

alternative to this action would be to deny the request for the amendment (i.e., "no action"). Such action would not reduce the environmental impacts of plant operations. The environmental impacts of the proposed action and the alternative action are similar.

Alternative Use of Resources

This action did not involve the use of any resources not previously considered in the Final Environmental Statement related to the operation of the McGuire Units 1 and 2.

Agencies and Persons Consulted

In accordance with its stated policy, on September 18, 1998, the staff consulted with the North Carolina State official, Mr. J. James, of the North Carolina Department of Environment, Commerce and Natural Resources, Division of Radiation Protection. The State official had no comments.

Finding of No Significant Impact

Based upon the environmental assessment, the Commission concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the Commission has determined not to prepare an environmental impact statement for the proposed amendments.

For further details with respect to this action, see the licensee's letter dated May 27, 1997, as supplemented on March 9, March 20, April 20, June 3, June 24, July 7, July 21, July 22, August 5, September 8, and September 15, 1998, which are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the J. Murrey Atkins Library, University of North Carolina at Charlotte, 9201 University City Boulevard, Charlotte, North Carolina.

Dated at Rockville, Maryland, this 22nd day of September 1998.

For the Nuclear Regulatory Commission.

Peter S. Tam,

*Acting Director, Project Directorate II-2,
Division of Reactor Projects—I/II, Office of
Nuclear Reactor Regulation.*

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NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-498 and 50-499]

Houston Lighting & Power Company, et al.; Environmental Assessment and Finding of No Significant Impact

The U.S. Nuclear Regulatory Commission (the Commission) is considering approval, by issuance of an order under 10 CFR 50.80, of the indirect transfer of Facility Operating Licenses Nos. NPF-76 and NPF-80, to the extent they are held by Central Power and Light Company (CPL) for the South Texas Project, Units 1 and 2 (STP), located in Matagorda County, Texas.

Environmental Assessment

Identification of the Proposed Action

The proposed action would consent to the indirect transfer of the licenses with respect to a proposed merger between Central and South West Corporation (CSW) and American Electric Power Company, Inc. (AEP). CSW is the parent holding company of CPL, which holds licenses to possess interests in STP. Houston Lighting & Power Company, City Public Service Board of San Antonio, Central Power and Light Company, City of Austin, Texas, and STP Nuclear Operating Company are holders of Facility Operating Licenses Nos. NPF-76 and NPF-80, issued on March 22, 1988, and March 28, 1989, respectively. Facility Operating Licenses Nos. NPF-76 and NPF-80 authorize the holders to possess STP, and authorize STP Nuclear Operating Company to use and operate STP in accordance with the procedures and limitations set forth in the operating licenses. By application dated June 16, 1998, submitted under cover of a letter dated June 19, 1998, as supplemented by letter dated June 23, 1998, and enclosures thereto, the Commission was informed that CSW and AEP have entered into a merger agreement under which CSW would become a wholly-owned subsidiary of AEP with CPL remaining a wholly-owned subsidiary of CSW. The application seeks approval of the indirect transfer of the interests held by CPL under the STP operating licenses to AEP to the extent affected by the proposed merger.

According to the application, the merger will have no adverse effect on either the technical management or operation of STP since STP Nuclear Operating Company, responsible for the operation and maintenance of STP, is not involved in the merger. Houston Lighting & Power Company, City Public

Service Board of San Antonio, Central Power and Light Company, City of Austin, Texas, and STP Nuclear Operating Company will remain licensees responsible for their possessory interests and related obligations. No direct transfer of the licenses will result from the merger.

The proposed action is in accordance with CPL's application dated June 16, 1998, submitted under cover of a letter dated June 19, 1998, as supplemented by letter dated June 23, 1998, and enclosures thereto.

The Need for the Proposed Action

The proposed action is needed to allow the proposed merger to be consummated, to the extent such merger will result in the indirect transfer of the licenses discussed above.

Environmental Impacts of the Proposed Action

The proposed action involves administrative activities regarding a corporate merger involving a non-licensee holding company and is unrelated to plant operation.

The proposed action will not result in an increase in the probability or consequences of accidents or result in a change in occupational or public dose. Therefore, there are no radiological impacts associated with the proposed action.

The proposed action will not result in a change in nonradiological plant effluents and will have no other nonradiological environmental impact.

Accordingly, the Commission concludes that there are no environmental impacts associated with this action.

Alternatives to the Proposed Action

As an alternative to the proposed action, the staff considered denial of the proposed action. Denial of the application would result in no change in current environmental impacts. The environmental impacts of the proposed action and the alternative action are similar.

Alternative Use of Resources

This action does not involve the use of any resources not previously considered in the "Final Environmental Statement Related to the Operation of South Texas Project, Units 1 and 2," dated August 1986, in NUREG-1171.

Agencies and Persons Consulted

In accordance with its stated policy, on August 12, 1998, the staff consulted with the Texas State official regarding the environmental impact of the proposed action. The State official had no comments.

Finding of No Significant Impact

Based upon the environmental assessment, the Commission concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the Commission has determined not to prepare an environmental impact statement for the proposed action.

For further details with respect to the proposed action, see the application from CPL dated June 16, 1998, submitted under cover of a letter dated June 19, 1998, from Shaw, Pittman, Potts, and Trowbridge, counsel for CPL, and supplemental letter dated June 23, 1998, and enclosures thereto. These documents are available for public inspection at the Commission's Public Document Room, The Gelman Building, 2120 L Street, NW., Washington, DC 20555, and at the local public document room located at the Wharton County Junior College, J.M. Hodges Learning Center, 911 Boling Highway, Wharton TX 77488.

Dated at Rockville, Maryland, this 22nd day of September 1998.

For the Nuclear Regulatory Commission.

John N. Hannon,

Director, Project Directorate IV-1, Division of Reactor Projects III/IV, Office of Nuclear Reactor Regulation.

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SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-23443; File No. 812-11194]

London Pacific Life & Annuity Company, et al.; Notice of Application

September 22, 1998.

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

ACTION: Notice of application for an order under Section 26(b) of the Investment Company Act of 1940 ("Act") approving the proposed substitution of securities.

SUMMARY OF APPLICATION: Applicants seek an order approving the substitution of shares of the International Magnum Portfolio ("IM Portfolio") of Morgan Stanley Universal Funds, Inc. ("Fund") for shares of the International Stock Portfolio ("IS Portfolio") of LPT Variable Insurance Series Trust ("Trust") held by Separate Account One to fund certain variable annuity contracts ("Contracts") issued by London Pacific Life & Annuity Company.

APPLICANTS: London Pacific Life & Annuity Company ("London Pacific")

and LPLA Separate Account One ("Separate Account One").

FILING DATES: The application was filed on June 24, 1998.

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 the Secretary of the SEC and serving Applicants with a copy of the request, in person or by mail. Hearing requests should be revised by the SEC by 5:30 p.m. on October 19, 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 of a hearing by writing to the Secretary of the SEC.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW, Washington, DC 20549. Applicants, George C. Nicholson, London Pacific Life 7 Annuity Company, 3109 Poplarwood Court, Raleigh, North Carolina 27604.

FOR FURTHER INFORMATION CONTACT: Elisa Metzger, Senior Counsel, or Mark 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 is available for a fee from the Public Reference Branch of the SEC, 450 Fifth Street, NW, Washington DC 20549 or call (202) 942-8090.

Applicants' Representations

1. London Pacific, a stock life insurance company, is engaged in selling life insurance and annuities. London Pacific's ultimate parent is London Pacific Group Limited, an international fund management firm chartered in Jersey, Channel Islands. London Pacific is the depositor for Separate Account One.

2. Separate Account One is a separate account established by London Pacific for the purpose of funding the Contracts. Separate Account One is registered under the Act as a unit investment trust (File No. 811-8890) and interests in Separate Account One have been registered under the Securities Act of 1933 ("1933 Act") (File Nos. 33-87150 and 333-1779). Separate Account One currently is divided into sub-accounts ("Sub-Accounts"), each of which reflects the investment performance of a corresponding portfolio of an underlying mutual fund.

3. LPMC Insurance Marketing Services ("LPMC"), a registered investment adviser and wholly-owned subsidiary of London Pacific, is the investment adviser to the Trust and provides overall management of the investment strategies and policies of the IS Portfolio. In addition to the other duties which LPMC was performing in its role as investment adviser to the IS Portfolio, it assumed the portfolio management function of the IS Portfolio on June 1, 1998, upon termination of the prior advisory agreement.

4. The primary investment objective of the IS Portfolio is to seek capital growth. The IS Portfolio invests primarily in the equity securities of issuers located outside of the United States. Shares of the IS Portfolio of the Trust are purchased, without sales charge, by the International Stock Sub-Account ("IS Sub-Account") of Separate Account One at the net asset value per share next determined following receipt of a purchase payment by the IS Sub-Account. Shares of the IS Portfolio are redeemed without any charge or fee to Separate Account One.

5. As of June 18, 1998, the IS Portfolio had approximately \$447,000 in net assets (of which approximately \$297,000 consisted of London Pacific's seed money and working capital contributions). The total expenses of the IS Portfolio for the year ended December 3, 1997, were 6.81% of its average net assets, without regard to any expense reimbursement by London Pacific. London Pacific has voluntarily agreed, through December 31, 1998, to reimburse the IS Portfolio for certain expenses, excluding brokerage commissions, in excess of approximately 1.49% annually. This undertaking is subject to termination at any time. Effective May 1, 1998, shares of the IS Portfolio are no longer available for sale.

6. Morgan Stanley Asset Management, Inc. ("MSAM"), a registered investment adviser and subsidiary of Morgan Stanley Dean Witter & Co., is the investment adviser for the IM Portfolio of the Fund. The primary investment objective of the IM Portfolio is to seek long-term capital appreciation. The IM Portfolio invests primarily in common and preferred stocks, convertible securities, rights or warrants to purchase common stocks and other equity securities of non-U.S. issuers domiciled in EAFE countries (including Australia, Japan, New Zealand, most nations located in Western Europe and certain developed countries in Asia, such as Hong Kong and Singapore).

7. On June 18, 1998, the IM Portfolio had approximately \$38.4 million in net