[Docket Nos. 50–387 and 50–388]

Pennsylvania Power and Light Company; Notice of Withdrawal of Application for Amendment to Facility Operating Licenses

The U.S. Nuclear Regulatory Commission (the Commission) has granted a request by Pennsylvania Power and Light Company (the licensee) to withdraw its November 11, 1994 application for proposed amendment to Facility Operating License Nos. NPF–14 and NPF–22, for Susquehanna Steam Electric Station, Units 1 and 2, located in Luzerne County, Pennsylvania.

The proposed amendment would have revised the Technical Specifications (TS) to extend the main turbine valve surveillance test interval from a weekly basis to no greater that 92 days for all main turbine stop, control, and combined intermediate valves.

The Commission had previously issued a Notice of Consideration of Issuance of Amendment published in the Federal Register on December 21, 1994 (59 FR 65821). However, by letter dated August 21, 1995, the licensee withdrew the proposed change.

For further details with respect to this action, see (1) the application for amendment dated November 11, 1994, and the licensee's letter dated August 21, 1995, which withdrew the application for license amendment. The above documents are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the Osterhout Free Library, Reference Department, 71 South Franklin Street, Wilkes-Barre, Pennsylvania 18701.

Dated at Rockville, Maryland, this 2nd day of October 1995.

For the Nuclear Regulatory Commission.

Chester Poslusny,

Senior Project Manager, Project Directorate I–2, Division of Reactor Projects—I/II, Office of Nuclear Reactor Regulation.

[FR Doc. 95–24896 Filed 10–5–95; 8:45 am]

BILLING CODE 7590–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35–26384]

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

September 29, 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 October 23, 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.

Energy Initiatives, Inc., et al. (70–7727)

Energy Initiatives, Inc. (''EII''), One Upper Pond Road, Parsippany, New Jersey 07054, a nonutility subsidiary of General Public Utilities Corporation (''GPU''), a registered holding company, and GPU (both, ''Applicants''), 100 Interpace Parkway, Parsippany, New Jersey 07054, have filed a post-effective amendment under sections 6(a), 7, 9(a), 10 and 12(b) of the Act and rules 45, 52, 53 and 54 thereunder to their application-declaration filed under sections 6(a), 7, 9(a), 10, 12(b), 12(c) and 13(b) of the Act and rules 45, 50, 51, 90 and 91 thereunder.

By orders dated June 26, 1990, December 18, 1992, September 12, 1994, December 28, 1994 and June 14, 1995 (HCAR Nos. 25108, 25715, 26123, 26205 and 26307, respectively) (collectively, ''Orders''), EII was authorized to engage in preliminary project development and administrative activities (''Project Activities'') in connection with its investments in: (i) qualifying cogeneration facilities (''QFs''), as defined in the Public Utility Regulatory Policies Act of 1978, as amended (''PURPA''), located anywhere in the United States, (ii) small power production facilities (also ''QFs''), as defined by PURPA, (iii) exempt wholesale generators (''EWG''), and (iv) foreign utility companies (''FUCOs'').

The Orders also authorized GPU from time to time through December 31, 1997 to: (i) make capital contributions to EII; (ii) enter into letter of credit reimbursement agreements (''Reimbursement Agreements'') and guarantees or similar obligations (''Guarantees'') to secure EII's agreement with any person (including without limitation project lenders) in connection with EII's Project Activities and the acquisition of ownership or participation interests in projects; (iii) guarantee the securities or other obligations of EWGs and FUCOs; and (iv) assume liabilities of EWGs and FUCOs. The aggregate amount which GPU was authorized to contribute to EII, together with the outstanding face or principal amount of the Reimbursement Agreement and Guarantee obligations, and liabilities assumed, could not exceed $200 million (''Contribution Cap''). The Orders also authorized EII to enter into Reimbursement Agreements and Guarantees, and to assume liabilities of EWGs and FUCOs, in an aggregate amount of up to $30 million from time to time through December 31, 1997 (''EII Guarantee Cap'').

The Orders further authorized EII to issue, sell and renew from time to time through December 31, 1997 its promissory notes evidencing short-term borrowings from commercial banks and other financial institutions, in an aggregate principal amount at any time outstanding (together with the aggregate amount of obligations outstanding under Reimbursement Agreements and Guarantees entered into, and liabilities assumed, by EII) not exceeding the EII Guarantee Cap. In addition, the Orders authorized GPU to guarantee such promissory notes (''Note Guarantees'').

As of June 30, 1995, GPU made cash capital contributions to EII, and had outstanding Reimbursement Agreement and Guarantee obligations, and liabilities assumed, of approximately $29 million, pursuant to the December 28, 1994 Order. As of such date EII had not entered into any Reimbursement Agreements or Guarantees or assumed any liabilities pursuant to the Orders.

GPU and EII now propose to: (i) increase the Contribution Cap to $500

million; (ii) expand the purposes for which GPU may enter into Guarantees, subject to the limitation of the Contribution Cap, to include Guarantees of bank or other borrowings by EII, as described below; (iii) relinquish the authorization with respect to GPU Note Guarantees; and (iv) increase the EII Guarantee Cap to $50 million.[1]

The term of each Guarantee, and any letter of credit (''L/C'') backed by a GPU or EII Reimbursement Agreement, would not exceed 25 years. Drawings under each L/C would bear interest at not more than 5% above the prime rate as in effect from time to time, and L/C fees would note exceed 1% annually of the face amount of the L/C.

Borrowings by EII with respect to which GPU may issue a Guarantee would be in the form of bank or other institutional borrowings (''Institutional Borrowings''), commercial paper (''Commercial Paper''), or notes sold in a private placement (''Notes'') under the Securities Act of 1933 (''1933 Act''). Institutional Borrowings would mature not later than five years after issuance, bear interest at a rate not in excess of (i) 250 basis points above the greater of (A) the lending bank's or other recognized prime rate and (B) 50 basis points above the federal funds rate, (ii) 400 basis points above the specified London Interbank Offered Rate plus any applicable reserve requirement, or (iii) a negotiated fixed rate which, in any event, would not exceed 500 basis points above the 30 year ''current coupon'' treasury bond rate. Such borrowings would be prepayable only to the extent provided therein. In addition, such borrowings would be unsecured and would not be made as part of any public offering. Borrowings may be made pursuant to loan agreements or lines of credit established by EII with commercial banks or other institutions. Such agreements or lines of credit may include a letter of credit facility. Drawings on an L/C would bear interest at rates not exceeding the interest rates for Institutional Borrowings (described above), and EII may be required to pay the issuing bank a letter of credit fee not exceeding 1% per annum of the face amount of the L/C.

Commercial Paper sold by EII would be issued in denominations of $100,000 or multiples thereof with maturities of up to 270 days and would not be prepayable prior to maturity. Commercial Paper would be sold directly to one or more commercial paper dealers at a discount rate prevailing at the date of issuance for commercial paper of comparable quality and of the particular maturity sold by other issuers of commercial paper. Commercial Paper will be reoffered by the purchasing dealer or dealers to institutional investors at a discount of not more than ⅛ of 1% per annum less than the prevailing discount rate to EII.

The Commercial Paper dealers will offer and resell the Commercial Paper to not more than a total of 200 of their respective customers, identified and designated in a non-public list (''Closed List'') prepared by each such dealer in advance for this purpose.

EII may also utilize the services of one or more commercial paper placement agents (''Placement Agent'') through whom they would sell their Commercial Paper directly to one or more institutional investors included on the Placement Agent's Closed List (as it may be amended) which would not exceed 200 such investors. The Placement Agent would arrange for the sale of Commercial Paper and would be compensated for its services out of the discount on the sale.

Notes would be sold by EII directly to one or more financial institutions in a private placement, or to one or more underwriters for resale to qualified institutional buyers pursuant to rule 144A under the 1933 Act. The Notes would be unsecured, have maturities not exceeding 20 years, and would bear interest at a fixed rate not to exceed the sum of the yield to maturity of an actively traded U.S. treasury bond with a maturity equal to the maturity of the Notes plus 600 basis points. A placement agent would arrange for the sale of the Notes issued in a private placement, and would be compensated for its services by payment of a fee not to exceed 3% of the face amount of the Notes issued and sold. EII would compensate an underwriter in a rule 144A sale of Notes through a discount on the sale.

The proceeds from the Institutional Borrowings, Commercial Paper or Notes as proposed herein will be used by EII to finance its business, including to finance the acquisition of securities of EWGs and FUCOs. EII believes that having the flexibility to provide a GPU Guarantee will enable it to reduce the interest costs of these borrowings.

The authorization requested herein with respect to Guarantees of Institutional Borrowings, Commercial Paper and Notes is intended to supersede and replace the authorization heretofore granted in respect of GPU Note Guarantees. Accordingly, effective upon receipt of the supplemental Commission order requested herein, GPU would relinquish any remaining authorization in respect of Note Guarantees.

Allegheny Power System, Inc., et al. (70–7888)

Allegheny Power System, Inc. (''Allegheny''), Tower Forty Nine, 12 East 49th Street, New York, New York 10017, a registered holding company, Allegheny Power Service Corporation, 800 Cabin Hill Drive, Greensburg, Pennsylvania 15601, Allegheny's service company subsidiary, three electric utility subsidiary companies of Allegheny—(i) Monongahela Power Company (''Monongahela''), 1310 Fairmont Avenue, Fairmont, West Virginia 26554, (ii) The Potomac Edison Company (''Potomac Edison''), 10435 Downsville Pike, Hagerstown, Maryland 21740, and (iii) West Penn Power Company (''West Penn''), 800 Cabin Hill Drive, Greensburg, Pennsylvania 15601, and Allegheny Generating Company (''AGC''), Tower Forty Nine, 12 East 49th Street, New York, New York 10017, and electric public utility subsidiary of Monongahela, Potomac Edison and West Penn (collectively, ''Applicants'') have filed a post-effective amendment to their application-declaration filed under sections 6(a), 7, 9(a), 10 and 12(b) of the Act and rules 45, 53 and 54 thereunder.

By order dated January 29, 1992 (HCAR No. 25462) (''January 1992 Order''), the Commission authorized the issuance on the part of Monongahela of short-term bank notes and of commercial paper through December 31, 1993. The authorization was for an aggregate principal amount of up to $86 million.

By order dated February 28, 1992 (HCAR No. 25481) (''February 1992 Order''), the Commission authorized: (i) the issuance of short-term bank notes on the part of Allegheny, Potomac Edison and West Penn; (ii) the issuance and sale of commercial paper on the part of Allegheny, Potomac Edison, West Penn and AGC; (iii) a revolving credit agreement for AGC; and (iv) the establishment of a money pool for the Allegheny system (''Money Pool''). The authorization extended through December 31, 1993. In addition, the February 1992 Order limited the aggregate principal amount of short-term financing to $165 million for Allegheny, $94 million for Potomac Edison, $147 million for West Penn and $150 million for AGC. The commercial paper issued by AGC was to be backed by a $150 million revolving credit

[1] Pursuant to amendments to rules 52(b) and 45(b)(4) effective June 28, 1995, cash capital contributions by GPU to EII are now exempt from section 9(a) and rule 45, and borrowings by EII pursuant to Notes are now exempt from section 6(a); accordingly, such transactions are no longer subject to the limitation of the Contribution Cap and the EII Guarantee Cap, respectively.

agreement between AGC and a group of banks. The February 1992 Order also authorized Monongahela, Potomac Edison and West Penn to guarantee, through June 30, 1993, the amounts that AGC borrowed under the revolving credit agreement.

By order dated July 14, 1992 (HCAR No. 25581), Monongahela, Potomac Edison and West Penn were authorized to guarantee the amounts that AGC borrowed under the revolving credit agreement through December 31, 1993.

By order dated November 5, 1993 (HCAR No. 25919) (''November 1993 Order''), Applicants were authorized to continue their short-term financing from December 31, 1992 through December 31, 1995.

Applicants now propose to continue the authorization granted by the November 1993 Order from December 31, 1995 through December 31, 1997, subject to the changes described below. In all other respects, Applicants' proposals remain the same as authorized by prior Commission orders.

Allegheny, Monongahela, Potomac Edison, West Penn, and AGC hereby request that, from December 31, 1995 to December 31, 1997, they be authorized to issue short-term debt in aggregate amounts not to exceed the following amounts outstanding at any one time for each of the following Applicants: Allegheny—$165 million; Monongahela—$100 million; Potomac Edison—$115 million; West Penn—$170 million; AGC—$175 million.

Allegheny, Monongahela, Potomac Edison and West Penn have established at 14 different banks lines of credit ranging from $5 million to $30 million for short-term borrowings. Allegheny, Monongahela, Potomac Edison and West Penn have agreed to pay for each of the lines of credit above an annual cash fee no greater than 10 basis points on all or the balance of the line of credit.

Allegheny, Monongahela, Potomac Edison, and West Penn each propose to borrow short-term funds through the issuance of notes to banks and dealers in commercial paper in aggregate amounts not to exceed the following amounts outstanding at any one time: Allegheny—$165 million; Monongahela—$100 million; Potomac Edison—$115 million; and West Penn—$170 million. Applicants propose that such notes and commercial paper will be issued from time-to-time prior to December 31, 1997, provided that no such notes or commercial paper shall mature after June 30, 1998.

Each note payable to a bank will be dated as of the date of the borrowing which it evidences, will mature not more than 270 days after the date of issuance or renewal thereof, will bear interest at a mutually agreed upon rate, provided that the effective rate for any 30-day period, on an annualized basis, will not exceed prime plus 2 percentage points and may or may not have prepayment privileges. It is estimated that the maximum aggregate amount of any short-term borrowings on behalf of Applicants (except AGC) at any one time outstanding, when taken together with any commercial paper then outstanding and funds borrowed by such affiliates under the Money Pool, will not be in excess of $550 million.

The commercial paper will be in the form of promissory notes and will be of varying maturities, with no maturity more than 270 days after the date of issue.

AGC requests the authority to issue, from December 31, 1995 to December 31, 1997, commercial paper in an amount up to $75 million. AGC's commercial paper is backed by a funding commitment of a $50 million Revolving Credit Agreement dated as of May 15, 1985, with a group of seven banks (the ''Revolving Credit Agreement''). AGC is seeking to continue its borrowing authority under the Revolving Credit Agreement through December 31, 1997 and is seeking permission to establish through December 31, 1997 a line of credit of up to $25 million, but only if necessary and if the Revolving Credit Agreement is not sufficient. The Revolving Credit Agreement provides for a credit facility pursuant to which promissory notes (''Notes'') may be issued in the maximum aggregate principal amount of $50 million. The Notes will have a maturity of no later than December 31, 1998. The Agreement provides that the lending banks may extend the maturity of the Notes for one year periods. In order to extend the maturity date of the Notes beyond December 31, 1998, however, AGC must seek further Commission authorization. Total AGC debt outstanding, including the Revolving Credit Agreement, this commercial paper issuance, and a $25 million line of credit, but not including the Debentures and Medium Term Notes authorized previously by the Commission under File Nos. 70–7246, and 70–7548, will not at any time exceed $75 million.

Monongahela, Potomac Edison, and West Penn, severally and not jointly, guarantee 27%, 28%, and 45%, respectively, of the amount due the banks from AGC pursuant to the Revolving Credit Agreement. Monongahela, Potomac Edison, and West Penn request authority to extend their guarantees through December 31, 1997.

Applicants hereby seek to continue the Allegheny Power System Money Pool from December 31, 1995 to December 31, 1997. Allegheny is a participant in the Money Pool only insofar as it has funds available for lending through the Money Pool. Allegheny may not borrow from the Money Pool. AGC will be allowed to borrow from, but not invest in, the Money Pool.

Northeast Utilities, et al. (70–8052)

Northeast Utilities (''Northeast''), 174 Brush Hill Avenue, West Springfield, Massachusetts 01090–0010, a registered holding company, and its wholly owned subsidiaries (''Subsidiaries''), Western Massachusetts Electric Company (''WMECO''), 174 Brush Hill Avenue, West Springfield, Massachusetts 01090–0010, Holyoke Water Power Company (''Holyoke''), 1 Canal Street, Holyoke, Massachusetts 01040, and The Connecticut Light & Power Company (''CL&P''), Northeast Nuclear Energy Company (''Nuclear''), The Rocky River Realty Company (''Rocky River'') (Northeast and all Subsidiaries being ''Borrowers'') and Northeast Utilities Service Company (''NUSCO''), each of 107 Selden Street, Berlin, Connecticut 06037 (all companies collectively, ''Declarants''), have filed a post-effective amendment to their declaration filed under sections 6(a), 7 and 12(b) of the Act and rules 45 and 53 thereunder.

By order of the Commission dated July 29, 1988 (HCAR No. 24686) (''1988 Order''), all of the Subsidiaries, including other Northeast subsidiaries, entered into a revolving credit agreement, dated as of August 25, 1988, which permitted each of the subsidiaries to borrow up to $50 million, but not more than $50 million in the aggregate, on a short-term revolving credit basis through August 24, 1993. In addition, by order of the Commission dated August 18, 1989 (HCAR No. 24943) (''1989 Order''), Northeast, WMECO and CL&P entered into a revolving credit agreement, dated as of August 23, 1989, which permitted these subsidiaries to borrow up to $100 million, $105 million and $350 million, respectively, but not more than $350 million in the aggregate, on a short-term revolving credit basis through September 4, 1993.

By order dated November 23, 1992 (HCAR No. 25683) (''1992 Order''), Declarants were authorized, through December 31, 1995, to: (i) replace the two revolving credit facilities authorized by the 1988 Order and the 1989 Order with new revolving credit

facilities aggregating up to $360 million; (ii) issue notes (''Notes'') evidencing borrowing under such new revolving credit facilities; (iii) allow Northeast to guarantee the obligations of Nuclear and Rocky River under such new revolving credit facilities; and (iv) allow NUSCO to act as agent for such new revolving credit facilities.

Declarants now propose to: (i) extend through December 31, 2000 the existing revolving credit agreements pursuant to their terms; and (ii) amend the existing revolving agreements to, as described below—(a) change the margin rate applicable to the determination of the interest rate charged under the credit agreements, and (b) change the facility fees charged in connection with the credit agreements.

Pursuant to the 1992 Order, the interest rate under the Eurodollar interest option equals the Eurodollar Rate (as defined in the 1992 Order) plus a certain margin rate (''Margin''). The Margin for each Borrower varies, depending on the debt ratings provided by Moody's Investors Service Inc. and Standard and Poor's Corporation. Currently under the credit agreement, the Margin cannot exceed 0.625% for loans made at CL&P and WMECO and 0.75% for loans made to Northeast, Holyoke, Nuclear, and Rocky River. The Declarants request the flexibility to increase or decrease the Margins under the credit agreements from time to time during the term of the credit agreements, provided that the Margins will not exceed 1%.

The initial credit agreement facility fees under the 1992 Order equaled 0.2% per annum for the three-year credit agreement and 0.135% per annum for the 364-day credit agreements. The Declarants propose to increase either or both credit agreement facility fees by not more than 10 basis points during the term of the credit agreements if such an increase is needed to respond to changing market conditions.

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

Jonathan G. Katz,

Secretary.

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[Release No. 34–36324; File No. SR–CSE–95–07]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the Cincinnati Stock Exchange, Inc., Relating to the Preferencing of Public Agency Market and Marketable Limit Orders by Approved Dealers and Other Proprietary Members

September 29, 1995.

I. Introduction

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on September 22, 1995, the Cincinnati Stock Exchange, Inc. (''CSE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change, and on September 28, 1995, Amendment No. 1 thereto,[3] as described in Items II and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The CSE hereby proposes to extend the CSE's pilot program regarding preferencing until March 29, 1996. The pilot was initially approved by the Commission on February 7, 1991, and is currently extended until October 2, 1995.

III. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization 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 self-regulatory organization 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 purpose of the rule filing is to extend the existing pilot program of the Exchange relating to the preferencing of public agency market and marketable limit orders by approved dealers and other proprietary members. The Commission originally approved the pilot on February 7, 1991.[4] The Commission has subsequently extended the pilot several times.[5] The Exchange now seeks an extension of the program until March 29, 1996.

2. Statutory Basis

The exchange believes that the proposed rule change is consistent with Section 6(b) of the Act in general and furthers the objectives of Section 6(b)(5) in particular in that it will promote just and equitable principles of trade and remove impediments to and perfect the mechanisms of a free and open market and a national market system.

B. Self-Regulatory Organization's Statement on Burden on Competition

The CSE does not believe that the proposed rule change will impose any inappropriate burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

The CSE informed the other Intermarket Trading System (''ITS'') participants of its intention to file this proposal to extend the preferencing pilot through March 29, 1996. The CSE previously solicited comments from other participants on its request for permanent approval.[6] The proposed extension would continue the program under the same terms and conditions as the existing pilot that was previously commented upon.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions

[1] 15 U.S.C. 78s(b)(1) (1988).

[2] 17 CFR 240.19b–4 (1994).

[3] *See* letter from Robert Ackerman, Vice President, CSE, to Sharon Lawson, Senior Special Counsel, SEC, dated September 28, 1995. Amendment No. 1 amended the request for an extension through June 28, 1996, to an extension through March 29, 1996.

[4] *See* Securities Exchange Act Release No. 28866 (February 7, 1991), 56 FR 5854 (February 13, 1991).

[5] *See* Securities Exchange Act Release Nos. 29524 (August 5, 1991), 56 FR 38160 (August 5, 1991); 30353 (February 7, 1992), 57 FR 5918 (February 18, 1992); 31011 (Aug. 7, 1992), 57 FR 38704 (August 26, 1992); 32280 (May 7, 1993), 58 FR 28422 (May 13, 1993); 33975 (April 28, 1994), 59 FR 23243 (May 5, 1994); 34493 (August 5, 1994), 59 FR 41531 (August 12, 1994); 35717 (May 15, 1995), 60 FR 26909 (May 19, 1995).

[6] *See infra* note 14.