equipment; and (12) other similar or related activities.

The ENCON Applicants propose to: (1) Invest, through December 31, 1998, up to an aggregate principal amount of $25 million in the engineering and consulting business; (2) expand the scope of their engineering and consulting services beyond conditioned power services so as to encompass the ENCON Services listed above; and (3) provide such ENCON Services both within and beyond the boundaries of the service territories of JCP&L, Met-Ed and Penelec.

One or more of the ENCON Applicants have been engaged in discussions with non-affiliated engineering and consulting companies (''ENCONCo'') which are actively providing ENCON Services (''ENCON Business''). One or more the ENCON Applicants may acquire an interest in the ENCON Business directly or through: (1) The acquisition of securities of an ENCONCo; (2) new wholly owned or partly owned subsidiary companies to be formed (each, an ''ENCON Subsidiary''); and/or (3) a joint venture involving any of the foregoing and an ENCONCo or its affiliate (each, an ''ENCON JV''). Notwithstanding the foregoing, GPU will not acquire a direct interest in the ENCON Business other than through the acquisition of securities of an ENCONCo.

The ENCON Applicants request authorization for: (1) EI, ENCON Subsidiaries or ENCON JVs to provide goods and services to JCP&L, Met-Ed and Penelec; and (2) Service to provide services to ENCON Subsidiaries and ECON JVs at cost. Each ENCON Applicant, ENCON Subsidiary and ENCON JV will maintain separate financial records relating to the ENCON Business.

General Public Utilities Corporation, et al. (70–8827)

General Public Utilities Corporation (''GPU''), 100 Interpace Parkway, Parsippany, New Jersey 07054, a registered public utility holding company, and its subsidiary companies Jersey Central Power & Light Company (''JCP&L''), 300 Madison Avenue, Morristown, New Jersey 07960, Metropolitan Edison Company (''Met-Ed'') and Pennsylvania Electric Company (''Penelec''), each at P.O. Box 16001, Reading, Pennsylvania 19640, Energy Initiatives, Inc. (''EII''), One Upper Pond Road, Parsippany, New Jersey 07054, and GPU Service Corporation (''GPUSC''), 100 Interpace Parkway, Parsippany, New Jersey 07054, (collectively, ''Applicants'') have filed an application-declaration under sections 9(a), 10, 12 and 13 of the Act and rules 90 and 91 thereunder.

GPU, JCP&L, Met-Ed, Penelec and EII (each, a ''TPS Applicant'') propose to provide power to the telecommunications industry. JCP&L has been engaged in discussions with non-affiliated telecommunications companies (each, a ''Telco'') concerning the Telco's need for a mechanism to deliver power on a reliable basis to the local distribution points disbursed throughout the Telco's telecommunications network. These local distribution points, known as optical network units (''ONUs''), may be ground-based or located on utility poles, with each ONU serving a number of customer locations, depending upon the particular configuration. The ONUs, which will replace the Telco's existing wire-based power supply system, convert the lightwave signal which travels over the Telco's fiber optic network into an electrical signal which travels down a coaxial cable into the customer's premises and delivers the ultimate telecommunications services. JCP&L has developed an ONU power service unit (''ONU Power Unit'') which would be installed on the same utility pole as an ONU. The ONU Power Unit would draw power from the existing electric utility wire, convert it to the direct current required by the ONU and deliver such converted power to the ONU. The ONU Power Unit would also contain a battery backup to assure reliable service, as well as a communications device to allow remote monitoring.

The TPS Applicants propose that ONU Power Units be marketed, installed, operated and maintained in one or more Telco's service territories (which may overlap, in whole or in part, the boundaries JCP&L's, Met-Ed's or Penelec's respective service territories) and in the service territories of other telecommunications providers, regardless of location. In addition, one or more of the TPS Applicants may also seek to develop, market, install, operate and maintain other products and systems designed to address the power requirements of telecommunications providers. Such other products and systems may employ technology comparable to the ONU Power Unit or other technologies, such as photovoltaics, fuel cells, wind and flywheels. In addition, such activities may include providing other telecommunications infra-structure services which may not utilize any of these technologies. (These telecommunications power services activities are collectively referred to as the ''TPS Business.'')

It is proposed that one or more of the TPS Applicants may acquire an interest in the TPS Business either directly, through the acquisition of securities of a Telco or otherwise, or, alternatively, through new wholly-owned or partly-owned subsidiary companies (each, a ''TPS Subsidiary''), or through a joint venture involving any of the foregoing and a Telco or a Telco affiliate (each, a ''TPS JV''). GPU states that, notwithstanding the foregoing, GPU will not acquire a direct interest in the TPS Business other than through the acquisition of securities of a Telco.

It is also requested that the Commission authorize the provision of goods and services relating to the TPS Business: (1) to JCP&L, Met-Ed and Penelec by EII or any TPS Subsidiaries or TPS JVs; and (2) to any TPS Subsidiaries and TPS JVs by GPUSC, all of which goods and services will be provided at cost in compliance with rules 90 and 91 under the Act.

It is presently expected that the aggregate amount of the TPS Applicants' investment in the TPS Business will not exceed $30 million through December 31, 1998.

The proposal to acquire securities of a Telco or any TPS Subsidiaries or TPS JVs shall expire upon the first to occur of (i) December 31, 1998 and (ii) the adoption by the Commission of Rule 58 (HCAR No. 35–26313, June 20, 1995) or such other rule, regulation or order as shall exempt the transactions as herein proposed from section 9(a) of the Act.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–9635 Filed 4–18–96; 8:45 am]

BILLING CODE 8010–01–M

[Rel. No. IC–21893/812–10002]

The Woodward Funds, et al.; Notice of Application

April 15, 1996.

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

ACTION: Notice of Application for Exemption under the Investment Company Act of 1940 (the ''Act'').

APPLICANTS: The Woodward Funds (''Woodward''), Prairie Institutional Funds (''Prairie''), NBD Bank (''NBD''), and First Chicago Investment Management Company (''FCIMCO'').

RELEVANT ACT SECTIONS: Order requested under section 17(b) granting an exemption from section 17(a).

SUMMARY OF APPLICATION: Applicants request an order to permit certain series of The Woodward Funds to acquire all of the assets of certain series of the Prairie Institutional Funds in exchange for shares of the The Woodward Funds. Because of certain affiliations, the series involved may not rely on rule 17a–8 under the Act.

FILING DATE: The application was filed on February 21, 1996 and amended on April 12, 1996.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on May 10, 1996, and should be accompanied by proof of service on applicant, 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 SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549. Applicants, The Woodward Funds, c/o NBD Bank, Transfer Agent, P.O. Box 7058, Troy, Michigan 48007–7058; Prairie Institutional Funds, Three First National Plaza, Chicago, Illinois 60670.

FOR FURTHER INFORMATION CONTACT: David W. Grim, Staff Attorney, at (202) 942–0571, or David M. Goldenberg, Branch Chief, at (202) 942–0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch.

Applicants' Representations

1. Woodward is an open-end management investment company organized as a Massachusetts business trust. Woodward has created the following series of shares for the purpose of effecting the proposed reorganization described herein: Cash Management Fund, U.S. Government Securities Cash Management Fund, and Treasury Prime Cash Management Fund (collectively, the ''Acquiring Funds'').

2. Prairie is an open-end management investment company organized as a Massachusetts business trust. The following series of Prairie would be acquired in the proposed reorganization described herein: Cash Management Fund, U.S. Government Securities Cash Management Fund, and Treasury Prime Cash Management Fund (collectively, the ''Acquired Funds'').

3. NBD serves as the co-investment adviser to the Acquiring Funds. NBD is a wholly-owned subsidiary of First Chicago NBD Corporation (''FC–NBD''). FCIMCO serves as the co-investment adviser to the Acquiring Funds and the investment adviser to the Acquired Funds. FCIMCO is a wholly-owned subsidiary of The First National Bank of Chicago, which in turn is a wholly-owned subsidiary of FC–NBD.

4. As of January 31, 1996, FC–NBD and its affiliates held of record or through nominees 100% of the outstanding shares of each Acquired Fund, and they held or shared voting and/or investment discretion with respect to a portion of these shares.

5. The investment objective and policies of each Acquiring Fund are substantially similar to the investment objective and policies of its corresponding Acquired Fund. The principal differences are that certain fundamental policies of the Acquired Funds are non-fundamental policies of the Acquiring Funds and the Acquiring Funds are permitted to invest in other investment companies as permitted by the Act. These differences will be described in the proxy statement/prospectus to be delivered to shareholders of the Acquired Funds. The Acquiring Funds and the Acquired Funds both offer two classes of shares: Service Shares and Institutional Shares. Service Shares and Institutional Shares are sold without a sales charge to institutional investors. Service Shares are subject to a distribution fee, while Institutional Shares are not subject to such a fee.

6. In the proposed reorganization, each Acquiring Fund would acquire all of the assets and assume all of the liabilities of its corresponding Acquired Fund in exchange for shares of the Acquiring Fund. The aggregate net asset value of the full and fractional shares of an Acquiring Fund to be issued to shareholders of the corresponding Acquired Fund will equal the value of the aggregate net assets of such Acquired Fund as of the close of business on the business day immediately prior to the closing of the reorganization (the ''Valuation Date''). At or as soon as practicable after the closing of the reorganization, each Acquired Fund will be liquidated and distributed *pro rate* to its shareholders of record as of the close of business on the Valuation Date the full and fractional shares of its corresponding Acquiring Fund received in the reorganization. After such distribution, each of the Acquired Funds will be dissolved.

7. An agreement and plan of reorganization (the ''Reorganization Agreement'') has been approved by the Woodward and Prairie boards, including the disinterested members thereof. In the assessment of the reorganization and the terms of the Reorganization Agreement, the factors considered by the Woodward and Prairie boards included: (a) The compatibility of the investment objectives and policies of the Acquiring Funds and their corresponding Acquired Funds; (b) the tax-free nature of the proposed reorganization; (c) the costs associated with the proposed reorganization; (d) the effect of the reorganization on the investment advisory and rule 12b–1 fees charged to the former shareholders of the Acquired Funds; and (e) compliance with section 15(f) of the Act. Upon consideration of these factors, the Woodward and Prairie boards, including the disinterested members thereof, found that participation in the reorganization was in the best interests of each Acquiring Fund and each Acquired Fund, respectively, and that the interests of existing shareholders of the Acquiring Funds and Acquired Funds, respectively, would not be diluted as a result of the reorganization.

8. A prospectus/proxy statement describing the reorganization and the reasons therefor will be sent to shareholders of each Acquired Fund on or about May 1, 1996. Consummation of the reorganization with respect to each Acquired Fund is contingent upon receipt of the affirmative vote of the holders of at least a majority of the outstanding shares of such Acquired Fund entitled to vote on the matter. In addition to shareholder approval, the consummation of the reorganization is conditioned upon receipt from the SEC of the order requested in the application. Applicants agree not to make any changes to the Reorganization Agreement that would have a material adverse effect on the rights of shareholders or this application without the prior approval of the SEC staff.

9. The expenses incurred in connection with entering into and carrying out the provisions of the Reorganization Agreement will be paid by FC–NBD and/or certain of its direct or indirect subsidiaries.

Applicants' Legal Analysis

1. Section 2(a)(3) of the Act defines the term ''affiliated person'' of another person to include, in pertinent part, (i)

Any person directly or indirectly owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of such other person; (ii) any person 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote by such other person; (iii) any person directly or indirectly controlling, controlled by, or under common control with, such other person; and (iv) if such other person is an investment company, any investment adviser thereof.

2. Section 17(a) of the Act, in pertinent part, prohibits an affiliated person of a registered investment company, or any affiliated person of such a person, acting as principal, from selling to or purchasing from such registered company, any security or other property. Section 17(b) provides that the SEC may exempt a transaction from section 17(a) if the evidence establishes that the terms of the proposed transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned, and that the proposed transaction is consistent with the policy of each registered investment company concerned and with the general purposes of the Act.

3. Rule 17a–8 under the Act exempts from the prohibitions of section 17(a) mergers, consolidations, or purchases or sales of substantially all of the assets involving registered investment companies that are affiliated persons, or affiliated persons of such affiliated persons, solely by reason of having a common investment adviser, common directors/trustees, and/or common officers, provided that certain conditions are satisfied.

4. The proposed reorganization may not be exempt from the prohibitions of section 17(a) by reason of rule 17a–8 because the Acquiring Funds and the Acquired Funds may be affiliated for reasons other than those set forth in the rule. FC–NBD owns 100% of the outstanding voting securities of NBD, the co-investment adviser to the Acquiring Funds, and indirectly owns 100% of the outstanding voting securities of FCIMCO, the co-investment adviser to the Acquiring Funds and the investment adviser to the Acquired Funds. In addition, as of January 31, 1996, FC–NBD and its affiliates held of record in their own names or through nominees 100% of the outstanding shares of each Acquired Fund. Therefore, each Acquiring Fund may be deemed an affiliated person of an affiliated person of its corresponding Acquired Fund, and vice versa, for reasons not based solely on their common investment adviser.

5. Applicants believe that the terms of the reorganization satisfy the standards of section 17(b). The Woodward and Prairie boards, including the disinterested trustees thereof, have reviewed the terms of the reorganization and have found that participation in the reorganization as contemplated by the Reorganization Agreement is in the best interests of each Acquiring Fund and each Acquired Fund, respectively, and that the interests of existing shareholders of the Acquiring Funds and the Acquired Funds, respectively, will not be diluted as a result of the reorganization. Applicants state that the reorganization is consistent with each Fund's investment objective and policies because the investment objective and policies of each Acquired Fund are identical to those of its corresponding Acquiring Fund.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–9694 Filed 4–18–96; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 34–37109; International Series Release No. 966; File No. SR–ISCC–96–02]

Self-Regulatory Organizations; International Securities Clearing Corporation; Order Granting Accelerated Approval of a Proposed Rule Change To Permit ISCC To Charge and To Collect From Members Charges Imposed by Certain Third Parties

April 12, 1996.

On March 19, 1996, the International Securities Clearing Corporation (''ISCC'') filed with the Securities and Exchange Commission (''Commission'') a proposed rule change (File No. SR–ISCC–96–02) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] to permit ISCC to charge and to collect from members charges imposed by certain third parties. Notice of the proposal was published in the Federal Register on March 28, 1996.[2] No comment letters were received. For the reasons discussed below, the Commission is granting accelerated approval of the proposed rule change.

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

[2] Securities Exchange Act Release No. 37000 (March 21, 1996), 61 FR 13908.

I. Description

The proposed rule change expands ISCC's authority to charge and to collect from its members fees imposed by certain third parties. In such situations, third parties will include all individual ISCC member charges in one invoice to ISCC, and ISCC will include the third parties' charges to individual members on the members' settlement statements.[3] ISCC's current rules permit ISCC to charge members for fees imposed by banks and trust companies in conjunction with the Global Clearance Network Service. The proposed rule change permits ISCC to include on its members' settlement statements charges imposed by entities or organizations with which ISCC has entered into agreements and which provide services or equipment to ISCC members which are integral to the services provided by ISCC. If a member does not consent to such charges or otherwise disputes such charges, ISCC will not fine the member for not paying to ISCC the third party's charges. In addition, ISCC will have no liability to any third party vendors for such charges.

II. Discussion

Section 17A(b)(3)(F)[4] of the Act requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions. The Commission believes ISCC's proposed rule change is consistent with the requirements of Section 17A(b)(3)(F) of the Act because it will facilitate access to ISCC's services by making it easier for ISCC members to obtain hardware, software, or related services or equipment necessary to fully utilize ISCC. Specifically, the proposed rule change allows ISCC to consolidate third party billings and ISCC payment obligations. Consolidation of members' payment obligations should not only simplify members' disbursement processes, it should facilitate ISCC

[3] From time to time, third parties which have entered into agreements with ISCC and which provide ISCC members with certain services or equipment that facilitate access to an ISCC service request that ISCC directly bill its members for the services or equipment that the third parties provide to members. For example, if ISCC members wanted to obtain computer hardware and/or software to access certain ISCC services, ISCC could make arrangements with a third party vendor to supply members with the appropriate hardware and/or software. The third party vendor would send a detailed monthly invoice directly to ISCC reflecting each individual member's charge. ISCC would then include the appropriate charge on each member's monthly statement. ISCC would remit to the vendor within the agreed upon time period the amount that ISCC actually collected from members in connection with the vendor's charges.

[4] 15 U.S.C. 78q–1(b)(3)(F) (1988).