Hagerstown, Maryland 21740; and Allegheny Energy Service Corporation, (''AESC''), a direct service company subsidiary of Allegheny, 800 Cabin Hill Drive, Greensburg, Pennsylvania 15601 (collectively ''Applicants'') have filed a post-effective amendment under sections 6, 7, 9(a)(1), 10, 12(d), 12(f) and 13 of the Act, and rules 45, 53 and 54 under the Act to their application-declaration originally filed under sections 6(a), 7, 9(a), 10 and 12(b) of the Act and rules 43, 45, 53 and 54 under the Act (''Application'').

By orders dated January 29, 1992 (HCAR No. 25462), February 28, 1992 (HCAR No. 25481), July 14, 1992 (HCAR No. 25581), November 5, 1993 (HCAR No. 25919), November 28, 1995 (HCAR No. 26418), April 18, 1996 (HCAR No. 26505), December 23, 1997 (HCAR No. 26804), May 19, 1999 (HCAR No. 27030), October 8, 1999 (HCAR No.27084), and December 17, 2001 (HCAR No. 27475) (''Prior Orders''), the Commission authorized, among other things, Allegheny, Monongahela, Potomac Edison, West Penn, AGC and AESC to establish and participate in a system money pool (''Money Pool'') and to issue short-term debt in the form of notes payable to banks (''Notes'') and commercial paper (''Commercial Paper''). The Prior Orders provide that Notes have a maturity of not more than 270 days after the date of issuance or renewal.

In this post-effective amendment, Applicants seek authorization, through December 31, 2005, for Mountaineer Gas to participate in the Money Pool and to expand the term for Notes issued in this file from 270 days to 364 days. Applicants are not seeking any other changes to the Money Pool agreement previously approved.

Applicants seek authority to add Mountaineer Gas to the Money Pool as a borrower and a lender, subject to the terms and conditions of the Money Pool agreement authorized in the Prior Orders. Applicants state Mountaineer Gas, like Monongahela, Potomac Edison, and West Penn, will use the proceeds of the borrowings from the Money Pool to operate its business as a natural gas utility, including the financing of construction and property acquisitions. Mountaineer's authority to issue short-term debt is limited to an aggregate amount not to exceed $100 million,[3] which limit will apply to any borrowings from the Money Pool.

Applicants also seek to modify the Prior Orders to conform the Notes maturity to the general short-term debt maturity of 364 days.[4] Applicants state the modification will allow Applicants to obtain bank financing consistent with the terms and documentation typically required by lending institutions, providing Applicants more ready access to bank financing or competitive rates and terms.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–46539; File No. SR–CBOE–2002–30]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Incorporated Amending Rule 8.85(a)(xi) and Rule 17.50 To Require Members To Use and Maintain CBOE's AutoQuote System as a Back-Up Quoting System

September 24, 2002.

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 11, 2002 the Chicago Board Options Exchange, Incorporated (''CBOE'' 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. On September 3, 2002 the Exchange filed Amendment No. 1 to the proposed rule change.[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

The proposed rule change consists of amendments to CBOE Rules 8.85(a)(xi) and Rule 17.50 to require members to use and maintain CBOE's AutoQuote System as a back-up quoting system. The text of the proposed rule change and Amendment No. 1 are available at the Exchange and at the Commission.

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

The Exchange seeks to adopt new Rule 8.85(a)(xi) which would state that, with respect to a Designated Primary Market-Maker (''DPM'') trading station utilizing a proprietary autoquote system, such DPM is obligated to assure that the CBOE AutoQuote system is maintained as a back-up at all times during market hours. The Exchange also proposes to add subparagraph (g)(10) to CBOE Rule 17.50—Imposition of Fines for Minor Rule Violations, to incorporate in its Minor Rule Violation Plan (''Plan'') violations of new Rule 8.85(a)(xi).

The CBOE AutoQuote system is provided by CBOE for use by its members and is available at every post on CBOE's options trading floor. It is available to assist DPMs and/or market makers (for trading crowds not operating under the DPM system) in automatically updating market quotations for the multitude of options series traded at any given trading station. The parameters of the AutoQuote system can be customized by CBOE traders in several areas including volatility, dividend, and what is used to represent the price of the underlying. To that end, CBOE Rule 8.85(a)(x) requires DPMs to determine a formula for generating automatically updated market quotations.

both direct wholly owned public utility subsidiaries of Allegheny.

[3] HCAR 35–27210 (August 14, 2000) in SEC File No. 70–9625.

[4] Allegheny was authorized in SEC File No. 70–9897 (HCAR 27486, December 31, 2001) to issue short-term debt with a general maturity of not more than 364 days. Allegheny was specifically authorized to issue Notes and Commercial Paper with a maturity of not more that 270 days after the date of issuance or renewal. The Notes maturity was later extended to 364 days in HCAR 27521 (April 17, 2002).

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

[2] 17 CFR 240.19b–4.

[3] *See* letter from Angelou Evangelou, Senior Attorney, CBOE, to Katherine England, Assistant Director, Division of Market Regulation, Commission, dated August 30, 2002.

While many DPMs utilize CBOE's AutoQuote system, some DPMs have opted to use non-CBOE proprietary automated quotation updating systems. CBOE has allowed members to employ proprietary autoquote systems provided such systems are approved by the Exchange's appropriate Floor Procedure Committee. The failure of a proprietary autoquote system could result in CBOE's inability to open for an entire group of listed option classes for a brief or sometimes lengthy time period. Thus, CBOE has strongly encouraged, and now seeks to require, that members have CBOE's AutoQuote system ready as a back-up should a proprietary system fail. CBOE believes failure to comply with the proposed requirement should be subject to sanction under the Exchange's Plan on a trading station by trading station basis.

Determining a violation would be objective in nature and very suitable for inclusion in the Plan. Still, because a DPM could be in violation for one minute or four hours, violations can vary greatly in terms of the impact on CBOE's marketplace. Therefore, the Exchange believes it is appropriate to allow for summary fines under the plan that could range from $100 to $2500 for first time violations and from $100 to $5000 (the minimum and maximum allowable under the Plan) for a limited number of subsequent violations. For egregious violations, including those that severely impact the trading of option classes on CBOE for an extended period of time, the Modified Trading System Appointments Committee (the committee charged with DPM supervision) would have the discretion to refer the matter to the CBOE Business Conduct Committee instead of handling the violation under the Plan. Further, in no event would more than three violations by the same DPM in any twelve-month period be handled under the Plan. CBOE floor officials would be responsible for issuing summary fines under the proposed rule. Lastly, because different trading stations operated by the same DPM organization can operate and maintain autoquote systems differently, the Exchange believes it is appropriate for the summary fines to be handled on a trading station by trading station basis.

2. Statutory Basis

Because the proposed rule change will refine and enhance the Exchange's Minor Rule Violation Plan to make it more efficient and effective, the proposed rule change is consistent with section 6(b) of the Act,[4] in general, and furthers the objectives of Sections 6(b)(5)[5] and 6(b)(7)[6] in particular, in that it is designed to promote just and equitable principles of trade, to protect investors and the public interest, and enhances the effectiveness and fairness of the Exchange's disciplinary procedures.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

A. By order approve the proposed rule change, or

B. Institute proceedings to determine whether the proposed rule change and Amendment No. 1 should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change, as amended, 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, all written statements with respect to the proposed rule change and Amendment No. 1 that are filed with the Commission, and all written communications relating to the proposed rule change and Amendment No. 1 between the Commission and any person, other than those that may be 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 such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR–CBOE–2002–30 and should be submitted by October 24, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[7]

Margaret H. McFarland,

Deputy Secretary.

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[4] 15 U.S.C. 78(f).

[5] 15 U.S.C. 78f(b)(5).

[6] 15 U.S.C. 78(f)(b)(7).

[7] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–46562; File No. SR–NASD–2002–126]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by National Association of Securities Dealers, Inc. To Require Industry Parties in Arbitration To Waive Application of Contested California Arbitrator Disclosure Standards, Upon the Request of Customers and Associated Persons With Claims of Statutory Employment Discrimination, for a Six-Month Pilot Period

September 26, 2002.

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 September 23, 2002, the National Association of Securities Dealers, Inc. (''NASD'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I and II, below, which Items have been prepared by NASD. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. For the reasons described below, the Commission is granting accelerated approval to the proposed rule change.

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

NASD is proposing to amend IM–10100 to require industry parties in arbitration to waive application of contested California arbitrator disclosure standards, upon the request

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

[2] 17 CFR 240.19b–4.