

Act also provides that the Commission shall issue an order approving such substitution if the evidence establishes that the substitution is consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the 1940 Act.

2. Applicants request an order pursuant to Section 26(b) of the 1940 Act approving the substitution of the Replaced Portfolios with the Substitute Portfolios.

3. The Contracts provide that Fortis Benefits retains the right to make certain changes, if, in its judgment, they would best serve the interests of the Holders or would be appropriate in carrying out the purposes of the Contracts. Examples of the changes Fortis Benefits may make are to transfer assets in any Subaccount to another Subaccount, or to one or more separate accounts, or to add, combine or remove Subaccounts in the Variable Account or to substitute, for the Portfolio shares held in any Subaccount, the shares of another Portfolio or the shares of another investment company or any other investment permitted by law.

4. Applicants submit that the proposed substitution will meet the requirements of Section 26(b) for the following reasons:

(a) The investment objectives of the Replaced Portfolios are sufficiently similar to those of the Substitute Portfolios, respectively, to be appropriate for substitution.

(b) The investment performance of the Substitute Portfolios is comparable or superior to the investment performance of the Replaced Funds.

(c) The comparative ratio of expenses to net assets (following reimbursement) for the Substitute Portfolios will be no greater than that of the Replaced Portfolios.

(d) The proposed substitution will result in the investment of assets, currently in Portfolios which have not increased to a level which would make each investment alternative viable for Holders, into substantially larger and more stable underlying Portfolios.

Conclusion

For the reasons stated above, Applicants submit that the proposed substitution is consistent with the protection of investors and the purposes fairly intended by the policy and the provisions of the 1940 Act.

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. 35-26785]

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

November 25, 1997.

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 December 18, 1997, 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 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.

Central and South West Corporation, et al.

[70-9113]

Central and South West Corporation ("CSW"), a registered holding company, 1616 Woodall Rodgers Freeway, Dallas, Texas 75202, and its wholly-owned service company subsidiary, Central and South West Services, Inc. ("CSW Services"), 212 East 6th Street, Tulsa, Oklahoma 74119, have filed an application-declaration under sections 6(a), 7, 9(a), 10, 12(c) and 13(b) of the Act and rules 42, 54 and 87-91 thereunder.

CSW owns all of the outstanding shares of common stock of four public utility subsidiaries (collectively, "Operating Companies"): Central Power and Light Company, Public Service Company of Oklahoma, Southwestern Electric Power Company, and West

Texas Utilities Company. Together, these Operating Companies provide electric service to approximately 1.7 million customers in a widely diversified area covering 152,000 square miles in portions of Arkansas, Louisiana, Oklahoma and Texas.¹

CSW requests authorization to adopt and implement a stockholder rights plan ("Rights Plan") under which CSW's Board of Directors ("Board") would declare a dividend of one right ("Right") for each outstanding share of CSW Common Stock, par value \$3.50 per share ("Common Stock"), payable to stockholders of record on a date to be established ("Record Date").² The Rights will be created by and issued under a rights agreement ("Rights Agreement") to be entered into by CSW and CSW Services, as Rights Agent.³ The Rights created under the proposed Rights Agreement would entitle the holders to purchase one-tenth of a share of Common Stock at a price of \$50 per whole share of Common Stock, subject to adjustment ("Purchase Price").⁴ This is equivalent to \$5 per one-tenth of one share of Common Stock. CSW states that

¹ CSW also has numerous nonutility subsidiaries, including CSW Energy, Inc., which develops and operates independent power and cogeneration projects; CSW International, Inc., which pursues investments in energy ventures internationally, and which, indirectly, owns all the outstanding share capital of SEBOARD p.l.c., one of 12 regional electricity companies in the United Kingdom; CSW Credit, Inc., which purchases the accounts receivable of the Operating Companies and certain non-affiliated electric utilities; CSW Communications, Inc., which provides communication services to the Operating Companies and certain non-affiliates; CSW Leasing, Inc., which invests in leveraged leases; EnerShop, Inc., which provides energy management services; and CSW Services, which performs, at cost, various accounting, engineering, tax, legal, financial electronic data processing, centralized economic dispatching of electric power and other services to CSW and its subsidiaries.

² As of June 30, 1997 there were 212,235,310 shares of Common Stock outstanding.

³ The services of CSW Services, as Rights Agent, will be provided at cost. CSW expects that such charges, if any, will be *de minimis*. As Rights Agent, CSW Services practically has no active duties unless the Rights become, if ever, exercisable, at which time the Rights Agent performs or causes to be performed services similar to a stock transfer agent. CSW Services is the transfer agent for the Common Stock.

⁴ The Purchase price payable, and the number of shares of Common Stock (or other securities or property, as the case may be) issuable upon exercise of the Rights are subject to adjustment from time to time to prevent dilution. Prior to the date on which the Rights become exercisable, the Board may make such equitable adjustments as it deems appropriate in the circumstances in lieu of any adjustment otherwise required by the foregoing. No adjustment in the Purchase Price will be required until the time at which cumulative adjustments require an adjustment of at least 1% in the Purchase Price. No fractional shares of Common Stock will be issued and, in lieu thereof, a cash payment will be made based on the market price of the Common Stock on the last trading day prior to the date of exercise.

the Purchase Price represents the Board's estimation of the long-term value of the Common Stock. The Board has adopted and approved the Rights Agreement subject to the receipt of an appropriate order from the Commission in this filing. Upon receipt of such an order, the Rights will be distributed as a dividend to the holders of CSW's outstanding shares of Common Stock.⁵

Initially, the Rights would not be exercisable and would trade as an integral part of the outstanding shares of Common Stock. Subject to certain rights of CSW to redeem⁶ or exchange shares of Common Stock for⁷ the Rights, the Rights would become exercisable (i.e., Common Stock could be purchased at the Purchase Price pursuant to the Rights) and Rights Certificates representing the Rights would be distributed and would trade independently of the outstanding shares of Common Stock upon the occurrence of the following triggering events ("Triggering Events"): the earlier to occur of (i) 10 days after the first public announcement that any person or group ("Acquiring Person") has acquired beneficial ownership of 15% or more of CSW's outstanding Common Stock ("Acquisition Event") and (ii) 10 business days (unless extended by the Board of Directors) after any person or group has commenced a tender or exchange offer which would, upon its consummation, result in such person or group becoming an Acquiring Person ("Offer Event") (the earlier of (i) and (ii) is hereafter referred to as the "Distribution Date").

When the Triggering Event is an Acquisition Event, the holders of the Rights (other than an Acquiring Person and certain transferees thereof whose

Rights will become void) would immediately have the right to receive, for each Right exercised, Common Stock having a market value equal to two times the Purchase Price then in effect ("Discount Purchase Right"). When the Triggering Event is an Offer Event, the holders of the Rights (other than an Acquiring Person and certain transferees thereof whose Rights will become void) would be entitled to the Discount Purchase Right once a person or group commencing the tender or exchange offer becomes an Acquiring Person.

In the event that, on or after the Distribution Date: (i) CSW is acquired by another person or entity not controlled by CSW ("Acquiror") in a merger or other business combination transaction in which CSW Common Stock is exchanged for securities or other property; or (ii) 50% or more of CSW's consolidated assets or earnings power is sold or transferred to an Acquiror, each holder of a Right (except Rights which previously have been voided as discussed above) will thereafter be entitled to receive, for each Right exercised, common stock of the Acquiror having a market value equal to two times the Purchase Price then in effect.

CSW states that the proposed Rights Plan is intended to deter hostile takeover attempts and/or attempts to acquire CSW in a manner or on terms which the Board determines are not in the best interests of all stockholders by enabling the Board to provide CSW stockholders with adequate time to assess properly a takeover bid without undue pressure. The Rights Plan is also intended to confront a potential acquiror with the possibility that the exercise of Rights by stockholders will substantially increase the number of shares of Common Stock outstanding and therefore the cost of acquiring control of CSW. CSW states that the Rights Plan will operate to maximize and preserve the value of CSW for its stockholders, in the event of an attempted hostile or unwanted takeover, but is not designed to prevent a proxy contest to replace members of the Board or frustrate a fair offer for the entire company which is in the best interests of stockholders.

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. 35-26784]

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

November 24, 1997.

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 December 18, 1997, 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.

Central Power and Light Co.

[70-8597]

Central Power and Light company ("CPL"), 539 North Carancahua Street, Corpus Christi, Texas, 78401, a wholly owned electric utility subsidiary company of Central and South West Corporation, a registered public utility holding company, has filed a post-effective amendment, under sections 6(a), 7, 9(a) and 10 of the Act and rule 54 under the Act, to an application-declaration filed under sections 6(a), 7, 9(a), 10, 12(c) and 12(d) of the Act and rules 44 and 51 under the Act.

By orders dated June 15, 1995 (HCAR No. 26309), July 26, 1995 (HCAR No. 26339), and August 28, 1996 (HCAR No. 26565) ("Orders"), CPL was authorized to incur obligations, through December 31, 1997, in connection with the issuance by the Matagorda County

⁵ Any of the provisions of the Rights Agreement may be amended by the Board without the consent of the holders of the Rights; provided, however, that on or after the Distribution Date (as defined below), the Rights Agreement may not be amended in any manner that would adversely affect the interests of the holders of the Rights.

⁶ The Rights may be redeemed, as a whole, at a Redemption Price of \$0.01 per Right, subject to adjustment, at the direction of the Board, at any time prior to the earlier of: (i) 10 days after the first public announcement that any person has become an Acquiring Person (as defined below); and (ii) the date of final expiration of the Rights. The Rights will expire on the tenth anniversary of the Record Date, unless earlier redeemed or exchanged by CSW.

⁷ At any time after any person or group shall have become an Acquiring Person and before any person (other than CSW and certain related entities), together with its affiliates and associates, shall have become the beneficial owner of 50% or more of the outstanding shares of Common Stock, the Board may direct the exchange of shares of Common Stock for all or any part of the Rights (other than Rights of an Acquiring Person which become void) at the exchange rate of one share of Common Stock per Right, subject to adjustment.