associated with the operations at PRI's Highland Uranium Project and has determined that renewal of Source Materials License No. SUA–1511 will: (1) be consistent with the licensing requirements of 10 CFR 40, (2) not endanger the public health and safety, and (3) not have long-term detrimental impacts on the environment. Specific reasons for drawing these conclusions are:

1. The proposed control and monitoring program for groundwater is sufficient for detecting any excursion, either vertical or horizontal.

2. The radium settling basins and purge storage reservoirs are clay lined to minimize seepage of waste solutions; monitoring systems as designed should detect any leakage which may occur.

3. Radiological releases from the uranium extraction operations will be very small (exposures which are small fractions of the radiological exposure standards) and will be closely monitored to detect any problems.

4. All radioactive wastes will be disposed of at an existing NRC licensed tailings disposal site.

5. The proposed restoration plan, as demonstrated by the R&D ISL test project, should be sufficient to return the groundwater to its premining use (or potential use). On a parameter-by-parameter basis, groundwater quality will be returned as close to baseline conditions as reasonably achievable.

6. The remote location of the Highland Uranium Project facility and sparse population in this portion of Converse County, Wyoming has mitigated any potential adverse impacts to minority and low-income populations. Further evaluation of 'Environmental Justice' concerns, as outlined in Executive Order 12898 and NRC's Office of Nuclear Material Safety and Safeguard Policy and Procedures Letter 1–50 Rev. 1, is not warranted.

Finding of No Significant Impact

Based on these conclusions, the NRC finds that the impacts associated with the proposed renewal of Source Materials License No. SUA–1151 are within the scope of impacts anticipated in the November, 1978 Final Environmental Statement (FES) and the July, 1987 EA; which supported the initial licensing. Recognizing these impacts, the NRC has available two alternatives with respect to the requested license renewal: (1) Renew the license with such conditions as are considered necessary or appropriate to protect public health, safety, and the environment; or (2) deny renewal of the license.

The environmental impacts of the renewal described in the EA do not warrant denial of the application. For this reason, the NRC has made a finding of no significant impact associated with this action and will issue a renewed license for the PRI Highland Uranium Project.

Notice of Opportunity for Hearing

The Commission hereby provides notice that this proceeding on an application for a licensing action falls within the scope of Subpart L, ''Informal Hearing Procedures for Adjudications in Materials Licensing Proceedings, of the Commission's Rules of Practice for Domestic Licensing Proceedings in 10 CFR Part 2'' (54 FR 8269). Pursuant to § 2.1205(a), any person whose interest may be affected by this proceeding may file a request for a hearing. In accordance with § 2.1205(c), a request for a hearing must be filed within thirty (30) days from the date of publication of this **Federal Register** notice. The request for a hearing must be filed with the Office of the Secretary either:

(1) By delivery to the Docketing and Service Branch of the Office of the Secretary at One White Flint North, 11555 Rockville Pike, Rockville, MD 20852; or

(2) By mail or telegram addressed to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555, Attention: Docketing and Service Branch.

In addition to meeting other applicable requirements of 10 CFR Part 2 of the Commission's regulations, a request for a hearing filed by a person other than an applicant must describe in detail:

(1) The interest of the requestor in the proceeding;

(2) How that interest may be affected by the results of the proceeding, including the reasons why the requestor should be permitted a hearing, with particular reference to the factors set out in § 2.1205(g);

(3) The requestor's areas of concern about the licensing activity that is the subject matter of the proceeding; and

(4) The circumstances establishing that the request for a hearing is timely in accordance with § 2.1205(c).

Each request for a hearing must also be served, by delivering it personally or by mail to:

(1) The licensee, Power Resources Inc., 800 Werner Court, Suite 230, Casper, WY 82601;

(2) The NRC staff, by delivery to the Executive Director of Operations, One White Flint North, 11555 Rockville Pike, Rockville, MD 20852, or by mail addressed to the Executive Director for Operations, U.S. Nuclear Regulatory Commission, Washington, DC 20555.

Any hearing that is requested and granted will be held in accordance with the Commission's Informal Hearing Procedures for Adjudications in Materials Licensing Proceedings in 10 CFR Part 2, Subpart L.

Dated at Rockville, Maryland, this 17th day of August 1995.

For the Nuclear Regulatory Commission

Joseph J. Holonich,

Chief High-Level Waste and Uranium Recovery Projects Branch, Division of Waste Management, Office of Nuclear Material, Safety and Safeguards.

[FR Doc. 95–21176 Filed 8–24–95; 8:45 am]

BILLING CODE 7590–01–P

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC–21315; File No. 812–9432]

The Alger American Fund, et al.; Notice of Application

August 18, 1995.

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

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

APPLICANTS: The Alger American Fund (the ''Fund'') and Fred Alger Management, Inc. (''Alger Management'').

RELEVANT 1940 ACT SECTIONS AND RULES: Order requested under Section 6(c) for exemptions from Sections 9(a), 13(a), 15(a) and 15(b) of the Act and Rules 6e–2(b)(15) and 6e–3(T)(b)(15) thereunder.

SUMMARY OF THE APPLICATION: Applicants seek an order under Section 6(c) of the Act granting exemptions from Sections 9(a), 13(a), 15(a) and 15(b) of the Act and Rules 6e–2(b)(15) and 6e–3(T)(b)(15) thereunder, to the extent necessary to amend an existing order issued by the Commission on February 17, 1989 (Investment Company Release No. 16822) (''Existing Order''), to engage in mixed and shared funding. The proposed relief would amend the prior order to permit the Fund to sell its shares directly to qualified pension and retirement plans (''Qualified Plans'') outside of the separate account context.

FILING DATE: The application was filed on January 12, 1995 and amended on August 4, 1995.[1]

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be

[1] Applicants represent that they will amend the application during the notice period to include the representations herein.

issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on September 12, 1995, and should be accompanied by proof of service on Applications, 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 who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, D.C. 20549. Applicants, The Alger American Fund, 75 Maiden Lane, New York, New York 10038.

FOR FURTHER INFORMATION CONTACT: Edward P. Macdonald, Staff Attorney, 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 may be obtained for a fee from the Commission's Public Reference Branch.

Applicants' Representations

1. The Fund, organized as a Massachusetts Business Trust, is an open-end diversified management investment company. It currently has six portfolios. The Fund may offer additional portfolios in the future. The Fund's shares are distributed by Fred Alger & Company, Incorporated.

2. Fred Alger Management, Inc. (''Alger Management''), a registered investment adviser under the Investment Advisers Act of 1940, is the investment adviser to each portfolio. Alger Management is owned by Alger Inc., which in turn is owned by Alger Associates, Inc., a financial services holding company.

3. The Existing Order allows the Fund to offer its shares to registered separate accounts of insurance companies, which may be affiliated or unaffiliated, issuing variable annuity contracts or scheduled or flexible premium variable life insurance contracts. Applicants now propose that the Fund also sell its shares directly to Qualified Plans outside of the separate account context so that it may increase its asset base through the sale of its shares to such Qualified Plans.

Applicants' Legal Analysis

1. Section 817(h) of the Internal Revenue Code of 1986 (the ''Code'') imposes certain diversification requirements on the underlying assets of variable contracts held in the portfolios of management investment companies. The Code provides that a variable contract shall not be treated as an annuity or life insurance contract for any period for which the investments are not adequately diversified in accordance with Treasury Department Regulations (''Regulations'').

2. In March 1989, the Treasury Department issued Treasury Regulation § 1.817–5 which established diversification requirements for investment company portfolios underlying variable contracts. In order to satisfy the diversification requirements of Regulation § 1.817–5, all of the beneficial interests in the investment company must be held by the segregated asset accounts of one or more insurance companies. However, the Regulations also contain certain exceptions to this requirement, one of which allows shares in an investment company to be held by the trustee of a Qualified Plan without adversely affecting the ability of the same investment company's shares to be held also by insurance company separate accounts.

3. Rules 6e–2 and 6e–3(T) under the Act provide certain exemptions from the Act in order to permit insurance company separate accounts, investing in registered investment companies, to issue variable life insurance contracts.

Rules 6e–2(b)(15) and 6e–3(T)(b)(15) require that shares of the registered management investment companies be offered exclusively to separate accounts of life insurance companies. Rule 6e–2(b)(15) precludes mixed and shared funding and Rule 6e–3(T)(b)(15) precludes shared funding. In the Existing Order, the Commission extended the requested mixed and shared funding relief to a class consisting of insurers and separate accounts investing in the Fund which would otherwise have been precluded from investing in the Fund by virtue of the Fund offering its shares to both variable annuity separate accounts and scheduled and flexible premium variable life insurance contracts of affiliated and unaffiliated separate accounts. Applicants assert that the relief previously granted in the Existing Order should not be affected by the proposed amendment to permit the sale of shares also directly to Qualified Plans.

4. The promulgation of Rule 6e–2(b)(15) preceded the issuance of the Regulations which made it possible for shares of an investment company to be held by the trustee of a Qualified Plan without adversely affecting the tax status of the investment company's shares held also by insurance company separate accounts.

5. Applicants assert that the relief granted by Rules 6e–2(b)(15) and 6e–3(T)(b)(15) is in no way affected by the purchase of Fund shares by Qualified Plans. However, in that the relief under these rules is available only where shares are offered exclusively to separate accounts, it is Applicants' belief that additional exemptive relief is necessary if the shares of the Fund are also sold to Qualified Plans. Applicants assert that if the Fund were to sell its shares only to Qualified Plans no exemptive relief would be necessary. None of the relief provided for in Rules 6e–2 and 6e–3(T) relate to Qualified Plans or to a registered investment company's ability to sell its shares to such Qualified Plans. It is only because the separate accounts investing in the Fund are themselves investment companies, which are relying upon Rules 6e–2 and 6e–3(T) and which desire to have the relief continue in place, that Applicants are applying for the requested relief.

6. Section 9(a) of the Act provides that it is unlawful for any company to serve as investment adviser or principal underwriter of any registered open-end investment company, if an affiliated person of that company is subject to a disqualification enumerated in Section 9(a) (1) or (2). Rules 6e–2(b)(15) (i) and (ii) and 6e–3(T)(b)(15) (i) and (ii), provide exemptions from Section 9(a) under certain circumstances subject to the limitations on mixed and shared funding. These exemptions limit the application of the eligibility restrictions to affiliated individuals or companies that directly participate in the management of the underlying management investment company.

7. Applicants previously requested and received relief from Sections 13(a), 15(a) and 15(b) of the Act and Rules 6e–2(b)(15) and 6e–3(T)(b)(15) thereunder to the extent necessary to permit mixed and shared funding. In support of its previous requests for relief, Applicants represent that all variable annuity and variable life insurance contractholders would be provided pass-through voting rights with respect to the shares of the Fund and that any potential irreconcilable conflicts which could develop among the separate accounts due to an insurance company's right to disregard voting instructions in certain

limited circumstances would be resolved through certain undertakings which Applicants made as a condition of the exemptive relief granted.

8. Shares of the Fund sold to Qualified Plans would be held by the trustees of the Qualified Plans mandated by Section 403(a) of the Employee Retirement Income Security Act. Some of the Qualified Plans may have their trustee(s) or other fiduciaries exercise voting rights attributable to investment securities held by the Qualified Plans in their discretion. Some of the Qualified Plans, however, may provide for the trustee(s), an investment adviser or other named fiduciary to exercise voting rights in accordance with instructions from participants.

9. Where a Qualified Plan does not provide participants with the right to give voting instructions, Applicants do not see any potential for material irreconcilable conflicts of interest between or among variable contractholders and Qualified Plan investors with respect to voting of Fund shares. In that there is no pass-through voting with respect to Qualified Plan participants, Applicants submit that, unlike the case with insurance company separate accounts, the issue of the resolution of material irreconcilable conflicts with respect to voting, is not present with Qualified Plans. In this regard, investment in one Fund by a Qualified Plan will not create any of the voting complications occasioned by mixed and shared funding. Unlike mixed or shared funding, Qualified Plan investor voting rights cannot be frustrated by veto rights of insurers or state regulators.

10. Where a Qualified Plan provides participants with the right to give voting instructions, Applicants assert that there is no reason to believe that participants in Qualified Plans generally, or those in a particular plan, either as a single group or in combination with participants in other Qualified Plans, would vote in a manner that would disadvantage variable contractholders. The purchase of Fund shares by Qualified Plans that provide voting rights does not present any complications not otherwise occasioned by mixed or shared funding as addressed in the Existing Order.

11. Applicants assert that the Commission's primary concern with respect to mixed and shared funding is that of potential conflicts of interest. Applicants submit that no increased conflicts of interest would be present if the Commission grants the exemptive relief requested.

12. Applicants assert that regardless of the type of shareholder in the Fund, Alger Management will continue to manage the portfolios solely and exclusively in accordance with each portfolio's investment objectives and restrictions, as well as any guidelines established by the Board of Trustees of the Fund. Individual portfolio managers work with a pool of money and do not take into account the identity of the shareholders. The Fund is thus managed in the same manner as any other mutual fund. If shareholders are displeased with the Fund's investment results, or in the manner in which the Fund is being operated, they redeem their shares. Since the Fund is sold without the imposition of any sales load, such redemption is at net asset value without the imposition of any other charge or fee. It is the duty of the management of the Fund, including its governing board, to keep shareholders informed through updated prospectuses and annual and semi-annual reports. Applicants believe that these periodic communications to shareholders function as they are intended. Qualified Plans as well as contractholders will thus be given up-to-date information necessary for them to make informed investment decisions.

13. The difference between a Qualified Plan shareholder and a contractholder whose variable contract invests in the Fund is that the Qualified Plan shareholder can immediately redeem its shares and reinvest them while the contractholder must either wait for the participating insurance company to fund another suitable investment medium or exchange contracts, both of which require multiple steps and some period of time.

14. Applicants assert that the sale of the shares of the Fund to Qualified Plans should result in an increased amount of assets available for investment by the Fund. This should inure to the benefit of variable contractholders by promoting economies of scale, by permitting greater safety through increased diversification, and by making the addition of new portfolios to the Fund more feasible. Further, Applicants submit that the purposes of an investment in the Fund by a Qualified Plan is not that dissimilar to the purposes currently served by variable contracts which are generally long-term retirement vehicles. Applicants further submit that the sale of the shares of the Fund of Qualified Plans will not increase the risk of material irreconcilable conflicts to the Fund or to the separate accounts of participating insurance companies.

Applicants' Conditions

Applicants represent that they will comply with the following conditions:

1. A majority of the board shall consist of persons who are not ''interested persons'' of the Fund as defined by Section 2(a)(19) of the Act and the rules thereunder and as modified by any applicable orders of the Commission, except that if this condition is not met by reason of the death, disqualification or bona fide resignation of any trustee, then the operation of this condition shall be suspended: (a) for a period of 45 days, if the vacancy or vacancies may be filled by the Board; (b) for a period of 60 days, if a vote of shareholders is required to fill the vacancy or vacancies; or (c) for such longer period as the Commission may prescribe by order upon application.

2. The Board will monitor the Fund for the existence of any material irreconcilable conflict among the interests of the contractholders of all of the separate accounts investing in the Fund. A material irreconcilable conflict may arise for a variety of reasons, including: (a) an action by any state insurance regulatory authority; (b) a change in applicable federal or state insurance, tax or securities laws or regulations, or a public ruling, private letter ruling, no-action or interpretive letter, or similar action by insurance, tax or securities regulatory authorities; (c) an administrative or judicial decision in any relevant proceeding; (d) the manner in which the investments of the Fund are being managed; (e) a difference in voting instructions given by owners of variable annuity contracts and owners of variable life insurance contracts; or (f) a decision by a participating insurance company to disregard the voting instructions of contractholders.

3. The participating insurance companies, Alger Management (or any other investment adviser of the Fund), and any Qualified Plan that executes a fund participation agreement upon becoming an owner of 10% or more of the assets of the Fund (the ''Participants'') will report any potential or existing conflicts to the Board. Participants will be responsible for assisting the Board in carrying out its responsibilities under these conditions by providing the Board with all information reasonably necessary for the Board to consider any issues raised. This responsibility includes, but is not limited to, an obligation by each Participant to inform the Board whenever voting instructions of contractholders are disregarded. The responsibility to report such

information and conflicts and to assist the Board will be a contractual obligation of all Participants investing in the Fund under their agreements governing participation in the Fund, and such agreements shall provide that these responsibilities will be carried out with a view only to the interests of contractholders.

4. If it is determined by a majority of the Board, or by a majority of its disinterested trustees, that a material irreconcilable conflict exists, the relevant Participant shall, at its expense and to the extent reasonably practicable (as determined by a majority of the disinterested trustees), take any steps necessary to remedy or eliminate the material irreconcilable conflict, including: (a) withdrawing the assets allocable to some or all of the separate accounts from the Fund or a portfolio of the Fund and reinvesting such assets in a different investment medium including another portfolio of the Fund, or submitting the question as to whether such segregation should be implemented to a vote of all affected contractholders; and, as appropriate, segregating the assets of any appropriate group (i.e., variable annuity contractholders, variable life insurance contractholders, or variable contractholders of one or more Participant) that votes in favor of such segregation, or offering to the affected variable contractholders the option of making such a change; and (b) establishing a new registered management investment company or managed separate account. If a material irreconcilable conflict arises because of a Participant's decision to disregard voting instructions of the contractholders, and that decision represents a minority position or would preclude a majority vote, the Participant may be required, at the election of the Fund, to withdraw its separate account's assets investment in the Fund and no charge or penalty will be imposed as a result of such withdrawal.

The responsibility to take remedial action in the event of a Board determination of a material irreconcilable conflict and to bear the cost of such remedial action shall be a contractual obligation of all Participants under their agreements governing their participation in the Funds. The responsibility to take such remedial action shall be carried out with a view only to the interests of Contractholders. For purposes of this Condition Four, a majority of the disinterested members of the Board shall determine whether any proposed action adequately remedies any material irreconcilable conflict, but, in no event will the Fund or Alger Management (or any other investment adviser of the Fund) be required to establish a new funding medium for any Contract. Further, no Participant shall be required by this Condition Four to establish a new funding medium for any variable contract if any offer to do so has been declined by a vote of a majority of the contractholders materially affected by the material irreconcilable conflict.

5. The Board's determination of the existence of a material irreconcilable conflict and its implication shall be made known promptly and in writing to all Participants.

6. Participants will provide pass-through voting privileges to all Contractholders so long as the Commission continues to interpret the Act as requiring pass-through voting privileges for variable contractholders. Accordingly, the Participants, where applicable, will vote shares of the Fund held in their separate accounts in a manner consistent with voting instructions timely received from variable contractholders. Participants will be responsible for assuring that each of their separate accounts that participates in the Fund calculates voting privileges in a manner consistent with other Participants. The obligation to calculate voting privileges in a manner consistent with all other separate accounts will be a contractual obligation of all Participants under the agreements governing their participation in the Fund. Each Participant will vote shares for which it has not received timely voting instructions as well as shares it owns in the same proportion as it votes those shares for which it has received voting instructions.

7. All reports received by the Board of potential or existing conflicts, and all Board action with regard to: (a) determining the existence of a conflict; (b) notifying Participants of a conflict, and (c) determining whether any proposed action adequately remedies a conflict, will be properly recorded in the minutes of the Board or other appropriate records. Such minutes or other records shall be made available to the Commission upon request.

8. The Fund will notify all Participants that separate account prospectus disclosure regarding potential risks of mixed and shared funding may be appropriate. The Fund shall disclose in its prospectus that: (a) shares of the Fund may be offered to insurance company separate accounts of both annuity and life insurance variable contracts, and to Qualified Plans; (b) due to differences of tax treatment and other considerations, the interests of various contractholders participating in the Fund and the interests of Qualified Plans investing in the Funds may conflict; and (c) the Board will monitor the Fund for any material conflicts and determine what action, if any, should be taken.

9. The Fund will comply with all the provisions of the Act requiring voting by shareholders (which, for these purposes, shall be the persons having a voting interest in the shares of the Fund), and, in particular, the Fund will either provide for annual meetings (except to the extent that the Commission may interpret Section 16 of the Act not to require such meetings) or comply with Section 16(c) of the Act (although the Fund is not one of the trusts described in Section 16(c) of the Act), as well as Section 16(a), and, if applicable, Section 16(b) of the Act. Further, the Fund will act in accordance with the Commission's interpretation of the requirements of Section 16(a) with respect to periodic elections of trustees and with whatever rules the Commission may promulgate with respect thereto.

10. If and to the extent that Rules 6e–2 and 6e–3(T) are amended (or if Rule 6e–3 under the Act is adopted) to provide exemptive relief from any provision of the Act or the rules thereunder with respect to mixed and shared funding on terms and conditions materially different from any exemptions granted in the order requested by Applicants, then the Fund and/or Participants, as appropriate, shall take such steps as may be necessary to comply with Rules 6e–2 and 6e–3(T), as amended, and Rule 6e–3, as adopted, to the extent such rules are applicable.

11. No less than annually, the Participants shall submit to the Board such reports, materials or data as the Board may reasonably request so that the Board may carry out fully the obligations imposed upon it by the conditions contained in the Application. Such reports, materials and data shall be submitted more frequently if deemed appropriate by the Board. The obligations of the Participants to provide these reports, materials and data to the Board, when the Board so reasonably requests, shall be a contractual obligation of all Participants under the agreements governing their participation in the Fund.

12. If a Qualified Plan becomes an owner of 10% or more of the assets of the Fund, such Qualified Plan will execute a fund participation agreement with the Fund. A Qualified Plan will execute an application containing an acknowledgement of this condition upon such Qualified Plan's initial purchase of the shares of the Fund.

Conclusion

For the reasons summarized above, Applicants represent that the exemptive relief requested is necessary or appropriate in the public interest and otherwise meets the standards of Section 6(c) of the Act.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–21127 Filed 8–24–95; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 35–26357]

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

August 18, 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 September 11, 1995, to the Secretary, Securities and Exchange Commission, Washington, D.C. 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.

New England Electric System, et al. (70–8671)

New England Electric System (''NEES''), 25 Research Drive, Westborough, Massachusetts 01582, a registered holding company, and its subsidiary company Narragansett Energy Resources Company (''NERC''), 280 Melrose Street, Providence, Rhode Island 02901, have filed an application-declaration pursuant to sections 6(a), 7, 9(a), 10, and 12 of the Act and rules 42 and 45 thereunder.

NERC is a general partner with 20% interest in each of two partnerships owning the Ocean State Power Project (''OSP Partnerships''). The OSP Partnerships own a two-unit combined cycle electric generating facility located in Burrillville, Rhode Island. By prior order dated October 13, 1988 (HCAR No. 24727), the Commission authorized NERC to issue and sell notes to NEES (''NEES Notes'') in order to fund NERC's equity contributions to the OSP Partnerships. NERC now proposes to retire the NEES Notes.

To accomplish this retirement, NERC proposes to issue and sell, on or before December 31, 1996, one or more long term notes to one or more third parties in an aggregate principal amount not to exceed $33 million (the ''Note''). The Note will have a maturity of up to 17 years, may provide for a sinking fund or other mandatory pre-payments, and may have limitations on callability or refundability depending upon market conditions. NERC proposes that the Note will be redeemable at any time at its option, upon reasonable notice, at the then outstanding principal amount plus accrued interest and redemption premium, and may include a yield to maturity premium. The interest rate for the Note will not exceed 12% per annum.

As security for its obligations under the Note, NERC proposes to assign its interests in the OSP Partnerships, which assignment will include a security interest in distributions to NERC from the OSP partnerships. Additionally, NEES proposes to pledge its stock in NERC to the purchaser or purchasers of the Note as limited security for the Note.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–21128 Filed 8–24–95; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 34–36119; File No. SR–CBOE–95–31]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Board Options Exchange, Inc., Relating to Exchange Fees

August 18, 1995.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78s(b)(1), notice is hereby given that on July 3, 1995, the Chicago Board Options Exchange, Incorporated (''CBOE'' or ''Exchange'') 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 the CBOE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The CBOE hereby gives notice that it is proposing to amend (i) its Fee Reduction Program for Market-Maker Transaction Fees, Floor Broker Fees, and Member Dues; (ii) its Fee Discount Program for Customer ''Block'' Transactions; (iii) its Fee Discount Program for SPX and OEX Transaction Fees charged to Chicago Mercantile Exchange (''CME'') Members; and (iv) certain Exchange fees.

The text of the proposed rule change is available at the Office of the Secretary, CBOE 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 CBOE 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 CBOE 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

The purpose of the proposed rule change is to amend (i) the Exchange's Fee Reduction Program for Market-Maker Transaction Fees, Floor Broker Fees, and Member Dues; (ii) the Exchange's Fee Discount Program for Customer ''Block'' Transactions; (iii) the Exchange's Fee Discount Program for SPX and OEX Transaction Fees Charged to CME members; and (iv) certain Exchange fees. The foregoing fee changes are being implemented by the Exchange pursuant to CBOE Rule 2.22 and became effective on July 1, 1995.

The Exchange's Fee Reduction Program for Market-Maker Transaction Fees, Floor Broker Fees, and Member Dues (''Program'') currently provides