these meetings may be obtained by contacting the Committee's Secretary, Office of Personnel Management, Federal Prevailing Rate Advisory Committee, Room 5559, 1900 E Street, NW., Washington, DC 20415 (202) 606–1500.

Dated: May 3, 1996.

Phyllis G. Foley,

Chair, Federal Prevailing Rate Advisory Committee.

[FR Doc. 96–11749 Filed 5–9–96; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35–26514]

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

May 3, 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 May 28, 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.

Louisiana Power & Light Company (70–8487)

Louisiana Power & Light Company (''LP&L'' or ''Company''), 639 Loyola Avenue, New Orleans, Louisiana 70113, an electric public-utility subsidiary company of Entergy Corporation, a registered holding company, has filed a post-effective amendment to its application-declaration under section 6(a), 7, 9(a) and 10 of the Act and rule 54 thereunder.

By order dated October 3, 1995 (HCAR No. 26387) (''Order''), the Commission authorized, among other things, LP&L to issue and sell, through December 31, 1997: (1) Directly or indirectly through a subsidiary, not more than $610 million principal amount of its first mortgage bonds (''Bonds''), debentures (''Debentures'') and preferred securities of a subsidiary of LP&L to be issued in one or more new series; and (2) collateral bonds in a total aggregate principal amount of $75 million to secure certain tax-exempt bonds.

LP&L now proposes to issue and sell the Debentures either unsecured or secured by certain LP&L assets, junior and subordinate to the first lien (''Junior Lien'') of its Mortgage and Deed of Trust dated April 1, 1944, to Bank of Montreal Trust Company (''Mortgage''). In addition, LP&L proposes that the Debentures may be secured by a pledge of first mortgage bonds issued under the Mortgage.

The Debentures will be issued under either LP&L's Debenture Indenture, Indenture for Debt Securities or its Subordinated Debenture Indenture, (each, a ''Debenture Indenture''), as may be supplemented from time to time. Debentures issued under the form of the Debenture Indenture initially will be secured obligations of the Company, entitled to the Junior Lien on the Company's assets. In connection with the issuance of Debentures secured by the Junior Lien under such Debenture Indenture, the Company may provide security for the holders of such Debentures in the form of first mortgage bonds issued under the Mortgage as it may be supplemented. Such first mortgage bonds would be issued on the basis of unfunded net property additions and/or previously-retired first mortgage bonds and delivered to the trustee under such Debenture Indenture. The first mortgage bonds could be issued in an amount equal to the principal amount of such Debentures and bear interest at a rate of interest equivalent to the rate of interest on such Debentures or bear no interest. These first mortgage bonds would be separate and apart from the Bonds (proposed to be issued and sold in an aggregate principal amount of not more than $610 million).

The Company's Amended and Restated Articles of Incorporation (''Charter'') provide, for the benefit of holders of preferred securities, restrictions on the amount of unsecured indebtedness issued by the Company. As a result of these restrictions, the Company proposes to issue Debentures secured by either the Junior Lien or a pledge of first mortgage bonds in order that any such Debentures so issued would not constitute unsecured debt for purposes of the Charter.

The Debenture Indenture under which the Company may issue Debentures secured by the Junior Lien and/or such first mortgage bonds provides for the amendment and restatement of such Debenture Indenture in its entirety, without the consent of the holders of the Debentures outstanding thereunder, to remove the Junior Lien and to release any such collateral first mortgage bonds such that the Debentures would become entirely unsecured obligations of the Company. Such an amendment eliminating the Junior Lien would be subject to the following conditions: (1) No event of default has occurred and is continuing under the Debenture Indenture; and (2)(a) the Company's Charter has been duly amended to eliminate the restrictions on the issuance of unsecured indebtedness, (b) all preferred securities issued by the Company and outstanding are paid, retired or redeemed, or (c) holders of such preferred securities consent to amend the Company's Charter for the purpose of eliminating such restrictions.

The Order also authorized LP&L to enter into arrangements to finance or refinance pollution control facilities (''Facilities'') through the issuance of tax-exempt revenue bonds up to an aggregate principal amount of $65 million, including the possible issuance of an irrevocable letter of credit from a bank (''Bank'') and/or pledge of one or more series of first mortgage bonds up to an aggregate principal amount of $75 million to be used as collateral for the tax-exempt revenue bonds. As an alternative to the security provided by the Bank, in order to obtain a more favorable rating on tax-exempt bonds and consequently improve the marketability thereof, the Company may (a) determine to provide an insurance policy for the payment of the principal of and/or interest and/or premium on one or more series of tax-exempt bonds, and/or (b) provide security for holders of tax-exempt bonds and/or the Bank equivalent to the security accorded to (i) holders of first mortgage bonds outstanding under the Company's Mortgage by obtaining the authentication of and pledging one or more new series of first mortgage bonds (''Collateral Bonds'') under the Mortgage as it may be supplemented or (ii)

holders of Debentures outstanding under the Debenture Indenture that are secured by the Junior Lien by obtaining the authentication of and pledging one or more series of Debentures (the ''Collateral Debentures'') under the Debenture Indenture.

The Collateral Bonds would be issued on the basis of unfunded net property additions and/or previously-retired first mortgage bonds; Collateral Debentures would be issued pursuant to the terms of a Debenture Indenture. The Collateral Bonds or Collateral Debentures would be delivered to the trustee under the Indenture and/or to the Bank to evidence and secure the Company's obligation to pay the purchase price of the Facilities and the Company's obligation to reimburse the Bank under any reimbursement agreement.

The Collateral Bonds or Collateral Debentures could be issued in several ways. First, if tax-exempt bonds bear a fixed interest rate, the Collateral Bonds or Collateral Debentures could be issued in an amount equal to the principal amount of such tax-exempt bonds and bear interest at a rate equal to the rate of interest on such tax-exempt bonds. Secondly, the Collateral Bonds or Collateral Debentures could be issued in an amount equivalent to the principal amount of such tax-exempt bonds plus an amount equal to interest on the Bonds for a specified period. In such case, the Collateral Bonds or Collateral Debentures would bear no interest. Thirdly, the Collateral Bonds or Collateral Debentures could be issued in an amount equivalent to the principal amount of such tax-exempt bonds or in such amount plus an amount equal to interest on those Bonds for a specified period, but carry a fixed interest rate that would be lower than the fixed interest rate of the tax-exempt bonds. Fourthly, the Collateral Bonds or Collateral Debentures could be issued in a principal amount equivalent to the principal amount of tax-exempt bonds at an adjustable rate of interest, varying with such tax-exempt bonds but having a ''cap'' (not greater than 15%) above which the interest on Collateral Bonds or Collateral Debentures could not rise.

Each series of the Collateral Bonds or Collateral Debentures that bear interest would bear interest at a fixed interest rate or initial adjustable interest rate not to exceed 15%. The maximum aggregate principal amount of Collateral Bonds and Collateral Debentures that would be issued is $75 million. The terms of the Collateral Bonds or Collateral Debentures relating to maturity, interest payment dates, if any, redemption provisions and acceleration will correspond to the terms of the related tax-exempt bonds. Upon issuance, the terms of each series of the Collateral Bonds or Collateral Debentures will not vary during the life of such series except for the interest rate of any such series that bears interest at an adjustable rate.

Northern States Power Company and Wisconsin Energy Corporation, et al. (70–8833)

Northern States Power Company (''NSP''), 414 Nicollet Mall, Minneapolis, Minnesota 55401, a combination electric and gas public utility company incorporated in Minnesota and an exempt public utility holding company its combination electric and gas public utility subsidiary company incorporated in Wisconsin, Northern States Power Company (''NSP–W''), 100 North Barstow Street, Eau Claire, Wisconsin 54703, and its nonutility subsidiary company, Northern Power Wisconsin Corporation incorporated in Wisconsin (''New NSP''),[1] 414 Nicollet Mall, Minneapolis, Minnesota, and Wisconsin Energy Corporation (''WEC''), an exempt public utility holding company incorporated in Wisconsin, and its combination electric and gas public utility subsidiary company incorporated in Wisconsin, Wisconsin Electric Power Company (''WEPCO''), both located at 231 West Michigan Street, Milwaukee, Wisconsin 53203 (together, ''Applicants''), have filed jointly an application-declaration under sections 2(b), 3(a)(2), 4, 5, 6(a), 7, 8, 9, 10, 11, 12(b), 13(b), 32 and 33 of the Act and rules 42, 43, 45, 81, 83, 87, 88, 90 and 91 thereunder.

The Applicants proposed to combine NSP and WEC (''Transaction'') under the Agreement and Plan of Merger, dated April 28, 1995 and amended and restated on July 26, 1995 (''Merger Agreement''). The Merger Agreement is among NSP, WEC, New NSP and WEC Sub Corp. (''WEC'' Sub'').[2] Generally, the Merger Agreement contemplates: (1) the acquisition by WEC of all of the issued and outstanding common stock of NSP; and (2) the acquisition by WEPCO of substantially all of the assets of NSP–W. Following the Transaction, WEC will be renamed Primergy Corporation (''Primergy'') and will register with the Commission under section 5 of the Act.

Applicants and Background

NSP is engaged primarily in the generation, transmission and distribution of electricity throughout a 30,000 square mile service area. NSP provides electric utility service in South Dakota and electric and gas utility service in Minnesota and North Dakota. NSP purchases, distributed and sells natural gas to retail customers, and transports customer-owned gas, in approximately 100 communities in this area. Of the more than 2.5 million people served by NSP, the majority are concentrated in the Minneapolis-St. Paul metropolitan area. As of December 31, 1995, NSP provided electric utility service to approximately 1,100,000 customers and gas utility service to approximately 330,000 customers.

NSP has seven direct wholly owned subsidiaries that are engaged in nonutility businesses. These subsidiaries are: (1) Viking Gas Transmission Company, a natural gas transmission company operating in Minnesota, Wisconsin and North Dakota; (2) Cenerprise, Inc., a natural gas and eclectic power marketing and brokering company which also provides energy conservation and management services and energy products and services and which has several energy related businesses; (3) Eloigne Company, affordable housing investment and development company which has investments in a variety of low-income housing and other projects; (4) First Midwest Auto Park, Inc., a company which owns and operates a parking garage located next to NSP's headquarters; (5) Cormorant Corporation, a company which engages in oil, gas, coal lignite and uranium exploration and the acquisition of fuel resources; (6) United Power & Land Company, a company which owns and hold, and sometimes leases, real property which is generally surrounding or adjacent to property owned and used by NSP in its regulated operations; and (7) NRG Energy, Inc., a company that develops, builds, acquires, owns and operates several non-regulated energy related businesses, owns and operates certain resource recovery businesses and steam and chilled water businesses, and through subsidiaries and affiliates, is involved in a variety of independent power projects, energy-related services and fuel enhancement and related projects and other nonutility businesses both domestic and international.

NSP–W is engaged in the generation, transmission, and distribution of electricity to: (1) Approximately 208,000 retail customers in an area of approximately 18,900 square miles in northwestern Wisconsin; (2) approximately 9,100 retail customers in an area of approximately 300 square miles in the western portion of the

[1] New NSP has no operations and exists solely to facilitate the proposed combination.

[2] WEC Sub is a Wisconsin corporation that has no operations and exists solely to facilitate the proposed combination and will not exist legally at the time of consummation of the Transaction.

Upper Peninsula of Michigan; and (3) to 10 wholesale customers in the same general area. NSP–W purchases, distributes and sells to retail customers or transports customer-owned natural gas in the same service territory to approximately 68,200 customers in Wisconsin and 4,700 customers in Michigan.

NSP–W has two wholly owned subsidiaries. These subsidiaries are Clearwater Investment, Inc., an affordable housing investment and development company which has investments in a variety of low-income housing and other projects, and NSP Lands, Inc., a company which is currently developing for sale land owned by NSP–W. It also has a 78% owned subsidiary, Chippewa & Flambeau Improvement Company, a company which builds, maintains and operates dams and reservoirs on the Chippewa and Flambeau Rivers in Wisconsin.

NSP common stock is listed on the New York Stock Exchange, Inc. (''NYSE'') and the Chicago and Pacific Stock Exchanges. As of December 31, 1995, there were 68,175,934 shares of NSP common stock and 2,400,000 shares of NSP cumulative preferred stock outstanding. NSP–W does not have any preferred stock outstanding and all of its common stock is owned by NSP. On a consolidated basis, for the year ended December 31, 1995, NSP's operating revenues were approximately $3.146 billion, of which approximately $2.401 billion were derived from electric operations, approximately $414 million from gas operations and approximately $331 million from other operations,. Also for the year ended December 31, 1995, approximately 10.2% of NSP's consolidated operating revenues were derived from nonutility businesses. In 1995, NSP–W provided approximately 15.1% of NSP's consolidated operating revenues. Consolidated assets of NSP and its subsidiaries as of December 31, 1995 were approximately $6.229 billion, consisting of $3.681 billion in net electric utility property, plant and equipment ($3.135 billion for NSP and $546 million for NSP–W); $376 million in net gas utility property, plant and equipment ($320 million for NSP and $56 million for NSP–W); and $2.172 billion in other corporate assets.

WEC, which will change its name to primer Corporation at the time of the consummation of the Transaction, has one public utility subsidiary, WEPCO. WEPCO is engaged in the business of generating, transmitting, distributing and selling electric energy to approximately 955,616 customers as of December 31, 1995. Its service area spans approximately 12,000 square miles in southeastern, including the Milwaukee area, central and northern Wisconsin and in the Upper Peninsula of Michigan and includes a population estimated at over 2,200,000. WEPCO also purchases, distributes and sells to retail customers and transports customer-owned natural gas to approximately 357,030 customers as of December 31, 1995 in three distinct service areas in Wisconsin: west and south of the City of Milwaukee, the Appleton area and the Prairie du Chien area. The gas service territory, which has an estimated population of over 1,100,000, is largely within the electric service area of WEPCO. WEPCO also distributes and sells steam supplied by its Valley Power Plant to approximately 473 space heating and processing customers (as of December 31, 1995) in downtown and near southside Milwaukee.

WEC's common stock (''Common Stock'') is listed on the NYSE. As of December 31, 1995, there were 110,819,337 shares of WEC Common Stock outstanding. WEC has no shares of preferred stock outstanding. All of WEPCO's common stock is owned by WEC. As of December 31, 1995, there were 304,508 shares of WEPCO preferred stock outstanding. WEPCO's outstanding preferred stock will not be affected by the Transaction. On a consolidated basis, for the year ended December 31, 1995, WEPC's operating revenues were approximately $1.779 billion, of which approximately $1.437 billion were derived from electric operations, approximately $318 million from gas operations, approximately $15 million from steam operations and approximately $9 million from other operations. Operating revenues from WEC's nonutility subsidiaries were approximately one-half of 1% of WEC's consolidated total operating revenues for the year ended December 31, 1995. Consolidated assets of WEC and its subsidiaries as of December 31, 1995, were approximately $4.561 billion, consisting of $3.907 billion in net electric utility property, plant and equipment, $387 million in net gas utility property, plant and equipment, $25 million in net steam utility property, plant and equipment and $242 million in nonutility assets.

WEC has seven wholly owned nonutility subsidiaries devoted primarily to stimulating economic growth in WEPCO's service area and to capitalizing on diversified investment opportunities, all of which have been formed under and pursuant to the requirements and policies of the Wisconsin Holding Company Act. These subsidiaries are: (1) Badger Service Company, a company which holds coal rights in Indiana; (2) Minergy Corp., a company engaged in the business of developing and marketing proprietary technologies designed to convert high volume industrial and municipal wastes into value-added products and which will build and operate a paper-sludge recycling facility; (3) WEC Generation International Inc., a company which will investigate investment opportunities and which has two, currently inactive, international subsidiaries; (4) Wisconsin Michigan Investment Corporation, a company which engages in investment and financing activities which include advances to affiliated companies and investments in financial instruments and partnerships developing affordable housing and other businesses; (5) WISPARK Corporation, a real estate development company which engages in all aspects of real estate development and which holds investment and ownership positions in a variety of real estate projects; (6) WISVEST Corporation, a company which invests in energy-related activities and holds investments in several energy-related companies; and (7) WITECH Corporation, a company which provides venture capital and holds equity and other positions in a variety of businesses. In addition, WEC holds a 50% interest in Custometrics LLC, a joint venture which will provide systems solutions relating to billing and other aspects of the customer service segment of the energy services industry.

Summary of Merger Related Transactions

In addition to the Transaction itself and as described more fully below as needed, the Applicants propose: (1) to form under rule 88 of the Act a new service company through Primergy's acquisition of all of the common stock of Primergy Services, Inc. (''Primergy Services'') and may form, in the same way, one or more other service companies (''Additional Service Companies''),[3] and to enter into service

[3] Primergy Services will be incorporated in Wisconsin to serve as the service company for the Primergy system. The Additional Service Companies would be known as Primergy Generation Corporation (''Primergy GC'') and Primergy Nuclear Corporation (''Primergy NC''). Primergy GC would be responsible for the operation, maintenance, repair, rehabilitation and replacement of all nonnuclear generation and steam and/or chilled water system facilities owned or operated by the system. Primergy NC would be responsible for the operation, maintenance, repair, rehabilitation and replacement of all nuclear generation facilities owned or operated by the

agreements; (2) to form a new holding company subsidiary (''Primergy Hold''), if needed, to hold, all or some of Primergy's interests in certain of its nonutility investments in existence prior to the Transaction;[4] (3) that Primergy will acquire all of the outstanding voting securities of certain NSP nonutility subsidiaries or, if Primergy Hold is not formed, all of the outstanding voting securities of all of NSP's direct nonutility subsidiaries; (4) that Primergy will retain the gas properties of NSP and WEPCO and continue their operation as combination gas and electric utilities; (5) that Primergy will retain the nonutility businesses and affiliates of NSP and WEC; (6) that Primergy will issue and/or acquire in the open market up to 18.2 million shares of its common stock (''Primergy Common Stock'') for five years from the date of an order in this matter in connection with its shareholder dividend reinvestment and stock purchase plan and its stock incentive plan; (7) to provide services at market rates, pursuant to an exemption from the at-cost standard contained in section 13(b) of the Act and provided for in rules 90 and 91, in connection with: (a) certain affiliated qualifying facilities (''QFs''), independent power projects (''IPPs''), exempt wholesale generators (EWG''), foreign utility companies (''FUCOs'') and with other associated entities presently existing or to be formed after the Transaction that derive no part of their income from the generation, transmission or distribution of electric energy for sale or the distribution of natural gas at retail in the United States (''Primergy Exempt Associate Companies''), which services may be provided by Primergy Services, the Additional Service Companies, the Primergy Exempt Associate Companies and other NSP associates and affiliates[5]; and (b) transactions approved by any state public utility regulatory agency, the Federal Energy Regulatory Commission or transactions otherwise exempted from section 13(b) requirements; (8) that all existing intra-system debt, guarantees of debt and other intrasystem transactions among NSP and WEC and their respective associated and affiliated companies be approved by the Commission[6]; and (9) that the Commission issue an order temporarily exempting New NSP from the registration requirements of section 5 of the Act for the limited time in which New NSP owns NSP–W.

The Transaction

The Transaction will be accomplished through a three-stage process. In the first state, NSP will reincorporate in Wisconsin by merging into New NSP. Immediately prior to this merger, and for state public utility regulatory purposes, NSP–W will transfer the gas utility assets necessary to furnish gas utility services to the communities of LaCrosse and Hudson, Wisconsin to New NSP (''Designated Gas Utility Assets''). In the second stage, WEC Sub will merge with and into New NSP, with New NSP left as the surviving corporation. In the third stage, NSP–W will merge into WEPCO and ownership of all other NSP subsidiaries will be transferred from NSP to Primergy. WEPCO will be then renamed Wisconsin Energy Company. Following the Transaction Primergy proposes to realign certain nonutility subsidiaries and to acquire all of the capital stock of Primergy Hold, if it is deemed necessary. Primergy Hold will serve as a holding company acquiring the capital stock of certain nonutility subsidiaries of NSP and WEC.

Specifically, the Merger Agreement provides for: (1) The merger of NSP with and into New NSP (''Reincorporation Merger'') pursuant to which (a) each issued and outstanding share of common stock, par value $2.50 per share, of NSP (''NSP Common Stock''), except shares held by NSP shareholders who perfect dissenters' rights (''NSP Dissenting Shares''), will be canceled and converted into one share of common stock, par value $2.50 per share, of New NSP (''New NSP Common Stock''), and (b) each issued and outstanding share of cumulative preferred stock, par value $100.00 per share, of NSP (''NSP Preferred Stock''), except NSP Dissenting Shares, will be cancelled and converted into one share of cumulative preferred stock, par value $100.00 per share, of New NSP (''New NSP Preferred Stock'') with terms, including dividend rates and general voting rights, and designations under New NSP's Articles of Incorporation identical to those of the canceled shares of NSP Preferred Stock under NSP's existing Restated Articles of Incorporation; and (2) the merger of WEC Sub with and into New NSP (''NSP Merger,'' together with the Reincorporation Merger, the ''Mergers'') pursuant to which (a) each issued and outstanding share of New NSP Common Stock will be canceled and converted into 1.626 (''Ratio'') shares of common stock, par value $.01 per share, of Primergy Common Stock and (b) each issued and outstanding share of New NSP Preferred Stock will remain outstanding and shall be unchanged thereby, except for any shares of New NSP Common Stock and New NSP Preferred Stock owned directly or indirectly by New NSP or WEC, which will be canceled and will not be converted or remain outstanding.

Each issued and outstanding share, par value $.01 per share, of WEC Common Stock will remain outstanding and unchanged, as one share of Primergy Common Stock. Based upon the capitalization of NSP and WEC on April 28, 1995 (the date the Merger Agreement was initially signed), and the Ratio, holders of NSP Common Stock and WEC Common Stock would each have held 50% of the aggregate number of shares of Primergy Common Stock that would have been outstanding if the Mergers had been consummated as of such date. The Applicants state that the proposed Transaction qualifies for treatment as a pooling of interests for federal income tax purposes.

Upon completion of the Transaction, Primergy will own two combination electric and gas utility companies, NSP and WEPCO. NSP will continue to operate and own the same utility facilities at the same locations outside Wisconsin as prior to the Transaction, along with the Designated Gas Utility Assets formerly owned by NSP–W. WEPCO will own and operate the same utility facilities at the same locations as prior to the Transaction, along with the balance of the gas and electric utility assets of NSP–W. The Merger Agreement provides that Primergy's principal corporate offices will be in Minneapolis, Minnesota. NSP and WEC will retain offices in Minneapolis and Milwaukee respectively as their regional headquarters. Primergy's board of directors will consist of a total of 12 directors, 6 of whom will be designated by NSP and 6 of whom will be designated by WEC.

system. The authorized capital stock of Primergy Services and any Additional Service Companies would consist of 1,000 shares of common stock, par value $.01 per share.

[4] Applicants also seek approval with regard to the issuance, sale and acquisition of the capital stock of certain of the Primergy system's approximately 16 nonutility subsidiaries in connection with the possible formation of Primergy Hold and the requisite authority to realign the nonutility companies as first-tier subsidiaries of Primergy. The authorized capital stock of Primergy Hold will consist of 1,000 shares of common stock, par value $.01 per share. Upon consummation of the Transaction, all issued and outstanding shares of Primergy Holding will be held by Primergy. If Primergy Hold is not formed, the direct nonutility subsidiaries of NSP and WEC will become direct subsidiaries of Primergy. See, SEC File No. 70–8833, Form U–1 (''Application-Declaration''), Exhibits E–12 and 13 (Primergy corporate charts with and without Primergy Hold).

[5] See, *Entergy Corporation*, Holding Co. Act Release No. 26322 (June 30, 1995).

[6] Application-Declaration at 101–03.

Services

The Applicants further request the authority to form Primergy Services and the Additional Service Companies and for them to perform services. Primergy Services and the Additional Services Companies may provide services for NSP and WEPCO, and Primergy Services may provide services for any Additional Service Companies pursuant to a service agreement and for the nonutility subsidiaries of the Primergy system pursuant to a nonutility service agreement. Such services may include any of the following: administrative, management and support services, including services relating to information systems, meters and transportation, electric and gas system maintenance, marketing and customer relations, transmission and distribution, engineering and construction, power engineering and construction, human resources, materials management, facilities, accounting, power planning, public affairs, legal, rates, finance, rights of way, internal auditing, environmental affairs, fuels, investor relations, strategic and operations planning, and general administrative and executive management services. It is anticipated that such service companies will be staffed primarily by transferring personnel from the current employee rosters of NSP, WEPCO, and their subsidiaries.

Primergy and the Additional Service Companies will record transactions using the existing data capture and accounting systems of each company. Costs will be accumulated in accounts of each service company and directly assigned, distributed and allocated to the appropriate company pursuant to the Service Agreement.

The Applicants state that the accounting and cost allocation methods and procedures of all such service companies which are formed, including Primergy Services, will comply with the Commission's standards for service companies in registered holding company systems, and that the billing systems of all such service companies, including Primergy Services, will use the Commission's ''Uniform System of Accounts for Mutual Service Companies and Subsidiary Service Companies.'' Except as permitted under the Act or by the Commission, all services provided by such service companies to affiliated companies will be on an ''at cost'' basis as determined by rules 90 and 91 of the Act.

Primergy and the Additional Service Companies request that the Commission grant an exemption from the provisions of rules 90 and 91 under section 13(b) of the Act for the following transactions: (1) Services provided for EWGs, FUCOs and associate companies that derive no part of their income, directly or indirectly, from the generation, transmission or distribution of electric energy for sale, or the distribution of natural gas at retail, in the United States; and (2) services provided to an associated EWG, QF or IPP, provided that the purchaser of the electricity is not an associate company of Primergy. No services will be provided at market-based rates to an EWG, QF or IPP selling electricity to NSP or WEPCO, unless authorized by the Act or the Commission.

The Applicants request further that the Commission permit the various subsidiaries and affiliates that are providing currently services, including operation and maintenance, and selling goods to EWGs and QFs or to entities that will qualify as EWGs, FUCOs or QFs following the Transaction to continue such transactions without compliance with the at-cost provisions of section 13(b) and the rules thereunder. In addition, the Applicants request an exception regarding NSP's affiliated companies, Landfill Power LLC and Minnesota Methane LLC, that own portions of QF facilities that sell power to NSP under Public Utility Regulatory Policies Act contracts approved by the Minnesota Public Utility Commission (''MPUC'').[7]

The Applicants request further that the Commission exempt from the at-cost standards various existing contracts, which have been approved by the MPUC or the Public Service Commission of Wisconsin, among NSP and WEC affiliates that are not EWGs or QFs or entities that will become EWGs, FUCOs or QFs following the Transaction.[8] Finally, a section 13(b) exemption is requested regarding NRG Energy, Inc.'s (''NRG'') management and administrative services to be provided to O'Brien Environmental Services, Inc., which was partially acquired by NRG pursuant to a reorganization plan. The services have been approved by the bankruptcy court as part of the reorganization plan.

EUA Energy Investment Corporation (70–8837)

EUA Energy Investment Corporation (''EEIC''), P.O. Box 2333, Boston, Massachusetts 02107, a nonutility subsidiary company of Eastern Utilities Associates, a registered holding company, has filed an application-declaration under sections 6(a), 7, 9(a) and 10 of the Act and rules 45, 53 and 54 thereunder.

By orders dated December 4, 1987 and January 11, 1988 (HCAR Nos. 24525 and 24515A, respectively (''Orders''), EEIC was authorized, among other things, to conduct energy and energy conservation research and to invest, directly or indirectly in such activities.

Pursuant to the Orders, EEIC now proposes to invest through December 31, 1998, approximately $4 million to acquire approximately 1,052,630 shares of common stock of Separation Technologies, Inc. (''STI''), at a purchase price of $3.80 per share, pursuant to the terms of a stock purchase agreement (''Agreement''). STI is engaged in the research, development, design, sale, installation, construction and servicing of solid and liquid materials separation systems and facilities including, without limitation, a system for economically separating unburned carbon from coal (or fly) ash produced by utility generating plants.

EEIC will invest in STI by acquiring shares of: (1) STI's authorized but unissued common stock; and (2) a to-be-formed class of nonvoting common stock which, in all respects other than voting rights, would be identical to STI's currently authorized common stock.[9]

EEIC also requests authorization to make project financing available up to an aggregate principal amount of $15 million for the installation and construction of STI fly ash separation projects. The Agreement contains provisions granting EEIC and exclusive right of first negotiation with respect to financing all fly ash separation projects designed, sold, constructed and/or installed by STI during the eighteen month period immediately following the execution of the Agreement, excepting only financing for: (1) STI's Colbert Station project located in Alabama; and (2) any host utility financed projects.

EEIC proposes to provide such financing by entering into joint arrangements with STI at locations where STI equipment will be installed. EEIC's investment in these utility locations is anticipated to range between $0.5 and $2.5 million per installation. EEIC's investments in such future projects with STI may take the

[7] *Entergy Corporation, supra.*

[8] Application-Declaration, Annex H.

[9] As a result of the acquisition, EEIC anticipates that it will own approximately 20 percent of STI's issued and outstanding capital stock. However, EEIC states that it will only acquire a number of shares representing up to 9.9 percent of the then outstanding voting common stock of STI. In the event of an initial public offering of STI common stock, any share of nonvoting common stock acquired by EEIC would automatically convert to share of voting common stock.

form of, without limitation, joint ventures, general partnerships, limited partnerships, teaming agreements, royalties or other revenue sharing, special purpose entities, loans and equity participations.

STI has its own employees, and no employees of the EUA system retail electric utilities will be assigned to perform services for STI. EEIC does not anticipate the need to hire any additional personnel in connection with EEIC's investment in STI or the exercise of its financing rights under the Agreement.

Entergy Corporation (70–8839)

Entergy Corporation (''Entergy'' or ''Company''), 639 Loyola Avenue, New Orleans, Louisiana 70113, a registered holding company, has filed an application-declaration under sections 6(a) and 7 of the Act and rule 54 thereunder.

Entergy proposes to issue and sell through December 31, 2000, up to ten million additional shares of its authorized but unissued common stock, par value $.01 per share (''Common Stock'') pursuant to a new Dividend Reinvestment and Stock Purchase Plan ''Plan'').

The Common Stock will offered by all holders of shares of Common Stock and other interested investors (each a ''Participant'') pursuant to the Plan whereby Participants voluntarily may elect to: (1) automatically reinvest dividends received on all of their shares of Common Stock; or (2) automatically reinvest dividends received on less than all of their shares of Common Stock and continue to receive cash dividends on their remaining shares; and/or (3) invest in additional shares of Common Stock by making optional cash investments of not less than $100 nor more than $3,000 per month, with certain exceptions. Interested investors that are not shareholders may make optional cash investments in the Common Stock, but will be subject to an initial minimum investment of $1,000 and, subject to certain exceptions, a maximum of $3,000 for that month.

The shares of Common Stock purchased on behalf of the Participants to fulfill the requirements of the Plan will be in the Company's discretion, either previously issued shares purchased on the open market or in privately negotiated transactions or newly issued shares purchased directly from the Company. The decision whether to allow the Plan to purchase new but unissued shares or shares on the open market may be made by the Company only once in any three-month period.

Under the Plan, the purchase price of newly issued shares will be the weighted average of the daily high and low sales prices of the Common Stock on the New York Stock Exchange (''NYSE'') during the pricing period, which consists of the twelve trading days immediately preceding the investment date. The purchase price for shares purchased on the open market will be the weighted average price paid by the Plan including brokerage fees and commissions.

Optional cash investments in excess of $3,000 per month may be made pursuant to a waiver granted at the discretion of the Company (''Request for Waiver''). The Company has sole discretion as to whether to grant any Request for Waiver. In deciding whether to grant a Request for Waiver, the Company may consider relevant factors including, but not limited to, whether the Plan has been acquiring newly issued shares from the Company or acquiring shares in the open market or in privately negotiated transactions from third parties, the Company's need for additional capital, the attractiveness of obtaining such additional capital through a sale of Common Stock as compared to the sources of other funds, the purchase price likely to apply to a sale of the Common Stock, the Participants submitting the requests, the extent and nature of such Participants' prior participation in the Plan, the number of shares of Common Stock held of record by such Participants and the amount of their proposed investments, and the aggregate amount of optional cash investments in excess of the allowable maximum that have been submitted by all Participants. If Requests for Waiver are submitted at any time for an aggregate investment amount in excess of the amount, if any, that the Company is then willing to accept, the Company may grant such Requests for Waiver in the order of receipt, pro rata or by any other method the Company determines is appropriate.

The Company may also establish, for each monthly pricing period under the Plan, a minimum price (''Threshold Price'') applicable to the purchase of shares directly from the Company pursuant to a Request for Waiver. If established for any pricing period, the Threshold Price will be the minimum dollar amount that the average of the high and low sales prices of the Common Stock on the NYSE for each trading day of the relevant pricing period must equal or exceed. In the event the Threshold Price is not satisfied or no trades are made on the NYSE for any trading day in the pricing period, then that trading day and all trading prices for that day will be excluded in the determination of the purchase price. Additionally, for each trading day of the pricing period excluded from the pricing period, one-twelfth of the total amount of the optional cash investment of each Participant made pursuant to a Request for Waiver will be returned to that Participant without interest.

For those purchases of Common Stock made pursuant to a Request for Waiver, the Company, at least three business days prior to the first day of the applicable pricing period, may also establish a discount from the purchase price applicable to those optional cash investments (''Waiver Discount''). The Waiver Discount may be between 0% and 3% and may vary each month, but once established will apply uniformly to all optional cash investments made for that month pursuant to a Request for Waiver. The Waiver Discount will be established at the Company's total discretion after a review of current market conditions, the level of participation in the Plan and current and projected capital needs. The Company has no present plans to establish either a discount or minimum price for optional cash investments of $3,000 or less or for dividend reinvestments, but reserves the right under the Plan to do so in the future.

The Plan will be administered by Mellon Bank, N.A. or such successor administrator as Entergy may designate (''Administrator''). The Administrator will act as agent for Participants, keep records of the accounts of Participants, send regular account statements to Participants, and perform other duties relating to the Plan. Shares purchased for each Participant under the Plan will be held by and registered in the name of the Administrator or its nominee on behalf of the Participants, unless and until a Participant requests that stock certificates be issued. No service fee will be paid by Participants for shares purchased directly from the Company, but Participants will pay certain administrative fees and/or commissions on all other transactions made pursuant to the Plan.

A Participant retains all voting rights relating to shares purchased under the Plan and credited to his account, and such shares will be voted in accordance with his instructions. A Participant may withdraw from the Plan at any time upon written notice. In addition, without withdrawing from the Plan, a Participant is entitled to demand and receive a certificate representing any number of whole shares of Common Stock credited to his account. Entergy reserves the right to suspend, modify

(subject to any requisite Commission approval) or terminate the Plan at any time.

National Fuel Gas Company (70–8841)

National Fuel Gas Company (''NFG''), 10 Lafayette Square, Buffalo, New York 14203, a registered public utility holding company, has filed an application-declaration under sections 6(a), 7, 9(a), 10 and 12(c) of the Act and rules 42 and 46 thereunder.

NFG proposes to implement a sharedholder rights plan to discourage unwanted takeover bids. The Board of Directors of NFG (''Board'') proposes to declare a dividend distribution of one right (''Right'') for each outstanding share of common stock of NFG (''Common Stock''), $1.00 per value, to shareholders of record at the close of business on a record date yet to be established (''Record Date''). Each Right would entitle the registered holder to purchase from NFG one-half of one share of Common Stock at a price of $130 per share, subject to adjustment (''Purchase Price'').

Until the earliest to occur of (i) ten days following the date (''Share Acquisition Date'') of the public announcement that a person or affiliated group (''Acquiring Person'') has acquired, or obtained the right to acquire, beneficial ownership of Common Stock or other voting securities (''Voting Stock'') that have 10% or more of the voting power of the outstanding shares of Voting Stock or (ii) ten days following the commencement or announcement of an intention to make a tender offer, or exchange offer, the consummation of which would result in such person acquiring, or obtaining the right to acquire, beneficial ownership of Voting Stock having 10% or more of the voting power of the outstanding shares of Voting Stock (the earlier of such dates being called the ''Distribution Date''), the Rights will be evidenced, with respect to any shares of Common Stock outstanding as of the Record Date, by the Common Stock certificates representing those outstanding shares. Until the Distribution Date, the Rights will be transferable only with the Common Stock, and new Common Stock certificates issued after the Record Date will contain a notation incorporating the Agreement by reference. As soon as practicable following the Distribution Date, separate certificates evidencing the Rights (''Rights Certificates'') will be mailed to holders of record of Common Stock as of the close of business on the Distribution Date and such separate Right Certificates alone will evidence the Rights.

The Rights are not exercisable until the Distribution Date. As in the case with most right plans which are in place, the Rights will expire at the close of business on the tenth anniversary of the Record Date, unless earlier redeemed or exchanged by NFG as described below.

Subject to redemption or exchange of the Rights, at any time following the Distribution Date, each holder of a Right will have the right to receive, upon exercise, Common Stock (or, in certain circumstances, cash, property or other securities of NFG) having a value to two times Purchase Price of the Right then in effect. However, all Rights that are, or under certain circumstances were, beneficially owned by any Acquiring Person will be null and void.

In the vent that, at any time following the Share Acquisition Date, (i) NFG is acquired in a merger or other business combination transaction, or (ii) 50% or more of NFG's assets or earning power are sold or transferred, each holder of a Right shall thereafter have the right to receive, upon exercise, common stock of the acquiring company having a value equal to two times the Purchase Price of the Right then in effect.

The Purchase Price payable, and the number of shares of Common Stock (or other securities, as the case may be) issuable upon exercise of the Rights are subject to adjustment from time to time to prevent dilution (i) in the event of a stock dividend on, or a subdivision, combination or reclassification of, the Common Stock, (ii) upon the grant to holders of the Common Stock of certain rights or warrants to subscribe for or purchase shares of the Common Stock or convertible securities at less than the then current market price of the Common Stock or (iii) upon the distribution to holders of the Common Stock of evidences of indebtedness or assets (excluding regular periodic cash dividends or dividends payable in Common Stock) or of subscription rights or warrants (other than those referred to above). Prior to the Distribution Date, the Board may make such other equitable adjustments as it deems appropriate in the circumstances in addition to or in lieu of any adjustment otherwise required by the foregoing.

With certain exceptions, no adjustment in the Purchase price will be required until the earlier of (i) three years from the date of the event giving rise to such adjustment or (ii) the time at which cumulative adjustments require an adjustment of at least 1% in such Purchase Price. No fractional shares of Common Stock will be issued and, in lieu thereof, an adjustment in cash will be made based on the market price of the Common Stock on the last trading date prior to the date of exercise.

At any time prior to 5:00 p.m. Buffalo, New York time on the tenth day following the Share Acquisition Date, NFG may redeem the Rights in whole, but not in part, at a price of $0.01 per Right (''Redemption Price''), payable in cash or stock. Under certain circumstances set forth in the Agreement, the decision to redeem shall require the concurrence of a majority of the Independence Directors. An ''Independent Director'' means any member of the Board who was a member of the Board prior to the date of the Agreement, and any person who is subsequently elected to the Board if such person is recommended or approved by a majority of the Independent Directors, but shall not include an Acquiring Person or any representative thereof. Immediately upon the action of the Board electing to redeem the Rights, NFG shall make announcement thereof and the only right of the holders of Rights will be to receive the Redemption Price.

At any time after a person becomes an Acquiring Person, the Board may exchange the Rights (other than Rights owned by an Acquiring Person, which become void), in whole or in part, at an exchange ratio of one share of Common Stock and/or other securities, cash or other assets deemed to have the same value as one share of Common Stock, per Right, subject to adjustment.

Until a Right is exercised or exchanged for Common Stock, the Rights, as such, will not grant the holders thereof rights as a stockholder of NFG. While the distribution of the Rights will not be taxable to stockholders or to NFG, stockholders may, depending upon the circumstances, recognize taxable income in the event that the Rights become exercisable for Common Stock of NFG (or other consideration) or for the stock of the Acquiring Person.

Any of the provisions of the Agreement may be amended by the Board without the consent of the holders of the Rights prior to the Distribution Date. Thereafter, the Agreement may be amended by the Board in order to cure any ambiguity, defect or inconsistency, or to make changes which do not adversely affect the interests of holders of Rights (excluding the interest of any Acquiring Person); provided, however, that no supplement or amendment may be made on or after the Distribution Date which changes those provisions relating to the principal economic terms of the

Rights. The Board may also, with the concurrence of a majority of the Independent Directors, extend the redemption period for up to an additional 20 days.

Entergy Corporation, et al. (70–8845)

Entergy Corporation (''Entergy''), 639 Loyola Avenue, New Orleans, Louisiana 70113, a registered public utility holding company, and its wholly owned subsidiary company Entergy Power, Inc. (''EPI''), 900 South Shackleford Road, Little Rock, Arkansas 72211, (both, ''Declarants''), have filed a declaration under section 12(c) of the Act and rule 46 thereunder.

EPI proposes to make one or more cash payments in an aggregate amount not to exceed $55 million to Entergy from time to time through December 31, 1998 out of EPI's unearned surplus. As of December 31, 1995, EPI had approximately $249,950,000 of capital or unearned surplus and cash and cash equivalents of approximately $59,482,000. The cash equivalents of EPI include temporary cash investments of $59,225,000, which derive from capital contributions made by Entergy to EPI in July and December 1995. Declarants state that these liquid assets are far in excess of any foreseeable capital needs of EPI. Therefore, EPI proposes to return all or most of these assets to Entergy, EPI's sole shareholder, through the proposed cash payments.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–11669 Filed 5–9–96; 8:45 am]

BILLING CODE 8010–01–M

[Rel. No. IC–21937; 812–9854]

Van Kampen American Capital Comstock Fund, et al.; Notice of Application

May 3, 1996.

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

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

APPLICANTS: Van Kampen American Capital Comstock Fund (''Comstock Fund''), Van Kampen American Capital Enterprise Fund (''Enterprise Fund''), Van Kampen American Capital Equity Income Fund (''Equity Income Fund''), Van Kampen American Capital Growth and Income Fund (''Growth and Income Fund''), Van Kampen American Capital Life Investment Trust on behalf of its series Common Stock Fund and Multiple Strategy Fund (''Life Trust''), Van Kampen American Capital Pace Fund (''Pace Fund''), Common Sense Trust (''Common Sense Trust'') on behalf of its series: Common Sense Growth Fund, Common Sense Growth and Income Fund, Common Sense II Growth Fund, Common Sense II Growth and Income Fund, Common Sense II International Equity Fund, Smith Barney/Travelers Series Fund, Inc. (''Smith Barney Fund'') on behalf of its series American Capital Enterprise Portfolio, Van Kampen American Capital Equity Trust (''Equity Trust'') on behalf of its series: Van Kampen American Capital Growth Fund, Van Kampen American Capital Prospector Fund, Van Kampen American Capital Value Fund (collectively, the ''Public Funds''); Van Kampen American Capital Small Capitalization Fund (''Small Cap Fund''); and Van Kampen American Capital Asset Management, Inc. (''VKACAM'') and Van Kampen American Capital Investment Advisory Corp. (''Advisory Corp.,'' together with VKACAM, the ''Advisers'').

RELEVANT ACT SECTIONS: Order requested under section 6(c) granting and exemption from section 12(d)(1), and under sections 6(c) and 17(b) granting an exemption from section 17(a).

SUMMARY OF APPLICATION; Applicants request an order amending a prior order that permits the Small Cap Fund to serve exclusively as an investment vehicle through which certain Public Funds may invest a portion of their assets in a portfolio of small capitalization stocks. The requested order would add certain parties as applicants and revise the conditions to the requested relief.

FILING DATES: The application was filed on November 17, 1995. Applicants have agreed to file an amendment during the notice period, the substance of which is included in this notice.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC 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 May 28, 1996, and should be accompanied by proof of service on the 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. Person 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: Comstock Fund, Enterprise Fund, Equity Income Fund, Growth and Income Fund, Life Trust, Peace Fund, Small Cap Fund, VKACAM, and Common Sense Trust, 2800 Post Oak Boulevard, Houston, Texas 77056; Smith Barney Fund, 388 Greenwich Street, New York, New York 10013; and Equity Trust and Advisory Corp., One Parkview Plaza, Oakbrook Terrace, Illinois 60181.

FOR FURTHER INFORMATION CONTRACT: Sarah A. Wagman, Staff Attorney, at (202) 942–0654, or Robert A. Robertson, 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.

Applicants' Representations

1 The Small Cap Fund is an open-end management investment company for which VKACAM serves as investment adviser. The Small Cap Fund invests at least 80% of its assets in equity securities of companies with a market capitalization less than that of the largest 500 publicly-traded companies. Although the Small Cap Fund is registered under the Act, it does not intend to make a public offering of its shares, and has not registered its shares under the Securities Act of 1933.

2. VKACAM will not charge any advisory fee for managing the Small Cap Fund, and there is no sales load or other charges associated with distribution of the Small Cap Fund's shares. The Small Cap Fund will bear the other expenses it incurs, and such expenses thus will be borne indirectly by the public Funds that invest in the Small Cap Fund.

3. The Public Funds are open-end management investment companies for which Advisory Corp. or VKACAM serves as investment companies for which Advisory Corp. or VKACAM serves as investment adviser with investment discretion over the entire portfolio. Advisory Corp. and VKACAM are both wholly-owned subsidiaries of Van Kampen American Capital, Inc. In addition to the funds named in the application, the Public Funds may include any open-end management investment company or portfolio thereof for which Advisory Corp. or VKACAM may in the future become investment