

SECURITIES AND EXCHANGE COMMISSION**[Release No. 35-27107]****Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")**

November 23, 1999.

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 transactions(s) summarized below. The application(s) and/or declarations(s) and any amendments 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 applications(s) and/or declaration(s) should submit their views in writing by December 20, 1999, to the Secretary, Securities and Exchange Commission, Washington, DC 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 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 December 20, 1999, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Northeast Utilities; 70-9535

Northeast Utilities ("Northeast"), 174 Brush Hill Avenue, West Springfield, Massachusetts 01090, a registered holding company, has filed an application-declaration under sections 6(a), 7, 9(a) and 10 of the Act and rule 54 under the Act.

Northeast proposes to acquire, by means of a merger, all of the issued and outstanding common stock of Yankee Energy System, Inc. ("YES"), a Connecticut corporation and an exempt holding company under section 3(a)(2) of the Act, pursuant to an Agreement and Plan of Merger dated as of June 14, 1999 ("Merger Agreement"). Northeast proposes to cause the organization of a wholly-owned subsidiary ("Merger Sub") by Merger Sub issuing and Northeast acquiring one hundred shares of Merger Sub common stock, par value \$10 per share for \$1000. Under the

Merger Agreement, YES will merge with and into Merger Sub. Holders of the common stock of YES will receive consideration in cash and Northeast common stock valued at \$45.00 per YES share. The total consideration to be paid by Northeast for the outstanding shares of YES common stock will be approximately \$478 million, based on approximately 10.6 million shares of YES common stock outstanding.

Each YES shareholder can elect the form of consideration, but this election is subject to proration and adjustment. Under the Merger Agreement, 55% of all issued and outstanding YES shares will be exchanged for cash, and 45% will be exchanged for Northeast common stock. If YES shareholders owning more than 55% of YES shares elect to receive cash, the number of YES shares converted into cash will be less than the number elected. If YES shareholders owning more than 45% of YES shares elect to receive Northeast common stock, the number of YES shares converted into stock will be less than the number elected.

Northeast currently anticipates that the full amount necessary to fund the cash consideration to be paid to YES shareholders will be financed through debt issued by Northeast. Northeast requests authorization to issue from time to time through June 30, 2002 short or long-term debt securities in an amount sufficient to satisfy the cash portion of the consideration in connection with the merger, estimated not to exceed \$275 million. Such debt securities may include notes, debentures and medium-term notes and/or borrowings from banks and others financial institutions. Any long-term debt security would have such designation, aggregate principal amount, maturity, interest rates or methods of determining the same, terms of payment of interest, redemption provisions, non-refunding provision, sinking fund terms and other terms and conditions as Northeast may determine at the time of issuance. The effective cost of money on short-term debt borrowings will not exceed at issuance 400 basis points over the comparable term London Interbank Offered Rate and the effective cost of money on long-term borrowing will not exceed at issuance 400 basis over comparable term U.S. Treasury securities. The maturity of indebtedness will not exceed 10 years from the date of issuance and the underwriting fees, commissions, or other similar remuneration paid in connection with the noncompetitive issue, sale or distribution of a security will not exceed 2.5% of the principal or total amount of the financing.

Merger Sub, as a wholly-owned subsidiary of Northeast and as successor to YES, will register as a holding company under section 5 of the Act and will act as the holding company for Northeast's gas utility subsidiary and related companies. Northeast's existing operating electric utility subsidiaries will remain direct operating subsidiaries of Northeast.

Northeast is the parent of a number of companies comprising the Northeast Utilities system ("System"). Northeast has traditionally furnished franchised retail electric service in Connecticut, New Hampshire and western Massachusetts through three of Northeast's wholly-owned subsidiaries, The Connecticut Light and Power Company ("CL&P"), Public Service Company of New Hampshire ("PSNH") and Western Massachusetts Electric Company ("WMECO"). Northeast has also furnished retail electric service to a limited number of customers through another wholly-owned subsidiary, Holyoke Water Power Company ("HWP"), doing business in and around Holyoke, Massachusetts. In addition to their retail electric service business, CL&P, PSNH, WMECO and HWP (including its wholly owned subsidiary, Holyoke Power and Electric Company), together furnish wholesale electric service to various municipalities and other utilities throughout the Northeast.¹ The System serves approximately 30% of New England's electric needs and is one of the 24th largest electric utility systems in the country as measured by revenues.

North Atlantic Energy Corporation is a special-purpose operating subsidiary of Northeast that owns a 35.98 percent interest in the Seabrook nuclear generating facility in Seabrook, New Hampshire, and sells its share of the capacity and output from Seabrook to PSNH under two life-of-unit, full-cost recovery contracts. Several wholly-owned subsidiaries of Northeast provide support services for the Northeast companies and, in some cases, for other New England utilities.²

¹ CL&P, PSNH and WMECO furnish retail delivery franchise service in 149, 198 and 59 cities and towns in Connecticut, New Hampshire and Massachusetts, respectively. In 1998, CL&P furnished retail franchise service to approximately 1.11 million customers in Connecticut, PSNH provided retail service to approximately 422,000 customers in New Hampshire and WMECO served approximately 196,000 retail franchise customers in Massachusetts. HWP serves 32 retail customers in Holyoke, Massachusetts.

² Northeast Utilities Service Company ("NUSCO"), provides centralized accounting, administrative, information resources, engineering, financial, legal, operational, planning, purchasing and other services to the System companies. North

Continued

YES, is primarily engaged in the retail distribution of natural gas through its wholly-owned subsidiary, Yankee Gas Services Company ("Yankee Gas"), a Connecticut public utility service company. Yankee Gas serves approximately 185,000 residential, commercial and industrial customers in 69 cities and towns, and covers approximately 1,995 square miles in Connecticut.³ Yankee Gas operates the largest natural gas distribution system in Connecticut as measured by number of customers and size of service territory.

YES also owns four active non-utility subsidiaries including: (1) NorConn Properties Inc., which holds property and facilities of Yes; (2) Yankee Energy Financial Services Company, which provides customers with financing for energy equipment installations; (3) Yankee Energy Services Company, which provides a wide range of energy-related services for its customers; and (4) R.M. Services, Inc., which provides debt collection service to utilities and other businesses nationwide.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 99-31033 Filed 11-29-99; 8:45 am]

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Atlantic Energy Service Corporation has operational responsibility for Seabrook. Northeast Nuclear Energy Company acts as agent for the System companies and other New England utilities in operating the Millstone nuclear generating facilities in Waterford, Connecticut. Three other subsidiaries (Rocky River Realty Company, The Quinnehtuk Company, and Properties, Inc.) construct, acquire or lease some of the property and facilities used by the System companies.

In January 1999, Northeast added three new corporations to the System: NU Enterprises, Inc. ("NUEI"), the holding company for the System's unregulated businesses; Northeast Generation Company and Northeast Generation Services Company. Also in January 1999 Northeast transferred to NUEI the stock of three other of its subsidiaries, making them wholly owned subsidiaries of NUEI: Select Energy, Inc.; HEC Inc.; and Mode 1 Communications, Inc. These companies engage, either directly or indirectly through subsidiaries, in a variety of energy-related and telecommunications activities, as applicable, primarily in the unregulated energy retail and wholesale commodity, marketing and service fields.

³ Yankee Gas' assets include distribution lines, meters, pumps, valves and pressure and flow controllers. Yankee Gas owns approximately 2,820 miles of distribution mains, 133,033 service lines, and 185,000 active meters for customer use, all located in Connecticut. Yankee Gas also owns and operates various propane facilities and six gas storage holders.

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42141A; File No. 1-2346]

Issuer Delisting; Notice of Application To Withdraw From Listing and Registration; (Southwestern Bell Telephone Company, Seven Year 6⅞% Notes, Due March 1, 2000; Eight Year 6⅞% Notes, Due April 1, 2001; Twelve Year 6⅞% Notes, Due April 1, 2005; Twenty-Two Year 7% Debentures, Due July 1, 2015; Thirty Year 7⅝% Debentures, Due March 1, 2023; and Thirty-Two Year 7¼% Debentures, Due July 15, 2025); Correction

November 23, 1999.

In notice document 99-30318, beginning on page 63833, in the issue of Monday, November 22, 1999, the heading should read as set forth above.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 99-31029 Filed 11-29-99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-24173; 812-11702]

SSgA funds, et al.; Notice of Application

November 23, 1999.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of application for an order under the Investment Company Act of 1940 (the "Act") under (i) section 6(c) of the Act granting an exemption from sections 18(f) and 21(b) of the Act; (ii) section 12(d)(1)(J) of the Act granting an exemption from section 12(d)(1) of the Act; (iii) sections 6(c) and 17(b) of the Act granting an exemption from sections 17(a)(1) and 17(a)(3) of the Act; and (iv) section 17(d) of the Act and rule 17d-1 under the Act to permit certain joint arrangements.

SUMMARY OF APPLICATION: Applicants request an order that would permit certain registered investment companies to participate in a joint lending and borrowing facility.

APPLICANTS: SSgA Funds and its existing and future series; any other existing or future registered open-end management investment company or series thereof that is advised or subadvised by State Street Bank and Trust Company ("SSB&T") or a person controlling, controlled by, or under common control

with SSB&T ("State Street") and that is part of the same group of investment companies as SSgA Funds (together with SSgA Funds, the "Funds"); and State Street.

FILING DATES: The application was filed on July 22, 1999. Applicants have agreed to file an amendment during the notice period, the substance of which is reflected in this notice.

HEARING OR NOTIFICATION OF HEARING: An order granting the requested relief will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on December 16, 1999, and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW, Washington, DC 20549-0609. Applicants, c/o Philip H. Newman, Esq., Goodwin, Procter & Hoar LLP, Exchange Place, Boston, Massachusetts 02109.

FOR FURTHER INFORMATION CONTACT: Michael W. Mundt, Branch Chief, (202) 942-0564 (Office of Investment Company Regulation, Division of Investment Management).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch, 450 5th Street, NW, Washington, DC 20549-0102 (tel. 202/942-8090).

Applicants' Representations

1. SSgA Funds is registered under the Act as an open-end management investment company and is organized as a Massachusetts business trust. SSB&T serves as the investment adviser, custodian, and transfer agent for each series of SSgA Funds. SSB&T is a bank within the meaning of section 202(a)(2) of the Investment Advisers Act of 1940 ("Advisers Act") and currently is not required to register as an investment adviser under the Advisers Act.

2. Some Funds may lend money to banks or other entities by entering into repurchase agreements or purchasing other short-term instruments. Other Funds may borrow money from the same or other banks for temporary purposes to satisfy redemption requests