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. (70–8037)

Central and South West Corporation (''CSW''), 1616 Woodall Rodgers Freeway, Dallas, Texas 75202, a registered holding company, and its wholly-owned electric utility subsidiary, Central Power and Light Company (''CP&L''), P.O. Box 2121, Corpus Christi, Texas 78403, have filed a post-effective amendment to their application-declaration under sections 9(a), 10 and 13(b) of the Act and rules 54, 88 and 100 thereunder.

In May 1992, CSW and CP&L entered into a settlement (''Settlement'') with Houston Industries Incorporated, a holding company exempt under section 3(a)(1) from all provisions of the Act except section 9(a)(2), and its electric utility subsidiary company, Houston Lighting & Power Company (''HL&P''), in order to resolve a number of disputes between the two systems, including allegations by CP&L that HL&P breached its duties and obligations in its performance as project manager for the South Texas Project Electrical Generating Station (''STP''). By orders of the Commission, the Commission authorized CSW and CP&L to engage in various transactions related to the Settlement.[1] In the Original Order the Commission reserved jurisdiction over the applicants' proposal to form a new Texas nonprofit, nonstock, nonmember corporation under the Texas Non-Profit Corporation Act to replace HL&P as the project manager for STP, pending completion of the record. The applicants represent that the joint-owners have approved in substantially final form the structure of the new operating company for STP and the applicants now request authorization to form it.

The owners of STP are CP&L, HL&P, the City of San Antonio, Texas (''San Antonio''), acting by and through the City Public Service Board of San Antonio, and the city of Austin, Texas (''Austin'').[2] The principal assets and properties of STP consist of two 1250 megawatt nuclear-fueled generating units, a plant site and common station facilities and a 400 foot-wide transmission corridor.

The Owners have previously entered into a participation agreement (''Participation Agreement'') and their relationship is one of tenants-in-common with respect to the ownership and operation of STP for the production of electric energy and for the delivery of such energy to each Owner according to its respective ownership interest in STP: CP&L–25.2%, HL&P–30.8%, San Antonio–28% and Austin–16%. The electric energy obtained by each Owner is distributed and sold by that Owner within its own system.

At present, with the exception of CP&L, which is responsible for maintenance of the transmission corridor, HL&P serves as the sole project manager of STP. A management committee composed of one representative of each Owner makes all material decisions and determinations incident to the operation of STP as set forth in the Participation Agreement. The Participation Agreement, among other things, authorizes the management committee to remove HL&P as project manager by a vote of the parties representing a majority ownership interest.

To better assure a proportionate sharing of costs, liabilities and benefits associated with the operation of STP, the applicants state that the Owners have agreed to form STP Nuclear Operating Company (''OPCO''), a nonprofit, nonstock, nonmember Texas corporation, to operate STP by contract and assume HL&P's obligations to manage STP. The Owners propose to effect the substitution of OPCO for HL&P by entering into an Amended and Restated Participation Agreement (''Amended Participation Agreement'')[3] and by entering into the South Texas Project Operating Agreement with OPCO (''Operating Agreement'') pursuant to which OPCO will maintain and operate STP under the control and direction of the Owners, as provided in the Amended Participation Agreement. Specifically, OPCO would possess, use, maintain, repair, improve, operate, decontaminate and decommission STP[4] and provide or arrange to provide all labor, supervision, supplies, equipment and services for the operation, maintenance, repair, replacement, reconstruction, decontamination and decommissioning of STP in order to deliver electricity generated by STP to the Owners.

In accordance with the Operating Agreement, OPCO will have no ownership interest in property or utility assets constituting STP, power generated by STP, revenues received from the sale of power generated by STP or fuel used by STP to generate power. OPCO's proposed constituent documents will not authorize it to engage in any business other than the business of operating STP, as provided in the Operating Agreement, or to engage in any for-profit activities. The Owners will bear the costs and expenses incurred by OPCO in operating STP in proportion to their respective ownership interests in STP and indemnify OPCO from any damage resulting from its performance under the Operating Agreement. OPCO will not receive a management fee or derive any profit from its operation of STP. The applicants propose to treat OPCO as a subsidiary service company governed by section 13(b) of the Act.

The applicants request Commission authorization to form OPCO and to replace HL&P with OPCO as project manager and operator of STP. Further, the applicants seek an exemption from the requirement that a Declaration on Form U–13–1 be filed incident to the formation of OPCO.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–15406 Filed 6–11–97; 8:45 am]

BILLING CODE 8010–01–M

[1] Holding Co. Act Release Nos. 25696 (Dec. 8, 1992) (''Original Order'') and 25720 (Dec. 29, 1992).

[2] CP&L, HL&P, San Antonio and Austin are sometimes referred to herein individually as an ''Owner'' and collectively as ''Owners''.

[3] The applicants state that other than the replacement of HL&P by OPCO, the Amended Participation Agreement is not materially different from the Participation Agreement and, thus, should be characterized as a reorganization of the existing relationship among the Owners.

[4] Operation of certain transmission corridors and switch yards will remain under the control of HL&P or CP&L.

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting; Agency Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: [62 FR 30911, June 5, 1997]

STATUS: Closed Meeting.

PLACE: 450 Fifth Street, NW., Washington, DC.

DATE PREVIOUSLY ANNOUNCED: June 5, 1997.

CHANGE IN THE MEETING: Deletion.

The following item will not be considered at the closed meeting scheduled for Wednesday, June 11, 1997:

Formal order of investigation.

Commissioner Wallman, as duty officer, determined that Commission business required the above change and that no earlier notice thereof was possible.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact:

The Office of the Secretary (202) 942–7070.

Dated: June 9, 1997.

Jonathan G. Katz,

Secretary.

[FR Doc. 97–15572 Filed 6–10–97; 12:40 pm]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–38719; File No. SR–CHX–97–14]

Self-Regulatory Organization's; Notice of Filing of and Order Granting Temporary Accelerated Approval to a Proposed Rule Change by the Chicago Stock Exchange, Incorporated Relating to Trading Variations

June 5, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on June 2, 1997, the Chicago Stock Exchange, Incorporated (''CHX'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II 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 and to grant accelerated approval on a temporary basis to the proposed rule change.

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

The Exchange proposes to modify Article XX, Rule 22 of the CHX's Rules, relating to trading variations in CHX-exclusive issues.

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 III 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

Article XX, Rule 22 of the Exchange's Rules gives the Exchange's Committee on Floor Procedure the authority to fix minimum variations for bids and offers in specific securities or classes of securities. Pursuant to this authority, the Exchange proposes to change its minimum variation to 1/16 of $1.00 per share for securities traded exclusively on the Exchange that are selling at greater than $1.00, and 1/32 of $1.00 per share for such securities that are selling at or below $1.00. The proposed rule change will only be effective until such time as the Commission approves SR–CHX–97–13, a proposed rule change regarding general changes to the Exchange's Rules on trading variations.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b)(5) of the Act[2] in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange believes the proposed rule change will not impose any burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange has neither solicited nor received written comments.

III. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments, concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. § 552, will be available for inspection and copying at the Commission's Public Reference Room, 450 Fifth Street, NW., Washington, DC 20549. Also, copies of such filing will be available for inspection and copying at the principal office of the CHX. All submissions should refer to File No. SR–CHX–97–14 and should be submitted by July 3, 1997.

IV. Commission's Findings and Order Granting Accelerated Approval of the Proposed Rule Change

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange and, in particular, with the requirements of Section 6 and Section 11A of the Act.[3]

The Commission believes the proposed rule change will likely enhance the quality of the market for the affected CHX securities. The Exchange currently only allows quotes in eighths for CHX securities that are above $1.00 and sixteenths for CHX securities that are below $1.00 but above $0.50. Allowing the CHX to quote these securities in finer increments will facilitate quote competition.[4] This should help to produce more accurate pricing of such securities and can result in tighter quotations.[5] In addition, if the quoted markets are improved by reducing the minimum increment, the change could result in added benefits to the market such as reduced transaction costs.

The Commission finds good cause for approving the proposed rule change

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

[2] 15 U.S.C. 78f(b)(5).

[3] 15 U.S.C. §§ 78f(b) and 78k–1. In approving this rule change, the Commission notes that it has considered the proposal's impact on efficiency, competition, and capital formation, consistent with Section 3 of the Act. *Id.* § 78c(f).

[4] The rule change is consistent with the recommendation of the Division of Market Regulation (''Division'') in its Market 2000 Study, in which the Division noted that the ⅛ minimum variation can cause artificially wide spreads and hinder quote competition by preventing offers to buy or sell at prices inside the prevailing quote. *See* SEC, Division of Market Regulation, *Market 2000; An Examination of Current Equity Market Developments* 18–19 (Jan. 1994).

[5] A study that analyzed the reduction in the minimum tick size from ⅛ to 1/16 for securities listed on the American Stock Exchange priced between $1.00 and $5.00 found that, in general, the spreads for those securities decreased significantly while trading activity and market depth were relatively unaffected. *See* Hee-Joon Ahn, Charles Q. Chao, and Hyuk Choe, *Tick Size, Spread, and Volume,* 5 J. Fin. Intermediation 2 (1996).