

Assets (at value)	Mar. 31, 1997	June 30, 1997	Sept. 30, 1997	Dec. 31, 1997
Investments representing capital furnished to corporations believed to be Development Corporations .....	\$18,746,134	\$17,676,340	\$16,424,441	\$20,748,370
Other investments, cash and U.S. Government securities .....	15,116,513	11,514,006	12,827,611	18,056,448
Other assets .....	2,502,630	2,510,409	3,384,327	468,966
Total assets .....	36,365,277	31,700,755	32,636,379	39,273,784

As reflected in the table above, Development Companies comprised the following percentages of the total assets of Harris at the end of each calendar quarter of 1997: March 31, 51.5%; June 30, 55.8%; September 30, 50.3%; and December 31, 52.8%.

#### Certification

On the basis of the information set forth in the application, it appears that Harris was principally engaged in the furnishing of capital to Development Corporations within the meaning of section 851(e) of the Code in the fiscal year ended December 31, 1997. It is therefore certified to the Secretary of the Treasury, or his delegate, pursuant to section 851(e) of the Code, that Harris was, for the twelve months ended December 31, 1997, principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes or products not previously generally available.

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

**Margaret H. McFarland,**  
Deputy Secretary.

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26855]

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

April 3, 1998.

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

Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by April 28, 1998, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in 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.

#### New Century Energies, Inc., et al. (70-9007)

New Century Energies, Inc. ("NCE"), a registered holding company, Public Service Company of Colorado ("PSCo"), Cheyenne Light, Fuel and Power Company ("Cheyenne"), New Century Services, Inc., WestGas Interstate Inc., NC Enterprises, Inc., New Century International, Inc., and its subsidiary companies, e prime, inc. and its subsidiary companies PS Colorado Credit Corporation ("PSCCC"), Natural Fuels Corporation, PSR Investments, Inc., Green & Clear Lakes Company, 1480 Welton, Inc., each located at 1225 Seventeenth Street, Denver, Colorado 80202-5534, and Southwestern Public Service Company ("SPS"), Tyler at Sixth, Amarillo, Texas 79101, and Quixx Corporation and its subsidiary companies, Amarillo National's Plaza/Two, 500 South Tyler, Suite 1100, Lobby Box 254, Amarillo, Texas 79101-2442, and Utility Engineering Corporation and its subsidiary companies, each located at Utility Engineering Plaza, 5601 I-40 West, Amarillo, Texas 79101-4605 (collectively, "Applicants"),<sup>1</sup> have filed

<sup>1</sup> Fuel Resources Development Company was an applicant in the original filing. Since then it has been dissolved.

a post-effective amendment under sections 6(a), 7 and 12(b) of the Act and rules 43, 45 and 53 under the Act to their application-declaration under sections 6(a), 7, 9(a), 10, 12(b), 12(c), 32 and 33 of the Act and rules 42, 43, 45 and 53 under the Act.

By order dated August 1, 1997 (HCAR No. 26750) ("August 1997 Order"), the Commission authorized, through December 31, 1999:

(1) External financings ("External Financings") by PSCo, SPS and Cheyenne ("Utility Subsidiaries"), NCE and certain of its nonutility subsidiaries; (2) intrasystem financing, including guarantees, among NCE and its subsidiary companies and among subsidiary companies; (3) the issuance of types of securities not exempt under rules 45 and 52; (4) the Utility Subsidiaries to enter into risk management instruments; (5) NCE's subsidiary companies to alter their capital stock; and (6) the formation by NCE's subsidiary companies of new financing entities and the issuance of securities and related guarantees by the new financing entities and one existing financing entity.

The External Financing authorized in the August 1997 Order include: (1) The issuance by NCE of common stock, par value \$1.00 per share, ("Common Stock") for an aggregate offering price of up to \$535 million (exclusive of Common Stock issued for benefit plans and dividend reinvestment plans), and (2) short-term debt aggregating not more than \$100 million outstanding at any one time, which limit is to increase by an additional \$125 million in the event that PSCCC, presently a subsidiary of PSCo, becomes a direct subsidiary of NCE. The intrasystem financing authorization includes \$50 million for guarantee and credit support arrangements among the subsidiaries of NCE.

Applicants now propose that the August 1997 Order be modified to increase the amount of: (1) Common Stock issuances by NCE (exclusive of Common Stock issued for benefit plans and dividend reinvestment plans) from \$535 million to \$745 million; (2) short-term debt issuances and sales from \$100 million to \$200 million (with the retention of the \$125 million increase in

the event that PSCCC becomes a direct subsidiary of NCE); and (3) nonexempt guarantees and credit support arrangements among the subsidiaries of NCE from \$50 million to \$100 million. In addition, Applicants propose to use the proceeds from the various financings authorized by the August 1997 Order, as modified by an order authorizing this post-effective amendment, to invest in "energy-related companies" within the meaning of rule 58 under the Act, subject to the limitations of rule 58(a)(1).

**American Electric Power Company, Inc. (70-9191)**

American Electric Power Company, Inc. ("AEP"), 1 Riverside Plaza, Columbus, Ohio 43215, a registered holding company, has filed a declaration under section 12(b) of the Act and rule 45.

American Electric Power Service Corporation ("AEPSC"), AEP's service company subsidiary, leases office space ("Premises") for its employees under an agreement dated as of October 11, 1979 with American Property Investors IX ("Investors"), as amended to date ("Lease"). AEPSC agreed in the Lease to pay an initial annual lease amount of \$458,636, through December 31, 2009. It can extend the Lease for four successive five-year terms. The annual lease amount for each additional term would be determined by the market, provided that the new annual payment does not exceed the initial annual lease amount.

On April 1, 1995, Ohio Power Company ("OPCo"), an operating company subsidiary of AEP and an associate company of AEPSC, occupied the Premises. Concurrently, AEPSC, OPCo and American Real Estate Holdings Limited Partnership ("American Real Estate"), as successor to Investors, entered into an assignment of the Lease ("Assignment"), dated as of April 1, 1995. Under the terms of the Assignment, AEPSC was released from, and OPCo assumed, all of the liabilities under the Lease.

Due to a recent office realignment, AEPSC intends to once again occupy the Premises and will reassume its obligations under the Lease. In connection with its assumption of these obligations, AEP now requests authority to enter into an agreement with American Real Estate to guarantee AEPSC's obligations under the Lease.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Docket No. IC-23100; File No. 812-10816]

**Salomon Brothers Variable Series Funds Inc, et al; Notice of Application**

April 3, 1998.

**AGENCY:** Securities and Exchange Commission ("SEC" or "Commission").

**ACTION:** Notice of application for an order under Section 6(c) of the Investment Company Act of 1940 ("1940 Act") granting relief from Sections 9(a), 13(a), 15(a) and 15(b) and Rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder.

**Summary of Application**

Applicants seek an order of exemption to the extent necessary to permit shares of the Fund to be sold to and held by: (i) variable annuity and variable life insurance separate accounts ("Separate Accounts") of both affiliated and unaffiliated life insurance companies ("Participating Insurance Companies"), and (ii) trustees of certain qualified pension or retirement plans.

**Applicants**

Salomon Brothers Variable Series Funds Inc (the "Fund") and Salomon Brothers Asset Management Inc ("SBAM" or the "Adviser").

**Filing Dates**

The application was filed on October 16, 1997 and an amendment was filed on February 9, 1998.

**Hearing or Notification of Hearing**

An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Secretary of the SEC and serving Applicants with a copy of the request, personally or by mail. Hearing request should be received by the Commission by 5:30 p.m. on April 28, 1998, and should be accompanied by proof of service on 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. Persons who wish to be notified of a hearing may request

notification by writing to the Secretary of the SEC.

**ADDRESSES:** Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, Gary S. Schpero, Esq., Simpson Thacher & Barlett, 425 Lexington Avenue, New York, New York 10017.

**FOR FURTHER INFORMATION CONTACT:** Elisa Metzger, Senior Counsel, or Mark C. Amorosi, Branch Chief, Office of Insurance Products, Division of Investment Management, at (202) 942-0670.

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application may be obtained for a fee from the Public Reference Branch of the SEC, 450 Fifth Street, N.W. Washington, D.C. 20549 (tel. (202) 942-8090).

**Applicants' Representations**

1. The Fund is a Maryland corporation and is registered under the 1940 Act as an open-end management investment company. The Fund consists of, and offers shares in, seven separate investment portfolios (the "Initial Portfolios"), each of which has its own investment objective and policies. The Fund may in the future issue shares of additional portfolios (together with the Initial Portfolios, the "Portfolios") and/or multiple classes of shares of each Portfolio.

2. SBAM serves as the investment adviser to each of the Portfolios. SBAM is an investment adviser registered under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). SBAM is a wholly-owned subsidiary of Salomon Brothers Holding Company Inc, which is a wholly-owned subsidiary of Salomon Smith Barney Holdings, Inc. which is, in turn, wholly-owned by Travelers Group, Inc. SBAM serves as the overall investment manager of the Portfolios, subject to the general direction and supervision of the Fund's Board of Directors (the "Board of Directors"). SBAM has entered into a subadvisory agreement with Salomon Brothers Asia Pacific Limited ("SBAM AP"), an affiliate of SBAM and an investment adviser registered under the Advisers Act. SBAM AP serves as the sub-adviser to one of the Portfolios, Salomon Brothers Variable Asia Growth Fund. The Adviser also has entered into a subadvisory consulting agreement with Salomon Brothers Asset Management Limited ("SBAM Limited"), an affiliate of the Adviser and an investment adviser registered under the Advisers Act. SBAM Limited provides advisory services relating to