in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants request an order under sections 6(c) and 17(b) exempting them from section 17(a), and pursuant to section 17(d) and rule 17d–1, to permit the Proposed Transfers of CIF assets.

5. Applicants believe that the terms of the Proposed Transfers will be reasonable and fair to all of the Plans and to the shareholders of the Funds, do not involve overreaching on the part of any person, and will be consistent with the provisions, policies, and purposes of the Act. The Proposed Transfers will comply with rule 17a–7 under the Act in most respects, and also will comply with the policy behind the conditions set forth in rule 17a–8. Rule 17a–7 exempts certain purchase and sale transactions otherwise prohibited by section 17(a) if, among other requirements, the transactions are effected at an ''independent market price'' and the investment company's Board of Directors reviews the transactions for fairness. Rule 17a–8 exempts certain mergers and consolidations from section 17(a) if, among other requirements, the investment company's Board of Directors determines that the transactions are fair.

6. Applicants will comply with rules 17a–7 and a7a–8 to the extent possible, as stated in the conditions to the requested order. The investment objectives and policies of the Funds and CIFs will be substantially similar. Therefore, it will be consistent with the policies of the Funds to acquire securities that the Bank has previously purchased for the CIFs on the basis of substantially similar objectives and policies. Moreover, the Funds will have the opportunity to purchase the portfolio securities of the CIFs at the current market price and with lower transaction costs than would have been possible purchasing such securities in the open market.

Applicants' Conditions

Applicants agree that any order of the SEC granting the requested relief shall be subject to the following conditions:

1. The Proposed Transfers will comply with the terms of rule 17a–7(b) through (f).

2. The Proposed Transfers will not occur unless and until: (a) the Board of Directors of the Fund (including a majority of its disinterested directors) and the Committee or the Plans' second fiduciaries, as the case may be, find that the Proposed Transfers are in the best interests of the Fund and the Plans, respectively; and (b) the Board of Directors of the Fund (including a majority of its disinterested directors) finds that the interests of the existing shareholders of the Fund will not be diluted as a result of the Proposed Transfers. These determinations and the basis upon which they are made will be recorded fully in the records of the Fund and the Plans, respectively.

3. In order to comply with the policies underlying rule 17a–8, any conversion will have to be approved by a Fund's Board of Directors and any unaffiliated Plan's second fiduciaries who would be required to find that the interests of beneficial owners would not be diluted.

For the SEC, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–14749 Filed 6–15–95; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 35–26304]

Filings Under the Public Utility Holding Company Act of 1935, as Amended (''Act'')

June 9, 1995.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments thereto is/are available for public inspection through the Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by July 3, 1995, to the Secretary, Securities and Exchange Commission, Washington, DC 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) 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 shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

The Southern Company, et al. (70–8505)

The Southern Company (''Southern''), 64 Perimeter Center East, Atlanta, Georgia 30346, a registered holding company, and its nonutility subsidiary companies, Southern Electric International, Inc. (''Southern Electric'') and Mobile Energy Services Holdings, Inc. (''Mobile Energy''), each of 900 Ashwood Parkway, Suite 500, Atlanta, Georgia 30338 (collectively, ''Applicants'') have filed a post-effective amendment under sections 6(a), 7, 9(a), 10, 12(b), 12(c) and 12(d) of the Act and rules 43, 45, 46 and 54 thereunder.

By order dated December 13, 1994 (HCAR No. 26185) (''December 1994 Order''), Southern was authorized to organize and acquire all of the common stock of Mobile Energy.[1] The December 1994 Order also authorized Mobile Energy to acquire the energy and recovery complex (''Energy Complex'') at Scott Paper Company's (''Scott's) Mobile, Alabama paper and pulp mill.

At the acquisition closing, Mobile Energy purchased the Energy Complex from Scott and assumed Scott's obligations relating to $85 million outstanding principal amount of variable-rate solid waste revenue refunding bonds due 2019 (''Tax-Exempt Bonds'') issued by The Industrial Development Board of the City of Mobile, Alabama (''Board''). Southern funded the purchase price in part by making a $190 million interim loan as evidenced by Mobile Energy's promissory note (''Interim Note'').

Under the December 1994 Order, Mobile Energy was also authorized to enter into two separate interest rate swap agreements to hedge against adverse interest rate movements pending conversion or reissuance of the Tax-Exempt Bonds on a non-recourse basis[2] and the proposed sale of up to $230 million of senior secured non-recourse notes of Mobile Energy. On December 19, 1994, Mobile Energy entered into two separate interest rate hedging agreements with Barclays Bank PLC.

Applicants now propose to change the ownership structure of the Energy Complex and the financing and credit support proposals described in the December 1994 Order.

[1] On May 17, 1995, Mobile Energy Services Company, Inc. changed its corporate name to Mobile Energy Services Holdings, Inc. Mobile Energy and southern Electric have been added as applicants/declarants under this post-effective amendment.

[2] Under the December 1994 Order, Mobile Energy is authorized to enter into agreements with the Board pursuant to which the Board would issue a new series of fixed-rate Tax-Exempt Bonds, the proceeds of which would be applied to redeem the outstanding Tax-Exempt Bonds.

It is proposed that Mobile Energy and Southern Electric organize a new subsidiary of Mobile Energy to be named Mobile Energy Services Company, L.L.C. (''Project Company'') and that Mobile Energy transfer ownership of the Energy Complex and related assets to Project Company. In addition, it is proposed that Project Company assume all liabilities and obligations of Mobile Energy relating to the Energy Complex, including liabilities under the Interim Note and under agreements with the Board, Scott and S.D. Warren Company (''Mill Owners''), and other third parties.

It is also proposed that Mobile Energy declare and pay to Southern a dividend in the form of a 1% membership interest in Project Company, which Southern will contribute to Southern Electric, so that Mobile Energy will hold 99% and Southern Electric will hold 1% of Project Company's membership interests.

Applicants also propose that Project Company issue, and Mobile Energy guaranty, up to $240 million principal amount of first mortgage bonds (''First Mortgage Bonds'') plus such additional principal amount of First Mortgage Bonds as may be required to fund (from the net proceeds thereof) the cost, if any, of terminating the outstanding interest rate hedging agreements between Mobile Energy and Barclays Bank PLC. The net proceeds from the sale of the First Mortgage Bonds (after deduction of the underwriting commission), together with other available funds, will be used: (i) to repay the Interim Note ($190 million, exclusive of interest) and return to Southern approximately $4.5 million of paid-in capital; (ii) to pay to Southern electric approximately $10.5 million, representing amounts paid or incurred by Southern Electric as preliminary project development costs and as costs paid or incurred by Southern Electric under the Facility Operations and Maintenance Agreement between Southern Electric and Mobile Energy; (iii) to finance the balance of the costs of certain capital improvements (estimated at approximately $12.7 million) required under the terms of certain project agreements to be made to the Energy Complex; (iv) to pay certain development and start-up costs aggregating approximately $1.3 million; (v) to pay certain financing costs aggregating approximately $2 million; and (vi) to fund the termination payment, if any, under the two interest rate hedging agreements.

Applicants propose that Project Company issue the First Mortgage Bonds in one or more series on or before December 31, 1995. The First Mortgage Bonds will be issued pursuant to any indenture (''Indenture'') among Project Company, Mobile Energy, as guarantor, and First Union National Bank of Georgia, as trustee (''Trustee''). The bonds will have final maturities of from 10 to 22 years from financial closing and a weighted average life of from 12 to 15 years; will bear interest at a fixed rate to be determined on or before the date of financial closing that will not exceed the sum of the yield to maturity of an actively traded U.S. Treasury bond with a maturity equal to the weighted average life of the First Mortgage Bonds, plus 3-¾%; and may not provide for optional redemption prior to final maturity. Project Company's obligations under the First Mortgage Bonds will be unconditionally guaranteed by Mobile Energy.

It is stated that the First Mortgage Bonds will be sold to a group of underwriters to be led by Goldman, Sachs & Co. pursuant to an Underwriting Agreement and reoffered by such underwriters in part directly to the public and in part to certain securities dealers. It is anticipated that the First Mortgage Bonds will be rated ''investment grade'' by one or more of the nationally recognized independent rating agencies.

Applicants alternatively propose that the First Mortgage Bonds may be sold pursuant to a bond purchase agreement to one or more institutional purchasers in an offering that is intended to qualify for an exemption from registration under the Securities Act, or pursuant to an underwriting agreement with one or more underwriters for resale to qualified institutional buyers pursuant to rule 144A of the Securities Act. If the First Mortgage Bonds are not sold in a registered public offering, the terms of the bond purchase or underwriting agreement may include registration rights.

Applicants also propose that Project Company enter into agreements with the Board for the issuance of a new series of Tax-Exempt Bonds, subject to all other terms and conditions set forth in the December 1994 Order.

In addition, it is proposed that Project Company enter into a working capital facility (''Working Capital Facility'') with one or more commercial banks or other institutional lenders, pursuant to which Project Company may make borrowings from time to time through 2019 in an aggregate principal amount of up to $15 million at any time outstanding, as such amount may be escalated for inflation.

Borrowings under the Working Capital Facility generally will be used by Project Company to pay for operations and maintenance costs and other routine expenses incurred by Project Company. Each loan under the Working Capital Facility will have a maturity date no later than 90 days after the date of borrowing, and no more than $5 million of such loans may be scheduled to mature during any 30-day period. Under the terms of the Working Capital Facility, Project Company will be required to repay all amounts advanced so that no amounts are outstanding thereunder once during each fiscal year (other than 1995) for a period of at least five consecutive days.

Authorization is requested for either Southern or Project Company to enter into a dedicated revolving credit facility (''Major Maintenance Facility'') with one or more commercial banks or other institutional lenders to fund certain major maintenance reserve obligations of Project Company. Borrowings at any one time outstanding under the Major Maintenance Facility will not exceed $13 million.

Southern and Mobile Energy also propose to modify the terms of the Interim Note to be assumed by Project Company, in order to extend its maturity to December 31, 1995, and to provide for the payment of interest from January 1, 1995 to the date of payment at a rate equal to the lesser of (i) Southern's effective cost of borrowing and (ii) the prime commercial lending rate in effect from time to time at a commercial bank designated by Southern, plus 3%.

Under two interest rate hedging agreements executed following the acquisition closing (''Swaps''), Mobile Energy ''locked in'' base fixed rates with respect to notional amounts of $224 million, effective May 1, 1995, and $85 million, effective July 1, 1995. Since the acquisition closing, comparable base rates have declined markedly, with the result that there would currently be a cost associated with reversing, or terminating, the Swaps. That potential cost, or the cash impact, of reversing the Swaps will be based on the comparable base rates in effect on the dates on which the Swaps are in fact reversed, which will be the same date or dates on which the rates on the First Mortgage Bonds and new series of Tax-Exempt Bonds are fixed.

Based on the notional amounts of the Swaps and other relevant factors, the cash impact of a 100 basis point decline in the applicable base rates would be approximately $25 million. By way of illustration, on June 2, 1995, the comparable base rate for the Swaps was approximately 170 basis points lower than the base rate on December 19, 1994, implying a cost (or cash impact)

of terminating the Swaps of about $45 million. If comparable base rates were to experience a further decline of an additional 200 basis points, the termination payment would be approximately $110 million.

Southern proposes to provide up to $95 million in guaranties on behalf of Mobile Energy and/or Project Company in connection with the sale of the First Mortgage Bonds and other forms of credit support (collectively, ''Credit Support''), provided that the amount thereof at any time outstanding, when added to Southern's equity investment in Mobile Energy, shall at no time exceed $135 million.

Credit Support may take a variety of forms, including a parent guaranty of indebtedness to third parties, a capital infusion or similar agreement under which cash calls from Southern may be made for certain defined purposes, or an agreement to indemnify or reimburse commercial banks or other third parties in connection with commercial letters of credit or other forms of commercially available credit enhancement that Mobile Energy or Project Company may require.

Southern proposes to negotiate the terms of Credit Support and any advances related thereto on a case-by-case basis. Subject to the foregoing, Southern proposes that any advance to or on behalf of Mobile Energy or Project Company that is structured as a loan may be unsecured and fully subordinated to the claims of other creditors of Mobile Energy or Project Company, as the case may be, and that it may bear interest at a rate equal to the lesser of (i) Southern's effective cost of borrowing and (ii) the prime commercial lending rate at money center bank designated by Southern, plus 3%. Southern further proposes that, at its option, any loan to Mobile Energy or Project Company may be converted to a capital contribution.

Southern may provide Credit Support in lieu of certain cash funded major maintenance reserves which Project Company is required to establish. Credit Support for this purpose will be funded from borrowings under the Major Maintenance Facility, or by Southern guaranties of borrowings by Project Company under the Major Maintenance Facility. It is proposed that notes issued under the Major Maintenance Facility may have maturities not later than seven years after the date of issuance.

Notes issued under the Working Capital Facility and Major Maintenance Facility may bear interest at a rate or rates based on various interest rate options available to Project Company and Southern, which in no case would be greater than the sum of the reference rate for the interest rate option selected by Project Company or Southern, as the case may be, plus the applicable spread, as follows:

Reference rate	Applicable spread (percent)
London Interbank Offered Rate	1½
Adjusted Base Rate	1

The Adjusted Base Rate will equal the greater of (i) the Federal Funds Rate, plus ½%, and (ii) the lender's publicly announced reference rate.

It is stated that Project Company and Southern may be required under the terms of either the Working Capital Facility or the Major Maintenance Facility to pay a commitment fee based on the unutilized portion of any lender's commitment and/or maintain compensating balances. The effective cost of borrowing under either of the foregoing interest rate options would be increased by no more than .625%.

The obligations of Project Company to make payments on the First Mortgage Bonds, the new series of Tax-Exempt Bonds and the Working Capital Facility (collectively, ''Senior Secured Debt'') will be secured ratably by a lien on and security interest in substantially all of the real and personal property interests of Project Company, subject to the priority of the lien of the Working Capital Provider on earned receivables (i.e., revenues from the sale of electricity, steam and liquor processing services to the Mill Owners) and proceeds from the sale of the Energy Complex fuel inventory. The First Mortgage Bonds and Tax-Exempt Bonds will also be secured by certain reserves required to be maintained under the terms of the First Mortgage Bond and Tax-Exempt Bond indentures and/or by credit Supports. Except for the guaranty provided by Mobile Energy with respect to the First Mortgage Bonds, the obligation of Project Company to make payments on the Senior Secured Debt will be secured solely by the assets of Project Company. Neither Southern nor Southern Electric nor any associate company (other than Project Company and Mobile Energy) will have any obligation with respect to the Senior Secured Debt of Project Company, except as may be expressly provided under the terms of any Credit Support provided by Southern.

Project Company and Mobile Energy propose to make cash distributions consisting, in part, of a return of capital to the extent permitted under Alabama law. Applicants project that cash distributions by Project Company and Mobile Energy will be made in some years in amounts exceeding book earnings.

Central Ohio Coal Company, et al. (70–8611)

Central Ohio Coal Company (''COCCO''), Southern Ohio Coal Company (''SOCCO'') and Windsor Coal Company (''WCCO''), each located at 1 Riverside Plaza, Columbus, Ohio 25327 and each a nonutility subsidiary of Ohio Power Company (''Ohio Power''), a public utility subsidiary of American Electric Power Company, Inc., a registered holding company, have filed an application-declaration under sections 6(a), 7, and 12 (c) of the Act and rule 46 thereunder.

COCCO proposes to pay to Ohio Power periodic dividends on common stock and a return of capital in amounts aggregating $19,961,687. To pay these dividends and return of capital, COCCO proposes to amend its Amended Articles of Incorporation to (1) reduce the par value of its authorized common shares to $0.10 per share, (2) change each of its outstanding common shares, par value of $100.00 per share, into a common share, par value $0.10 per share, and (3) reduce the stated capital of its common shares from $6.9 million to $6,900.

SOCCO intends to enter into negotiations for the lease financing of certain existing facilities, namely, a coal preparation plant, intermine coal conveyor and overland coal conveyor (the ''SOCCO Plant'') with a financial institution (the ''Lessor''). SOCCO anticipates that the Lessor will pay SOCCO up to $50 million for the SOCCO Plant. With this amount, and $18 million of internally generated funds which are projected to be available in excess of its needs, SOCCO proposes to pay up to $68 million as one or more dividends on SOCCO's common stock out of its capital surplus.

WCCO also intends to enter into negotiations for the lease financing of certain existing facilities, namely, a coal preparation plant, river loading terminal and overland coal conveyor (the ''WCCO Plant'') to the Lessor. WCCO anticipates that the Lessor will pay WCCO up to $11 million for the WCCO Plant. With this amount, and internally generated funds projected by WCCO to be available in excess of its own needs, WCCO proposes to pay up to $11,048,356 as a return of capital and as one or more dividends on WCCO's common stock out of its capital surplus.

In conjunction with the payment of these dividends and return of capital,

WCCO proposes to reduce the stated capital of outstanding stock. Specifically, WCCO proposes to amend its Amended Articles of Incorporation to (1) reduce the par value of its authorized common shares from $100 per share to $0.10 per share, (2) change each of its outstanding common shares, par value of $100.00 per share, into a common share, par value $0.10 per share, and (3) reduce the stated capital of its common shares from $406,400 to $406.40.

In accordance with the Commission's order dated December 10, 1982, (HCAR No. 22770), Ohio Power may earn up to a specified rate of return on its capital contributions to COCCO, SOCCO and WCCO. Applicants state that, if the Commission authorizes COCCO, SOCCO and WCCO to pay the requested dividends and, in the case of each of COCCO and WCCO, reduce the par value of its common stock, Ohio Power's total capital investment in COCCO will be reduced by the amount of such payments. This reduction in Ohio Power's capital surplus investment will remove from Ohio Power's cost of coal the return associated with the portion of its capital investment repaid.

Consolidated Natural Gas Company et al. (70–8631)

Consolidated Natural Gas Company (''Consolidated''), CNG Tower, 625 Liberty Avenue, Pittsburgh, Pennsylvania 15222, a registered holding company, and CNG Energy Services Corporation (''CNG Energy''), One Park Ridge Center, P.O. Box 15746, Pittsburgh, Pennsylvania 15244, a nonutility subsidiary of Consolidated, have filed an application-declaration under sections 6(a), 7, 9(a), 10 and 12(b) of the Act and rules 16 and 45 thereunder. Consolidated and CNG Energy propose to enter into a series of transactions from time to time through December 31, 2020 (except with respect to the guarantee authorization described below, which expires December 31, 1998), that will permit them to participate in the business of buying and selling natural gas and electric power, including in connection with arbitrage transactions, principally in wholesale energy markets.

The applicants propose that CNG Energy raise up to $10,000,000 by selling shares of its common stock, $1,000 par value, to Consolidated, receiving open account advances or long-term loans from Consolidated, or any combination of the foregoing. Open account advances and long-term loans to CNG Energy will have the same effective terms and interest rates as related borrowings of Consolidated. Consolidated proposes to obtain the funds required for these transactions through internal cash generation, issuance of long-term securities, borrowings under credit agreements or other sources subsequently approved by the Commission.

Open account advances from Consolidated to CNG Energy will mature no later than one year from the date of the first advance and bear interest at the same effective rate as Consolidated's weighted average effective rate for commercial paper and/or revolving credit borrowings (or, if no such borrowings are outstanding, at a rate based on the federal funds effective rate of interest). Loans from Consolidated to CNG Energy will be evidenced by long-term, non-negotiable, book-entry notes, will mature over a period of time not in excess of thirty years from issuance and will bear interest at a rate equal to Consolidated's cost of funds for comparable borrowings (or, if Consolidated had no recent comparable borrowings, at a rate tied to the published Salomon Brothers indicative rate for comparable debt issuances).

CNG Energy also proposes to organize a new subsidiary, CNG Energy Arbitrage Corporation (''CNGEA''), which will be incorporated under the laws of the State of Delaware with an authorized equity capitalization of $10,000,000, consisting of 1,000 shares of common stock with a par value of $10,000 per share. CNG Energy proposes to use not more than $10,000,000 of proceeds from its financing transactions with Consolidated to purchase shares of, or make open-account advances or long-term loans to, CNGEA, on the same terms as the related financing from Consolidated. Initially, it is expected that CNGEA will sell, and CNG Energy will acquire, 300 shares of common stock for $3,000,000.

CNGEA will acquire a one-third general partnership interest in Energy Alliance Partnership (''Energy Alliance''), a partnership to be formed under the laws of the State of Delaware. The applicants propose that CNGEA invest not more than $10,000,000 in Energy Alliance, for the acquisition of its general partnership interest and for further equity contributions. The other partners in Energy Alliance will be Noverco Energy Services (U.S.) Inc., a wholly-owned subsidiary of Noverco Inc., a Canadian public-utility holding company whose subsidiaries engage in the gas utility business and related businesses, and H.Q. Energy Services (U.S.) Inc., a wholly-owned indirect subsidiary of Hydro-Quebec, a Canadian electric utility company.

The business of Energy Alliance will be to supply, sell, purchase, market, broker or otherwise trade electricity or fuel, to provide electricity or fuel management services, and to carry on activities, or perform services, related to the foregoing, including in connection with arbitrage transactions. Energy Alliance will initially conduct its activities generally in the wholesale energy markets in the northeastern and middle-Atlantic United States. Energy Alliance intends to use risk-reduction methods, such as market hedging tools, to limit financial risks.

The applicants state that fundamental changes in the energy industry have led to an increasingly integrated and competitive energy market, in which marketers are dealing in interchangeable units of energy rather than sales of natural gas or electricity. Consolidated and CNG Energy seek to enter into the proposed transactions to participate in this market. The applicants believe that these activities are closely related to the core energy business of the Consolidated system.

Energy Alliance may engage in energy transactions with companies in the Consolidated holding company system, including utility companies, on the same market terms that would be available to its nonaffiliate customers. Energy Alliance may also contract with any of its partners, including CNG Energy, or their affiliates for services, at charges that will be made on the basis of salary plus fringe benefits for use of personnel and direct out-of-pocket expenses for other items.

In addition to providing financing to CNGEA indirectly through CNG Energy, Consolidated also proposes to enter into an undertaking agreement under which it will commit to provide up to $3,000,000 to CNGEA, as necessary to permit CNGEA to fulfill its obligations respecting its capital contributions under the Energy Alliance partnership agreement. Consolidated also proposes to guarantee, either directly or through CNGEA, the fuel and power transactions of Energy Alliance. These guarantees would be part of, and subject to the same overall $750,000,000 limitation in, the current authorization of guarantees relating to the obligations of CNG Energy (Holding Co. Act Release No. 25926, November 16, 1993). This guarantee authorization expires December 31, 1998.

The applicants also request that Energy Alliance and each of its affiliates (other than companies in the Consolidated system) be deemed exempt under rule 16 from all obligations imposed by the Holding Company Act.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–14748 Filed 6–15–95; 8:45 am]

BILLING CODE 8010–01–M

[Rel. No. IC–21126; No. 812–9372]

PHL Variable Insurance Company, et al.

June 9, 1995.

AGENCY: Securities and Exchange Commission (''Commission'').

ACTION: Notice of application for an exemption under the Investment Company Act of 1940 (the ''1940 Act'').

APPLICANTS: PHL Variable Insurance Company (''PHLV''), PHL Variable Accumulation Account (the ''Account''), and Phoenix Equity Planning Corporation (''Phoenix Equity'').

RELEVANT 1940 ACT SECTIONS: Order requested under Section 6(c) granting exemptions from the provisions of Sections 26(a)(2)(C) and 27(c)(2).

SUMMARY OF APPLICATION: Applicants seek an order permitting the deduction of a mortality and expense risk charge from the assets of the Account in connection with the offer and sale of certain variable annuity contracts (''Existing Contracts''), and any annuity contracts that are similar in all material respects to the Existing Contracts (''Future Contracts,'' together with Existing Contracts, the ''Contracts''), which may be sold in the future by the Account, or from the assets of any other separate account (''Future Accounts,'' together with the Account, the ''Accounts'') established in the future by PHLV in connection with the issuance of Future Contracts.

FILING DATE: The application was filed on December 19, 1994, and amended on May 12, 1995.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Secretary of the Commission and serving Applicants with a copy of the request, personally or by mail. Hearing requests must be received by the Commission by 5:30 p.m. on July 5, 1995, and should be accompanied by proof of service on Applicants in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Secretary of the Commission.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549. Applicants, c/o Phoenix Home Life Mutual Insurance Company, One American Row, Hartford, Connecticut 06115, Attention: Patricia O. McLaughlin, Esq.

FOR FURTHER INFORMATION CONTACT: Kevin M. Kirchoff, Senior Counsel, or Wendy Friedlander, Deputy Chief at (202) 942–0670, Office of Insurance Products (Division of Investment Management).

SUPPLEMENTARY INFORMATION: The following is a summary of the application; the complete application is available for a fee from the Public Reference Branch of the Commission.

Applicants' Representations

1. PHLV is a corporation organized under the laws of the state of Connecticut. On May 31, 1994, Phoenix Home Life Mutual Insurance Company (''Phoenix Home Life''), a New York domiciled insurer, through its wholly-owned subsidiary, PM Holdings Inc., a Connecticut corporation, acquired all of the issued and outstanding stock of PHLV. PHLV is currently licensed to issue variable annuity contracts in 26 states and the District of Columbia.

2. The Account is a separate investment account established by PHLV for the purpose of investing purchase payments received under the Existing Contracts. The Account is a unit investment trust which has filed a registration statement on Form N–4 under the Securities Act of 1933 to register the Existing Contracts.

3. The Account presently consists of seven subaccounts (''Subaccounts''), each of which currently invests in a corresponding series of The Phoenix Edge Series Fund and which may, in the future, invest in any other registered open-end management investment company funding variable annuity or variable life insurance contracts. Contract owners may allocate accumulation value to any one or more of the Subaccounts or to the general account of PHLV (the ''Guaranteed Interest Account''), provided that prescribed minimum purchase payment requirements are met. PHLV may issue Future Contracts through the Account and through Future Accounts.

4. Phoenix Equity, an indirect wholly-owned subsidiary of Phoenix Home Life, is registered as a broker-dealer pursuant to the Securities Exchange Act of 1934 (the ''Exchange Act'') and is a member of the National Association of Securities Dealers. Phoenix Equity is the principal underwriter for the Existing Contracts. The principal underwriter for Future Contracts may be any broker-dealer registered as a broker-dealer pursuant to the Exchange Act and wholly-owned, directly or indirectly, by Phoenix Home Life.

5. The Phoenix Edge Series Fund is a diversified open-end management investment company which consists of various investment series or portfolios (collectively, ''Portfolios'') each with different investment objectives and policies. Shares of the Portfolios also are offered to other separate accounts of PHLV, Phoenix Home Life or of other insurance companies offering variable annuity or variable life insurance contracts.

6. The Existing Contracts are flexible premium variable annuity contracts offered for use by retirement plans which qualify for special federal income tax treatment under the Internal Revenue Code or by any other purchasers for whom they may be a suitable investment.

7. The Existing Contracts provide for minimum initial purchase payments and permit additional minimum purchase payments and periodic payments, subject to certain limitations. The Contracts provide for the accumulation of values on a variable basis determined by the investment experience of the Subaccounts to which the Contract owner allocates payments.

8. Prior to the maturity date, amounts held under Contracts may be transferred among the Subaccounts and the Guaranteed Interest Account. PHLV currently makes no charge for transfers among the Subaccounts, but reserves the right to assess a transfer fee, guaranteed never to exceed $10 per transfer, after the first two transfers in each Contract year to offset administrative expenses. Currently, unlimited transfers are permitted, but PHLV reserves the right to limit the number of transfers each Contract year.

9. The Contracts also provide for the payment of a death benefit. If the Contract owner is the Annuitant and dies prior to the Contract's maturity date, and there is no surviving joint owner, a death benefit calculated according to the death benefit formula will be paid to the Contract owner's beneficiary. If the Contract owner is not the Annuitant and dies prior to the maturity date, and there is no surviving joint owner, a death benefit equal to the Contract's cash surrender value (contract value less any applicable sales charge) will be paid to the Contract owner's beneficiary. If the Contract owner and the Annuitant are not the