

technical information, financial data such as salaries, and personal information concerning individuals associated with the proposals. These matters are exempt under 5 U.S.C. 552b(c) (4) and (6) of the Government in the Sunshine Act.

Dated: February 23, 1998.

M. Rebecca Winkler,

Committee Management Officer.

[FR Doc. 98-5055 Filed 2-26-98; 8:45 am]

BILLING CODE 7555-01-M

NATIONAL SCIENCE FOUNDATION

Special Emphasis Panel in Civil and Mechanical Systems; Notice of Meeting

In accordance with the Federal Advisory Committee Act Pub. L. 92-463, as amended), the National Science Foundation announces the following meeting:

Name: Power Panel in Civil and Mechanical Systems (1205).

Date & Time: March 17, 1998; 8:30 a.m. to 5:00 p.m.

Place: NSF, 4201 Wilson Boulevard, Rooms 530 Arlington, Virginia 22230.

Contact Person: Dr. Jorn Larsen-Basse, Program Director, Control, Mechanics and Materials Cluster, Division of Civil and Mechanical Systems, Room 545, NSF, 4201 Wilson Blvd., Arlington, VA 22230. 703/306-1361, x 5068.

Purpose of Meeting: To provide advice and recommendation concerning proposals submitted to NSF for financial support.

Agenda: To review and evaluate research proposals as part of the selection process for awards.

Reason for Closing: The proposal being reviewed include information of a proprietary or confidential nature, including technical information; financial data, such as salaries; and personal information concerning individuals associated with the proposals. These matters are exempt under 5 U.S.C. 552b(c)(4) and (6) of the Government Sunshine Act.

Dated: February 23, 1998.

M. Rebecca Winkler,

Committee Management Officer.

[FR Doc. 98-5056 Filed 2-26-98; 8:45 am]

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NUCLEAR REGULATORY COMMISSION

Public Workshop: Decommissioning for Routine Materials Cases

AGENCY: Nuclear Regulatory Commission (NRC).

ACTION: Notice of workshop for routine materials decommissioning cases.

SUMMARY: The NRC will host a public decommissioning workshop in Rockville, Maryland, as part of a

program to identify and evaluate new and different approaches to the decommissioning review process for materials licensees. This program is one of several initiatives which resulted from NRC's recent Strategic Assessment and Rebaselining Initiative, which is intended to guide future NRC decision-making and help NRC continue to meet its responsibility for protecting the public health and safety and the environment.

The objectives of the workshop are to: (1) Discuss NRC's decommissioning requirements and NRC's expectations of licensees in demonstrating compliance with these requirements; (2) elicit comments, both favorable and critical, from workshop participants related to the existing decommissioning review process and procedures; (3) obtain ideas from participants on, and discuss potential improvements in, the regulatory process for decommissioning; (4) discuss plans for a pilot program to evaluate improvements to the decommissioning review process, using sites of volunteer licensees; and (5) determine licensee interest in participating in a pilot program.

The NRC staff will use the comments and information obtained during the workshop to develop recommendations for improvements in the decommissioning process. After consulting with the Commission concerning these recommendations, the staff will conduct a pilot program with volunteer licensees, implementing the improvements on a limited basis. As the pilot decommissioning cases are completed, the NRC will use the lessons learned to improve the regulatory process. Materials licensees who are interested in the pilot program should express interest during the workshop, or should contact NRC as listed below by April 3, 1998.

Note that the workshop will address non-complex, routine materials decommissioning cases. The workshop and pilot program are not intended for power reactor sites or complex sites such as those identified in the NRC Site Decommissioning Management Plan. Further information on the Site Decommissioning Management Plan can be obtained in the **Federal Register** notice published on April 16, 1992 (57 FR 13389).

DATES: The workshop will be held on March 19, 1998, beginning at 9 a.m. and ending at about 3:30 p.m. The meeting is open to the public. Persons who wish to attend the workshop should contact NRC at least one week prior to the workshop.

ADDRESSES: The public workshop will be held in the NRC's auditorium at Two White Flint North, 11545 Rockville Pike, Rockville, Maryland (near Washington, DC). Visitor parking around the NRC building is limited; however, the workshop site is located adjacent to the White Flint Station on the Metro Red Line.

FOR FURTHER INFORMATION: For information or questions on meeting arrangements, contact Richard H. Turtill, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555, telephone 301-415-6721, fax 301-415-5369, E-mail: RHT@NRC.GOV.

Dated at Rockville, Maryland, this 23rd day of February, 1998.

For the Nuclear Regulatory Commission.

John W.N. Hickey,

Chief, Low-Level Waste and Decommissioning Projects Branch, Division of Waste Management.

[FR Doc. 98-5063 Filed 2-26-98; 8:45 am]

BILLING CODE 7590-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26831]

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

February 20, 1998.

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 March 16, 1998, 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 cases 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.

Central and South West Corporation et al. (70-8557)

Central and South West Corporation ("CSW"), a registered holding company, 1616 Woodall Rodgers Freeway, Dallas, Texas 75202, its utility subsidiaries, Central Power and Light Company ("CP&L"), 539 North Carancahua Street, Corpus Christi, Texas 78401-2802, Public Service Company of Oklahoma ("PSO"), 212 East Sixth Street, Tulsa, Oklahoma 74119-1212, Southwestern Electric Power Company ("SWEPCO"), 428 Travis Street, Shreveport, Louisiana 71156-0001 and West Texas Utilities Company ("WTU"), 301 Cypress Street, Abilene, Texas 79601-5820, its service company, Central and South West Services, Inc. ("Services"), and two nonutility subsidiaries, EnerShop, Inc. ("EnerShop") and CSW Energy Services, Inc. ("ESI"), each of 1616 Woodall Rodgers Freeway, Dallas, Texas 75202, have filed a post-effective amendment under sections 6(a), 7, 9(a), 10 and 12(b) of the Act and rules 45 and 54 under the Act to their application-declaration ("Application") under sections 6(a), 7, 9(a), 10, 12(b) and 12(f) of the Act and rules 43, 45, 50(a)(5) and 54 under the Act.

CSW, CP&L, PSO, SWEPCO, WTU, Services, EnerShop and ESI (collectively, "Applicants") propose to increase the amount of authorized borrowings under the existing CSW system of intracorporate borrowings ("Money Pool"), and related transactions.

By orders of the Commission,¹ CSW, CP&L, PSO, SWEPCO, WTU and Services ("Current Money Pool Participants") are authorized to participate in the Money Pool through March 31, 2002.

CSW now proposes to increase the maximum aggregate amount of its short-term borrowings from \$1.2 billion to \$2.5 billion. The Applicants further propose that the borrowing limitations of the other Current Money Pool Participants be increased as follows: CP&L—from \$300 million to \$600 million, PSO—from \$125 million to \$300 million, SWEPCO—from \$150 million to \$250 million, WTU—from \$65 million to \$165 million and Services—from \$110 million to \$210 million.

CSW states that the proposed increase in short-term borrowings will cover incremental borrowings of the New Participants, defined below, authorize CSW to issue commercial paper for interim financing of acquisitions and investments consistent with the conversion of CSW's commercial paper program, provide a source of interim funding for open market repurchases of CSW common stock and support the proposed increased borrowing limits of the Current Money Pool Participants.

Applicants propose to use proceeds of commercial paper issuances and other borrowings requested in this Application as a source of interim financing for acquisitions and investments, other than for exempt wholesale generators ("EWGs"),² foreign utility companies ("FUCOs")³ or exempt telecommunications companies ("ETCs").⁴ CP&L, PSO, SWEPCO and WTU may each use its proposed additional borrowing capacity for general corporate purposes and as a source of interim financing for the reacquisition of its securities. Services may use its proposed additional borrowing capacity for general corporate purposes and to refinance currently outstanding bank borrowings.

The Applicants further seek authorization either (a) for EnerShop,⁵ ESI⁶ and any other existing or future CSW first tier subsidiary (other than an EWG, FUCO or ETC) or company formed under rule 58 ("Rule 58 Company") that CSW may wish to include (collectively, "New Participants") to participate in the Money Pool by making loans to, and borrowing from, the Money Pool, or (b) for CSW and the New Participants to form and participate in a separate system of intercorporate borrowings ("New Participants Money Pool") should CSW deem proper the formation of a separate money pool based on then

existing regulatory or business considerations.⁷

With respect to participation by the New Participants in the Money Pool, CSW states that their available cash and/or short-term borrowing requirements would be matched on a daily basis with those of the Current Money Pool Participants and, therefore, minimize the need of the CSW system for external short-term borrowing. CSW anticipates that funds will be loaned from the Money Pool to the New Participants in the form of open account advances under the same terms and limitations that currently apply.

If and when a New Participants Money Pool is formed, the New Participants would not participate in the Money Pool, but CSW would rely on the increased borrowings requested in this Application to support both the Money Pool and the New Participants Money Pool. CSW anticipates that a New Participants Money Pool would be established and administered in the same manner and subject to the same conditions as the Money Pool. The aggregate borrowing limits under the New Participants Money Pool and the Money Pool would not exceed the aggregate borrowing limit under the Money Pool in effect immediately prior to establishment of the New Participants Money Pool.

Pending completion of the record, Applicants request the Commission to reserve jurisdiction over the participation of the New Participants in the Money Pool and over the formation of, and participation of the New Participants in, the New Participants Money Pool.

Eastern Utilities Associates, et al. (70-8955)

Eastern Utilities Associates ("EUA"), a registered holding company, and its subsidiaries, Blackstone Valley Electric Company ("Blackstone"), Montaup Electric Company ("Montaup"), and Newport Electric Corporation ("Newport"), each at P.O. Box 2333, Boston, Massachusetts 02107, and Eastern Edison Company ("Eastern"), 110 Mulberry Street, Brockton, Massachusetts 02403, (collectively,

² EWGs are defined in section 32 of the Act.

³ FUCOs are defined in section 33 of the Act.

⁴ ETCs are defined in section 34 of the Act.

⁵ EnerShop is an energy-related company, as defined under rule 58, and is primarily engaged in the business of providing demandside management services to industrial and commercial customers of both associate and nonassociate companies. EnerShop proposes to use Money Pool borrowings for general corporate purposes and as interim financing for the expansion of its business and investments in energy-related businesses under rule 58.

⁶ ESI is an energy-related company, as defined under rule 58, and is primarily engaged in the business of marketing and brokering energy commodities, and other business activities permitted by rule 58. ESI also proposes to use Money Pool borrowings for general corporate purposes and as interim financing for the expansion of its business and investments in other energy-related businesses under rule 58.

⁷ Applicants state that CSW system companies may from time to time organize additional Rule 58 Companies and CSW may from time to time organize additional first tier subsidiaries under an exemption from the Act or by Commission order. So long as these additional future companies do not fall within the definition of an EWG, FUCO or ETC, CSW proposes that these companies, as well as EnerShop and ESI, be eligible to participate as New Participants in the Money Pool or the New Participants Money Pool. Money Pool borrowings by the New Participants are limited by the aggregate investment limit under rule 58.

¹ See Holding Co. Act Release Nos. 26697 (Mar. 28, 1997), 26254 (Mar. 21, 1995), 26226 (Feb. 1, 1995), 26066 (June 15, 1994), 26007 (Mar. 18, 1994), 25897 (Sep. 28, 1993) and 25777 (Mar. 31, 1993).

"Declarants") have filed a post-effective amendment under sections 6(a), 7, 12(b), 32 and 33 of the Act and rule 53 under the Act to their declaration previously filed under sections 6(a), 7 and 12(b) of the Act and rule 53 under the Act.

By order dated April 15, 1997 (HCAR No. 26704) ("April 1997 Order"), Declarants were authorized, among other things, to issue notes ("Notes") under a revolving credit facility ("Facility"). Under the Facility, Declarants and certain other EUA subsidiaries were permitted to borrow up to \$150 million in the aggregate through a period ending five years after the closing date of the agreement forming the Facility.⁸ The April 1997 Order provided that the Notes would be issued and sold in aggregate amounts not to exceed: \$100 million for EUA; \$75 million for Cogenex; \$20 million for Blackstone; \$75 million for Eastern; \$30 million for Montaup; \$25 million for Newport; \$15 million for ESC; and \$10 million for Ocean State.

Declarants now propose to make short-term borrowings to supplement the Facility, from time to time through the period ending July 31, 2002, through the issuance and sale of short-term notes to commercial banks and other lending institutions ("New Notes"), subject to the terms and conditions stated below and other customary and reasonable terms as may be negotiated between the Declarant(s) and the lenders and incorporated in the New Notes.

The New Notes will be issued and sold in aggregate amounts outstanding at any one time, together with amounts outstanding under the Facility, not to exceed the following amounts: \$100 million for EUA; \$75 million for Cogenex; \$20 million for Blackstone; \$75 million for Eastern; \$30 million for Montaup; \$25 million for Newport; \$15 million for ESC; and \$10 million for Ocean State. These amounts are the same aggregate borrowing limits authorized in the April 1997 Order, except for the following increases: \$25 million for EUA; \$5 million for Montaup; and \$5 million for ESC. The New Notes will be renewed from time to time as funds are required prior to July 31, 2002, provided no New Notes mature after July 31, 2002.

⁸The other subsidiaries, EUA Cogenex Corporation ("Cogenex"), EUA Ocean State Corporation ("Ocean State"), EUA Service Corporation ("ESC"), EUA Energy Investment Corporation ("EEIC"), and EUA Energy Services, Inc. ("EUA Energy") (collectively, "Associates"), proposed to finance authorized activities through the Facility. The Associates did not join the Declaration as parties because financing with exempt from prior approval under rule 52 under the Act.

The New Notes may be issued to banks pursuant to informal credit line arrangements which provide for borrowings at a floating prime rate or at available fixed money market rates with a commitment fee equal to no greater than $\frac{1}{4}$ of 1% multiplied by the line of credit. New Notes bearing interest at the floating prime rate will be subject to prepayment at any time without premium. New Notes bearing interest at available money market rates, which in all cases will be less than the prime rate at time of issuance, will not be prepayable. The New Notes may also be issued to banks under more formal credit agreements, similar to the agreements formed as part of the Facility, with commercially reasonable terms governing those agreements. The choice of whether the Declarants enter into informal credit line arrangements or formal credit agreements with the lending banks will be reserved to the discretion of the Declarants.

The proceeds from the New Notes will be used for the following: (i) to pay, reduce, or renew outstanding notes payable to banks as they become due; (ii) to finance the Declarant's respective cash construction expenditures; (iii) to acquire, retire or redeem securities in accordance with rule 42; (iv) in the case of EUA, to make short-term loans, capital contributions, and open account advances in accordance with rule 45(b)(4) or rule 52 or as authorized by the Commission to Cogenex (within the dollar limitation set forth in the April 1997 Order), EEIC, and EUA Energy and to acquire, retire, or redeem EUA common stock in accordance with rule 42; (v) for the Declarants' respective working capital requirements; (vi) for investment in exempt wholesale generators, as defined in section 32 of the Act ("EWGs"), and foreign utility companies, as defined in section 33 of the Act ("FUCOs"); and (vii) for other general corporate purposes; provided, that the aggregate proceeds of borrowings under the Facility and the New Notes at any time invested in EWGs and FUCOs shall not, when added to EUA's "aggregate investment" in all EWGs and FUCOs, exceed 50% of EUA's "consolidated retained earnings," each as defined in rule 53 under the Act; and, provided further, that at the time of each investment of proceeds of borrowings in an EWG or FUCO, EUA shall be in compliance with the other requirements of rule 53(a) under the Act, and none of the circumstances stated in rule 53(b) shall exist.

New England Electric System (70-9167)

New England Electric System ("NEES"), 25 Research Drive,

Westborough, Massachusetts 01582, a registered holding company, has filed a declaration under sections 6(a) and 7 of the Act and rule 54 under the Act.

NEES proposes to issue, no later than December 31, 2002, up to one million shares of its common stock to be used to acquire the stock or assets of one or more "energy-related companies," as defined in rule 58 under the Act. The acquisitions may be made either directly by NEES or indirectly through a direct or indirect nonutility subsidiary of NEES.

Wisconsin Energy Corporation (70-9161)

Wisconsin Energy Corporation ("WEC") 231 West Michigan Street, Milwaukee, Wisconsin 53203, an electric public utility holding company exempt from registration under section 3(a)(1) from all provisions of the Act except section 9(a)(2), 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 ESELCO, Inc. ("ESELCO"), a Michigan electric public utility holding company exempt from registration under section 3(a)(1) from all provisions of the Act except section 9(a)(2), and through such acquisition, ESELCO's Michigan public utility subsidiary company Edison Sault Electric Company ("Edison Sault"). WEC also requests an order under section 3(a)(1) continuing its exemption from all provisions of the Act except section 9(a)(2), following consummation of the proposed transaction ("Transaction").⁹

Edison Sault operates as a public utility exclusively in the state of Michigan.¹⁰ It is subject to regulation with respect to retail electric rates and other matters by the Michigan Public Service Commission ("Michigan Commission").

ESELCO has two nonutility subsidiaries. Northern Tree Service, Inc. ("NTS") is a tree trimming company that provides tree-related services to Edison Sault and others. NTS also owns a radio tower near Engadine, Michigan. ESEG, Inc. is an inactive subsidiary of ESELCO formed to take title to two submarine electric cables being purchased from Consumers Energy Company under the Straits of Mackinac. If the purchase of the cables is

⁹The Commission granted WEC a 3(a)(1) exemption by order in *Wisconsin Energy Corp., Holding Co.* Act Release No. 24267 (Dec. 18, 1986).

¹⁰Edison Sault is engaged in the generation, purchase, transmission, distribution and sale of electric energy in the Eastern Upper Peninsula of Michigan, an area with a population estimated at 55,000.

completed, the applicant represents that, upon the approval of the Federal Energy Regulatory Commission, ESEG, Inc. will be merged into Edison Sault simultaneously with the proposed transaction and will then cease to exist.

For the twelve months ended June 30, 1997, ESELCO's operating revenues on a consolidated basis were approximately \$38.1 million, of which approximately \$38 million was derived from Edison Sault's electric operations. Consolidated assets of ESELCO and its subsidiaries at June 30, 1997 were approximately \$57.7 million, of which approximately \$57.4 million consists of utility assets. As of June 30, 1997, there were: (1) 1,593,180 outstanding shares of the common stock, no par value of ESELCO; and (2) 673,929 shares of common stock, no par value of Edison Sault.

The applicant states that the Transaction is expected to create significant benefits to the investors and consumers through the reduction of corporate and operations labor costs and savings are expected to be achieved through purchasing economies, a lower cost of financing for Edison Sault and reduced production and dispatch costs.

ESELCO and WEC have entered into a Reorganization Agreement which provides for the acquisition of ESELCO by WEC. The Transaction will be accomplished through the use of a wholly owned subsidiary of WEC incorporated in the State of Michigan for the sole purpose of consummating the merger ("Acquisition Sub"). Acquisition Sub will be merged with ESELCO, with ESELCO surviving as a wholly owned subsidiary of WEC. At the effective time of the merger, each outstanding share of ESELCO common stock will be cancelled and converted into that number of shares of WEC common stock as is equal to the Exchange Ratio determined under the Reorganization Agreement. The Exchange Ratio will be equal to that number (carried to the fourth decimal place) obtained by dividing \$44.50 by the average (calculated as provided in the Reorganization Agreement) WEC common stock price.¹¹ Based on the number of shares of WEC and ESELCO common stock outstanding on September 30, 1997, and the average WEC common stock price for the ten trading days ending on that date, ESELCO shareholders would own 2.4% of WEC's outstanding common stock on that date on a fully diluted basis. Immediately thereafter, ESELCO

will be merged into WEC with WEC as the surviving corporation.

As a result of the Transaction, WEC will be a holding company as defined in section 2(a)(7) of the Act with ownership of two public utility subsidiaries, Wisconsin Electric Power Company ("WEPCO")¹² and Edison Sault. WEC states that following consummation of the Transaction, it will be entitled to continue its exemption under section 3(a)(1) 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 Wisconsin.¹³

Columbia Energy Group, et al. (70-9131)

Columbia Energy Group ("CEG") formerly Columbia Gas System), a registered holding company, and its nonutility subsidiaries ("Nonutility Subsidiaries"), Columbia Energy Group Service Corporation (formerly Columbia Gas System Service Corporation), Columbia LNG Corporation, Columbia Atlantic Trading Corporation, Columbia Power Marketing Corporation, Columbia Energy Services Corporation, Columbia Assurance Agency, Inc., Columbia Energy Marketing Corporation, Columbia Service Partners, Inc., Energy.Com Corporation, and Columbia Deep Water Services Corporation, each located at 12355 Sunrise Valley Drive, Suite 300, Reston, Virginia 20191-3420, Columbia Electric Corporation (formerly TriStar Ventures Corporation), Tristar Capital Corporation, Tristar Pedrick Limited Corporation, Tristar Pedrick General Corporation, Tristar Binghamton Limited Corporation, Tristar Binghamton General Corporation, Tristar Vineland Limited Corporation, Tristar Vineland General Corporation, Tristar Rumford Limited Corporation, Tristar Georgetown

General Corporation, Tristar Georgetown Limited Corporation, Tristar Fuel Cells Corporation, TVC Nine Corporation, TVC Ten Corporation, and Tristar System, Inc., each located at 205 Van Buren, Herndon, Virginia 22070, Columbia Natural Resources, Inc., Alamco, Inc., Alamco-Delaware, Inc., and Hawg Hauling & Disposal, Inc., each located at 900 Pennsylvania Avenue, Charleston, West Virginia 25302, Columbia Gas Transmission Corporation, 12801 FairLakes Parkway, Fairfax, Virginia 22030-0146, Columbia Network Services Corporation and CNS Microwave, Inc., each located at 1600 Dublin Road, Columbus, Ohio 43215-1082, Columbia Propane Corporation, 9200 Arboretum Parkway, Suite 140, Richmond, Virginia 23236, and Columbia Gulf Transmission Corporation, 2603 Augusta, Suite 125, Houston, Texas 77057, have filed an application-declaration under sections 6(a), 7, 9(a), 10, 12(b), and 13(b) of the Act and rules 43(a), 45(a), 54, 87 and 90(d)(1) under the Act.

CEG is currently authorized under an order dated March 25, 1996 (HCAR No. 26498) ("Existing CEG Order") to offer certain consumer programs. These programs may be offered to customers of associate distribution companies and of nonassociate distribution companies served by associate transmission companies ("Authorized Customers"). These programs include: energy-related safety inspections to residential and small commercial customers; short-term appliance financing (less than ten years); bill payment insurance for up to \$400 a month for six months if the customer becomes unemployed, disabled or dies; appliance repair warranties for heating and air conditioning systems and other major appliances; gas line repair warranties; sale of various energy related goods; commercial equipment repair warranties; bill risk management to gas customers interested in hedging energy price or consumption fluctuations; consulting and fuel management services to commercial and industrial customers regarding energy consumption and its measurement; electronic measurement services to commercial and industrial customers to monitor their energy consumption and expenditures; and incidental services and sales of goods related to the consumption of energy and the maintenance of property owned by an Authorized Customer, the need for which arises as a result of, or evolves out of, the above services and which do not differ materially from these services.

¹¹ No fractional shares will be issued and holders of fractional share amounts will receive cash for such fractional shares. Under the Michigan Business Corporation Act, ESELCO stockholders do not have dissenters' rights.

¹² WEPCO is engaged in the business of generating, transmitting, distributing and selling electric energy to approximately 969,000 customers as of December 31, 1996 in a service area of approximately 12,000 square miles with a population estimated at 2.3 million in southeastern, central and northern Wisconsin and in the Upper Peninsula of Michigan.

WEPCO also distributes and sells natural gas to retail customers and transports customer-owned natural gas, and also purchases, distributes and sells steam supplied by its Valley Power plant to customers in the Milwaukee metropolitan area.

¹³ WEC states that, including the Michigan activities of Edison Sault, it would derive only 8.8% and 8.6% of its utility revenues for the year ended December 31, 1996 and the twelve months ended June 30, 1997, respectively, from outside of Wisconsin.

CEG and the Nonutility Subsidiaries now request that the Commission remove certain of the restrictions imposed in the Existing CEG Order. One of these restrictions is the requirement that revenues from sales in states served by associate distribution companies exceed revenues from customers in all other states. Other restrictions include limits on the amounts and term of customer financing and of billing insurance and the requirement that the authorized services be offered only to Authorized Customers.

In addition, CEG and the Nonutility Subsidiaries request authority, to the extent not previously granted, to offer an expanded range of goods and services to customers both within the and outside the United States. These services include:

1. Energy management services involving the marketing, sale, installation, operation and maintenance of various products and services related to both the business of energy management and a demand-side management ("Energy Management Services"). Energy Management Services may include energy and efficiency audits; facility design and process control and enhancements; construction, installation, testing, sales and maintenance of (and training client personnel to operate) energy conservation equipment; design, implementation, monitoring and evaluation of energy conservation programs; development and review of architectural, structural and engineering drawings for energy efficiencies, design and specification of energy consuming equipment; and general advice on programs.

In addition, Energy Management Services may include the design, construction, installation, testing, sales and maintenance of new and retrofit heating, ventilating, and air conditioning ("HVAC"), electrical and power systems, alarm and warning systems, motors, pumps, lighting, water, water-purification and plumbing systems, and related structures, in connection with energy-related needs. Energy Management Services may also include the provision of services and products designed to prevent, control, or mitigate adverse effects of power disturbances on a customer's electrical system.

2. Performance contracting services aimed at assisting customers in realizing energy and other resource efficiency goals. Specific functions include process control, fuel management, and

asset management services¹⁴ in respect of energy-related systems, facilities and equipment located on or adjacent to the premises of a customer and used by that customer in connection with its business activities. Energy-related systems, facilities and equipment could include: (a) distribution systems and substations, (b) transmission, storage and peak-shaving facilities, (c) gas supply and/or electric generation facilities (i.e., stand-by generators and self-generation facilities), (d) boilers and chillers (i.e., refrigeration and coolant equipment), (e) alarm/warning systems, (f) HVAC, water and lighting systems, and (g) environmental compliance, energy supply and building automation systems and controls. These services may be provided to, among others, qualifying and non-qualifying cogeneration and small power production facilities, as defined in the Public Utility Regulatory Policies Act of 1978. In addition, asset management services may be provided to municipalities and electric cooperatives, and CEG may directly or indirectly act as agent for these customers on energy management matters, including the operation and dispatch of generating facilities.

3. Consulting services with respect to energy- and gas-related matters for associate and nonassociate companies, and for individuals ("Consulting Services"). These services include technical and consulting services involving technology assessments, power factor correction and harmonics mitigation analysis, meter reading and repair, rate schedule design and analysis, environmental services, engineering services, billing services (including consolidation billing and bill disaggregation tools), risk management services, communication systems, information systems/data processing, system planning, strategic planning, finance, feasibility studies, and other similar or related services. In addition, CEG and the Nonutility Subsidiaries request authority for nonutility associates to provide these services to other nonutility associates at prices other than cost.

4. Certain retail services, which include the provision of centralized bill

payment centers for payment of all utility and municipal bills and related services, and annual inspection, maintenance and replacement of energy-related equipment and appliances. These services also include providing service line repair and extended warranties with respect to all of the utility- or energy-related service lines internal and external to a customer's premises, and other similar or related services, including surge protection. In addition, these services include marketing services to associate and nonassociate businesses in the form of bill insert and automated meter-reading services.

5. Monitoring and response goods and services, which include products used in connection with energy and gas-related activities that enhance safety, increase energy/process efficiency, or provide energy-related information, as well as repair services in connection with such problems as carbon monoxide leaks and faulty equipment wiring. These may also include the operation of call/dispatch centers on behalf of associate and nonassociate companies in connection with the proposed sale of goods and services or with activities that CBG associates are otherwise authorized to engage in under the Act.

6. Energy-peaking services via propane-air or liquified natural gas ("LNG"), which involves the provision of back-up electricity or gas supply in periods of high or "peak" energy demand using a propane-air mixture or LNG as fuel sources for such back-up services.

7. Project development and ownership activities, which involves the installation and ownership of gas-fired turbines for on-site generation and consumption of electricity/

8. Customer appreciation programs, which include the offering of prepaid phone cards or affinity credit cards to promote customer goodwill.

In addition, CEG and the Nonutility Subsidiaries request authority to provide other energy-related goods and services. These include incidental goods and services closely related to the consumption of energy and the maintenance of energy consuming property by customers. The need for these goods and services would arise as a result of, or evolve out of, the goods and services described above or the goods and services approved in the Existing CEG Order and do not differ materially from those goods and services. The proposed incidental goods and services would not involve the manufacture of energy consuming equipment but could be related to, among other things, the maintenance,

¹⁴ Asset management services include: development; engineering; design; construction and construction management; pre-operational start-up testing and commissioning; long-term operations and maintenance, including system overhaul; load control and network control; fuel procurement, transportation and storage; fly-ash and other waste disposal; management and supervision; technical, training and administrative support; and any other managerial or technical services required to operate, maintain and manage energy-related assets physically associated with customer premises.

financing, sale or installation of such equipment.

CEG may provide these services through one or more direct or indirect subsidiaries, either independently or through a joint venture or an alliance with a nonassociate company. In addition, CEG requests authority to acquire, directly or indirectly, the securities or an interest in the business of nonassociate companies that derive substantially all of their revenues from the proposed activities and those approved in the Existing CEG Order.

CEG seeks authority to provide or broker, directly or indirectly, financing to or for customers in connection with the proposed activities and those approved in the Existing CEG Order. Financing for purchases by CEG utility customers would be provided by nonassociates.

CEG also requests authority for associate distribution companies to assist in providing customer billing, accounting and other energy-related services in connection with the proposed sale of those goods and services and the sale of those goods and services approved in the Existing CEG Order that are marketed to CEG utility customers. All such services will be rendered at cost in accordance with section 13(b) of the Act.

In an order dated December 23, 1996 (HCAR No. 26634), the Commission reserved jurisdiction over participation by new direct or indirect subsidiaries of CEG engaged in new lines of business in CEG's money pool. CEG now requests that the Commission release this jurisdiction with respect to participation in the money pool by those direct and indirect subsidiaries that are formed or acquired to engage in the proposed activities. In addition, CEG and the Nonutility Services request that the Commission reserve jurisdiction over the proposed sale of goods and services outside the United States, other than Energy Management Services and Consulting Services and related customer financing.

CEG states that it will not seek recovery through higher rates to customers of the utility subsidiaries to compensate it for any losses or inadequate returns it may sustain from the proposed sale of goods and services. CEG additionally states that no associate company will engage in any of the proposed activities without further Commission approval if it would become a public utility company within the meaning of the Act as a result of that activity.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39689; File No. SR-Amex-98-09]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the American Stock Exchange, Inc. Relating to Amendments to Amex Rule 117 (Circuit Breakers)

February 20, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act" or "Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 17, 1998, the American Stock Exchange, Inc. ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Amex proposes to amend procedures relating to circuit breaker trading halts. The text of the proposed rule change is available at the Office of the Secretary, the Amex and at the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections A, B and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Amex Rule 117 provides for temporary halts in the trading of all securities on the Exchange for one-half hour if the Dow Jones Industrial AverageSM (DJIA)³ declines 350 points or more from the previous day's closing value and for one hour if the DJIA declines 550 points from the previous day's close. The Commission recently approved amendments to Rule 117 (and comparable rules of other self-regulatory organizations) relating to the timing and duration of trading halts under the rule.⁴ If the DJIA declines 350 points prior to 3:00 p.m. (Eastern time), trading will halt for one-half hour; at or after 3:00 p.m., trading will not halt unless the DJIA declines 550 points. If the DJIA falls 550 points prior to 2:00 p.m., trading will halt for one hour; and, at or after 2:00 p.m., trading will halt for 30 minutes instead of one hour. If the 550 point trigger is reached at or after 3:00 p.m., trading on the Exchange will halt for the remainder of the day. These procedures have been approved on a pilot basis until April 30, 1998.

The Exchange proposes to amend Rule 117 to provide for circuit breakers to be triggered at 10 percent, 20 percent and 30 percent threshold levels. The specific threshold level would be adjusted quarterly, rounded to the nearest 50 points, based on the closing DJIA calculation for each trading day in the month preceding the beginning of the quarter.

Under the proposed amendments, a 10 percent decline before 2:00 p.m. (all times are in Eastern time) will result in a one-hour halt and, such a decline at or after 2:00 p.m. but before 2:30 p.m. will result in a 30-minute halt. At or after 2:30 p.m., the 10 percent threshold would be removed and, therefore, trading would continue unless the 20 percent threshold is reached, in which case, trading would halt for the remainder of the day. Generally, a 20 percent decline before 1:00 p.m. will result in a two-hour halt. If the 20 percent threshold is reached at or after 1:00 p.m. but before 2:00 p.m., there will be a one-hour halt. If the 20 percent threshold is reached at or after 2:00 p.m., trading will halt for the remainder of the day. A third circuit breaker, triggered at a 30 percent decline, will

³ "Dow Jones Industrial Average" is a service mark of Dow Jones & Company, Inc.

⁴ See Exchange Act Release No. 39582 (January 26, 1998), 63 FR 5408 (February 2, 1998).

¹ 15 U.S.C. 78s(b)(1) (1982).

² 17 CFR 240.19b-4 (1991).