

*Tennessee Valley Authority, Docket No. 50-260, Browns Ferry Nuclear Plant, Unit 2, Limestone County, Alabama*

*Date of amendment request:* April 26, 2005, as supplemented on April 29 and on May 3, 2005.

*Description of amendment request:* Revises the Completion Time for the Action associated with an inoperable low pressure Emergency Core Cooling System injection/spray system to 14 days on a one-time basis.

*Date of issuance:* May 9, 2005.

*Effective date:* As of date of issuance and shall be implemented within 7 days.

*Amendment No.:* 294.

*Facility Operating License No. DPR-52:* Amendment revises the Technical Specifications.

*Public comments requested as to proposed no significant hazards consideration (NSHC):* No.

The Commission's related evaluation of the amendment, finding of emergency circumstances, and final determination of NSHC determination are contained in a Safety Evaluation dated May 9, 2005.

*Attorney for licensee:* General Counsel, Tennessee Valley Authority, 400 West Summit Hill Drive, ET 11A, Knoxville, Tennessee 37902.

*NRC Section Chief:* Michael L. Marshall, Jr.

Dated in Rockville, Maryland, this 27th day of May 2005.

For the Nuclear Regulatory Commission.

**Ledyard B. Marsh,**

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

[FR Doc. E5-2848 Filed 6-6-05; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27978]

### Notice of Proposal To Amend Articles of Incorporation; Order Authorizing the Solicitation of Proxies

June 1, 2005.

Notice is hereby given that the following filing has been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the declaration for complete statements of the proposed transactions summarized below. The declaration and any amendments are available for public inspection through the Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the

declaration should submit their views in writing by June 24, 2005 to the Secretary, Securities and Exchange Commission, Washington DC 20549-0609 and serve a copy on the declarant at the address 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 specifically identify the issues of facts or law that are disputed. A person who so desires will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in this matter. After June 24, 2005, the declaration, as filed or amended, may be granted or permitted to become effective.

#### Exelon Corporation (70-10291)

Exelon Corporation ("Exelon"), 10 South Dearborn Street, 37th Floor, Chicago, Illinois, 60603, a registered holding company, has filed a declaration, as amended ("Declaration") under sections 6(a), 7 and 12(e) of the Public Utility Holding Company Act of 1935 as amended ("Act"), and rules 54 and 62 under the Act.

Exelon seeks authority to amend its Amended and Restated Articles of Incorporation to increase the amount of the Exelon's authorized capital stock and authority to solicit the proxies of the holders of common stock of Exelon.

On December 20, 2004, Exelon and Public Service Enterprise Group Incorporated ("PSEG"), an electric and gas utility holding company that claims exemption from registration pursuant to rule 2 under section 3(a)(1) of the Act, entered into an Agreement and Plan of Merger ("Merger Agreement").<sup>1</sup> Under the terms of the Merger Agreement, PSEG would merge into Exelon ("Merger"), thereby ending the separate corporate existence of PSEG. Each PSEG shareholder will be entitled to receive 1.225 shares of Exelon common stock for each PSEG share held and cash in lieu of any fraction of an Exelon share that a PSEG shareholder would have otherwise been entitled to receive. Exelon common stock will be unaffected by the Merger, with each issued and outstanding share remaining outstanding following the Merger as a share in the surviving company. Upon completion of the Merger, Exelon will change its name to Exelon Electric & Gas Corporation ("Exelon").

As the surviving company in the Merger, Exelon will remain the ultimate

corporate parent of Commonwealth Edison Company ("ComEd"), PECO Energy Company ("PECO"), Exelon Generation Company, LLC ("Exelon Generation") and the other Exelon subsidiaries, and become the ultimate corporate parent of Public Service Electric and Gas Company ("PSE&G"), a public utility company under the Act, and the other PSEG subsidiaries.

Exelon will continue to be a registered public utility holding company under the Act, and ComEd, PECO and PSE&G will continue to be operating franchised public utility companies. Exelon will remain headquartered in Chicago, but will also have energy trading and nuclear headquarters in southeastern Pennsylvania and generation headquarters in Newark, New Jersey. PSE&G will remain headquartered in Newark. PECO will remain headquartered in Philadelphia and ComEd will remain headquartered in Chicago.

Under the terms of the Merger Agreement, Exelon and PSEG have agreed to convene meetings of their respective shareholders for the purpose of obtaining required stockholder approvals relating to the Merger. Exelon will seek to obtain the affirmative vote of a majority of votes cast by holders of the outstanding shares of the common stock of Exelon ("Exelon Shares") represented at the Exelon shareholders meeting ("Exelon Shareholders Meeting") (provided that at least a majority of the Exelon Shares are represented in person or by proxy at such meeting). Exelon is seeking authority to solicit proxies with respect to proposals for Exelon shareholders to approve the issuance of shares of Exelon common stock as contemplated by the Merger Agreement, and an amendment to Exelon's Amended and Restated Articles of Incorporation to increase the number of authorized shares of Exelon common stock from 1,200,000,000 to 2,000,000,000. In addition, Exelon's shareholders will be asked to vote on the election of five directors to Exelon's Board of Directors, the ratification of the Company's independent accountants for 2005, and the approval of the Exelon 2006 Long-Term Incentive Plan and the Exelon Employee Stock Purchase Plan for Unincorporated Subsidiaries.

Exelon further asks the Commission to issue an order authorizing Exelon to amend its Amended and Restated Articles of Incorporation to increase the number of authorized shares of Exelon common stock from 1,200,000,000 to 2,000,000,000.

Fees and expenses in the estimated amount of \$2,140,750.00 are expected by Exelon to be incurred in connection

<sup>1</sup> The Merger is subject to a number of conditions, including the approval of the Commission under the Act and other regulatory approvals. On March 15, 2005 Exelon filed an application with this Commission seeking approval of the Merger and related transactions. SEC File No. 70-10294.

with the proposed transactions (including costs associated with the solicitation of proxies). Exelon states that no state or federal commission, other than this Commission, has jurisdiction over the transactions proposed in the Application.

Exelon has filed its proxy solicitation materials and requests that its proposal to solicit proxies be permitted to become effective immediately, as provided in rule 62(d) under the Act. It appears to the Commission that the Declaration, with respect to the proposed solicitation of proxies, should be permitted to become effective immediately under rule 62(d).

*It is ordered*, under rule 62 under the Act, that the Declaration regarding the proposed solicitation of proxies be, and it hereby is, permitted to become effective immediately, subject to the terms and conditions contained in rule 24 under the Act.

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

**Margaret H. McFarland,**  
*Deputy Secretary.*

[FR Doc. E5-2898 Filed 6-6-05; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-51770; File No. SR-Amex-2005-040]

### Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change and Amendment Nos. 1 and 2 to Extend Until June 5, 2006, a Pilot Program for Listing Options on Selected Stocks Trading Below \$20 at One-Point Intervals

May 31, 2005.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 14, 2005, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Amex. The Amex filed Amendment Nos. 1 and 2 to the proposal on May 10, 2005, and May 18, 2005, respectively.<sup>3</sup> The Amex filed the

proposal, as amended, pursuant to Section 19(b)(3)(A) of the Act,<sup>4</sup> and Rule 19b-4(f)(6) thereunder,<sup>5</sup> which renders the proposal effective upon the filing with the Commission of Amendment No. 2 to the proposal.<sup>6</sup> 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 Amex proposes to amend Commentary .05 to Amex Rule 903, "Series of Options Open for Trading," to extend until June 5, 2006, its pilot program for listing options series on selected stocks trading below \$20 at one-point intervals ("Pilot Program"). The text of the proposed rule change is available on the Amex's Web site (<http://www.amex.com>), at the Amex's principal office, and at the Commission's Public Reference Room.

#### 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 Amex 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 Amex 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 Pilot Program was established in June 2003,<sup>7</sup> with a one-year extension through June 5, 2005, granted by the

change it from a filing made pursuant to Section 19(b)(2) of the Act to a filing made pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder. In addition, Amendment No. 2 requests a one-year extension of the \$1 strikes pilot program, through June 5, 2006, rather than permanent approval of the pilot.

<sup>1</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>2</sup> 17 CFR 240.19b-4(f)(6).

<sup>3</sup> As noted above, Amendment No. 2 changed the proposal from a filing made pursuant to Section 19(b)(2) of the Act to a filing made pursuant to Section 19(b)(3)(A) of the Act. The Amex has asked the Commission to waive the five-day pre-filing notice requirement and the 30-day operative delay. See Rule 19b-4(f)(6)(iii), 17 CFR 240.19b-4(f)(6)(iii).

<sup>4</sup> See Securities Exchange Act Release No. 48024 (June 12, 2003), 68 FR 36617 (June 18, 2003) (order approving File No. SR-Amex-2003-36) ("Pilot Approval Order").

Commission in June 2004.<sup>8</sup> The Amex believes that the Pilot Program has operated as designed, providing investors with greater flexibility in achieving their investment strategies in connection with stocks trading below \$20. Accordingly, the Amex believes that a one-year extension, through June 5, 2006, is reasonable and consistent with the intent of the Pilot Program.

The Pilot Program permits the Exchange to select a total of five individual stocks on which options series may be listed at \$1 strike price intervals. To be eligible for the Pilot Program, an underlying stock must close below \$20 on its primary market on the previous trading day. If selected, the Exchange may list \$1 strike prices at \$1 intervals from \$3 to \$20, consistent with the terms of the Pilot Program. Under the Pilot Program, a \$1 strike price may not be listed that is greater than \$5 from the underlying stock's closing price on its primary market on the previous day. The Exchange may also list \$1 strikes on any other options class designated by another options exchange that employs a similar pilot program approved by the Commission.

The Pilot Program prohibits the Exchange from listing \$1 strikes on any series of individual equity options classes that have greater than nine months until expiration. In addition, the Exchange is restricted from listing any series that would result in strike prices being \$0.50 apart.

To date, the Exchange believes that the Pilot Program has been beneficial to investors and the options market by providing investors with greater flexibility in the trading of equity options that overlie stocks trading below \$20. In this manner, options investors are able to better tailor their strategies through the availability of \$1 strikes. The Pilot Program Report, attached as Exhibit 3, provides data regarding the Pilot Program as required in the Pilot Program Extension Notice.<sup>9</sup> The Amex notes that, as the data indicates, the \$1 strikes exhibited higher volume and open interest than the "standard" strike price intervals. Specifically, the five options classes selected by the Amex for \$1 strikes had a trading volume of 595,836 contracts, while the "standard" strikes for the same options classes had a trading volume of 342,553 contracts. Of even greater significance is the difference in open interest between the \$1 strikes and "standard" strikes. As of

<sup>8</sup> See Securities Exchange Act Release No. 49813 (June 4, 2004), 69 FR 33088 (June 14, 2004) (notice of filing and immediate effectiveness of File No. SR-Amex-2004-45) ("Pilot Program Extension Notice").

<sup>9</sup> See note 8, *supra*.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Amendment No. 2 replaced and superseded the original filing and Amendment No. 1 in their entirety. Amendment No. 2 revises the proposal to