

findings after investigation by the NRC; (11) order modification of the licensee's Technical Specifications for the Prairie Island ISFSI to ensure a demonstrated ability to in fact safely maintain, unload, and decommission TN-40 casks; (12) review the licensee's processes and procedures for maintenance, unloading, and decommissioning, and if the licensee does not possess capability to unload casks, order the licensee to build a "Hot Shop" for air unloading of casks and transfer of the fuel; (13) initiate a formal rulemaking proceeding to solicit information and review current information regarding thermal shock and corrosion inherent in dry cask storage and usage and to define the parameters of degradation acceptable under 10 CFR 72.122(h); (14) initiate a formal rulemaking proceeding to define the parameters of retrievability required under 10 CFR 72.122(l); and (15) initiate a formal rulemaking proceeding for amendment of current licenses and rules for prospective licensing proceedings to require demonstration of a safe cask unloading ability before a cask may be used at an ISFSI.

The Petition has been referred to the Director of the Office of Nuclear Reactor Regulation. As provided by 10 CFR 2.206, further action will be taken within a reasonable time. Regarding the requests for formal rulemaking proceedings as detailed in Items 13, 14, and 15 in the Petition, the NRC staff is reviewing these requests in accordance with 10 CFR 2.802, "Petition for Rulemaking."

A copy of the Petition is available for inspection at the Commission's Public Document Room at 2120 L Street, NW., Washington, DC, and at the local public document room located at the Minneapolis Public Library, Technology and Science Department, 300 Nicollet Mall, Minneapolis, MN.

Dated at Rockville, Maryland, this 2nd day of October 1997.

For the Nuclear Regulatory Commission.

Samuel J. Collins,

Director, Office of Nuclear Reactor Regulation.

[FR Doc. 97-26992 Filed 10-9-97; 8:45 am]

BILLING CODE 7590-01-P

NUCLEAR REGULATORY COMMISSION

Regulatory Guides; Issuance, Availability

The Nuclear Regulatory Commission has issued six new guides in its Regulatory Guide Series. This series has been developed to describe and make

available to the public such information as methods acceptable to the NRC staff for implementing specific parts of the Commission's regulations, techniques used by the staff in evaluating specific problems or postulated accidents, and data needed by the staff in its review of applications for permits and licenses.

The new regulatory guides provide guidance on methods acceptable to the NRC staff on complying with the NRC's regulations for promoting high functional reliability and design quality in software used in safety systems of nuclear power plants. The guides endorse industry consensus standards of the Institute of Electrical and Electronics Engineers. The guides and the standards they endorse are Regulatory Guide 1.168, "Verification, Validation, Reviews, and Audits for Digital Computer Software Used in Safety Systems of Nuclear Power Plants," which endorses IEEE Std 1012-1986, "IEEE Standard for Software Verification and Validation Plans," and IEEE Std 1028-1988, "IEEE Standard for Software Reviews and Audits"; Regulatory Guide 1.169, "Configuration Management Plans for Digital Computer Software Used in Safety Systems of Nuclear Power Plants," endorses IEEE Std 828-1990, "IEEE Standard for Software Configuration Management Plans," and ANSI/IEEE Std 1042-1987, "IEEE Guide to Software Configuration Management"; Regulatory Guide 1.170, "Software Test Documentation for Digital Computer Software Used in Safety Systems of Nuclear Power Plants," which endorses IEEE Std 829-1983, "IEEE Standard for Software Test Documentation"; Regulatory Guide 1.171, "Software Unit Testing for Digital Computer Software Used in Safety Systems of Nuclear Power Plants," which endorses IEEE Std 1008-1987, "IEEE Standard for Software Unit Testing"; Regulatory Guide 1.172, "Software Requirements Specifications for Digital Computer Software Used in Safety Systems of Nuclear Power Plants," which endorses IEEE Std 830-1993, "IEEE Recommended Practice for Software Requirements Specifications"; and Regulatory Guide 1.173, "Developing Software Life Cycle Processes for Digital Computer Software Used in Safety Systems of Nuclear Power Plants," which endorses IEEE Std 1074-1995, "IEEE Standard for Developing Software Life Cycle Processes."

Comments and suggestions in connection with items for inclusion in guides currently being developed or improvements in all published guides are encouraged at any time. Written comments may be submitted to the

Rules and Directives Branch, Division of Administrative Services, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, DC 20555.

Regulatory guides are available for inspection at the Commission's Public Document Room, 2120 L Street NW., Washington, DC. Single copies of regulatory guides, both active and draft guides, may be obtained free of charge by writing the Office of Administration, Attn: Printing, Graphics and Distribution Branch, USNRC, Washington, DC 20555-0001, or by fax at (301) 415-5272. Issued guides may also be purchased from the National Technical Information Service on a standing order basis. Details on this service may be obtained by writing NTIS, 5285 Port Royal Road, Springfield, VA 22161. Regulatory guides are not copyrighted, and Commission approval is not required to reproduce them.

(5 U.S.C. 552(a))

Dated at Rockville, Maryland, this 15th day of September 1997.

For the Nuclear Regulatory Commission.

Malcolm R. Knapp,

Acting Director, Office of Nuclear Regulatory Research.

[FR Doc. 97-26993 Filed 10-9-97; 8:45 am]

BILLING CODE 7590-01-P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 22841; 812-10796]

Blanchard Funds, et al.; Notice of Application

October 6, 1997.

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

ACTION: Notice of application for exemption under section 6(c) of the Investment Company Act of 1940 (the "Act") from section 15(a) of the Act.

SUMMARY OF APPLICATION: Signet Banking Corporation ("Signet"), parent of Virtus Capital Management, Inc. ("Adviser"), has entered into an agreement and plan of merger with First Union Corporation ("First Union"). The indirect change in control of the Adviser will result in the assignment, and thus the termination, of the existing advisory contracts between Blanchard Funds ("Blanchard"), The Virtus Funds ("Virtus"), Blanchard Precious Metals Fund, Inc. ("Precious Metals") (collectively, the "Funds") and the Adviser. The order would permit the implementation, without shareholder approval, of new investment advisory

agreements for a period of up to 120 days following the date of the change in control of the Adviser (but in no event later than April 30, 1998). The order also would permit the Adviser to receive all fees earned under the new advisory agreements following shareholder approval.

APPLICANTS: Blanchard, Virtus, Precious Metals, and the Adviser.

FILING DATES: The application was filed on September 23, 1997.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SAC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary 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 October 31, 1997, and should be accompanied by proof of service on applicants 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, N.W., Washington, D.C. 20549. Applicants, c/o Evergreen Keystone Investment Services Inc., 200 Berkeley Street, Boston, Massachusetts 02116.

FOR FURTHER INFORMATION CONTACT: John K. Forst, Attorney Advisor, at (202) 942-0569, or Mary Kay Frech, Branch Chief, at (202) 942-0564 (Office of Investment Company Regulation, Division of Investment Management).

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, 450 Fifth Street, N.W., Washington, D.C. 20549 (tel. 202-942-8090).

Applicants' Representations

1. Blanchard and Virtus are Massachusetts business trusts registered under the Act as open-end management investment companies. Precious Metals is a Maryland corporation also registered under the Act as an open-end management investment company. Blanchard and Virtus currently offer six and eight series (the "Portfolios"), respectively, to the public. The Adviser, a wholly-owned subsidiary of Signet, is an investment adviser registered under the Investment Advisers Act of 1940. The Funds and the Adviser have

entered into sub-advisory agreements for certain Portfolios.¹

2. On July 18, 1997, First Union entered into an agreement and plan of merger with Signet, under which Signet would be merged with and into First Union in exchange for shares of common stock of First Union (the "Transaction"). As a result of the Transaction, Signet will become a wholly-owned subsidiary of First Union and the Adviser will remain a wholly-owned subsidiary of Signet. Applicants expect consummation of the Transaction on November 1, 1997.

3. Applicants request an exemption to permit implementation, prior to obtaining shareholder approval, of new investment advisory agreements between each Fund and the Adviser, on behalf of each of the Funds, and new sub-advisory agreements between the Adviser and each appropriate subadviser (collectively, "New Agreements"). The requested exemption will cover an interim period of not more than 120 days beginning on the date the Transaction is consummated and continuing through the date on which each New Agreement is approved or disapproved by the shareholders of each Portfolio or Precious Metals, but in no event later than April 30, 1998 (the "Interim Period"). Applicants state that the New Agreements will be identical in substance to the existing investment advisory agreements ("Existing Agreements"). The aggregate contractual rate chargeable for the advisory services under each New Agreement will remain the same as under the relevant Existing Agreement.

4. On September 16, 1997, the boards of trustees of Blanchard and Virtus, and the board of directors of Precious Metals (collectively, the "Boards") held in-person meetings to evaluate whether the terms of the New Agreements are in the best interests of the Funds and their shareholders. At the meetings, a majority of the members of the Boards, including a majority of members who are not "interested persons" of the Funds, as that term is defined in section 2(a)(19) of the Act (the "Independent Trustees"), voted in accordance with section 15(c) of the Act to approve the New Agreements and to submit the New Agreements to the shareholders of each

of the Funds at meeting expected to be held on or about February 2, 1998 (the "Meetings").

5. Applicants expect that proxy materials for the Meetings will be mailed on or about December 12, 1997. Applicants believe that the requested relief is necessary to permit continuity of investment management for the Funds during the Interim Period and to prevent disruption of the services for the Funds.

6. Applicants also request an exemption to permit the Adviser to receive from each Fund, upon approval by their respective shareholders, all fees earned under the New Agreements during the Interim Period. Applicants state that the fees paid during the Interim Period will be unchanged from the fees paid under the Existing Agreements.

7. Applicants propose to enter into an escrow arrangement with an unaffiliated financial institution. The fees payable to the Adviser during the Interim Period under the New Agreements will be paid into an interest-bearing escrow account maintained by the escrow agent. The escrow agent will release the amounts held in the escrow account (including any interest earned): (a) To the Adviser only upon approval of the relevant New Agreement by the shareholders of the Funds; or (b) to the relevant Fund if the Interim period has ended and its New Agreement has not received the requisite shareholder approval. Before any such release is made, the Independent Trustees of the Funds will be notified.

Applicants' Legal Analysis

1. Section 15(a) of the Act provides, in pertinent part, that it is unlawful for any person to serve as an investment adviser to a registered investment company, except pursuant to a written contract that has been approved by the vote of a majority of the outstanding voting securities of the investment company. Section 15(a) further requires the written contract to provide for its automatic termination in the event of its "assignment." Section 2(a)(4) of the Act defines "assignment" to include any direct or indirect transfer of a contract by the assignor, or of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor.

2. Applicants state that, following the completion of the Transaction, Signet will become a wholly-owned subsidiary of First Union. Applicants believe, therefore, that the Transaction will result in an "assignment" of the Existing Agreements and that the Existing Agreements will terminate by their

¹ The following firms serve as subadvisers to the respective Funds under sub-advisory agreements with the Funds and the Adviser: Mellon Capital Management Corporation (for the Blanchard Asset Allocation and Global Growth Funds); United States Trust Company of New York (for the Blanchard Flexible Tax-Free Bond Fund); Cavelti Capital Management Ltd (for Precious Metals); Trend Capital Management, Inc. (for The Style Manager Fund and The Style Manager; Large Cap Fund).

terms upon consummation of the Transaction.

3. Rule 15a-4 provides, in pertinent part, that if an investment advisory contract with an investment company is terminated by an assignment in which the adviser does not directly or indirectly receive a benefit, the adviser may continue to serve for 120 days under a written contract that has not been approved by the company's shareholders, provided that: (a) The new contract is approved by that company's board of directors (including a majority of the non-interested directors); (b) the compensation to be paid under the new contract does not exceed the compensation that would have been paid under the contract most recently approved by the company's shareholders; and (c) neither the adviser nor any controlling person of the adviser "directly or indirectly receives money or other benefit" in connection with the assignment. Applicants state that because of the benefits to Signet, the Adviser's parent, arising from the Transaction, applicants may not rely on rule 15a-4.

4. Section 6(c) provides that the SEC may exempt any person, security, or transaction from any provision of the Act, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants believe that the requested relief meets this standard.

5. Applicants note that the terms and timing of the Transaction were determined by First Union and Signet and arose primarily out of business considerations beyond the scope of the Act and unrelated to the Funds and the Adviser, including the time needed to obtain federal and state banking approvals for the Transaction. Applicants submit that it is in the best interests of shareholders to avoid any interruption in services to the Funds and to allow sufficient time for the consideration and return of proxies and to hold a shareholder meeting.

6. Applicants submit that the scope and quality of services provided to the Funds during the Interim Period will not be diminished. During the Interim Period, the Adviser would operate under the New Agreements, which would be substantively the same as the Existing Agreements, except for their effective dates. Applicants submit that they are not aware of any material changes in the personnel who will provide investment management services during the Interim Period. Accordingly, the Funds should receive,

during the Interim Period, the same advisory services, provided in the same manner, at the same fee levels, and by substantially the same personnel as they received before the Transaction.

7. Applicants contend that the best interests of shareholders of the Funds would be served if the Adviser receives fees for its services during the Interim Period. Applicants state that the fees are a substantial part of the Adviser's total revenues and, thus, are essential to maintaining its ability to provide services to the Funds. In addition, the fees to be paid during the Interim Period will be unchanged from the fees paid under the Existing Agreements, which have been approved by the shareholders of each respective Fund.

Applicants' Conditions

Applicants agree as conditions to the issuance of the exemptive order requested by the application that:

1. The New Agreements will have substantially the same terms and conditions as the Existing Agreements, except for their effective dates.

2. Fees earned by the Adviser in respect of the New Agreements during the Interim Period will be maintained in an interest-bearing escrow account, and amounts in the account (including interest earned on such paid fees) will be paid (a) to the Adviser in accordance with the new Agreements, after the requisite approvals are obtained, or (b) to the respective Fund, in the absence of such approval with respect to such Fund.

3. The Fund will hold meetings of shareholders to vote on approval of the new Agreements on or before the 120th day following the termination of the Existing Agreements (but in no event later than April 30, 1998).

4. Either First Union or the Adviser will bear the costs of preparing and filing the application, and costs relating to the solicitation of the shareholder approval of the Funds necessitated by the Transaction.

5. The Adviser will take all appropriate steps so that the scope and quality of advisory and other services provided to the Funds during the Interim Period will be at least equivalent, in the judgment of the Boards, including a majority of the Independent Trustees, to the scope and quality of services previously provided. If personnel providing material services during the Interim Period change materially, the Adviser will apprise and consult with the Boards to assure that the Boards, including a majority of the Independent Trustees of the Funds, are satisfied that the services provided will not be diminished in scope or quality.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-26900 Filed 10-9-97; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26763]

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

October 3, 1997.

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

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by October 27, 1997, 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.

Columbia Gas System, Inc. (70-8925)

The Columbia Gas System, Inc. ("Columbia"), a registered holding company, its service company subsidiary, Columbia Gas System Service Corporation, its liquified natural gas subsidiary, Columbia LNG Corporation, its trading subsidiary, Columbia Atlantic Trading Corporation, all located at 12355 Sunrise Valley Drive, Suite 300, Reston, Virginia 20191-3458; Columbia's five distribution subsidiaries, Columbia Gas of Ohio, Inc., Columbia Gas of