substantially all of their income from these activities.

In addition, NiSource requests approval for Rule 58 Subsidiaries to invest, directly or indirectly through other subsidiaries, in natural gas pipelines or storage facilities located outside the United States. Investments in these entities would also count against the $300 million investment limitation. NiSource requests that the Commission reserve jurisdiction over (1) the proposed exploration and production activities in foreign countries other than Canada pending completion of the record; and (2) investments in pipeline and storage facilities outside the United States pending completion of the record.

O. Payment of Dividends

1. *NiSource, Columbia and the Utility Subsidiaries.* Applicants state that before or shortly after the Merger, certain non-core assets or businesses of Columbia would be sold. In that event, the Applicants request authority for Columbia to transfer the net proceeds of the sale or sales to NiSource, either by paying a dividend or by repurchasing shares of its Common Stock that are held by NiSource. NiSource intends to use some or all of the proceeds of these non-core asset sales to repay Acquisition Debt.

2. *Nonutility Subsidiaries.* Applicants state that there may be situations in which one or more Nonutility Subsidiaries would have unrestricted cash available for distribution in excess of current and retained earnings. Accordingly, Applicants propose that the Nonutility Subsidiaries be permitted to pay dividends from time to time through the Authorization Period, out of capital and unearned surplus (including any revaluation reserve), to the extent permitted under applicable corporate law.

P. Tax Allocation Agreement

NiSource requests that the Commission approve the tax allocation agreement (''Tax Allocation Agreement'') among NiSource and its Subsidiaries to allocate consolidate income tax liabilities in a manner other than permitted by rule 45(c). Applicants state that approval is necessary because the proposed Tax Allocation Agreement provides for the retention by NiSource of certain payments from the Subsidiaries for tax losses that NiSource will incur due to interest expense it would pay on the Acquisition Debt, rather than the allocation of those losses to Subsidiaries without payment, as rule 45(c)(5) would otherwise require. Applicants requests that the Commission reserve jurisdiction over the Tax Allocation Agreement pending completion of the record.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00–25332 Filed 10–2–00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–43347; File No. SR–OPRA–00–08]

Options Price Reporting Authority; Notice of Filing of a Proposal To Amend the Options Price Reporting Authority Plan To Establish Standards for Determining a Participation Fee

September 26, 2000.

Pursuant to Rule 11Aa3–2 under the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on September 12, 2000, the Options Price Reporting Authority (''OPRA'') [2] submitted to the Securities and Exchange Commission (''SEC'' or ''Commission'') an amendment to the Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information (''Plan''). The proposed Plan amendment would incorporate in the Plan factors to be considered by OPRA in determining the amount of the participating fee described in the current Plan as payable by each new party to the Plan.

I. Description and Purpose of the Amendment

The Plan currently provides that any national securities exchange or registered securities association whose rules governing the trading of standardized options have been approved by the Commission may become a party to the Plan, provided it agrees to conform to the terms and conditions of the Plan and pays a participation fee to OPRA. The Plan does not establish the amount of the participation fee, but instead, states that the amount of the fee will be determined by OPRA in connection with each new application for participation, based upon standards incorporated in the Plan.[3] This approach provides sufficient flexibility to permit the determination of the fee to take into account the unique circumstances of each new application while, at the same time, assuring that the amount of the fee is based upon a set of established standards, thus enabling the fee to be administered in a fair and consistent manner. Under this structure, the amount of the participation fee will be determined in discussions with each applicant in light of the standards embodied in the Plan, under the general oversight of the Commission. This is the same general approach that is reflected in the Plans of other registered securities information processors, such as the Consolidated Tape Association and the Consolidated Quotation System.[4]

Although the Plan currently provides for a participation fee to be determined in the manner described above, it does not reflect the specific standards to be applied in determining the amount of the fee. Instead, the Plan contemplates that these standards will be incorporated in the Plan by means of a Plan amendment to be filed with and approved by the Commission prior to the determination of the participation fee to be paid by the International Securities Exchange, LLC (''ISE''), which at present is the only party to the Plan to which a fee based upon these standards will apply. This filing proposes to amend the Plan for the purpose of incorporating these standards in the Plan. As the Plan provides, ISE, as the only party subject to a participation fee to be determined on the basis of the standards now proposed, did not vote on the adoption of these standards, but it did participate in the discussion of the proposed standards.don

The purpose of the participation fee is to require each new party to the Plan to pay a fair share of the costs previously paid by the other parties for the development, expansion, and maintenance of the OPRA system. Consistent with this purpose, the standards now proposed to be embodied in the Plan for the determination of the participation fee are for the most part

[1] 17 CFR 240.11Aa3–2.

[2] OPRA is a National Market System Plan approved by the Commission pursuant to Section 11A of the Act and Rule 11Aa3–2 thereunder. *See* Securities Exchange Act Release No. 17638 (March 18, 1981).

The Plan provides for the collection and dissemination of last sale and quotation information on options that are traded on the member exchanges. The six exchanges that are participants to the Plan are the American Stock Exchange, the Chicago Board Options Exchange, the International Securities Exchange, the New York Stock Exchange, the Pacific Exchange, and the Philadelphia Stock Exchange.

[3] *See* Securities Exchange Act Release No. 42817 (May 24, 2000), 65 FR 35149 (June 1, 2000) (SR–OPRA–99–01).

[4] *See* Section III(c) of the Second Restatement of the CTA Plan as restated December 1995, and Section III(c) of the Restatement of the CQ Plan as restated December 1995.

concerned with these categories of costs. Because OPRA, as an administrative committee of exchanges, does not account for any assets of its own, it does not capitalize any of its costs but instead, simply passes them on to the exchanges. However, OPRA believes that the concept of capitalized costs is an appropriate factor to be taken into account in determining what should be a proper participation fee. Accordingly, the first factor proposed to be included in the Plan for this purpose is to consider what would have been amortized as OPRA's capital expenditures over the past five years if OPRA were subject to generally accepted accounting principles. OPRA believes that five years is an appropriate time frame for this purpose not only because it represents a reasonable life for the kinds of computer hardware and software assets that make up the OPRA system, but also because it is a short enough period to provide a reasonable basis for determining how much of OPRA's past expenses should be shared by a new party.

The next factor proposed to be considered is an assessment of costs incurred and to be incurred by OPRA in connection with any modifications to the OPRA system necessary to accommodate the new party, unless these costs have otherwise been paid or reimbursed by the new party. This, too, is a cost-based factor, and reflects that it is appropriate for a new party to pay the costs uniquely associated with its becoming a party.

Finally, OPRA proposes that the determination of the participation fee would also take into account previous fees paid by other new parties. Of course, the closer in time any such prior fees were paid and the greater the similarity of the circumstances between the participation of the other parties and the party that is to pay the participation fee under consideration, the greater will be the weight given to this factor, in the interest of fairness and consistency.

Although the participation fee to be paid by ISE will not be payable unless and until specific standards for determining the fee have been approved by the Commission, ISE and the other parties have had discussions concerning what would be the amount of the fee if the standards proposed in this amendment were approved, and they have reached agreement on both the amount of the fee and the terms of payment.

II. Implementation of the Plan Amendment

OPRA intends to make the proposed amendment to the Plan reflected in this filing effective immediately upon the approval of the amendment by the Commission pursuant to Rule 11Aa3–2 under the Act.[5]

III. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed Plan amendment is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549–0609. Copies of the submission, all subsequent amendments, and all written statements with respect to the proposed Plan amendment that are filed with the Commission, and all written communications relating to the proposed Plan amendment between the Commission and any person, other than those withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of the filing also will be available at the principal offices of OPRA. All submissions should refer to File No. SR–OPRA–00–08 and should be submitted by October 24, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[6]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00–25294 Filed 10–2–00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–43346; File No. SR–NASD–00–33]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment No. 1 by the National Association of Securities Dealers, Inc. to Amend NASD Rule 3340 to Prohibit Publication of Quotations or Indications of Interest in a Security During a Trading Halt

September 26, 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 7, 2000, the National Association of Securities Dealers, Inc. (''NASD'' or ''Association''), through its wholly owned subsidiary, NASD Regulation, Inc. (''NASD Regulation''), filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by NASD Regulation. On August 2, 2000, NASD Regulation amended the proposal.[3] The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

NASD Regulation proposes to amend NASD Rule 3340 to prohibit the publication by members of quotations or indications of interest for a security during a trading halt. The text of the proposed rule change is below. Proposed new language is in italics. Proposed deletions are in brackets.

3340. Prohibition on Transactions, Publication of Quotations, or Publication of Indications of Interest During Trading Halts

No member or person associated with a member shall, directly or indirectly, effect any transaction *or publish a quotation, a priced bid and/or offer, an unpriced indication of interest (including ''bid wanted'' and ''offer wanted'' and name only indications), or a bid or offer, accompanied by a modifier to reflect unsolicited customer interest,* in [a] *any* security as to which a trading halt is currently in effect.

* * * * *

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

In its filing with the Commission, NASD Regulation 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. NASD Regulation has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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[5] 17 CFR 240.11Aa3–2.

[6] 17 CFR 200.30–3(a)(29).

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

[2] 17 CFR 240.19b–4.

[3] *See* August 2, 2000 letter from Kathleen A. O'Mara, Assistant General Counsel, NASD Regulation to Katherine A. England, Assistant Director, Division of Market Regulation, SEC (''Amendment No. 1''). Amendment No. 1 broadened the scope of the proposed rule change.