

commenced that same day. Applicant registered shares in three additional series: the Institutional Government Fund ("IGF"), the Tax-Exempt Money Market Fund ("TEMMF"), and the U.S. Treasury Money Fund ("TMMF"). IGF was declared effective on December 28, 1990, and TEMMF and TMMF were declared effective on March 1, 1993. As of January 31, 1996, IGF was applicant's only outstanding series.

2. On January 10, 1996, applicant's board of directors approved the liquidation and dissolution and authorized the officers of the applicant to sell all or substantially all of the securities held by the applicant and other properties of the applicant for cash at the fair market value of such assets and properties. The board of director's determination to liquidate the applicant was based upon the perceived inability to raise assets, lack of shareholder interest, and inefficiencies associated with investing limited funds. Also on January 10, 1996, applicant's shareholders adopted and ratified resolutions approving and authorizing the liquidation and dissolution of the applicant.

3. As of January 31, 1996, there were 1,862,808.568 shares of common stock of IGF. These shares had an aggregate net asset value of \$17,938,846.49 and a per share net asset value of \$9.63. There were no other classes of securities of the applicant outstanding.

4. Applicant sold all of the securities held by it on February 1, 1996. The proceeds from the sale of these securities were \$17,938,846.49. Such proceeds were fully distributed in cash to the shareholders on February 1, 1996. Each shareholder received the net asset value of its shares.

5. Expenses consisting of accounting, administrative, and certain legal expenses were incurred in connection with the liquidation and termination of applicant. These expenses totalled approximately \$4,200 and were borne by BEA Associates, applicant's investment adviser. No brokerage commissions were incurred in connection with the liquidation.

6. As of the date of the application, applicant had no shareholders, assets, or liabilities, and was not a party to any litigation or administrative proceeding. Applicant is neither engaged, nor does it propose to engage, in any business activities other than those necessary for the winding-up of its affairs.

7. Applicant intends to file a notice of termination with the State Department of Taxation and Assessment of Maryland.

For the SEC, by the Division of Investment Management, under delegated authority.
Margaret H. McFarland,
Deputy Secretary.

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[Release No. 35-26538]

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

June 28, 1996.

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

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by July 22, 1996, 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 other 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.

System Energy Resources, Inc., et al.
(70-8511)

Entergy Corporation ("Entergy"), P.O. Box 61005, New Orleans, Louisiana 70161, a registered holding company, and its subsidiary companies System Energy Resources, Inc. ("SERI"), Echelon One, 1340 Echelon Parkway, Jackson, Mississippi 39213; Entergy Arkansas, Inc., formerly Arkansas Power & Light Company ("Entergy Arkansas"), P.O. Box 551, Little Rock, Arkansas 72203; Entergy Louisiana, Inc., formerly Louisiana Power & Light Company ("Entergy Louisiana"), 639 Loyola Avenue, New Orleans, Louisiana 70113;

Entergy Mississippi, Inc., formerly Mississippi Power & Light Company ("Entergy Mississippi"), P.O. Box 1640, Jackson, Mississippi 39205; and Entergy New Orleans, Inc., formerly New Orleans Public Service Inc. ("Entergy New Orleans" and together with Entergy Arkansas, Entergy Louisiana, and Entergy Mississippi, "Operating Subsidiaries"), 639 Loyola Avenue, New Orleans, Louisiana 70113, have filed a post-effective amendment to their application-declaration pursuant to Sections 6(a), 7, 9(a), 10, 12(b) and 12(d) of the Act and Rules 44, 45 and 54 thereunder.

By orders dated May 9, 1995 (HCAR No. 26287) and August 18, 1995 (HCAR No. 26358) ("Orders"), the Commission authorized SERI, from time to time through December 31, 1996, to (a) issue and sell one or more series of its first mortgage bonds ("Bonds") and one or more series of its debentures ("Debentures") in an aggregate principal amount not to exceed \$265 million, and (b) enter into arrangements for the issuance and sale of tax-exempt revenue bonds ("Tax-Exempt Bonds") in an aggregate principal amount not to exceed \$235 million through December 31, 1996. The Commission additionally authorized SERI through December 31, 1996 to issue and pledge one or more new series of its first mortgage bonds ("Collateral Bonds") in an aggregate principal amount not to exceed \$251 million as security for the Tax-Exempt Bonds.

In the Orders, the Commission reserved jurisdiction over proposals by SERI to enter into reimbursement agreements underlying letters of credit ("Letters of Credit") issued to support SERI's obligations in connection with the Tax-Exempt Bonds, pending completion of the record.

SERI proposes to increase its authorization to issue and sell one or more series of the Bonds and/or Debentures to a combined aggregate principal amount not to exceed \$540 million. SERI further proposes to increase its authority to incur obligations in connection with the issuance and sale of Tax-Exempt Bonds to an aggregate principal amount not to exceed \$350 million. Also, SERI proposes to increase its authority to issue and pledge Collateral Bonds, as security for the Tax-Exempt Bonds, to an aggregate principal amount not to exceed \$395 million. SERI requests authority to extend its authorization to enter into the above transactions through December 31, 2000.

All other terms and conditions authorized in the Orders will remain the same, other than a change in the up-

front fees that may be paid for any Letter of Credit to up to one percent of the face amount of such Letter of Credit. These terms and conditions include, *inter alia*, assignments by SERI of contractual rights held by SERI under certain agreements entered into among SERI, Entergy and the Operating Subsidiaries as additional security for holders of any series of Bonds or in connection with the issuance of Tax-Exempt Bonds.

Entergy Corporation, et al. (70-8863)

Entergy Corporation ("Entergy"), 639 Loyola Avenue, New Orleans, Louisiana 70113, a registered holding company, and Entergy Power Marketing Corporation ("EPMC"), 900 South Shackleford Road, Suite 210, Little Rock, Arkansas 72211, a proposed wholly owned nonutility subsidiary company of Entergy, have filed an application-declaration under sections 6(a), 7, 9(a), 10, 12(b) and 13(b) of the Act and rules 45, 54, 87(b)(1), 90 and 91 thereunder.

Presently, EPMC has an order from the Federal Energy Regulatory Commission ("FERC") certifying it as an exempt wholesale generator ("EWG") in accordance with the requirements of the Act. Entergy, which owns 100% of the authorized and issued common stock of EPMC, has invested in EPMC and complied with the applicable requirements of section 32 and rule 53, of the Act. However, due to the uncertainty surrounding the requirement that EWGs be engaged solely and exclusively in the business of owning and/or operating eligible facilities and selling electric energy at wholesale, EPMC states that it will elect to decertify, and not maintain its status as a EWG.

As a result thereof, Entergy now proposes to finance EPMC, as a wholly owned nonutility subsidiary company, and EPMC will engage in wholesale brokering and marketing of energy commodities. EPMC will not own any utility assets, nor will it own or operate any electric or gas utility company, as defined under the Act.

Specifically, EPMC proposes to provide, on behalf of associate and nonassociate companies, choices to major customers with respect to the purchase, sale, borrowing and lending of electricity, natural gas and other fuels, and the management of their operations. In connection with these activities, EPMC will purchase, sell, supply, market, broker, or otherwise trade electricity, gas or other fuels,¹

¹ EPMC anticipates that such fuels will include those likely to be involved in transactions concerning natural gas, such as oil and other

provide electricity or fuel management services, and engage in activities or perform services, related to the foregoing. In addition, EPMC proposes to provide instantaneous supply and sales options to electric generators; help customers manage price changes in electricity and fuel relative to time and location; and assist electric utilities and nonutility generators by managing fuel supply and transportation contracts, banking electricity until needed and providing price and deliver flexibility.²

EPMC also anticipates that it may engage in fuel delivery or fuel conversion, activities, whereby EPMC would deliver fuel supplies to a utility or non-utility generator for the conversion of such fuel into electric energy which then would be delivered to EPMC for resale. With respect to traditional power brokering activities, EPMC will act as an agent or broker for utilities, non-utility generators and other power marketers, to effectuate such parties' sales and purchases of electric energy at wholesale. With respect to retail activities, the applicants request that the Commission reserve jurisdiction pending completion of the record.

In order to finance the above-mentioned activities, Entergy seeks authority to make capital contributions to EPMC in an amount up to \$20 million, and to provide up to \$150 million in credit support, in the form of guarantees, for certain of EPMC's proposed transactions. Entergy's investment in EPMC will constitute EPMC's total capitalization.

EPMC proposes to engage in risk management transactions, including swaps, options and futures contracts that will assist its customers in hedging against adverse price impacts. However, EPMC will employ risk-reduction measures to limit potential losses that could be incurred through its activities. Specifically, EPMC will: (1) Seek to minimize the financial exposure of Entergy through its guarantees; and (2) not engage in speculative trading in the energy market and will use market hedging measures solely to minimize risk and will limit hedging activity to no more than the total amount of its commodities subject to market price fluctuation.

EPMC proposes to enter into a service contract with Entergy Enterprises, Inc.

hydrocarbons, wood chips, wastes and other combustible substances.

² In the future, EPMC may help electric utilities find the best way to meet Clean Air Act requirements through a combination of new gas technologies, emission credits, cross-fuel management and wholesale electricity purchases and sales.

("EEI"), whereby EEI will provide EPMC with administrative services, including maintaining books and records and preparing corporate filings. EEI will provide such services on an at-cost basis in accordance with rules 90 and 91 of the Act.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 96-17151 Filed 7-3-96; 8:45 am]

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[Rel. No. IC-22045; No. 812-9988]

Royce Capital Trust, et al.

June 27, 1996.

AGENCY: Securities and Exchange Commission ("SEC" or "Commission").

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

APPLICANTS: Royce Capital Trust ("Trust") and Quest Advisory Corp. ("Quest").

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

SUMMARY OF APPLICATION: Applicants seek an order permitting shares of any current or future series of the Trust and shares of any other investment company that is designed to fund variable insurance products and for which Quest or its affiliates may in the future serve as investment adviser, administrator, manager, principal underwriter or sponsor (collectively with the Trust, "Funds"), to be sold to and held by: (1) variable annuity and variable life insurance separate accounts of both affiliated and unaffiliated insurance companies ("Participating Insurance Companies"); and (2) qualified pension and retirement plans outside of the separate account context ("Plans").

FILING DATE: The application was filed on February 9, 1996.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Secretary of the Commission and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on July 22, 1996 and should be accompanied by proof of service on Applicants in the form of an affidavit or, for lawyers, a