adviser except to the extent permitted by the Act, the rules under the Act, no-action letter, or any exemptive order granted after the date of an order granting this application, provided that the application requesting the subsequent order refers specifically to this application.

2. Goldman Sachs and its affiliated persons will engage in principal transactions with a Portfolio in reliance on any order granting this application only if (i) Goldman Sachs is not affiliated with any investment adviser to the Portfolio, (ii) neither Goldman Sachs nor any affiliated person of Goldman Sachs is responsible for the selection of particular securities to be acquired for the Portfolio, and (iii) neither Goldman Sachs nor any affiliated person of Goldman Sachs is responsible for the selection of any particular broker-dealer or other counterparty for transactions effected by the Portfolio.

3. Goldman Sachs and its affiliated persons will engage in principal transactions with a Portfolio in reliance on any order granting this application only if no affiliated person of Goldman Sachs is serving as a director of the Fund of which the Portfolio is a part.

4. Transactions between Goldman Sachs or its affiliated persons and any Portfolio made in reliance on any order granting this application will be effected only pursuant to arm's length negotiations with the Portfolio, acting through its investment adviser or other person unaffiliated with Goldman Sachs, and will be consistent with the policy of the Portfolio.

By the Commission.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–30179 Filed 11–17–97; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35–26777]

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

November 10, 1997.

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

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by December 4, 1997, to the Secretary, Securities and Exchange Commission, Washington, DC 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.

GPU, Inc. and GPU International, Inc. (70–7727)

GPU, Inc. (''GPU''), 100 Interpace Parkway, Parsippany, New Jersey 07054, a registered holding company, and GPU International, Inc. (''GPU International''), One Upper Pond Road, Parsippany, New Jersey 07054, a nonutility subsidiary of GPU, have filed a post-effective amendment under sections 6(a), 7, 9(a), 10 and 12(b) of the Act and rules 45, 53 and 54 under the Act to their application-declaration filed under sections 6(a), 7, 9(a), 10, 12(b), 12(c) and 13(b) of the Act and rules 45, 50, 51, 90 and 91 under the Act.

By orders dated November 16, 1995, June 14, 1995, December 28, 1994, September 12, 1994, December 18, 1992, and June 26, 1990 (HCAR Nos. 26409, 26307, 26205, 26123, 25715, and 25108) (''Prior Orders''), GPU International [1] was authorized to engage in preliminary project development and administrative activities (''Project Activities'') for its investments in: (i) Qualifying facilities (''QFs''), as defined in the Public Utility Regulatory Policies Act of 1978, as amended (''PURPA''); (ii) exempt wholesale generators (''EWGs''), as defined in section 32 of the Act; and (iii) foreign utility companies (''FUCOs''), as defined in section 33 of the Act.

The Prior Orders also authorized GPU from time to time through December 31, 1997 to: (i) Enter into guarantees, support instruments, and bank letters of credit reimbursement agreements or similar financial instruments or undertakings (''Guarantees'') to secure GPU International's agreement with any person (including without limitation project lenders) in connection with GPU International's Project Activities and the acquisition of ownership or participation interests in QF, EWG, or FUCO projects; (ii) guarantee the securities or other obligations of EWGs and FUCOs; and (iii) assume liabilities of EWGs and FUCOs, in an amount of up to $500 million. The Prior Orders also authorized GPU International to enter into guarantees, and to assume liabilities of EWGs and FUCOs, in an aggregate amount of up to $50 million from time to time through December 31, 1997.

GPU and GPU International (''Applicants'') propose to: (i) Expand the purposes for which GPU may enter into Guarantees on behalf of GPU International to include Guarantees of any security or other obligation of GPU International or a subsidiary of GPU International (''GPUI Subsidiary''), provided the issuance and sale of any such security is exempt from the requirement of prior Commission approval under section 6(a) of the Act or has been otherwise authorized by the Commission; (ii) to increase to $150 million the aggregate principal amount of Guarantees which GPU International may have outstanding hereunder and to expand the purposes for which GPU International may enter into Guarantees to include guarantees of the securities or other obligations of GPUI Subsidiaries, provided the issuance and sale of any such security is exempt from the requirement of prior Commission approval under section 6(a) of the Act or has been otherwise authorized by the Commission; (iii) to extend until December 31, 2000 the period during which Applicants may enter into Guarantees; and (iv) to permit any GPUI Subsidiary which is not an EWG or FUCO to guarantee the securities or other obligations of their direct or indirect subsidiaries from time to time through December 31, 2000 in an aggregate amount not to exceed, together with the aggregate amount of GPU International Guarantees outstanding, $150 million, provided the issue and sale of any such security is exempt from the requirement of prior Commission approval under section 6(a) of the Act or has been otherwise authorized by the Commission.

The term of each Guarantee and any letter of credit (''L/C'') reimbursement agreement, would not exceed 35 years. L/C fees would not exceed 1% annually of the face amount of the L/C. Drawings under each L/C would bear interest at not more than 5% above the prime rate

[1] The Prior Orders were issued for Energy Initiatives, Inc. (''EII''). GPU International is the entity which succeeded EII.

as in effect from time to time. The interest rate on GPU International debt guaranteed by GPU, and fees payable, would not exceed rates and fees which are generally obtainable for debt bearing similar terms, conditions and features and which is issued by companies of the same or reasonably comparable credit quality.

GPU agrees that it will not enter into any Guarantee which: (i) Guarantees the securities or obligations of an EWG or FUCO; or (ii) guarantees the performance of a Guarantee executed by GPU International or a GPUI Subsidiary of the securities or other obligations of an EWG or FUCO, unless in any such case the conditions set forth in the Commission's supplemental order dated November 5, 1997 (HCAR No. 26773) have been satisfied. Furthermore, any such Guarantee by GPU would be included in GPU's ''aggregate investment'' as defined in rule 53(a).

Allegheny Power System, Inc., et al. (70–7888)

Allegheny Power System, Inc. (''Allegheny''), 10435 Downsville Pike, Hagerstown, Maryland 21740, a registered holding company, Allegheny Power Service Corporation, 800 Cabin Hill Drive, Greensburg, Pennsylvania 15601, Allegheny's service company subsidiary, three electric utility subsidiary companies of Allegheny—(i) Monongahela Power Company (''Monongahela''), 1310 Fairmont Avenue, Fairmont, West Virginia 26554, (ii) The Potomac Edison Company (''Potomac Edison''), 10435 Downsville Pike, Hagerstown, Maryland 21740, and (iii) West Penn Power Company (''West Penn''), 800 Cabin Hill Drive, Greensburg, Pennsylvania 15601, and Allegheny Generating Company (''AGC''), 10435 Downsville Pike, Hagerstown, Maryland 21740, an electric utility subsidiary of Monongahela, Potomac Edison and West Penn (collectively, ''Applicants'') have filed a post-effective amendment to their application-declaration filed under sections 6(a), 7, 9(a), 10 and 12(b) of the Act and rules 43, 45, 53 and 54 under the Act.

By orders dated January 29, 1992, February 28, 1992, July 14, 1992, November 5, 1993, November 28, 1995, and April 18, 1996 (HCAR Nos. 25462, 25481, 25581, 25919, 26418, and 26506) (''Prior Orders''), Applicants were authorized to engage in certain short-term financing programs and operation of the Allegheny System Money Pool (''Money Pool''). Applicants now propose, from December 31, 1997 through December 31, 2002, to continue certain short-term financing programs and operation of the Money Pool, described below.

Allegheny, Monongahela, Potomac Edison, West Penn, and AGC (the ''Companies'') request that, from December 31, 1997 to December 31, 2002, they be authorized to engage in short-term financing, including notes to banks (''Notes''), commercial paper (''CP''), and Money Pool borrowings, in aggregate amounts not to exceed the following amounts outstanding at any one time for each of the following Applicants: Allegheny—$400 million; Monongahela—$106 million; Potomac Edison—$130 million; West Penn—$182 million; AGC—$100 million.

The Companies have established bank lines of credit ranging from $10 million to $40 million for an aggregate total of $295 million available for short-term borrowings. The Companies have agreed to pay for each of these lines of credit an annual cash fee no greater than 10 basis points on all or the balance of the line of credit.

Each Note payable to a bank will be dated as of the date of the borrowing which it evidences, will mature not more than 270 days after the date of issuance or renewal thereof, will bear interest at a mutually agreed upon rate, provided that the effective rate for any 30-day period, on an annualized basis, will not exceed prime plus 2 percentage points and may or may not have prepayment privileges, as set forth in the Prior Orders. It is estimated that the maximum aggregate amount of any short-term borrowings on behalf of Applicants at any one time outstanding, when taken together with any CP then outstanding and funds borrowed by such affiliates under the Money Pool, will not be in excess of $918 million.

The CP will be in the form of promissory notes and will be of varying maturities, with no maturity more than 270 days after the date of issue. The CP will have the other terms and conditions as authorized by the Prior Orders. Applicants state that no Notes or CP will mature after June 30, 2003.

Applicants also propose to continue the Allegheny Power System Money Pool from December 31, 1997 to December 31, 2002. Allegheny is a participant in the Money Pool only to the extent it has funds available for lending through the Money Pool. Allegheny may not borrow from the Money Pool. AGC will be allowed to borrow from, but not invest in, the Money Pool.

The calculation of interest income and expense have been revised in the Money Pool agreement (''Agreement''). Interest income and expense are now calculated using the previous day's Fed Funds Effective Interest Rate as quoted by the Federal Reserve Bank of New York as long as this rate is at least four basis points lower than the previous day's seven-day commercial paper rate as quoted by the same source. Whenever the Fed Funds rate is not at least four basis points lower than the seven-day commercial paper rate, the Agreement provides that the seven-day commercial paper rate minus four basis points should be used.

The Agreement has been revised in the following additional ways. The interest income resulting from the external investments will be accrued daily instead of booked upon receipt. In addition, interest income will be allocated to members of the Money Pool on a basis equal to their pro rata share of net contributions in the Money Pool throughout the month, instead of on the net contributions on the day the investment was placed. Also, a sentence was added to the Agreement providing that the allocation of interest income will be settled on a cash basis on the last business day of each month.

Allegheny proposes to use the proceeds from the proposed borrowings to: (1) Acquire common stock of subsidiaries; (2) make capital contributions to subsidiaries (which, in turn, may use the proceeds for investments in exempt wholesale generators or foreign utility companies); and (3) purchase shares of Allegheny common stock in order to fund its Dividend Reinvestment and Stock Purchase Plan and Employee Stock Option and Stock Purchase Plan in lieu of issuing additional new shares of common stock pursuant to such plans.

Northeast Utilities, et al. (70–8507)

Northeast Utilities (''NU''), 174 Brush Hill Avenue, West Springfield, Massachusetts 01089, a registered holding company, and its wholly owned subsidiaries, Northeast Utilities Service Company (''Service''), PO Box 270, Hartford, Connecticut 06141–0270, Charter Oak Energy, Inc. (''Charter Oak'') and COE Development Corporation (''COE Development''), both located at 107 Seldon Street, Berlin, Connecticut 06037, (collectively, ''Applicants'') have filed a post-effective amendment to their application-declaration under sections 6(a), 7, 9(a) 10, 12(b), 12(c), 13(b), 32 and 33 of the Act and rules 45, 46, 53, 54, 83, 86, 87(b)(1), 90 and 91 under the Act.

By orders dated December 30, 1994 (HCAR No. 26213), as amended on August 7, 1995 (HCAR No. 26345), December 12, 1996 (HCAR No. 26623), and March 25, 1997 (HCAR No. 26691) (collectively, ''Prior Orders''), the

Commission generally authorized, among other things, Charter Oak and COE Development to invest in, and finance the acquisition of, exempt wholesale generators within the meaning of section 32 of the Act (''EWGs'') and foreign utility companies within the meaning of section 33 of the Act (''FUCOs,'' and together with EWGs, ''Exempt Projects''), subject to certain limitations. Specifically, the Prior Orders authorized: (1) The formation of intermediate subsidiary companies (''Intermediate Companies'') to acquire an interest in, finance the acquisition and hold the securities of Exempt Projects, through the issuance by the Intermediate Companies of up to $600 million of equity securities and debt securities to third parties, of which $150 million would be recourse; (2) Intermediate Companies to make partial sales of certain projects; (3) participation in joint ventures with nonassociate companies; (4) 1% of the total NU system employees and no more than 2% of the total of NU Service Company employees to provide services to Intermediate Companies, EWGs and FUCOs; and (5) certain Intermediate Companies, EWGs and FUCOs to pay dividends to their parent companies, from time to time out of capital or unearned surplus, and for Charter Oak to use such funds to pay dividends to NU, to the extent permitted by applicable corporate law.

The Prior Orders authorized Charter Oak and COE Development to invest and hold interests in qualifying cogeneration and small power production facilities as defined in the Public Utility Regulatory Policies Act of 1978 (''QF''), throughout the United States; independent power production facilities that would constitute a part of NU's ''integrated public utility system'' within the meaning of section 2(a)(29)(A) of the Act (''Qualified IPPs''); and Exempt Projects. Charter Oak and COE Development were also authorized to provide consulting services to the projects. In addition, the Applicants have authority to issue guarantees and assume the liabilities of subsidiary companies for pre-development activities, and for both pre-development and contingent liabilities subsequent to operation with regard to Exempt Projects, subject to certain restrictions.

To date, NU has invested approximately $115 million in Charter Oak and expects to invest an additional $5 million through December 31, 1997. NU has $80 million remaining from its previous authorization to engage in power development activities (''Remaining Amount''). Charter Oak and COE Development may invest in QF and Qualified IPPs after obtaining Commission approval.

NU has announced its intention to sell its interest in Charter Oak and the majority of its subsidiaries to an unaffiliated third party (''Sale''). Charter Oak may sell the voting stock of some or all of its subsidiaries to third parties prior to NU's sale of the voting securities of Charter Oak. NU may retain an indirect interest in one or more of Charter Oak's Exempt Projects by transferring the stock of that Exempt Project or its Intermediate Company parent to another NU subsidiary.

As a result of the proposed Sale, the Applicants are requesting authorization to extend NU's period of authorization to invest directly in Charter Oak and indirectly, in COE Development, the Remaining Amount, and engage in the related transactions, pursuant to the terms and conditions set forth in the Prior Orders, through December 31, 1998.

The Applicants also request modification of the Prior Orders to authorize: (1) Charter Oak and its subsidiaries to pay dividends to their parent companies out of capital or unearned surplus, in compliance with rule 46 and relevant corporate law, to ensure that the NU system receives the full amount of funds available to it in connection with the sale or transfer of these entities; (2) Service employees (which include the current employees of Charter Oak) to continue to provide services [2] to Exempt Projects and Intermediate Companies after they have been sold to unaffiliated buyers, subject to the *de minimis* amount limitation established under the Prior Orders; and (3) NU to invest a maximum of $75 million to fund the acquisition by an NU subsidiary of any Exempt Project or Intermediate Company currently owned by Charter Oak.[3]

Service company employees may continue to provide services at market rates to any Exempt Project or Intermediate Company retained by the system subject to the terms and conditions set forth in the Prior Orders.

[2] The services that may be rendered will include: management, administrative, legal, tax and financing advice, accounting, engineering consulting, language skills and software development, provided that, such software development will not involve proprietary software owned by Service.

[3] The investment may take the form of acquisitions of common stock, capital contributions, open account advances, and/or subordinated loans. Open account advances or subordinated loans will either bear no interest or bear interest at a rate based on NU's cost of funds in effect on the date of issue, but in no case in excess of the prime rate at a bank designated by NU. Any investment by NU in the equity securities of a subsidiary that have a stated par value will be in an amount equal or greater to that value.

GPU, Inc. et al. (70–8593)

GPU, Inc. (''GPU''), of 100 Interpace Parkway, Parsippany, New Jersey 07054, a registered holding company, and two of its nonutility subsidiaries, GPU International, Inc. and EI Services, Inc., both of One Upper Pond Road, Parsippany, New Jersey 07054, its operating companies, Jersey Central Power & Light Company, Metropolitan Edison Company and Pennsylvania Electric Company, each of P.O. Box 16001, Reading, Pennsylvania 19640, and its service company, GPU Service, Inc., of 100 Interpace Parkway, Parsippany, New Jersey 07054, have filed a post-effective amendment under sections 6(a), 7, 9(a), 10, 12(b), 32 and 33 of the Act and rules 43, 45, 53 and 54 thereunder, to their application-declaration, under sections 6(a), 7, 9(a), 10, 12(b), 32 and 33 of the Act and rules 45, 52, 53 and 54 thereunder, in the above file.

By orders of the Commission dated November 5, 1997, January 19, 1996 and July 6, 1995 (HCAR Nos. 26773, 26457 and 26326, respectively) (''Orders''), among other things, GPU is authorized to acquire and own interests in exempt wholesale generators (''EWGs'') and foreign utility companies (''FUCOs'' and EWGs, ''Exempt Entities'') through GPU subsidiaries (''Project Parents'') that are not Exempt Entities, but are engaged, directly or indirectly, and exclusively, in the business of owning and holding the interests and securities of one or more Exempt Entities and related project development activities. GPU is authorized to make equity investments in Project Parents in the form of capital stock or shares, trust certificates, partnership interests or other equity or participation interests. GPU is also authorized, through December 31, 1997, to make investments in one or more Project Parents in the form of: Loans evidenced by promissory notes; guarantees by GPU of the principal of, or interest on, any promissory notes or other evidences of indebtedness or obligations of any Project Parent or an undertaking by GPU to contribute equity; assumption of liabilities of a Project Parent; and reimbursement agreements with banks which support letters of credit delivered as security for GPU's obligations to contribute equity to a Project Parent or otherwise in connection with the project development activities of a Project Parent.

GPU is also authorized to make investments in Exempt Entities, through December 31, 1997, in the form of:

Guarantees of the indebtedness or other obligations of one or more Exempt Entities; assumption of liabilities of one or more Exempt Entities; and guarantees and letter of credit reimbursement agreements in support of equity contribution obligations or otherwise in connection with project development activities for one or more Exempt Entities.

Under the Orders, GPU's ''aggregate investment'' (as defined in rule 53(a)(1)(i)) in Project Parent and Exempt Entities cannot exceed 100% of GPU's ''consolidated retained earnings'' (as defined in rule 53(a)(1)(ii)).

Applicants now propose to extend the authorizations under the Orders through December 31, 2000. In addition, applicants request authorization for Project Parent to guarantee or assume liabilities of the securities issued by, or other obligations of, their direct or indirect subsidiaries in an aggregate amount not to exceed $1 billion, through December 31, 2000.[4]

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–30180 Filed 11–17–97; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

Agency Meeting; Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94–409, that the Securities and Exchange Commission will hold the following meeting during the week of November 17, 1997.

A closed meeting will be held on Thursday, November 20, 1997, at 10:00 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(4), (8), (9)(A) and (10) and 17 CFR 200.402(a)(4), (8), (9)(i) and (10), permit consideration of the scheduled matters at the closed meeting.

Commissioner Hunt, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the closed meeting scheduled for Thursday, November 20, 1997, at 10:00 a.m., will be:

Institution and settlement of injunctive actions.

Institution and settlement of administrative proceedings of an enforcement nature.

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 at (202) 942–7070.

Dated: November 14, 1997.

Jonathan G. Katz,

Secretary.

[FR Doc. 97–30338 Filed 11–14–97; 11:03 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–39315; File No. SR–AMEX–97–43]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange, Inc. Relating to a Reduction in Minimum Size for Closing Transactions in FLEX Equity Options

November 10, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19n–4 thereunder,[2] notice is hereby given that on November 4, 1997, the American Stock Exchange, Inc. (''Amex'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'' or ''SEC'') the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Amex. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Amex proposes to amend Exchange Rule 903G to decrease from 100 contracts to 25 contracts the minimum value size of closing transactions and quotes for Flex Equity Options. The text of the proposed rule change is available at the Office of the Secretary, the Amex and at the Commission.

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

In its filing with the Commission, the Amex 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 Amex 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

The purpose of the proposed rule change is to reduce from 100 contracts to 25 contracts the minimum value size of closing transactions in and exercises of FLEX Equity Options, and to make a comparable reduction in the minimum value size of FLEX Equity Quotes in response to a Request for Quotes.

Currently, Rule 903G(a)(4)(iii) imposes a 100 contract minimum on all transactions in FLEX Equity Options unless the transaction is for the entire remaining position in the account. The Exchange believes that the current minimum value size of closing and exercise transactions in FLEX Equity Options is too large to accommodate the needs of certain member firms and their customers. These firms may purchase 100 or more FLEX Equity Options in an opening transaction for a single firm account in which more than one of the firm's clients have an interest.[3] If one of these clients wants to redeem its investment in the account, the firm likely will want to engage in a closing or exercise transaction in order to reduce the account's position in those FLEX Equity Options by the number being redeemed. Thus, if the redeeming client's interest is less than 100 FLEX Equity Options and does not represent the total remaining position in the account, Rule 903G(a)(4)(iii), as it stands presently, prevents the firm from closing or exercising positions of this size.

[4] Applicants represent that these guarantees will support only securities issuances authorized by the Commission or exempt from the requirement of prior Commission approval under section 6(a) of the Act.

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

[2] 17 CFR 240.19b–4.

[3] The Commission notes that the minimum size for an opening transaction in a Request for Quotes is 250 contracts for any FLEX series in which there is no open interest, and 100 contracts in any currently opened FLEX series. *See* Amex Rule 903G(a)(4)(ii) and (iii).