

Office of Information Technology,
Securities and Exchange Commission,
450 Fifth Street, NW., Washington, DC
20549 and Desk Officer for the
Securities and Exchange Commission,
Office of Information and Regulatory
Affairs, Office of Management and
Budget, Room 3208, New Executive
Office Building, Washington, DC 20503.

Dated: December 19, 1996.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-22 Filed 1-2-97; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 35-26636]

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

December 24, 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 January 21, 1997, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

National Fuel Gas Company (70-8975)

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

National Fuel Gas Company ("NFG"),
10 Lafayette Square, Buffalo, New York
14203, a gas registered holding
company, has filed a declaration under

sections 6(a), 7 and 12(e) of the Act and
rules 62 and 65 thereunder.

NFG proposes to issue shares of NFG
common stock in connection with the
NFG 1997 Award and Option Plan
("Plan"). The Plan will be administered
by the Compensation Committee of the
Board of Directors or another committee
so designated ("Committee"). No
member of the Committee is eligible to
be selected to participate in the Plan.
The Plan authorizes the Committee, at
its discretion, to grant awards from
December 13, 1996 through December
12, 2006 to key employees of NFG or
any of its 80% or more owned
subsidiaries. Under the Plan, 1.9 million
shares of NFG common stock are
available for grants. Awards covering no
more than 300,000 shares of Common
Stock may be granted to any participant
in any fiscal year.

NFG's Board of Directors ("Board")
may suspend or terminate the Plan at
any time and may also amend the Plan
at any time, provided however, that any
such amendment may be subject to
shareholder approval (1) at the
discretion of the Board and (2) to the
extent that shareholder approval may be
required by law.

The following types of awards may be
available under the Plan: (1) Stock
options, including incentive stock
options; (2) stock appreciation rights
("SARs"), the right to receive a payment
equal to the appreciation in market
value of a stated number of shares of
common stock from the SARs' exercise
price to the market value on the date of
exercise; (3) common stock of NFG,
including restricted stock; (4) common
stock units; (5) performance shares; (6)
performance units; and (7) any award
established by the Committee which is
consistent with the Plan's purpose, as
described in the Plan.

The Plan provides for the forfeiture of
awards in the event of termination of
employment for a reason other than
death, disability, retirement, or any
approved reason, unless the award
provides otherwise. Forfeiture is also
required if, in the Committee's opinion,
the participant competes with NFG
without its written consent, or if the
participant acts in a manner inimical to
NFG's best interests.

The Committee may unilaterally
amend any award if, in the Committee's
opinion, such amendment is not adverse
to the participant. NFG may deduct
from any payment under the Plan the
amount of any applicable income and
employment taxes, or may require the
participant to pay such taxes as a
condition to making such payment. The
Committee may also allow the
participant to satisfy this obligation by

withholding from any payment of
common stock due, or by delivering to
NFG, shares of common stock with a fair
market value equal to the amount of
applicable taxes.

NFG proposes to solicit proxies from
its common shareholders to approve the
Plan at NFG's Annual Meeting of
Stockholders on or about February 20,
1997. Accordingly, NFG request that an
order authorizing the solicitation of
proxies be issued as soon as practicable
pursuant to rule 62(d).

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

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

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-18 Filed 1-2-97; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-38085; File No. SR-CBOE-
96-70]

**Self-Regulatory Organizations;
Chicago Board Options Exchange,
Inc.; Notice of Filing of Proposed Rule
Change Relating to Reporting
Requirements for Securities Accounts
and Orders of Market-Makers and Joint
Account Provisions**

December 24, 1996.

Pursuant to Section 19(b)(1) of the
Securities Exchange Act of 1934
("Act"),¹ notice is hereby given that on
November 20, 1996, the Chicago Board
Options Exchange, Inc. ("CBOE" or
"Exchange") filed with the Securities
and Exchange Commission
("Commission") the proposed rule
change as described in Items I, II, and
III below, which items have been
prepared primarily by CBOE. 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

CBOE is proposing to amend Rule 8.9
regarding certain reporting requirements

¹ 15 U.S.C. § 78s(b)(1) (1988).

for securities accounts, orders of market-makers and joint account provisions.²

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

In its filing with the Commission, CBOE 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. CBOE 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

CBOE is proposing to amend Rule 8.9, Securities Accounts and Orders of Market-Makers. CBOE proposes to amend Rule 8.9(a), regarding the identification of accounts. Currently, Exchange market-makers are required to identify and report to the Exchange all accounts in which the market-maker may engage in stock, option and securities trading, directly or indirectly, or over which it has investment discretion. The rule in its current form is broad enough to require market-makers to report professional trading accounts held at clearing firms, as well as outside personal accounts such as brokerage accounts.

The Exchange has received comment from CBOE members stating that it is burdensome and unnecessary to require market-makers to identify all non-professional trading accounts, or 'outside accounts' to the Exchange. Exchange staff agrees that the reporting requirement may be overly broad, in that the outside account data has little significance to the Exchange's surveillance programs unless there is a specific reason for monitoring the outside accounts. The Exchange is most concerned with monitoring the professional trading activity of market-makers in accounts cleared and guaranteed by The Options Clearing Corporation member clearing firms.

Upon review and analysis, the Exchange has determined that the reporting requirements of Rule 8.9(a) should be amended to eliminate the routine submission of information respecting non-market-maker trading accounts, or 'outside accounts.' The

proposes rule change would require market-makers to report outside account information only when requested by the Exchange.

CBOE proposes to amend Rule 8.9(b), regarding the reporting of market-maker orders. Currently, each market-maker is required to report to the Exchange every order entered into by that market-maker within the specifications of the Rule. CBOE is proposing to amend Rule 8.9(b) to require the clearing firm for the professional trading account, rather than the market-maker personally, to report executed order information to the Exchange. CBOE believes that this revision recognizes that a clearing firm can most accurately gather and report order information to the Exchange in a timely manner, and in fact already transmits such order information for Exchange review. In addition, the proposed rule will require the order information submitted be restricted to executed orders only, as CBOE has received few surveillance benefits by gathering unexecuted order information on a routine basis.

According to the proposed rule change, the market-maker will be held responsible for the reporting requirements only if the clearing firm is not reporting executed order information to the Exchange and/or if the Exchange has requested that the market-maker provide the information. Further, the proposed rule change will clarify that this reporting requirement applies to professional trading accounts (i.e., transactions cleared into all accounts carried for market-makers who are the subject of a clearing firm letter of guarantee issued to the Exchange pursuant to CBOE Rule 8.5).

The clearing firm thus will be the primary source for the reporting of market-maker executed order information to the Exchange. However, all firms which represent and execute market-maker orders, including order service firms as defined in Exchange Rule 6.77, will continue to be responsible for maintaining and retaining executed and unexecuted order information as required by Rules 17a-3 and 17a-4 under the Act and by Exchange Rule 15.1. CBOE proposed that the continuing recordkeeping obligations of such firms pursuant to Exchange rules and other applicable securities laws and regulations will be noted in an Exchange regulatory circular upon approval of the proposed rule change.

CBOE proposes to eliminate the existing description of specific order information required to be reported as set forth in Rule 8.9(b). Upon approval of this filing, the Exchange will issue a

regulatory circular to clearing firms which will list the order reporting requirements that were previously embodied in Rule 8.9(b), and list additional requirements as they are implemented. The existing Rule 8.9(b) already provides that the Exchange will prescribe the manner of order reporting.

Finally, CBOE proposes to amend Interpretation and Policy .06 to Rule 8.9 to clarify that the existing prohibition against a joint account participant effecting a transaction with another member acting on behalf of the same joint account applies whether the transaction is effected in person or via order. CBOE will also revise Interpretation and Policy .06 to Rule 8.9 to prohibit transactions between two joint accounts if the member who causes a transaction to be executed for one of the joint accounts knows or has reason to know that the two joint accounts have one or more common participants.

The addition to Interpretation .06 to Rule 8.9 codifies in the rule current provisions in regulatory circulars which seek to ensure that joint account transactions result in a bona fide change in beneficial ownership. Existing regulatory circulars RG96-28 (item 7(b)) and RG95-64 (item 8(b)) provide that a member has the responsibility to ensure that in-person transactions or the entry of orders with floor brokers do not result in trades occurring "between two joint accounts that have common participants." The proposed rule change expressly imposes a knowledge requirement as an element of the offense of effecting a transaction between joint accounts with common participants. This recognizes that members are not always able to know whether there are common participants in two joint accounts because of the frequency with which joint account composition may change.

The CBOE believes the proposed rule change is consistent with and furthers the objectives of Section 6(b)(5)³ of the Act in that it should result in more effective and efficient reporting of market-maker accounts and executed order information to the Exchange. CBOE believes the proposed rule change also should clarify market-maker joint account provisions, removing impediments to a free and open market, thereby protecting investors and the public interest.

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

CBOE does not believe that the proposed rule change will impose any burden on competition.

² The text of the proposed rule change is available at the Office of the Secretary, CBOE and in the Public Reference Section of the Commission.

³ 15 U.S.C. § 78f(b)(5).

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

No written comments relating to the proposed rule change have been solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing For Commission Action

Within thirty-five days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which CBOE consents, the Commission will:

(A) By order approve such proposed rule change or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. 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 in the Commission's Public Reference Section, 450 Fifth Street NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of CBOE. All submissions should refer to File No. SR-CBOE-96-70 and should be submitted by January 24, 1997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁴

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-19 Filed 1-2-97; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-38089; File No. SR-NASD-96-50]

Self-Regulatory Organizations; Notice of Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to Amendments to the NASD's Excess Spread Rule Applicable to Market Maker Quotations

December 27, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on December 16, 1996, the National Association of Securities Dealers, Inc. ("NASD" or "Association") 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 NASD. 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 NASD proposes to amend NASD Rule 4613(d) on a one-year pilot basis to provide that a registered market maker in a security listed on The Nasdaq Stock Market, Inc. ("Nasdaq") shall be precluded from being a registered market maker in that issue for twenty (20) business days if its average spread in the security over the course of any full calendar month exceeds 150 percent of the average of all dealer spreads in such issue for the month. The text of the proposed rule change is as follows. (Additions are italicized; deletions are bracketed.)

* * * * *

NASD Rule 4613 Character of Quotations

(d) Reasonably Competitive Quotations [Excess Spreads]

A registered market maker in a security listed on The Nasdaq Stock Market will be withdrawn as a registered market maker and precluded from re-registering as a market maker in such issue for 20 business days if its average spread in the security over the course of any full calendar month exceeds 150 percent of the average of all dealer spreads in such issue for the month.

(1) If a registered market maker has not satisfied the average spread requirement set forth in this subparagraph (d) for a particular Nasdaq security, its registration in such issue shall be withdrawn commencing on the next business day following the business day on which the market maker was sent notice of its failure to

comply with the requirement. A market maker may request reconsideration of the withdrawal notification. Requests for reconsideration will be reviewed by the Market Operations Review Committee, whose decisions are final and binding on the members. A request for reconsideration shall not operate as a stay of the withdrawal or toll the twenty business day period noted in subparagraph (d) above.

(2) Grounds for requests for reconsideration shall be limited to claims that Nasdaq's calculation of the market maker's average spread for the month was in error.

(3) This subparagraph (d) shall be in effect until January 31, 1998.

[A market maker shall not enter quotations in The Nasdaq Stock Market securities that exceed the parameters for maximum allowable spreads as approved by the Association's Board of Governors and that may be published from time to time by the Association. The maximum allowable spreads for Nasdaq securities shall be 125 percent of the average of the three (3) narrowest market maker spreads in each security (if there are fewer than three (3) market makers in a security, the maximum allowable spread will be 125% of the average spread); provided however, that the maximum allowable spread shall never be less than 1/4 point.]

* * * * *

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 NASD 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 NASD 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

NASD Rule 4613(d), which is commonly known as the NASD's "excess spread rule," presently provides that registered market makers in Nasdaq securities shall not enter quotations that exceed the NASD's parameter for maximum allowable spreads. Specifically, the rule provides that the maximum allowable spread for any Nasdaq security is 125 percent of the

⁴ 17 CFR 200.30-3(a)(12) (1996).