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GREEN MOUNTAIN POWER

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Christopher L. Dutton
President and Chief Executive Officer

March 15, 2004

The Honorable William H. Donaldson, Chairman
Securities and Exchange Commission
450 Fifth Street N.W.
Washington DC 20549

Dear Mr. Donaldson:

On behalf of a company listed on the New York Stock Exchange, I am writing to express my concern regarding an SEC proposal that I believe would substantially weaken an important element of investor protection.

The trade-through or "best price" rule provides investors assurance they will receive the best price when buying and selling shares of NYSE-listed companies. This principle has served our markets well for several decades now. It ensures that orders, whether large or small, compete on the same basis – price. The vibrancy of our securities markets derives largely from the liquidity that price competition creates. To the degree that investors are willing to offer better prices their orders should not be ignored. This is particularly important for shareholders of small companies like Green Mountain Power Corporation, where the differences in price between exchanges could be significant.

The SEC has proposed allowing institutions to "opt out" of this rule, which means that institutions would have the right to execute at something other than the best price on behalf of their ultimate investors. Professional traders would be encouraged to internalize customer order flow. Taking liquidity out of the market will raise trading costs, widen quoted spreads, and increase volatility. Providing institutions an "opt out" exception creates a regulatory endorsement for the position that price does not matter even when speed and anonymity are relatively equal between markets. We think this is the wrong message to send, and the least sophisticated investors, including those investing in mutual funds, are at greatest risk.

With everything that has happened lately to shake investor confidence in the markets, I find it difficult to understand why Washington would want to weaken this important protection. Why should investors ever receive anything other than the best price possible?

I ask that you work to keep the best price provisions of the trade-through rule intact.

Sincerely,

Christopher L. Dutton

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