

will meet or exceed the requirements of rule 23c-3.

8. Applicants submit that for the reasons given above the requested relief is necessary and appropriate in the public interest and is consistent with the protection of investors and the purpose fairly intended by the policy and provisions of the Act.

Applicants' Conditions

Applicants agree that any order granting the requested relief shall be subject to the following conditions:

1. The Fund will not make a repurchase offer pursuant to rule 23c-3(b) for a repurchase offer amount of more than 10% of its outstanding shares of common stock in any one-month period. The Fund may repurchase additional tendered shares pursuant to rule 23c-3(b)(5) only to the extent the aggregate of the percentages of additional shares so repurchased does not exceed 2% in any given three-month period.

2. Payment for repurchased shares will occur at least five business days before notification of the next repurchase offer is sent to shareholders of the Fund.

3. The Fund will maintain an investment policy that requires, under normal conditions, that at least 65 percent of the value of its total assets will be invested in Loans.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26823]

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

February 5, 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 March 2, 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.

Ohio Valley Electric Corporation [70-8527]

Ohio Valley Electric Corporation ("Ohio Valley"), P.O. Box 468, Piketon, Ohio 45661, an electric public utility subsidiary company of American Electric Power Company, Inc., a registered holding company, has filed a post-effective amendment to its declaration filed under sections 6(a) and 7 of the Act and rule 54 under the Act.

By orders dated December 28, 1994 and December 12, 1996 (HCAR Nos. 26203 and 26624) ("Existing Authorization"), Ohio Valley was authorized to incur short-term debt through the issuance and sale of notes ("Notes") to banks in an aggregate amount not to exceed \$25 million outstanding at any one time, from time to time through December 31, 2001, provided that no Notes shall mature later than June 30, 2002.

Ohio Valley now proposes that the Existing Authorization be increased to an aggregate amount not to exceed \$50 million outstanding at any one time.

The proceeds of the short-term debt incurred by Ohio Valley will be added to its general funds and used to pay its general obligations and for other corporate purposes.

Entergy Louisiana, Inc. [70-9141]

Entergy Louisiana, Inc. ("ELI"), 639 Loyola Avenue, New Orleans, Louisiana 70113, an electric public-utility subsidiary company of Entergy Corporation, a registered holding company, has filed an application-declaration under sections 6(a), 7, 9(a), 10 and 12(b) of the Act and rules 45 and 54 under the Act.

ELI proposes to issue and sell up to a combined aggregate principal amount of \$600 million of first mortgage bonds ("Bonds") and /or one or more series of ELI's debentures under one or more

debenture indentures or subordinated debenture indentures ("Debentures") through December 31, 2002 ("Authorization Period"). Each series of Bonds or Debentures will be sold either by competitive bidding, negotiated public offering or private placement. The price, interest rate and maturity date will all be determined at the time of sale, or upon execution of the agreement to sell.¹ Each series of Bonds or Debentures will mature not later than forty years (Bonds) or fifty years (Debentures) from the date of issuance. One or more series of Bonds or Debentures may include provisions for redemption or retirement prior to maturity, including restrictions on optional redemption for a given number of years. In addition, one or more series of Bonds or Debentures may include provisions for the mandatory retirement of some or all of the series prior to maturity.² Debentures issued under a

¹ The price, exclusive of accrued interest, to be paid to ELI for each series of Bonds or Debentures sold at competitive bidding will be within a range (to be specified by ELI to prospective purchasers) of 95% to 105% of the principal amount of the series.

No series of Bonds or Debentures will be issued at rates in excess of the lower of 15% per annum or those rates generally obtainable at the time of pricing for sales of mortgage bonds or debentures (as the case may be) having the same or reasonably similar maturities, issued by companies of the same or reasonably comparable credit quality and having reasonably similar terms, conditions and features.

As to series of Bonds or Debentures having an adjustable interest rate, the initial interest rate will be negotiated between ELI and the purchasers of the series and will be based on the current rate for comparable bonds or debentures. Thereafter, the interest rate will be adjusted according to a pre-established formula or method of determination ("Floating Rate Bonds") or ("Floating Rate Debentures") or will be that rate which, when set, would be sufficient to remarket the Bonds or Debentures at their principal amount ("Remarketed Bonds") or ("Remarketed Debentures").

The interest rate for Floating Rate Bonds or Floating Rate Debentures after the initial interest rate period may be set as a percentage of, or a specified spread from, a benchmark rate, such as the London Interbank Offered Rate or the yield to maturity of specified United States Treasury securities, and may be established by reference to orders received in an auction procedure, and will not exceed a specified maximum rate greater than 15% per annum. The interest rate may be adjusted at established intervals or may be adjusted simultaneously with changes in the benchmark rate.

The interest rate for Remarketed Bonds or Remarketed Debentures after the initial interest rate period will not be greater than rates generally obtained at the time of remarketing of bonds or debentures having similar maturities, issued by companies of comparable credit quality and having reasonably comparable terms, and will not exceed a specified maximum rate greater than 15% per annum.

² The terms of Remarketed Bonds or Remarketed Debentures will provide that holders have the right to tender or are required to tender their Bonds or Debentures and have them purchased at a price equal to the principal amount plus accrued and unpaid interest on specified dates. A tender agent

Continued

subordinated debenture indenture would be expressly subordinated to senior indebtedness of ELI, and may also provide that payments of interest may be deferred, without creating a default, for specified periods, so long as no dividends are being paid on, or certain actions are being taken with respect to the retirement of, ELI's common or preferred stock during the deferral period.

ELI further proposes to issue and sell one or more new series of its preferred stock of either \$25 par value ("25 Preferred") or \$100 par value ("100 Preferred") (collectively, the "Preferred") either by competitive bidding, negotiated public offering or private placement during the Authorization Period. The aggregate amount of Preferred to be issued, when combined with the Entity Interests described below, will not exceed \$260 million. The price, exclusive of accumulated dividends, for each series of Preferred will be determined at the time of sale and will not be less than par on a per share basis. With respect to any series of Preferred to be sold at competitive bidding the price to be paid will not be less than \$25 nor more than \$25.70 per share for 25 Preferred and not less than \$100 nor more than \$102.75 per share for 100 Preferred. The terms of one or more series of the preferred may include redemption and/or sinking fund provisions.

ELI proposes to organize either a special purpose limited partnership or a statutory business trust ("Issuing Entity") for the sole purpose of issuing Entity interests ("Entity Interests").³ ELI will directly or indirectly make an equity contribution to the Issuing Entity at the time the Entity Interests are issued and thereby directly or indirectly acquire all of the general partnership interests (in the case of a partnership) or all of the voting interests (in the case of a business trust) in the Issuing Entity. ELI's equity contribution to the Issuing Entity will at all times be at least 1% (in the case of a limited partnership) or at

("Tender Agent") may be appointed to facilitate the tender of any Bonds or Debentures by holders. ELI would be obligated to pay amounts equal to the amounts to be paid to the Tender Agent or remarketing agent appointed to reoffer the tendered Bonds or Debentures for the purchase of Remarketed Bonds or Remarketed Debentures.

³ In the case of a limited partnership, ELI will either (a) act as the general partner of the Issuing Entity or (b) organize a special purpose, wholly owned corporation for the sole purpose of acting as the general partner of the Issuing Entity.

In the case of a business trust, the business and affairs of the trust will be conducted by one or more trustees. Prior to a default, ELI would, as a result of its ownership of all the voting interests in the Issuing Entity, be entitled to appoint, remove or replace the trustee(s).

least 3% (in the case of a business trust) of the aggregate equity contributions by all security holders to the Issuing Entity.⁴

ELI proposes to issue one or more series of subordinated debentures to the Issuing Entity under a subordinated debenture indenture ("Entity Subordinated Debentures"). Each series of Entity Subordinated Debentures will mature at a time from their date of issuance as ELI may determine at the time of their issuance, but not more than fifty years.⁵ Each series of Entity Interests and corresponding series of Entity Subordinated Debentures will be sold at a price, and will be entitled to receive distributions or interest payments on a periodic basis, that will have been determined at the time of sale.⁶ One or more of Entity Interests and Entity Subordinated Debentures may include provisions for the mandatory retirement of some or all of the series prior to maturity. The Entity Interests will be subject to redemption, in whole or part after a specified date, but not later than five years after the date of issuance, at the option of the Issuing Entity, with ELI's consent, at a price equal to their stated liquidation preference plus any accrued and unpaid distributions.

ELI also proposes to enter into a guaranty ("Guaranty") under which guarantee the payment of distributions, if and to the extent that the Issuing Entity has legally available funds for this purpose, liquidation payments and

⁴ The price, exclusive of accrued distributions, to be paid to the Issuing Entity for each series of Entity Interests to be sold at competitive bidding will be within a range from 95% to 105% of the liquidation amount of the series.

⁵ Prior to maturity, ELI will pay interest only on the Entity Subordinated Debentures, at either a fixed or adjustable rate as set forth in the Entity subordinated debenture indenture. The distribution rates, payment dates, redemption, maturity, and other terms applicable to each series of Entity Interests will be substantially identical to the interest rates, payment dates, redemption, maturity, and other terms applicable to the Entity Subordinated Debentures, and will be determined by ELI at the time of issuance.

The interest paid by ELI on the Entity Subordinated Debentures will be the only source of income for the Issuing Entity and will be used by the Issuing Entity to pay monthly or quarterly distributions on the Entity Interests.

ELI anticipates that its interest payments on the Entity Subordinated Debentures will be deductible for federal and state income tax purposes and that the Issuing Entity will be treated as either a partnership or a trust for federal income tax purposes. Consequently, holders of Entity Interests will be deemed to have received interest income rather than dividends, and will not be entitled to any "dividends received deduction" under the Internal Revenue Code.

⁶ The interest rates for the Entity Subordinated Debentures will be determined according to the same terms and conditions described in footnote 2 above for Bonds and Debentures.

certain "gross up" amounts to Equity Interests holders. The Entity Subordinated Debentures and the Guaranty will be expressly subordinated to the senior indebtedness of ELI.⁷

ELI proposes to use the net proceeds derived from the issuance and sale of Bonds, Debentures, Preferred and/or Entity Interests for general corporate purposes, including, but not limited to, the conduct of its business as an electric utility, the repayment of outstanding securities when due and/or the possible redemption, acquisition, or refunding of certain outstanding securities prior to their maturity date.⁸

ELI also proposes through the Authorization Period to enter into arrangements to finance on a tax-exempt basis certain solid waste, sewage disposal and/or pollution control facilities ("Facilities"), and to enter into leases, subleases, installment sale agreements, refunding agreements or other agreements supplements or amendments ("Agreements") with one or more issuing, governmental authorities ("Issuer"), under which the Issuer may issue one or more series of tax-exempt revenue bonds ("Tax-Exempt Bonds") up to an aggregate principal amount of \$420 million. The net proceeds from the sale of Tax-Exempt Bonds will be deposited by the Issuer with the trustee ("Trustee") under one or more indentures ("Indenture"). The Trustee will apply the proceeds to reimburse ELI for, or to finance or refinance on a tax-exempt basis, the costs of the acquisition, construction, installation or equipping of the Facilities.

Under the Agreements, ELI will pay the principal or redemption price of, premium, if any, and the interest on Tax-Exempt Bonds as the same become due and payable. Under the Agreement, ELI will also be obligated to pay certain fees incurred in the transactions.

The Agreements and the Indenture may provide for either a fixed interest rate or an adjustable interest rate for

⁷ Because the Entity Interests will be supported by ELI's Entity Subordinated Debentures and Guaranty (if issued), and the distributions to holders of Entity Interests will be paid out of the interest payments on the Entity Subordinated Debentures or under the Guaranty, the Entity partnership agreement or declaration of trust will not include any interest or distribution coverage or capitalization ratio restrictions on the ability to issue and sell additional Entity Interests.

⁸ ELI states that the proceeds received from the issuance and sale of the Bonds, Debentures, Entity Interests, Preferred and Tax-Exempt Bonds (defined below) will not be used to invest directly or indirectly in exempt wholesale generators or foreign utility companies, as defined in sections 32 and 33 of the Act.

each series of the Tax-Exempt Bonds.⁹ Each series may be subject to optional and mandatory redemption and/or mandatory cash sinking fund under which stated portions of the series would be retired at stated times.¹⁰

In order to obtain a more favorable rating and thereby improve the marketability of the Tax-Exempt Bonds, ELI may (1) arrange for a letter of credit from a bank in favor of the Trustee;¹¹ (2) provide an insurance policy for the payment of the principal of and/or interest and/or premium on one or more series of Tax-Exempt Bonds; and/or (3) obtain authentication of one or more new series of first mortgage Bonds ("Collateral Bonds") to be issued and delivered to the Trustee and/or the Bank to evidence and secure ELI's obligations under the Agreements and/or the Reimbursement Agreement, respectively.¹² The maximum aggregate principal amount of Collateral Bonds would be \$455 million, which would be in addition to the \$600 million aggregate limitation on the Bonds and Debentures.

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

[Release No. 34-39618; File No. SR-CBOE-98-01]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Board Options Exchange, Inc., Relating to Exchange Fees for Equity Options

February 4, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4² thereunder, notice is hereby given that on January 16, 1998, the Chicago Board Options Exchange, Inc. ("CBOE" 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 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

The CBOE is proposing to change its Order Book Official ("book") rate schedule for equity options.

The text of the proposed rule change is available at the Office of the Secretary, CBOE 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 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. The 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, Proposed Rule Change

The purpose of the proposed rule change is to change the book fee schedule applicable to equity options. The Exchange is not changing the book fees for index options at this time. The book fees are billed at the end of each month and so this change will be reflected in the bills for all January transactions. Although the change is being applied retroactively, the amount of time for which the change will be applied retroactively is minimal. It should be noted that the Exchange's Financial Planning Committee and the Floor Directors Committee endorsed this proposal and sent it to the Board for approval prior to the end of 1997 and prior to the time by which the new change was to be applied. These fee changes are being implemented by the Exchange pursuant to CBOE Rule 2.22.

Under the new schedule, equity option book execution services will be charged a flat rate of \$0.45 per contract. The previous per contract rate schedule for equity options (and the current index option schedule) charged various rates for book executions depending on the premium and the order size, as follows:

Premium ³	First ten contracts	Eleven and above
Accommodation liquidations and cabinet trades	\$0.10	\$0.10
Under 1/2	0.35	0.28
1/2-1	0.525	0.455
1-2	0.63	0.525
2-4	0.77	0.63
4-8	1.05	0.91
8-14	1.40	1.05
14-20	1.75	1.295

⁹No series of Tax-Exempt Bonds would be sold if the fixed interest rate or initial adjustable interest rate would exceed market rates generally obtainable at the time of pricing for sales of tax-exempt bonds having a reasonably similar maturity, issued for the benefit of companies of a reasonably comparable credit quality and having reasonably similar terms, conditions and features.

For series having adjustable interest rates, the initial interest rate will be negotiated between ELI and the purchasers of such series and will be based on the current tax-exempt market rates for comparable bonds having a maturity comparable to the length of the initial rate period. Thereafter, the

interest rate would be a rate which, when set, would be sufficient to remarket the Tax-Exempt Bonds at a price equal to their principal amount, but would not exceed the lower of 13% per annum or rates generally obtainable at the time of remarketing of tax-exempt bonds having the same or reasonably similar maturities, issued for the benefit of companies of reasonably comparable credit quality and having the same or reasonably similar terms.

¹⁰The prices, rights or requirements, and fees for the tender of Tax-Exempt Bonds will be determined in a manner identical to those described in footnote 2 for Bonds and Debentures.

¹¹In connection with the letter of credit, ELI may enter into a reimbursement agreement ("Reimbursement Agreement") under which ELI would agree to reimburse the Bank for amounts drawn under the letter of credit and to pay commitment and/or letters of credit fees.

¹²Each series of Collateral Bonds that bear interest would do so at a fixed interest rate or initial adjustable rate that would not exceed 15%.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.