Electrical Bus 14H will be disconnected. The licensee will credit a new 4160-volt electrical tie to the Unit 3 Alternate AC diesel generator as the alternate AC power source for Unit 2 to comply with Appendix R. Access to the Unit 3 Alternate AC diesel generator and associated switchgear enclosures so that Unit 3 operators could start the diesel generator and make the necessary electrical ties to the Unit 2 bus requires travel through the Unit 3 yard area.

The outdoor access and egress route to the Unit 3 Alternate AC diesel generator and switchgear enclosures extends from the west entrance of Millstone Unit 3 Building 323 (grade elevation), north through a paved area to a service road, following the road generally to the east and then south to the enclosures.

The licensee proposes to credit the security lighting system for access and egress route emergency lighting in lieu of an 8-hour battery supply in the yard area. The basis for this is as follows:

1. The security lighting system illuminates the required access and egress routes;

2. The security lighting power supply is backed by a security diesel generator with fuel storage capacity to ensure operation greater than or equal to 8 hours;

3. The security generator, components, and circuits are independent from the postulated fire areas which require access to the 4160-volt Bus 14H enclosure, Intake Structure, or RWST pipe chase.

These actions will ensure that the appendix R, section III.J requirement to the extent that emergency lighting units with at least an 8-hour supply are met.

There are also portable lighting units dedicated for operations department use that would provide additional defense-in-depth for ensuring adequate lighting is available. The equipment is administratively controlled and located inside the Millstone Unit 3 Control Room Complex.

IV

The underlying purpose of section III.J of appendix R is to ensure that fixed lighting of sufficient duration and reliability is provided to allow operation of equipment required for post-fire, safe shutdown of the reactor. Lighting for access/egress associated with the equipment is also required.

Large area applications will typically impose electrical load requirements which are beyond the normal limits of battery units. The security lighting system illuminates the required access and egress routes. The power supply is backed by a security diesel generator with fuel storage capacity to ensure operation with at least an 8-hour supply. The security generator, components and circuits are independent from the postulated fire areas which require access to the Unit 3 Alternate AC diesel generator and consistent with the defense-in-depth approach to fire protection.

Based on the availability and reliability of the security lighting of sufficient duration and the availability of portable lighting, there is reasonable assurance that the access/egress routes through the yard area that are relied on for safe shutdown of the facility can be accessed in the event of a fire.

On the basis of its evaluation, the NRC staff has concluded that the application of the regulation, pursuant to 10 CFR 50.12(a)(2)(ii), in this special circumstance is not necessary to achieve the underlying purpose of the rule.

V

The Commission has determined that, pursuant to 10 CFR 50.12(a), an exemption to allow use of security lighting is authorized by law, will not present an undue risk to the public health and safety, and is consistent with the common defense and security. Further, special circumstances are present, as set forth in 10 CFR 50.12(a)(2)(ii). Therefore, the Commission hereby grants an exemption from the requirements of 10 CFR, part 50, appendix R, section III.J.

Pursuant to 10 CFR 51.32, the Commission has determined that this exemption will not have a significant effect on the quality of the human environment (65 FR 41738).

This exemption is effective upon issuance.

Dated at Rockville, Maryland, this 7th day of July 2000.

For the Nuclear Regulatory Commission.

John A. Zwolinski,

Director Division of Licensing Project Management, Office of Nuclear Reactor Regulation.

[FR Doc. 00–18114 Filed 7–17–00; 8:45 am]

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NUCLEAR REGULATORY COMMISSION

[Docket No. 50–271]

In the Matter of Vermont Yankee Nuclear Power Corporation (Vermont Yankee Nuclear Power Station); Order Approving Transfer of License and Conforming Amendment

I.

Vermont Yankee Nuclear Power Corporation (VYNPC or the licensee) is the holder of Facility Operating License No. DPR–28, which authorizes the operation of Vermont Yankee Nuclear Power Station (Vermont Yankee or the facility) at steady-state power levels not in excess of 1593 megawatts thermal. The facility is located at the licensee's site in the Town of Vernon, Windham County, Vermont. The license authorizes VYNPC to possess, use, and operate the facility.

II.

Under cover of a letter dated January 6, 2000, AmerGen Vermont, Limited Liability Company (LLC), (AmerGen Vermont) and VYNPC, jointly submitted an application requesting approval of the transfer of Facility Operating License No. DRP–28 for Vermont Yankee from VYNPC to AmerGen Vermont. The licensee and AmerGen Vermont also jointly requested approval of a conforming amendment to reflect the transfer. The application was supplemented by submittals dated January 13, February 18, March 13, March 30, and April 6, 2000, collectively referred to as the ''application'' herein unless otherwise indicated.

AmerGen Vermont is a Vermont limited liability company established by AmerGen Energy Company, LLC (AmerGen), to own and operate Vermont Yankee. AmerGen Vermont is a wholly owned subsidiary of AmerGen. AmerGen is a Delaware limited liability company formed to acquire and operate nuclear power plants in the United States. PECO Energy Company (PECO) and British Energy, Inc., (BE, Inc.), each own a 50-percent interest in AmerGen. BE, Inc., is a wholly owned subsidiary of British Energy, plc. The conforming license amendment would remove references to VYNPC from the license and add references to AmerGen Vermont in respective places, and make other administrative changes of a similar nature to reflect the proposed transfer.

Approval of the transfer of the facility operating license and a conforming license amendment was requested by

VYNPC and AmerGen Vermont pursuant to 10 CFR 50.80 and 50.90. Notice of the requests for approval and for an opportunity for a hearing was published in the **Federal Register** on February 3, 2000 (65 FR 5376). Pursuant to such notice, the Commission received two requests for hearing. One hearing request was from the State of Vermont Department of Public Service, dated February 23, 2000. A second hearing request was filed by the Citizens Awareness Network, dated February 22, 2000. Commission review of these hearing requests is pending.

Pursuant to 10 CFR 2.1316, during the pendancy of a hearing, the staff is expected to promptly proceed with the approval or denial of license transfer requests consistent with the NRC staff's findings in its Safety Evaluation Report (SER). Notice of the action shall be promptly transmitted to the Presiding Officer and parties to the proceeding. Commission action on the pending hearing requests is being handled independently of this action.

Under 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. After reviewing the information submitted in the application and other information before the Commission, and relying upon the representations and agreements contained in the application, the Nuclear Regulatory Commission (NRC) staff has determined that AmerGen Vermont is qualified to be the holder of the license, and that the transfer of the license to AmerGen Vermont is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission, subject to the conditions set forth below. The NRC staff has further found that the application for the proposed license amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR chapter 1; that the facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission; that there is reasonable assurance that the activities authorized by the proposed license amendment can be conducted without endangering the health and safety of the public and that such activities will be conducted in compliance with the Commission's regulations; that the issuance of the proposed license amendment will not be inimical to the common defense and security or to the health and safety of the public; and that the issuance of the proposed license amendment will be in accordance with 10 CFR part 51 of the Commission's regulations, and that all applicable requirements have been satisfied. These findings are supported by a safety evaluation dated July 7, 2000.

III.

Accordingly, pursuant to sections 161b, 161i, and 184 of the Atomic Energy Act of 1954, as amended; 42 U.S.C. 2201(b), 2201(i), and 2234; and 10 CFR 50.80, *It Is Hereby Ordered* that the transfer of the license as described herein to AmerGen Vermont is approved, subject to the following conditions:

(1) AmerGen Vermont shall take no action to cause PECO or BE, Inc., or their affiliates, successors or assigns, to void, cancel, or diminish their $200 million contingency commitment to provide funding for AmerGen's nuclear power plants, including but not limited to any plant owned by any subsidiary of AmerGen, the existence of which is represented in the application, or cause them to fail to perform or impair their performance under the commitment, or remove or interfere with AmerGen or AmerGen Vermont's ability to draw upon the commitment. Also, AmerGen Vermont shall inform the NRC in writing at any time that it or AmerGen, for the benefit of AmerGen Vermont, draws upon the $200 million commitment.

(2) AmerGen Vermont shall provide decommissioning funding assurance of no less than $280 million, after payment of any taxes, deposited in the decommissioning trust fund for Vermont Yankee when Vermont Yankee is transferred to AmerGen Vermont.

(3) The decommissioning trust agreement must be in a form acceptable to the NRC.

(4) With respect to the decommissioning trust fund, investments in the securities or other obligations of PECO, BE, Inc., AmerGen, AmerGen Vermont, or their affiliates, successors, or assigns shall be prohibited. Except for investments tied to market indexes or other nonnuclear sector mutual funds, investments in any entity owning one or more nuclear power plants are prohibited.

(5) The decommissioning trust agreement must provide that no disbursements or payments from the trust shall be made by the trustee until the trustee has first given the NRC 30 days' prior written notice of payment. The decommissioning trust agreement shall further contain a provision that no disbursements or payments from the trust shall be made if the trustee receives prior written notice of objection from the Director, Office of Nuclear Reactor Regulation.

(6) The decommissioning trust agreement must provide that the agreement cannot be amended in any material respect without 30 days' prior written notification to the Director, Office of Nuclear Reactor Regulation.

(7) The appropriate section of the trust agreement shall state that the trustee, investment advisor, or anyone else directing the investments made in the trust shall adhere to a ''prudent investor'' standard, as specified in 18 CFR 35.32(a)(3) of the Federal Energy Regulatory Commission's regulations.

(8) AmerGen Vermont shall take all necessary steps to ensure that the decommissioning trust is maintained in accordance with the application for approval of the transfer of the Vermont Yankee license to it, the requirements of this Order approving the transfer, and the safety evaluation supporting this Order.

(9) The AmerGen Vermont Limited Liability Company Agreement dated January 1, 2000, and any subsequent amendments thereto as of the date of this Order, may not be modified in any material respect concerning decision-making authority over ''safety issues'' as defined therein without the prior written consent of the Director, Office of Nuclear Reactor Regulation.

(10) At least half of the members of the Management Committee of AmerGen Vermont shall be appointed by a non-foreign member group of AmerGen, all of which appointees shall be U.S. citizens.

(11) The Chief Executive Officer (CEO), Chief Nuclear Officer (if someone other than the CEO), and Chairman of the Management Committee of AmerGen Vermont shall be U.S. citizens. These individuals shall have the responsibility and exclusive authority to ensure, and shall ensure, that the business and activities of AmerGen Vermont with respect to the Vermont Yankee operating license are at all times conducted in a manner consistent with the protection of the public health and safety and the common defense and security of the United States.

(12) AmerGen Vermont shall cause to be transmitted to the Director, Office of Nuclear Reactor Regulation, within 30 days of filing with the U.S. Securities and Exchange Commission, any Schedules 13D or 13G filed pursuant to the Securities Exchange Act of 1934 that disclose beneficial ownership of any registered class of stock of PECO or of any affiliate, successor, or assignee of

PECO to which PECO's ownership interest in AmerGen may be subsequently assigned with the prior written consent of the NRC, [or of the parent or owner of such affiliate, successor, or assignee, whichever entity is the issuer of such stock.]

(13) Before the completion of the sale and transfer of Vermont Yankee to it, AmerGen Vermont shall provide the Director, Office of Nuclear Reactor Regulation, satisfactory documentary evidence that AmerGen Vermont has obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations.

(14) After receipt of all required regulatory approvals of the transfer of Vermont Yankee, AmerGen Vermont and VYNPC shall inform the Director, Office of Nuclear Reactor Regulation, in writing of such receipt within 5 business days, and of the closing date of the sale and transfer of Vermont Yankee no later than 7 business days prior to the date of closing. If the transfer of the license is not completed by July 1, 2001, this Order shall become null and void, provided, however, on written application and for good cause shown, this date may, in writing, be extended.

It Is Further Ordered that, consistent with 10 CFR 2.1315(b), a license amendment that makes changes, as indicated in Enclosure 2 to the cover letter forwarding this Order, to conform the license to reflect the subject license transfer is approved. The amendment shall be issued and made effective at the time the proposed license transfer is completed.

This Order is effective upon issuance.

For further details with respect to this order, see the initial application dated January 6, 2000, supplemental letters dated January 13, February 18, March 13, March 30, and April 6, 2000, and the safety evaluation dated July 7, 2000, which are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and accessible electronically through the ADAMS Public Electronic Reading Room link at the NRC Web site (http://www.nrc.gov).

Dated at Rockville, Maryland, this 7th day of July 2000.

For the Nuclear Regulatory Commission.

Roy P. Zimmerman,

Acting Director, Office of Nuclear Reactor Regulation.

[FR Doc. 00–18115 Filed 7–17–00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–43024; File No. SR–AMEX–00–35]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange LLC Relating to Index Fund Shares (Amex Rules 1000A and 127)

July 12, 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 June 30, 2000, the American Stock Exchange Inc. (''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 Exchange. 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

The Exchange proposes to add Commentary .04 to Amex Rule 1000A (Index Fund Shares) regarding hours of trading for iShares Index Funds and iShares MSCI Index Funds; and to amend Commentary .02 to Amex Rule 127 (Minimum Fractional Changes), relating to these securities. Below is the text of the proposed rule change: New language is *italicized,* and deletions are bracketed.

Index Fund Shares
Rule 1000A
* * * Commentary

[.02] *.04* Transactions in [series of the] iShares SM *Index Funds* of the iShares Trust may be effected until 4:15 p.m. (*New York Time*) each business day. *Transactions in iShares MSCI Index Funds* (formerly ''WEBS Index Series'') of iShares, Inc. may be effected until 4:00 p.m. (*New York Time*).

* * * * *

Minimum Fractional Changes
Rule 127
* * * Commentary

.02 The minimum fractional change for dealings in Index Fund Shares listed under Rule 1000A et seq. shall be 1/16 of $1.00. However, the minimum fractional change for dealings in Select Sector SPDRs SM, Technology 100 Index Fund Shares and [series of] *iShares*SM *Index Funds* of the Shares SM Trust shall be 1/64 of $1.00. *Transactions in iShares MSCI Index Funds (formerly WEBS Index Series) of iShares, Inc. shall be 1/16 of $1.00.*

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

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 Exchange 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 Exchange 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

In File No. SR–Amex–99–49,[3] the Commission approved Commentary .02 to Amex Rule 1000A, which provided that transactions in series of the iShares Trust may be effected until 4:15 p.m. each business day. The Exchange is renumbering this Commentary .02 to Commentary .04 to eliminate conflict with Commentary .02 to Amex Rule 1000A, approved by the Commission in SR–Amex–00–14 relating to generic listing criteria for Index Fund Shares.[4] The Exchange is further amending new Commentary .04 to distinguish between: (1) iShares MSCI Index Funds, (formerly WEBS Index Series), and (2) iShares Index Funds of the iShares Trust. As of May 15, 2000, WEBS Index Series have been renamed iShares MSCI Index Funds and WEBS Index Fund, Inc. has been renamed iShares, Inc. iShares MSCI Index Funds trade until 4:00 p.m. (New York time). However, iShares Index Funds of the iShares Trust, which do not include iShares MSCI Index Funds, trade until 4:15 p.m. (New York time). Commentary .04 to Amex rule 1000A states the different trading hours for these securities.

In File No. SR–Amex–99–49, the Commission also approved an amendment to Commentary .02 to Amex Rule 127 (Minimum Fractional Changes), to provide that trading in series of the iShares Trust will be in increments of 1/64 [5] Commentary .02 is amended to refer to these securities as ''ishares SM Index Funds of the iShares Trust.'' MSCI Index Funds trade in 1/16's, the same trading increment as the former WEBS Index Series. The

[3] *See* Securities Exchange Act Release No. 42786 (May 15, 2000), 65 FR 33586 (May 24, 2000).

[4] *See* Securities Exchange Act Release No. 42786 (May 15, 2000), 65 FR 33598 (May 24, 2000).

[5] *See supra* note 3.