The meeting will be open to public attendance.

The agenda for the subject meeting shall be as follows:

Wednesday, November 6, 1996—1:00 p.m. until the conclusion of business

The Subcommittee will discuss the proposed Commission Paper, ''Use of NUREG–1465 Source Term at Operating Reactors,'' the Electric Power Research Institute (EPRI) Technical Report TR–105909, ''Generic Framework for Application of Revised Accident Source Term to Operating Plants,'' and related matters. The purpose of this meeting is to gather information, analyze relevant issues and facts, and to formulate proposed positions and actions, as appropriate, for deliberation by the full Committee.

Oral statements may be presented by members of the public with the concurrence of the Subcommittee Chairman; written statements will be accepted and made available to the Committee. Electronic recordings will be permitted only during those portions of the meeting that are open to the public, and questions may be asked only by members of the Subcommittee, its consultants, and staff. Persons desiring to make oral statements should notify the cognizant ACRS staff engineers named below five days prior to the meeting, if possible, so that appropriate arrangements can be made.

During the initial portion of the meeting, the Subcommittee, along with any of its consultants who may be present, may exchange preliminary views regarding matters to be considered during the balance of the meeting.

The Subcommittee will then hear presentations by and hold discussions with representatives of the NRC staff, its consultants, EPRI, Grand Gulf nuclear power plant licensee, and other interested persons regarding this review.

Further information regarding topics to be discussed, whether the meeting has been cancelled or rescheduled, the Chairman's ruling on requests for the opportunity to present oral statements and the time allotted therefor can be obtained by contacting the cognizant ACRS staff engineers, Mr. Noel Dudley (telephone 301/415–6888) or Mr. Amarjit Singh (telephone 301/415–6899) between 7:30 a.m. and 4:15 p.m. (EDT). Persons planning to attend this meeting are urged to contact one of the above named individuals one or two working days prior to the meeting to be advised of any potential changes to the agenda, etc., that may have occurred.

Dated: October 15, 1996.

Sam Duraiswamy,

Chief, Nuclear Reactors Branch.

[FR Doc. 96–26890 Filed 10–18–96; 8:45 am]

BILLING CODE 7590–01–P

Advisory Committee on Reactor Safeguards, Subcommittee Meeting on Planning and Procedures; Notice of Meeting

The ACRS Subcommittee on Planning and Procedures will hold a meeting on November 5, 1996, Room T–2B1, 11545 Rockville Pike, Rockville, Maryland.

The entire meeting will be open to public attendance, with the exception of a portion that may be closed pursuant to 5 U.S.C. 552b (c) (2) and (6) to discuss organizational and personnel matters that relate solely to internal personnel rules and practices of ACRS, and matters the release of which would constitute a clearly unwarranted invasion of personal privacy.

The agenda for the subject meeting shall be as follows:

Tuesday, November 5, 1996—12:00 noon until 1:30 p.m.

The Subcommittee will discuss proposed ACRS activities and related matters. It may also discuss the qualifications of candidates for appointment to the ACRS. The purpose of this meeting is to gather information, analyze relevant issues and facts, and to formulate proposed positions and actions, as appropriate, for deliberation by the full Committee.

Oral statements may be presented by members of the public with the concurrence of the Subcommittee Chairman; written statements will be accepted and made available to the Committee. Electronic recordings will be permitted only during those portions of the meeting that are open to the public, and questions may be asked only by members of the Subcommittee, its consultants, and staff. Persons desiring to make oral statements should notify the cognizant ACRS staff person named below five days prior to the meeting, if possible, so that appropriate arrangements can be made.

Further information regarding topics to be discussed, the scheduling of sessions open to the public, whether the meeting has been cancelled or rescheduled, the Chairman's ruling on requests for the opportunity to present oral statements, and the time allotted therefor can be obtained by contacting the cognizant ACRS staff person, Dr. John T. Larkins (telephone: 301/415–7360) between 7:30 a.m. and 4:15 p.m. (EDT). Persons planning to attend this meeting are urged to contact the above named individual one or two working days prior to the meeting to be advised of any changes in schedule, etc., that may have occurred.

Dated: October 15, 1996.

Sam Duraiswamy,

Chief, Nuclear Reactors Branch.

[FR Doc. 96–26891 Filed 10–18–96; 8:45 am]

BILLING CODE 7590–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35–26593]

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

October 11, 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 November 5, 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 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.

General Public Utilities, Inc. (70–8113)

General Public Utilities, Inc. (''GPU''), 100 Interpace Parkway, Parsippany, New Jersey 07054, a registered holding company, has filed a post-effective amendment to its declaration under section 12(b) of the Act and rules 45 and 54 thereunder.

By orders dated December 10, 1987 (HCAR No. 24522) and April 23, 1993

(HCAR No. 25805) (''Original Orders''), the Commission, among other things, authorized GPU to guarantee the payment of non-funded benefits under employee benefit plans of GPU Service, Inc. (''GPUS'') and GPU Nuclear, Inc. (''GPUN''), each of which is a subsidiary service company of GPU (collectively, ''Original Subsidiaries''), from time-to-time until December 31, 2002, in an aggregate amount not to exceed $50 million. These plans (collectively, ''Plans'') included, among others, the GPUS and GPUN Elected Officers Deferred Compensation Plans and Short-Term and Long-Term Disability Plans, the GPUS Senior Officers Deferred Compensation Plan, the GPUS and GPUN Employees Pension Plans, life annuities or supplemental pension payments for retired officers or other individuals (''Participants'') performing services for the Original Subsidiaries which are awarded on an individual basis, severance payment plans in effect from time-to-time for officers of GPUS and GPUN, the GPUS Senior Executive Life Insurance Program, under which GPU is obligated to make premium payments on ''split-dollar'' senior executive life insurance policies, and any other employee benefit plans that may be adopted in the future.

Since the issuance of the April 23, 1993 Order, GPU has: (1) organized GPU Generation, Inc. (''Genco'') to operate the non-nuclear generating facilities of the GPU System; (2) expanded the activities of GPU International, Inc. (formerly, Energy Initiatives, Inc.) (''International''), a non-utility subsidiary which develops, owns and operates independent power projects; and (3) organized GPU Power, Inc. (formerly, EI Power, Inc.) (''Power''), and GPU Electric, Inc. (formerly, EI Energy, Inc.) (''Electric'') to pursue investments in exempt wholesale generators and foreign utility companies, respectively. Genco, International, Power, Electric and all other existing or yet-to-be formed subsidiaries of GPU are collectively referred to as the ''Additional Subsidiaries.''

GPU now requests authority from time-to-time through December 31, 2002 to: (1) guarantee the payment of non-funded benefits due under the existing or future Plans of the Additional Subsidiaries; and (2) increase the aggregate amount of non-funded benefits under the Plans for which it may assure payment for the Original Subsidiaries and the Additional Subsidiaries to an aggregate of $100 million. The Additional Subsidiaries may include Jersey Central Power & Light Company, Metropolitan Edison Company and Pennsylvania Electric Company, the electric utility subsidiaries of GPU, to enable GPU to provide officers and other Participants of such subsidiaries with equivalent assurance of payment of benefits as may be provided for the officers and other officers and Participants of other GPU subsidiaries.

WPL Holdings, Inc., et al. (70–8891)

WPL Holdings, Inc. (''WPLH''), 222 West Washington Avenue, Madison, Wisconsin 53703, and IES Industries Inc. (''IES''), 200 First Street S.E., Cedar Rapids, Iowa 52401, both public utility holding companies exempt from regulation under all but section 9(a)(2) of the Act, and Interstate Power Company (''IPC''), 1000 Main Street, Dubuque, Iowa 52004, a combination gas and electric public utility company (collectively, ''Applicants''), have filed jointly an application-declaration under sections 4, 5, 6(a), 7, 8, 9, 10, 11, 12(b), 13(b), 32 and 33 of the Act and rules 42, 54, 82, 83, 86, 88, 90 and 91 thereunder.

The Applicants propose to combine WPLH, IES and IPC, pursuant to an amended Agreement and Plan of Merger, dated November 10, 1995 (''Merger Agreement''), under which IES' utility subsidiary, IES Utilities, Inc. (''Utilities''), and IPC will become subsidiaries of WPLH (the ''Transaction''). WPLH will be renamed Interstate Energy Corporation (''Interstate Energy'') at or prior to such time, and will register with the Commission under section 5 of the Act. The Applicants also propose to engage in other Transaction-related activities, including Interstate Energy's retention of combination gas and electric public utilities, retention of combination gas and electric public utilities, retention of all of the Applicants' nonutility subsidiaries, and formation of a service company.

The Applicants

WPLH has one direct public utility subsidiary company, Wisconsin Power & Light Company (''WP&L''), a combination electric and gas public utility that, in turn, is an exempt public utility holding company with 100% and 33⅓% ownership interests, respectively, in two public utility subsidiary companies: South Beloit Water, Gas and Electric Company (''South Beloit''), a combination electric and gas public utility, and Wisconsin River Power Company (''WRPC''), which owns and operates two hydroelectric facilities on the Wisconsin River.

WP&L is engaged principally in the generation, purchase, distribution and sale of electric energy in 35 counties in southern and central Wisconsin. WP&L provides retail electric service to approximately 370,000 customers in 663 cities, villages and towns, and wholesale service to 27 municipal utilities, three rural electric cooperatives, the Wisconsin Public Power Incorporated System, which provides retail service to nine communities, and one privately owned utility. WP&L also purchases natural gas and distributes and sells natural gas to approximately 141,000 retail customers in 22 counties in southern and central Wisconsin. WP&L supplies water to approximately 31,620 customers in two Wisconsin communities, including the cities of Ripon and Beloit and adjacent areas. South Beloit supplies retail electric, gas and water services to customers in the cities of South Beloit and Rockton, Illinois, and the adjacent rural areas, serving approximately 7,005 electric customers, 5,128 gas customers, and 1,598 water customers. South Beloit's service territory is located in Illinois and is adjacent to the service territory of WP&L in Wisconsin.

WPLH owns 98.1% of one nonutility subsidiary, Heartland Development Corporation (''HDC''),[1] a holding company for WPLH's nonutility activities. HDC has six subsidiaries that engage, directly and indirectly, in: environmental consulting and engineering;[2] the development, ownership, underwriting and sales of, and asset management services in connection with, affordable multi-family housing;[3] financing services, including the origination, sale and servicing of mortgages, for tax advantaged affordable housing properties;[4] energy-related businesses, which include brokering and marketing of natural gas, gas supply and fuel management services, and energy project development and implementation for energy supply projects;[5] and consulting on the

[1] The remaining 1.9% interest in HDC held by two officers will be eliminated in connection with the Transaction.

[2] These activities are performed by Heartland Environmental Holding Company (''HEHC'') and its subsidiaries: RMT, Inc.; RMT/Jones & Neuse, Inc.; Quality Environmental Services, Inc.; RMT North Carolina and RMT New York; and Advanced Environmental Management, Ltd., which is a Finish start-up environmental consulting and engineering business.

[3] These activities are performed by Heartland Properties, Inc. and its direct and indirect subsidiaries: Heartland Affordable Housing, Inc.; Capital Company, L.L.C.; and Heartland Asset Management, Inc.

[4] Capital Square Financial Corp.

[5] Heartland Environmental Group and its subsidiaries, Heartland Energy Services and Enserv. Enserv performs turnkey energy project development and implementation for customer energy supply projects, including feasibility studies, engineering, financing, construction, management, and project ownership.

development, maintenance and marketing of electric generation computer software programs, models and options.[6]

WPLH also has indirect interests in nonutility businesses through WP&L and South Beloit. WP&L owns and operates the Ripon Water System and the Beloit Water System. WP&L's wholly owned subsidiary, Reac, Inc., purchases and holds real property primarily for use in WP&L's public utility operations. WP&L also owns a 13% interest in Wisconsin Valley Improvement Company, which manages and controls water flow through a series of reservoirs and dams on the upper Wisconsin River. In addition, WP&L's Board of Directors elects annually the directors of the Wisconsin Power and Light Foundation, a Wisconsin non-stock, non-profit corporation that uses WP&L contributions for charitable, literary and scientific purposes. South Beloit owns and operates the South Beloit Water system.

WPLH common stock is listed on the New York Stock Exchange (''NYSE''), the Boston Stock Exchange (''BSE''), the Chicago Stock Exchange (''CSE'') and the Pacific Stock Exchange (''PSE''). As of July 10, 1996, there were 30,795,260 shares of WPLH common stock outstanding. WPLH has no shares of preferred stock outstanding, although as of July 10, 1996, there were 1,049,225 shares of WP&L preferred stock outstanding. The rights of holders of WP&L's outstanding preferred stock will not be impacted by the Transaction.

For the year ended December 31, 1995, WPLH's operating revenues on a consolidated basis were approximately $811 million, of which approximately $550 million were derived from electric operations, $139 million from gas operations and $122 million from other operations. Approximately 15% of the WPLH's consolidated operating revenues were derived from its nonutility investments. Consolidated assets of WPLH and its subsidiaries at December 31, 1995, were approximately $1.875 billion, consisting of approximately $1.23 billion in identifiable electric utility property, plant and equipment; approximately $250 million in identifiable gas utility property, plant and equipment; and approximately $395 million in other corporate assets. Less than 13.34% of WPLH's consolidated assets were invested in nonutility businesses.

IES has one wholly owned combination electric and gas public utility company subsidiary, Utilities. Utilities provides retail electric service to approximately 333,000 customers in 525 communities and natural gas to 174,000 retail customers in 222 communities across Iowa. Utilities also provides wholesale electric service to 30 Iowa municipalities. To a limited extent, Utilities also provides steam used for heating and industrial purposes in downtown Cedar Rapids, Iowa.[7] In addition, Utilities owns a 70% interest in and operates a nuclear generating station, Duane Arnold Energy Center.

IES's wholly owned subsidiary, IES Diversified, Inc. (''Diversified'') was formed as a holding company for most of IES's nonutility activities, which include: transportation;[8] non-regulated energy businesses;[9] foreign utility investments;[10] and investments in telecommunications, real estate and other miscellaneous projects.[11] IES also has indirect interests in certain other nonutility activities through Utilities and its wholly owned subsidiary, Ventures, whose two subsidiaries are: IES Midland Development Inc., which owns and operates a landfill in Ottumwa, Iowa; and Aqua Ventures, L.C., which operates an aquaculture facility that raises fish for human consumption.[12] Utilities also owns 33.3% of Unitrain Services, which is a coal car management company.

IES is a member of the Cedar Rapids Electric Transportation Consortium (''CRETC''), a joint venture with the City of Cedar Rapids, Iowa, Westinghouse Electric Corp. and Blue Bird Co., formed to evaluate electric mass transit vehicle technology in northern climates. CRETC is partially funded through federal grants.

IES Industries Charitable Foundation is a non-profit corporation, which funds a broad spectrum of agencies and institutions in the educational, arts, health and social concern fields.

IES common stock is listed on the NYSE, the BSE, the CSE and the PSE. As of July 10, 1996, there were 29,923,233 shares of IES common stock outstanding. IES has no shares of preferred stock outstanding, although as of July 10, 1996, there were 120,000 shares of Utilities 4.30% Preferred Stock, 146,354 shares of Utilities 4.80% Preferred Stock, and 100,000 shares of Utilities 6.10% Preferred Stock outstanding. As of December 31, 1995, IES's revenues on a consolidated basis were approximately $851 million, of which approximately $560 million were derived from electric operations, $190 million from gas operations and $100 million from other operations. IES's consolidated assets as of December 31, 1995, were approximately $1.986 billion, consisting of approximately $1.396 billion in identifiable electric utility property, plant and equipment; $199 million in identifiable gas utility property, plant and equipment; and $391 million in other corporate assets. IES's nonutility subsidiaries and investments constituted approximately 20% of IES's consolidated assets, and operating revenues from the nonutility activities represented approximately 12% of IES's consolidated total operating revenues for the year ended December 31, 1995.

IPC is engaged primarily in the generation, purchase, transmission, distribution and sale of electric energy

[6] Entec.

[7] Utilities currently delivers low- and high-pressure steam to more than 200 residential and business customers; steam sales make up approximately 1.7% of Utilities' operating revenues.

[8] IES Transportation Inc. was formed as a holding company for IES's transportation subsidiaries: (1) Cedar Rapids & Iowa City Railway Company (''CRANDIC''), which directly and indirectly owns and operates a shortline railway for rail freight service between Cedar Rapids, Iowa City and Amana, Iowa, owns and operates rail lines between Council Bluffs, Iowa and Bureau, Illinois, and operates trackage rights between Bureau and Chicago, Illinois; (2) IES Barge Services Inc., which provides private harbor barge terminal facilities for rail car and barge loading and unloading; and (3) IES Transfer Services Inc., which owns and operates a warehouse and outdoor storage facility linked to CRANDIC.

[9] IES Energy Inc. (''IES Energy'') was formed to hold IES's energy-related businesses: (1) Industrial Energy Applications, which brokers and markets energy and designs, builds and operates generating facilities; (2) Whiting Petroleum Corporation that, through its subsidiaries, purchases, develops and produces crude oil and natural gas; and (3) Ely Inc., which is currently inactive.

[10] IES International was formed to hold IES's foreign utility investments; its sole subsidiary is IES New Zealand Inc., which owns, respectively, a 6% and 7% interest in two New Zealand utility distribution companies.

[11] IES Investments Inc. (''Investments''), through subsidiaries, holds investments in: (1) Iowa Land and Building Company, a real estate holding company subsidiary that, primarily for economic development, acquires, manages and sells real estate largely within Utilities' service area, including an interest in the development of a business park in Cedar Rapids; (2) 2001 Development Corporation, organized to promote economic development in downtown Cedar Rapids (which through affiliate real estate entities invests in the construction and operation of multifamily rental apartments in Cedar Rapids, the Five Seasons Hotel, a downtown hotel and conference center, and the management and sale of resort properties); and (3) IES Investco Inc., a wholly-owned holding company with equity investments in DLJ Partners, an investment fund, and McLeod, Inc., a provider of integrated local and long distance telecommunications services. Investments also has equity and debt holdings in certain economic development and venture capital investments in Utilities' service territory.

[12] Ventures holds a 35% interest in Aqua Ventures.

in parts of twenty-five counties in northern and northeastern Iowa, twenty-two counties in southern Minnesota, and four counties in northwestern Illinois. IPC also engages in the distribution and sale of natural gas in 41 communities, including Albert Lea, Minnesota; Clinton, Mason City and Clear Lake, Iowa; Fulton and Savanna, Illinois; and a number of smaller Minnesota, Iowa and Illinois communities. As of December 31, 1995, IPC provided electric service to 163,344 retail customers and 19 full and partial requirements wholesales customers, and natural gas to 48,823 retail customers. IPC also engages in the transportation of natural gas within Iowa, Minnesota and in interstate commerce.

IPC has one wholly owned nonutility subsidiary, IPC Development, which provides real estate services that consist principally of buying homes from IPC employees who have been relocated by the company and purchasing real estate intended for future use in IPC's utility operations.

IPC's common stock is listed on the NYSE, the CSE and the PSE. As of July 10, 1996, there were 9,595,028 shares of IPC common stock and 761,381 shares of IPC preferred stock outstanding. For the year ended December 31, 1995, IPC's operating revenues were approximately $319 million, of which approximately $275 million were derived from electric operations and $44 million from gas operations. IPC's assets at December 31, 1995, were approximately $634 million, consisting of approximately $459 million in identifiable net electric utility property, plant and equipment, and $39 million in identifiable net gas utility property, plant and equipment, and $135 million in other corporate assets. IPC's nonutility investments constituted less than 0.2% of IPC's consolidated assets, and there were no operating revenues from IPC's nonutility activities, all as of December 31, 1995.

Summary of Merger Related Transactions

In addition to the Transaction itself, described more fully below, the Applicants propose: (1) to transfer certain of Interstate Energy's nonutility interests to its subsidiary, Interstate Hold; (2) to form under rule 88 of the Act a new service company, Interstate Services, Inc. (''Interstate Services''), which will issue and sell 9,000 shares of its $0.01 par value stock to Interstate Energy; [13] (3) to execute utility and nonutility and nonutility system companies; (4) to retain, under Interstate Energy, the gas properties of WP&L, Utilities and IPC and continue their operation as combination gas and electric utilities; (5) to retain under Interstate Energy the nonutility businesses and affiliates of WPLH, IES and IPC; (6) to retain all outstanding intra-system obligations and guarantees; (7) to issue shares of Interstate Energy common stock, $0.01 par value (''Interstate Energy Common Stock'') in connection with the Transaction; (8) to issue, and/or acquire in open-market or privately negotiated transactions, for up to five years from the date of an order in this matter, up to 11 million shares of Interstate Energy Common Stock under dividend reinvestment and stock-based management incentive and employee benefit plans; (9) to issue rights to purchase shares of Interstate Energy Common Stock under the terms of the Rights Agreement, dated February 22, 1989, between WPLH and Morgan Shareholder Services Trust Company, as Rights Agent, and to sell and issue Interstate Energy Common Stock upon exercise of the rights and other transactions encompassed in the Rights Agreement; and (10) to obtain an exemption from the at cost standards of rules 90 and 91 with respect to certain transactions described below.

The Transaction

The Transaction will be effected by merging IES with and into WPLH, with WPLH as the surviving corporation, and merging WPLH Acquisition Co., a wholly owned subsidiary of WPLH formed for purposes of the Transaction, with and into IPC, which will result in IPC becoming a subsidiary of WPLH.[14] The shareholders of each of the Applicants have approved the Transaction.

The common shareholders of IES and IPC will have the right to receive 1.14 and 1.11 shares, respectively, of Interstate Energy Common Stock in exchange for one share of IES and IPC Common Stock (excluding shares owned directly or indirectly by WPLH, IES or IPC). The Transaction will have no effect on the outstanding shares of Utilities Preferred Stock, $50 par value, or IPC's Preferred Stock, $50 par value (other than shares held by IPC preferred stockholders who perfect dissenter's rights under applicable state law); each series and each share of Utilities Preferred Stock and IPC Preferred Stock will remain unchanged.[15] Each issued and outstanding share of WPLH common stock will remain outstanding and unchanged as one share of Interstate Energy Common Stock. The Applicants believe that the Transaction will qualify as a tax-free reorganization and will be treated as a pooling of interests for accounting purposes.

Upon completion of the Transaction, Interstate Energy will own, directly and indirectly, four combination electric and gas utility companies: WP&L, South Beloit, Utilities, and IPC. The headquarters of Interstate Energy will be in Madison, Wisconsin, and its board of directors will consist of fifteen members, designated as follows: six by IES, six by WPLH, and three by IPC.

Services

Interstate Services proposes to enter service agreements with WP&L, Utilities, IPC and South Beloit (''Utility Service Agreement'') and the nonutility companies in the system (''Nonutility Service Agreement''). Functions that Interstate Services may provide under the Utility Service Agreement include: information systems; meters; transportation; electric and gas system maintenance; marketing and customer relations; electric and gas transmission and distribution engineering and construction; human resources; materials management; facilities; accounting; power planning; public affairs; legal; rates; finance; land and rights of way; internal auditing; environmental affairs; fuels, including procurement and transportation; investor relations; planning; executive; gas acquisition and dispatch; gas production engineering and construction; steam system maintenance; steam distribution and supply engineering and construction; steam planning; water system maintenance and water distribution and supply engineering and construction; and water planning. Costs for services will be directly assigned or allocated between the utility companies; charges will be on an at cost basis in accordance with section 13(b) of the Act and rules 90 and 91 thereunder. Interstate Services will be staffed primarily by transferring personnel from WP&L, IES and IPC and their subsidiaries.

The Nonutility Service Agreement provides for services to nonutility

[13] Interstate Services will be incorporated in Wisconsin to serve as the service company for the Interstate Energy system providing administrative, management and support services.

[14] If the Applicants determine, however, that Wisconsin regulatory requirements mandate that the utility subsidiaries of Interstate Energy be Wisconsin corporations, then the transaction will be consummated in a manner designed to comply with such requirements (''Alternative Transaction'').

[15] Under the Alternative Transaction, the shareholders of preferred stock will exchange their shares (other than dissenting shareholders) for preferred stock, with terms and designations substantially identical, in the requisite Wisconsin corporations.

associate companies to be charged on an ''at cost'' basis except as permitted by rule or order of the Commission. The Applicants request an exemption from section 13(b) of the Act and the at cost standards of rules 90 and 91 thereunder for services provided by Interstate Services to foreign utility companies (''FUCOs'') or to any associate company which does not derive, directly or indirectly, any material part of its income from sources within the United States and which is not a public utility operating within the United States.

The Applicants also propose that Interstate Energy subsidiaries may provide goods and services, including operation and maintenance and consulting, and request an exemption from the at cost standards of section 13(b) and the rules thereunder for the sale of such services and goods, to entities that will qualify as FUCOs following the Transaction.

Finally, the Applicants state that WP&L, South Beloit, Utilities and IPC may provide each other with services incidental to their utility businesses, in accordance with rule 87(a)(3), such as meter reading, materials management, gas purchasing, transportation, and line and gas trouble crews. The Applicants state such services will be provided at cost.

Issuance of Stock: Benefits and Shareholder Protection Plans

The Applicants propose, from time to time for five years from the date of an order issued in this matter, to issue and/or acquire in open market or privately negotiated transactions up to 11 million shares of authorized Interstate Energy Common Stock under its dividend reinvestment and stock purchase plan, long-term equity incentive plan and certain other employee benefit plans.

Each of the Applicants has an existing dividend reinvestment and stock purchase plan. Following consummation of the Transaction, the IES and IPC plans will cease and participants in those plans may elect to participate in the WPLH plan, which will become the Interstate Energy dividend reinvestment plan (''DRIP''). Participants in the DRIP may invest cash dividends and/or optional cash payments in shares of Interstate Energy. Shares purchased directly from Interstate Energy will be authorized but unissued Treasury shares. Following the Transaction, decisions to purchase shares for the DRIP directly from Interstate Energy, in the open market, or in privately negotiated transactions will be based on Interstate Energy's need for common equity and other relevant factors. Proceeds from the purchase of shares from Interstate Energy will be available for general corporate purposes, and Interstate Energy will not use such proceeds to acquire an interest in any EWG or FUCO.

WPLH currently has in effect a Long-Term Equity Incentive Plan, which will remain in place and become Interstate Energy's plan (the ''Long-Term Plan'') following consummation of the Transaction. The Long-Term Plan will provide stock awards to key employees of Interstate Energy and its subsidiaries, and will replace the IES Long-Term Incentive Plan. Pursuant to the Merger Agreement, participants in the IES plan will receive, based on awards and outstanding options and tandem stock appreciation rights, the right to exchange shares of IES common stock, using the exchange ratio, for Interstate Energy Common Stock.

Each of WPLH, IES and IPC also has plans that provide for the issuance of shares of its common stock to employees participating in various stock purchase plans, such as retirement savings plans, employee savings plans, bonus stock ownership plans, and 401(k) plans. The plans will remain in effect following the consummation of the Transaction, and each plan will be modified to provide for the acquisition of Interstate Energy Common Stock.

The Applicants also propose to implement the terms of the Rights Agreement to: (1) issue the right, attached to each outstanding share of Interstate Energy Common Stock (including shares issued to effect the Transaction), to purchase additional shares of Interstate Energy Common Stock under certain circumstances (''Rights''); (2) issue and sell Interstate Energy Common Stock or other Interstate Energy securities or assets upon the exercise of the Rights; (3) redeem the Rights of issue Interstate Energy Common Stock or other Interstate Energy securities in exchange for the Rights; and (4) amend the Rights Agreement as permitted by its terms. If the Rights become exercisable, holders (excluding 20% shareholders) will be entitled to purchase one-half share of Interstate Energy Common Stock for $30; additional rights may accrue under certain circumstances. The Rights become exercisable upon the acquisition of 20% or more of Interstate Energy Common Stock. Rights may be redeemed at $0.01 per Right before a 20% acquiring party exists, and may thereafter be exchanged for one share of Interstate Energy Common Stock per Right until the existence of a 50% acquirer. The Rights do not have voting or dividend rights, and expire on February 22, 1999.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–26930 Filed 10–18–96; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 34–37808; File No. SR–CBOE–96–35]

Self-Regulatory Organizations; Order Granting Approval to Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval to Amendment No. 1 to Proposed Rule Change by the Chicago Board Options Exchange, Inc., to Amend the Firm Facilitation Exemption

October 10, 1996.

I. Introduction

On June 12, 1996, the Chicago Board Options Exchange, Inc. (''CBOE'' or ''Exchange'') submitted to the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 thereunder,[2] a proposed rule change to amend its firm facilitation exemption.

Notice of the proposed rule change appeared in the Federal Register on July 11, 1996.[3] No comments were received on the proposed rule change. The Exchange subsequently filed Amendment No. 1 to the proposed rule change on September 25, 1996.[4] This order approves the CBOE's proposal, as amended.

II. Background and Description

Earlier in 1996, the CBOE obtained Commission approval to expand the firm facilitation exemption [5] that was available for SPX index options and interest rate options to all non-multiply-listed Exchange option classes.[6] Currently, only a member firm who

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

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 37393 (July 2, 1996), 61 FR 36592 (July 11, 1996).

[4] In Amendment No. 1, the CBOE revised the proposed rule language of Interpretation .06 to Exchange Rule 4.11 so that ''a member firm who receives a customer order for execution only against the member firm's proprietary account'' may qualify for the facilitation exemption. *See* letter from Patricia L. Cerny, Director, Department of Market Regulation, to Holly Smith, Associate Director, Division of Market Regulation, Commission, dated September 25, 1996 (''Amendment No. 1'').

[5] The CBOE notes that a facilitation trade is a transaction that involves crossing an order of a member firm's public customer with an order from the member firm's proprietary account.

[6] *See* Securities Exchange Act Release No. 36964 (March 13, 1996), 61 FR 11453 (March 20, 1996) (File No. SR–CBOE–95–68).