

borrow, or receive any extension of credit or indemnity from any of its subsidiaries. Securities issuances by NEES will be limited to issuances permitted by the Existing Financing Authority, as such authority may be extended through the Authorization Period by the order requested in this filing. Guaranties issued by NEES on behalf of a NEES subsidiary would not in the aggregate exceed \$500 million ("NEES Guarantee Limitation"), based on the amount at risk. Further, each NEES nonutility subsidiary requests authority to provide Guaranties on behalf of any other NEES nonutility subsidiary, to the extent not exempt under rule 45.

c. Money Pool

National Grid requests authority to substitute Holdings, the successor to NEES, as an investor in the Money Pool. In addition, Applicants request authority for National Grid, any Intermediate Company, and any newly formed or acquired or current nonparticipating NEES Subsidiary to participate in the Money Pool as lenders only.

3. Payment of Dividends Out of Capital or Unearned Surplus

National Grid and NEES will account for the Merger using the purchase method of accounting. Under this method of accounting, the Merger will give rise to a substantial level of goodwill which, in accordance with the Commission's Staff Accounting Bulletin No. 54, Topic 5J ("Staff Accounting Bulletin"), will be "pushed down" to the NEES Subsidiaries and reflected as additional paid-in-capital in their financial statements. In addition, as a result of the push down of the goodwill, the retained earnings of NEES and the NEES Subsidiaries will be effectively reset to zero as if they were new companies, with the balance being reflected in paid-in capital. Accordingly, Applicants request authorization to pay dividends out of the additional paid-in-capital account up to the amount of NEES Subsidiaries' aggregate retained earnings just prior to the Merger and out of earnings before the amortization of the goodwill after the Merger.

4. Approval of New Tax Allocation Agreement

Applicants request approval of an agreement for the allocation of consolidated tax among National Grid General Partnership and the NEES Group post-Merger (the "Tax Allocation Agreement"). Approval is necessary because the Tax Allocation Agreement

provides for the retention by National Grid General Partnership of certain payments for tax losses that it has incurred solely in connection with acquisition-related debt, rather than the allocation of these losses to subsidiary companies without payment as would otherwise be required by rule 45(c)(5).

5. Changes in Capital Stock of Subsidiaries

Applicants state that the portion of an individual U.S. Subsidiary's aggregate financing to be effected through the sale of equity securities to its immediate parent during the Authorization Period may in some cases exceed the then authorized capital stock of the U.S. Subsidiary. In addition, the U.S. Subsidiary may choose to use other forms of capital securities.⁹ Each U.S. Subsidiary requests authority to increase the amount or change the terms of any of its authorized capital securities, without additional Commission approval, as needed to accommodate the sale of additional equity.¹⁰ The terms that may be changed include dividend rates, conversion rates and dates, and expiration dates. These proposed changes to the terms of and increases in the amounts of capital securities affect only the manner in which financing is conducted by the U.S. Subsidiaries and will not alter the terms of limits proposed in the application or those of the Existing Financing Authority.

6. Financing Entities

Applicants seek authority for National Grid and the U.S. Subsidiary Companies to organize and acquire interests in new corporations, trusts, partnerships or other entities ("Financing Entities") created for the purpose of facilitating financings through their issuance to third parties of securities authorized under this filing or issued under an applicable exemption. Applicants also request authority for these financing entities to issue these securities to third parties in the event these issuances are not exempt under rule 52. In addition, Applicants request authority for the financing entities to transfer the proceeds of the financing to National Grid or any of the U.S. Subsidiaries. Applicants also request authority for the parent of a financing entity to provide

⁹ As noted above, these securities include common stock, preferred stock, other preferred securities, options and/or warrants convertible into common or preferred stock, rights, and similar securities.

¹⁰ Applicants request that the Commission reserve jurisdiction over changes to the capital stock of any U.S. Subsidiary that is not wholly-owned directly or indirectly by National Grid.

Guarantees with respect to that financing entity's obligations in connection with the securities it issues. Any amounts issued by such financing entities to third parties under this authorization will be included in the Aggregate Limitation. However, the underlying debt incurred to transfer the proceeds of those securities would not be included in the Aggregate Limitation and the parent Guarantee of those securities would not be included in the NGG Guarantee Limitation of the NEES Guarantee Limitation.

7. EWG/FUCO-related Financing

As a general matter, National Grid intends to fund its FUCO activities at the level of its first-tier subsidiary, National Grid Holdings Ltd ("UK Holdings"), under which National Grid subsidiaries other than the U.S. Subsidiaries will be segregated.¹¹ However, under certain circumstances, it may be desirable from time to time for National Grid to provide some investment capital or credit support for FUCO acquisitions or operations. To that end, National Grid is seeking authority to finance EWG and FUCO investments and operations in an aggregate amount of up to fifty percent of its consolidated retained earnings at any one time outstanding during the Authorization Period.¹²

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 99-27184 Filed 10-18-99; 8:45 am]

BILLING CODE 8010-01-M

DEPARTMENT OF STATE

[Public Notice 3138]

Office of the Deputy Assistant Secretary for Energy, Sanctions, and Commodities; Receipt of Application for a Presidential Permit for Pipeline Facilities To Be Constructed and Maintained on the Border of the United States

AGENCY: Department of State.

SUMMARY: The Department of State has received an application from City of Sumas, Washington requesting a Presidential permit, pursuant to Executive Order 11423 of August 16,

¹¹ In the Merger Filing, National Grid and NEES have asked that National Grid's investments in UK Holdings, which will claim status as a FUCO under rule 53, not be counted in the determination of "aggregate investment" as defined in the rule.

¹² Applicants state that National Grid cannot fully comply with some of the technical requirements of rule 53(a).

1968, as amended by Executive Order 12847 of May 17, 1993, authorizing City of Sumas to construct and maintain a pipeline to establish an intertie between the municipal water systems of the City of Sumas, Washington and the City of Abbotsford, British Columbia, Canada. The project consists of one 12-inch diameter pipeline of approximately 20 feet in length crossing the International Boundary between the United States and Canada. This application is a revision of the City of Sumas application of April 22, 1999.

DATES: Interested parties are invited to submit, in duplicate, comments relative to this proposal on or before November 15, 1999.

FOR FURTHER INFORMATION CONTACT: William Memler, Energy Producer Country Affairs, Office of International Energy & Commodity Policy, Department of State, Washington, D.C., 20520. (202) 647-4557.

Steve Gallogly,

Director, Office of International Energy & Commodity Policy, Department of State.

[FR Doc. 99-27290 Filed 10-18-99; 8:45 am]

BILLING CODE 4710-07-U

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Notice of Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits Filed Under Subpart Q During the Week Ending October 8, 1999

The following Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits were filed under Subpart Q of the Department of Transportation's Procedural Regulations (See 14 CFR 302.1701 *et seq.*). The due date for Answers, Conforming Applications or Motions to Modify Scope are set forth below for each application. Following the Answer period DOT may process the application by expedited procedures. Such procedures may consist of the adoption of a show-cause order, a tentative order, or in appropriate cases a final order without further proceedings.

Docket Number: OST-99-6319.

Date Filed: October 5, 1999.

Due Date for Answers, Conforming Applications, or Motions to Modify Scope: November 2, 1999.

Description: Application of Northwest Airlines, Inc. pursuant to 49 U.S.C. Section 41102 and Subpart Q of the Department's Rules of Practice, applies to amend its Experimental Certificate of

Public Convenience and Necessity for Route 564 (U.S.-Mexico) to incorporate all of its currently-held U.S.-Mexico exemption authority.

Docket Number: OST-99-5868.

Date Filed: October 7, 1999.

Due Date or Answers, Conforming Applications, or Motions to Modify Scope: November 4, 1999.

Description: Application of Continental Airlines, Inc., pursuant to 49 U.S.C. Section 41102 and Subpart Q, amending its June 21, 1999, application for renewal and amendment of its Route 561 certificate authority to request incorporation of its currently-held U.S.-Mexico exemption authority granted pursuant to its codeshare arrangements with Northwest and Alaska and to withdraw its request that the Department restore its San Diego-Mexico City/Toluca certificate authority.

Dorothy W. Walker,

Federal Register Liaison.

[FR Doc. 99-27238 Filed 10-18-99; 8:45 am]

BILLING CODE 4910-62-M

DEPARTMENT OF TRANSPORTATION

Coast Guard

[CGD09-99-080]

Great Lakes Regional Waterways Management Forum Meeting

AGENCY: Coast Guard, DOT.

ACTION: Notice of meeting.

SUMMARY: The Great Lakes regional waterways management forum will hold a meeting to discuss various waterways management issues. Agenda items will include progress reports from subcommittees on Communications, Outreach, and Navigation; reports from forum members on Cargo Sweeping Enforcement, Salvage Plans, and Waterway User Conflicts, and discussions about the agenda for the next meeting. The meeting will be open to the public.

DATES: The meeting will be held October 20, 1999 from 1 p.m. to 4 p.m.

COMMENTS: Comments or written material must be received on or before October 19, 1999 to be considered during the meeting. Comments received after this date may be considered at a later time. Any written comments and materials received may be reviewed by the public at Commander(map), Ninth Coast Guard District, 1240 E. 9th Street, Room 2069, Cleveland, OH 44199-2060. **ADDRESSES:** The meeting will be held in the U.S. Coast Guard Club located on the U.S. Coast Guard Moorings, 1055

East Ninth Street, Cleveland, Ohio. Persons with disabilities requiring assistance to attend this meeting should contact CDR Patrick Gerrity at (216) 902-6049. Comments should be submitted to Commander(map), Ninth Coast Guard District, 1240 E. 9th Street, Cleveland, OH 44199-2060.

FOR FURTHER INFORMATION CONTACT: CDR Patrick Gerrity (map), Ninth Coast Guard District, 1240 E. 9th Street, Cleveland, OH 44199-2060, telephone (216) 902-6049.

Dated: October 6, 1999.

James D. Hull,

Rear Admiral, U.S. Coast Guard, Commander, Ninth Coast Guard District.

[FR Doc. 99-27237 Filed 10-18-99; 8:45 am]

BILLING CODE 4910-15-M

DEPARTMENT OF TRANSPORTATION

Coast Guard

[CGD8-99-059]

Houston Galveston Navigation Safety Advisory Committee Meeting

AGENCY: Coast Guard, DOT.

ACTION: Notice of meeting.

SUMMARY: The Houston/Galveston Navigation Safety Advisory Committee (HOGANSAC) will meet to discuss the Coast Guard's proposed Ports and Waterways Safety Assessment study of the Houston/Galveston area. The meeting will be open to the public.

DATES: The meeting of HOGANSAC will be held on Tuesday, November 23, 1999 from 10 a.m. to approximately 11:30 p.m. The meeting may adjourn early if all business is finished. Members of the public may present written or oral statements at the meeting.

ADDRESSES: The HOGANSAC meeting will be held in the conference room of the Houston Pilots' Office, 8150 South Loop East, Houston, Texas.

FOR FURTHER INFORMATION CONTACT: Captain Wayne Gusman, Executive Director of HOGANSAC, telephone (713) 671-5199, or Commander Peter Simons, Executive Secretary of HOGANSAC, telephone (713) 671-5164.

SUPPLEMENTARY INFORMATION: Notice of this meeting is given pursuant to the Federal Advisory Committee Act, 5 U.S.C. App. 2.

Agenda of the Meeting

Houston/Galveston Navigation Safety Advisory Committee (HOGANSAC). The tentative agenda includes the following:

(1) Opening remarks by the Committee Sponsor (RADM Pluta),