

cases, these Units have net asset values that are substantially higher than the basis at which they are carried, causing the Unitholder to realize a gain upon redemption of the Units. Applicants state that their proposal would provide the Unitholder with the tax advantages associated with gifts of appreciated property while the charity receives a security that it can then present to the Fund for redemption in return for cash.

4. Applicants assert that their proposal is an attempt to promote the economic welfare of their employee-investors. The proposal, applicants contend, simply provides the Unitholders with the option of divesting themselves of appreciated property, gaining the associated tax advantages, and avoiding what could otherwise be a substantial tax burden, while donating to the charity of their choosing. Applicants contend that, without this option, many of the Unitholders may be subject to substantial taxes upon redemption of their Units owing to the long holding periods and the appreciation in the value of the Units that has occurred over time. Applicants believe that a Unitholder wishing to use his or her ownership interest in the applicants for philanthropic purposes thus would be forced to submit the shares for redemption, pay the taxes associated with the gain realized by the Unitholder, and then donate the cash proceeds to the charity of his or her choice. Applicants contend that the Unitholder consequently will be forced to redeem more Units than would otherwise be required in order to cover the associated taxes if the Unitholder has an established amount that he or she wishes to donate to a charity.

5. Applicants state that the gift of appreciated property to a charity is a commonly used strategy in philanthropy. Applicants contend that their proposal would permit the Unitholders to do nothing more than they would be entitled to do if the security at issue were any other form of security or asset. The applicants believe that their status as employees' securities companies should not cause detriment to the very people that status is intended to benefit.

6. Applicants also believe that, owing to the short holding period, the charities are less in need of the protections afforded by the Act. The charities will only be permitted to hold the Units for up to 90 days before mandatory redemption is instituted by the applicants at an amount equal to their net asset values.

7. Applicants note that the donee-charities, like all eligible investors, will have many of the protections afforded

by the Act. Applicants state that, except for the prospect of involuntary redemption, each donee-charity will be treated as any other Unitholder and therefore will not be disadvantaged by their temporary ownership of Units. Applicants also assert that, so long as the donee-charities qualify as tax-exempt entities under section 501(c)(3) of the Code, the donee-charities will not be subject to any tax liability by reason of their holding Units in applicants or by the redemption of such Units.

#### Applicants' Condition

Applicants agree that the order granting the requested relief shall be subject to the condition that on the first business day following the later of the 90th day after receipt of Units donated as described in the application or the cessation of circumstances described in paragraphs (1)–(3) of section 22(e) of the Act, the Units will be redeemed by the holder or involuntarily by the appropriate applicant or be transferred by the holder to an investor who is eligible to invest in an Elfun Fund or an S&S Fund.

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

Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 96–29717 Filed 11–20–96; 8:45 am]

BILLING CODE 8010–01–M

#### [Release No. 35–26607]

#### Filings Under the Public Utility Holding Company Act of 1935, as Amended (“Act”)

November 15, 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 December 9, 1996, to the Secretary, Securities and Exchange Commission, Washington, DC 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or,

in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

#### TUC Holding Company (70–8953)

TUC Holding Company (“TUC Holding”), located at Energy Plaza, 1601 Bryan Street, Dallas, Texas 75201, a Texas corporation not currently subject to the Act, has filed an application for an order under sections 9(a)(2) and 10 of the Act authorizing its proposed acquisition of all of the issued and outstanding common stock of (1) Texas Utilities Company (“TUC”), a Texas electric public-utility holding company exempt under section 3(a)(1) from all provisions of the Act except section 9(a)(2), and, through such acquisition, TUC's Texas public-utility subsidiary companies, Texas Utilities Electric Company (“TU Electric”) and Southwestern Electric Service Company (“SESCO”); and (2) ENSERCH Corporation (“ENSERCH”), a Texas gas public-utility company. TUC Holding also requests an order under section 3(a)(1) exempting it from all provisions of the Act except section 9(a)(2), following consummation of the proposed transactions.

TU Electric and SESCO operate as public utilities exclusively in the State of Texas.<sup>1</sup> Both are subject to regulation with respect to retail electric rates and other matters by the Public Utility Commission of Texas (“Texas Commission”) and by certain municipalities with regard to their rates.<sup>2</sup>

TUC also has eight nonutility subsidiaries. Texas Utilities Australia Pty. Ltd, an Australia limited liability company, owns all of the common stock of an Australia foreign utility company, as defined in section 33 of the Act. Texas Utilities Fuel Company, a Texas corporation, owns a natural gas pipeline

<sup>1</sup> TU Electric is engaged in the generation, purchase, transmission, distribution and sale of electric energy in the north central, eastern and western parts of Texas, an area with a population estimated at 5,280,000. SESCO is engaged in the purchase, transmission, distribution and sale of electric energy in ten counties in the eastern and central parts of Texas, with a population estimated at 125,000.

<sup>2</sup> In addition, TU Electric is subject to regulation by the Nuclear Regulatory Commission in connection with its ownership of the Comanche Peak nuclear generating facility.

system and acquires, stores and delivers fuel gas and provides other fuel services at cost to TU Electric. Texas Utilities Mining Company, a Texas corporation, owns, leases and operates fuel production facilities for the surface mining and recovery of lignite at cost for TU Electric. Texas Utilities Services Inc., a Texas corporation, provides administrative services at cost to TUC system companies. Texas Utilities Properties Inc., a Texas corporation, owns, leases and manages properties, primarily TUC's corporate headquarters. Texas Utilities Communications Inc., a Delaware corporation, was organized to provide access to advanced telecommunications technology, primarily for the TUC system's expected expansion of the energy services business. Basic Resources Inc., a Texas corporation, was organized to develop natural resources, primarily energy sources, and other business opportunities. Chaco Energy Company, a New Mexico corporation, currently leases coal reserves in that state.

For the year ended December 31, 1995, TUC's operating revenues on a consolidated basis were approximately \$5.64 billion, of which approximately \$5.61 billion was derived from TU Electric's and SESCO's electric operations. Consolidated assets of TUC and its subsidiaries at December 31, 1995 were approximately \$21.5 billion, of which approximately \$17.7 billion consists of utility assets. As of March 31, 1996, there were 225,841,037 outstanding shares of the common stock, no par value, of TUC.

ENSERCH, an integrated company that focuses on natural gas, is the successor to a company organized in 1909 for the purpose of providing natural gas service to north Texas. Through its Lone Star Gas Company division ("Lone Star"), ENSERCH is a gas utility company that purchases and distributes natural gas to over 1.3 million residential, commercial, industrial and electric-generation customers in approximately 550 cities and town, including the Dallas/Fort Worth Metroplex.<sup>3</sup> Lone Star is subject to regulation by the Railroad Commission of Texas ("Railroad Commission") with respect to rates charged to customers for gas delivered outside incorporated cities and towns and with respect to certain other corporate matters. Rates within incorporated cities and towns in Texas are subject to the original jurisdiction of

the local city council with appellate review by the Railroad Commission.

ENSERCH also has various nonutility operations.<sup>4</sup> Lone Star Pipeline Company, a division of ENSERCH, owns a natural gas pipeline in Texas and is engaged in the gathering, processing and marketing of natural gas. Lone Star Pipeline is regulated with respect to gas transportation rates by the Railroad Commission. Enserch Processing Company, a division of ENSERCH, is engaged in the processing of natural gas for the recovery of natural gas liquids. Enserch Energy Services, Inc., a wholly-owned subsidiary of ENSERCH, is a marketer of natural gas and natural gas services, primarily in the Northeast and Midwest and on the West Coast. Enserch Development Corporation, a division of ENSERCH, is engaged in development activities relating to independent electric power generation projects. Fleet Star of Texas, L.C. ("Fleet Star") and TRANSTAR Technologies, Inc. ("TRANSTAR"), each of which is 50% owned by ENSERCH, are engaged in compressed natural gas businesses.<sup>5</sup>

For the year ended December 31, 1995, ENSERCH's operating revenues on a consolidated basis were approximately \$1.9 billion, of which approximately \$887 million was attributable to natural gas distribution activities and approximately \$220 million to oil and gas exploration and production. Consolidated assets of ENSERCH and its subsidiaries at December 31, 1995 were \$3.4 billion, of which approximately \$948 million consists of gas distribution property, plant and equipment and \$2.6 billion consists of oil and gas exploration and production property, plant and equipment. As of March 15, 1996, there were 68,626,602 outstanding shares of the common stock, par value \$4.45 per share, of ENSERCH.

TUC Holding was formed under Texas law to become a holding company for TUC and ENSERCH following consummation of the transactions contemplated by the terms of an Amended and Restated Agreement and Plan of Merger, dated as of April 13, 1996 ("Merger Agreement"), among

<sup>4</sup> The application states that certain of these interests will not become part of the TUC Holding system. These include ENSERCH's direct and indirect ownership of 83.4% of the outstanding common stock of Enserch Exploration, Inc., a company engaged in the exploration for, and development, production and sale of, natural gas and crude oil. Two other subsidiaries of ENSERCH that are engaged in the compressed natural gas business, Lone Star Energy Company and its wholly-owned subsidiary, Lone Star Energy Plant Operations, Inc., also will not become part of the TUC Holding system.

<sup>5</sup> Fleet Star owns public natural gas fueling stations and TRANSTAR provides turnkey natural gas vehicle conversions and related services.

TUC, ENSERCH and TUC Holding.<sup>6</sup> The Merger Agreement provides for the merger of TUC Merger Corp., a wholly-owned subsidiary of TUC Holding, with and into TUC, with TUC as the surviving corporation, and for the merger of ENSERCH Merger Corp., a wholly-owned subsidiary of TUC Merger Corp., with and into ENSERCH, with ENSERCH as the surviving corporation (together, "Mergers").

The application states that the Mergers are expected to create significant operational and administrative economies and efficiencies through combined meter reading, meter testing and billing operations, as well as customer service operations, savings in facility maintenance and emergency work coordination, and other administrative and general savings. In addition, as a result of the Mergers, TUC Holding is expected to be better positioned to remain competitive as the utility industry evolves.

Upon consummation of the Mergers:

(1) Each issued and outstanding share of TUC common stock (other than any shares owned by TUC, any subsidiary of TUC, ENSERCH or any subsidiary of ENSERCH, all of which will be cancelled without consideration and will cease to exist) will be converted into the right to receive one share of the common stock, without par value, of TUC Holding; (2) each issued and outstanding share of ENSERCH common stock, together with associated rights to purchase, in certain specified circumstances, interests in ENSERCH voting preference stock or, in other specified circumstances, shares of ENSERCH common stock,<sup>7</sup> (other than any shares owned by ENSERCH, any subsidiary of ENSERCH, TUC or any subsidiary of TUC, all of which will be cancelled without consideration and will cease to exist) will be converted into that number of shares of TUC Holding common stock obtained by dividing \$8.00 by the average closing sales price of TUC common stock as reported on the New York Stock Exchange Consolidated Transactions Tape on each of the 15 consecutive trading days preceding the fifth trading day prior to the consummation of the Mergers ("Average TUC Price"); provided, however, that in no event will the Average TUC Price be deemed to be less than \$35,625 or more than \$43,625; and (3) all shares of capital stock of TUC

<sup>6</sup> At present, the common stock of TUC Holding is owned equally by TUC and ENSERCH.

<sup>7</sup> These rights are governed by the terms of a Rights Agreement between ENSERCH and Harris Trust Company of New York, as Rights Agent thereunder, dated as of March 26, 1996.

<sup>3</sup> Lone Star also provides consulting services with respect to gas distribution.

Holding issued and outstanding immediately prior to the transaction will be cancelled. Outstanding shares of ENSERCH preferred stock and ENSERCH convertible debentures will remain outstanding ENSERCH securities after the Mergers, and the debentures will be convertible into TUC Holding common stock. The Mergers are expected to qualify as tax-free transactions under section 351 of the Internal Revenue Code of 1986, as amended. Based on the Average TUC Price if the Mergers had been consummated on April 12, 1996 (the date of the Merger Agreement), and the capitalization of TUC and ENSERCH on that date, the shareholders of TUC and ENSERCH would own securities representing approximately 94.3% and 5.7%, respectively, of the outstanding common stock of TUC Holding.

As a result of the Mergers, TUC Holding will be a public-utility holding company as defined in section 2(a)(7) of the Act with three public-utility subsidiaries, TU Electric, SESCO and ENSERCH. TUC Holding will change its name to Texas Utilities Company. It states that following consummation of the Mergers, it will be entitled to an exemption from all provisions of the Act except section 9(a)(2) because it and each of its public-utility subsidiaries from which it derives a material part of its income will be predominantly intrastate in character and will carry on their utility businesses substantially within the state of Texas.

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

Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 96-29790 Filed 11-20-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 35-26606]

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

November 15, 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 December 9, 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.

National Fuel Gas Company (70-8943)

### Notice of Proposal to Issue Common Stock; Order Authorizing Solicitation of Proxies

National Fuel Gas Company ("NFG"), 10 Lafayette Square, Buffalo, New York 14203, a gas registered holding company, has filed a declaration under sections 6(a), 7 and 12(e) of the Act and rules 62 and 65 thereunder.

By resolutions adopted by the Board of Directors of NFG ("Board") on September 19, 1996, NFG's By-laws were amended to establish a shares payment policy ("Plan") whereby nonemployee NFG directors ("Eligible Directors") would receive compensation in the form of NFG Common Stock, \$1 par value ("Common Stock") for serving on the Board. Under the Plan one hundred shares of Common Stock would be issued quarterly to each Eligible Director and would constitute a portion of such Eligible Director's annual retainer. The Plan provides for a proration of such payments for any quarter during which an Eligible Director has rendered only partial service. Common Stock issued pursuant to the Plan would be non-transferable until the later of two years from date of issuance or six months after the Eligible Director's cessation of service as a director. NFG states that from time to time the Board will make adjustments in the number of shares issuable to each Eligible Director, as the Board in its discretion deems appropriate in light of then existing circumstances. It is anticipated that the initial issuance of Common Stock under the Plan will take place in respect of the quarter commencing January 1, 1997.

One hundred thousand shares of Common Stock, which may be

authorized but unissued shares, treasury shares or a combination thereof, have been reserved for issuance under the Plan. The Board may also adjust the number of these shares, reserved or issued, in order to prevent dilution or enlargement in the event of a stock split, reverse stock split, reorganization or similar event with respect to which the Board determines that an equitable adjustment is appropriate.

NFG requests authorization to implement the Plan through December 31, 2001, to issue up to one hundred thousand shares of Common Stock pursuant to the Plan, effective January 1, 1997, and to adjust the number of shares of Common Stock that may be issued under the Plan. In addition, NFG proposes to solicit proxies from its shareholders to approve amendments to NFG's By-laws establishing the Plan at the next annual meeting, scheduled for February 20, 1997. Accordingly, NFG requests that an order authorizing the solicitation of proxies be issued as soon as practicable pursuant to rule 62(d).

It appearing to the Commission that NFG's declaration regarding the proposed solicitation of proxies should be permitted to become effective forthwith:

*It is ordered*, that the declaration regarding the proposed solicitation of proxies be, and it hereby is, permitted to become effective forthwith, pursuant to rule 62 and subject to the terms and conditions prescribed in rule 24 under the Act.

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

Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 96-29793 Filed 11-20-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37960; International Series Release No. 1028; File No. SR-Amex-96-38]

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by American Stock Exchange, Inc., Relating to the Listing and Trading of Index Warrants Based on the BEMI Latin America Index

November 15, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 15, 1996, the American Stock Exchange, Inc. ("Amex" or "Exchange") filed with

<sup>1</sup> 15 U.S.C. 78s(b) (1)

<sup>2</sup> CFR 240.19b-4.