* at 6.

[11] *Id.* at 2.

[12] *Id.* at 5.

[13] Schwab Letter No. 2 at 6–7.

[14] *Id.* at 4.

[15] *Id.* at 5–6.

[16] Schwab Letter No. 2 at 3.

[17] Schwab Letter No. 1 at 2. *See also* Securities Exchange Act Rel. No. 41977 (Oct. 5, 1999), 64 FR 55503 (Oct. 13, 1999), where the monthly fee for each nonprofessional subscriber was reduced to $1.00 for each of the first 250,000 nonprofessional subscribers who received Network A market data and $.50 for each additional subscriber.

[18] *Id.*

noted a cost-based cap may be the most equitable means for assessing fees and reducing the costs of market data users.[19]

IV. Discussion

The Commission finds that the proposed plan amendments are consistent with the Act and the rules and regulations thereunder.[20] Specifically, the Commission finds that approval of the amendments is consistent with Rule 11Aa3–2(c)(2)[21] of the Act.

The Commission currently is conducting a broad review of the fee structures for obtaining market information and of the role of market information revenues in funding the self-regulatory organizations. As part of its review, the Commission intends to issue a release describing existing market information fees and revenues and inviting public comment on the subject. The proposed rule change implicates many of the issues that the Commission is reviewing. These include identifying the appropriate standards for determining (1) whether the fees charged by an exclusive processor of market information are fair and reasonable, and (2) whether a fee structure is unreasonably discriminatory or an inappropriate burden on competition.

The Commission has decided to approve the proposed plan amendments pending its review because they represent, in part, a very substantial reduction in the market information fees applicable to retail investors. In particular, the monthly fee for non-professional subscribers would be reduced from $3.25 per month to no greater than $1.00 per month. Under this monthly fee structure, there would be no limit on the amount of market information that retail investors would be entitled to receive. Such, a fee structure may enable vendors, to provide retail investors with more useful services than have previously been provided. In this regard, the proposed plan amendments are consistent with, and significantly further, one of the principal objectives for the national market system set forth in Section 11A(a)(1)(C)(iii)—increasing the availability of market information to broker-dealers and investors. The Commission wishes to emphasize, however, that its review of market information fees and revenues is ongoing and may require a re-evaluation of the fee structures contained in the proposed plan amendments at some point in the future.

The Commission recognizes that one commenter opposes the proposal, while the other supports approval of the proposed fee reductions primarily because they represent an improvement over the CTA's current fee structure. Other issues raised by the commenters (*e.g.*, discriminatory impact of the CTA fee structure on on-line investors, the appropriate standard to be applied in assessing the fairness and reasonableness of market information fees) have broader implications on the functioning and regulation of the national market system. As such, these issues will be addressed in the Commission's forthcoming concept release on market information fees and revenues.

The Commission also finds that the minor, non-substantive changes made to the form of Schedules A–3 of Exhibit E to both the CTA and CQ Plans reflect the proposed amendments, thereby clarifying the fee schedules to make them more understandable.

V. Conclusion

It is therefore ordered, pursuant to Section 11A of the Act,[22] and the rules thereunder, that the proposed amendments to the Plans (SR–CTA/CQ–99–02) are approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[23]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99–30274 Filed 11–18–99; 8:45 am]

BILLING CODE 8010–01–M

[19] *Id.*

[20] The Commission has considered the proposed amendments' impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f). The Commission realizes that the modified fee structure, as applied, may create competitive disparties. The new fee structure will, however, reduce the cost of access to market information, which should result in a reduction of costs for investors. The competitive concerns and solutions suggested by the commenters will be addressed in the Commission's forthcoming concept release on market information fees and revenues.

[21] 17 CFR 240.11Aa3–2(c)(2).

[22] 15 U.S.C. 78k–1.

[23] 17 CFR 200.30–3(a)(27).

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC–24135; File No. 812–11480]

PFL Life Insurance Company, et al.

November 15, 1999.

AGENCY: Securities and Exchange Commission (''SEC'' or ''Commission'').

ACTION: Notice of application for an order under the Investment Company Act of 1940 (the ''Act'').

Applicants: PFL Life Insurance Company (''PFL''), PFL Endeavor VA Separate Account (''PFL Endeavor Account''), PFL Endeavor Target Account, PFL Retirement Builder Variable Annuity Account (''Retirement Builder Account''), PFL Life Variable Annuity Account C (''PFL Account C''), AUSA Life Insurance Company (''AUSA''), AUSA Endeavor Variable Annuity Account (''AUSA Endeavor Account''), AUSA Endeavor Target Account (together with PFL Endeavor Target Account, the ''Target Accounts''), AFSG Securities Corporation (''AFSG''), Western Reserve Life Assurance Co. Of Ohio (''Western Reserve''), WRL Series Annuity Account (''WRL Account''), Peoples Benefit Life Insurance Company (''Peoples Benefit''), Peoples Benefit Life Insurance Company Separate Account V (''People's Benefit Account''), Transamerica Occidental Life Insurance Company (''Transamerica Occidental''), Separate Account VA–2L, Transamerica Life Insurance Company of New York (''Transamerica New York''), Separate Account VA–2LNY, Separate Account VA–6NY, Transamerica Life Insurance and Annuity Company (''Transamerica''), Separate Account VA–6, and Separate Account VA–7 (all collectively, the ''Applicants'').

Relevant Sections of the Act: Order of exemption requested under Section 6(c) of the Act from the Sections 2(a)(32), 22(c), and 27(i)(2)(A) of the Act and Rule 22c–1 thereunder.

Summary of Application: PFL, AUSA, Western Reserve, Peoples Benefit, Transamerica Occidental, Transamerica New York, and Transamerica are together referenced herein as the ''Companies,'' or individually as a ''Company.'' The PFL Endeavor Account, Retirement Builder Account, PFL Account C, AUSA Endeavor Account, Target Accounts, WRL Account, Peoples Benefit Account, Separate Account VA–2L, Separate Account VA–2LNY, Separate Account VA–6NY, Separate Account VA–6, and Separate Account VA–7 are together referenced herein as the ''Accounts,'' or individually as an ''Account.'' Applicants seek an order of the Commission exempting them with respect to the support of variable annuity policies that are similar in all material respects to the policies described herein, issued both currently (''Policies'') and the future (''Future Policies of Accounts''), and any other separate accounts of the Companies or their affiliated insurance companies that are controlling, controlled by, or under common control (within the meaning of Section 2(a)(9) of the Act) with the Companies (''Future Accounts'') that