

located c/o 900 Pennsylvania Avenue, Charleston, West Virginia 25302; Columbia Gas Transmission Corporation and Millennium Pipeline, L.P., both located at 12801 Fair Lakes Parkway, Fairfax, Virginia 22030-0146; Columbia Gulf Transmission Company, Trailblazer Pipeline Company, and CGT Trailblazer, L.L.C., all located at 2603 Augusta, Suite 125, Houston, Texas 77057; Columbia Network Services Corporation, CNS Microwave, Inc., and Energynet, L.L.C., all located at 1600 Dublin Road, Columbus, Ohio 43215-1082; Columbia Propane Corporation and Atlantic Energy, Inc., both located at 9200 Arboretum Parkway, Suite 140, Richmond, Virginia 23236; and Columbia Insurance Corporation, Ltd., Craig Appin House, 8 Wesley Street, Hamilton HM EX, Bermuda, have filed an application-declaration under sections 6(a), 7, 9(a), 10 and 12(c) of the Act and rules 42, 43, 45, and 54 under the Act.

In summary, applicants seek increased flexibility to restructure Columbia's nonutility holdings from time to time as may be necessary or appropriate in the furtherance of its authorized nonutility activities. The restructuring could involve the formation of one or more new special-purpose subsidiaries to hold direct or indirect interests in any or all of the Columbia system's existing or future authorized nonutility businesses. The restructuring could also involve the transfer of existing subsidiaries, or portions of existing businesses, among Columbia associates and/or the reincorporation of existing subsidiaries in a different state.¹ This flexibility would enable the Columbia system to consolidate similar businesses and to participate effectively in authorized nonutility activities, without the need to apply for or receive additional Commission approval.

These direct or indirect subsidiaries might be corporations, partnerships, limited liability companies or other entities in which Columbia, directly or indirectly, might have a 100% interest, a majority equity or debt position, or a minority debt or equity position. These subsidiaries would engage only in businesses to the extent the Columbia system is authorized, whether by statute, rule regulation or order.

As an example, Columbia intends to restructure the interests held by its wholly-owned gas marketing subsidiary, CES. Currently, CES has several subsidiaries engaged in various

nonutility businesses. These subsidiaries include CEM, CPM,² CRC, CSP, CAA, and Energy.Com. CEM is engaged in the marketing of gas produced by its associate company Columbia Energy Resources, Inc. (formerly named Columbia Natural Resources, Inc.). CPM is an energy products company that markets and brokers various forms of energy, including electric energy, natural gas, manufactured gas, propane, natural gas liquids, oil, refined petroleum and petroleum products, coal and/or wood products and emissions allowances. CRC is engaged in retail electric and gas marketing activities within the United States. CSP provides energy-related services to industrial commercial and residential customers nationwide. CAA, a wholly-owned subsidiary of CSP, was formed to comply with the requirements of state law in connection with bill insurance activities. Energy.Com is an exempt telecommunications company that provides energy consumers access to information on products of affiliated and non-affiliated companies offering energy and energy related products and services, as well as educational information on the energy industry in general.

Specifically, Columbia would reorganize CES and its subsidiaries under a new, first-tier subsidiary ("CES Holdings"). Applicants currently contemplate that CES Holding will own all of the outstanding voting securities of CES, CEM, CPM, CRC, CSP, CAA, and through CES, Energy.COM. Applicants state that each of CES Holdings' subsidiaries will continue to engage in their current activities. CAA will serve as a licensed broker in connection with authorized bill insurance activities.

The proposed restructuring would be accomplished by CEG contributing the stock of CES to a newly-formed, special-purpose subsidiary, CES Holdings, followed by the sale by CES of all the outstanding stock of its subsidiaries, other than Energy.Com, to CES Holdings.³ However Columbia may, under the proposed authority, adopt a different structure or employ a different method of reorganization, to accomplish the reorganization of CES' nonutility interests.

Columbia will obtain funds for initial and subsequent investments in its new subsidiaries from internally generated funds and/or the proceeds of otherwise authorized financing transactions.

² Columbia announced its intention to sell its wholesale gas and electric trading operations in an August 30, 1999 press release.

³ Columbia also intends, under the requested authority, to reincorporate CES in the state of Delaware.

Should Columbia provide funds to its new subsidiaries which are then applied to investments in exempt wholesale generators, foreign utility companies, or companies formed in accordance with rule 58, the amount of such funds will be included in the investment limitations imposed by rule 53 or rule 58, as applicable.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 99-24913 Filed 9-23-99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-24017; 812-11508]

Pacific Select Fund, et al.; Notice of Application

September 17, 1999.

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

ACTION: Notice of application under section 6(c) of the Investment Company Act of 1940 (the "Act") for an exemption from section 15(a) of the Act and rule 18f-2 under the Act.

SUMMARY OF APPLICATION: The order would permit applicants to enter into and materially amend investment subadvisory agreements without obtaining shareholder approval.

APPLICANTS: Pacific Select Fund (the "Fund") and Pacific Life Insurance Company ("Pacific Life").

FILING DATES: The application was filed on February 9, 1999, and amended on May 26, 1999 and on September 15, 1999.

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 to the SEC's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on October 12, 1999, 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 may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549-0609. Applicants, Pacific Life Insurance

¹ This reincorporation could take place by merging an existing subsidiary with a new successor incorporated in the desired state.

Company, 700 Newport Center Drive, Newport Beach, CA 92660.

FOR FURTHER INFORMATION CONTACT: Janet M. Grossnickle, Attorney-Adviser, at (202) 942-0526, or Mary Kay Frech, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch, 450 Fifth Street, N.W., Washington, D.C. 20549-0102 (tel. 202-942-8090).

Applicants' Representations

1. The Fund, a Massachusetts business trust, is registered under the Act as an open-end management investment company. Currently, the Fund has eighteen separate portfolios ("Portfolios"). The Fund currently serves only as an investment medium for variable life insurance policies and variable annuity contracts issued or administered by Pacific Life, and its affiliates, but may, in the future, sell shares directly to qualified retirement plans.

2. Pacific Life serves as the investment adviser for each of the Portfolios and is registered under the Investment Advisers Act of 1940 ("Advisers Act"). Pacific Life provides investment advisory services and administrative services to the Fund under an Investment Advisory Agreement with the Fund (the "Advisory Contract"). In its capacity as investment adviser to the Fund, Pacific Life recommends the selection or termination of sub-advisers ("Managers") to the Fund's board of trustees ("Board"). In addition, Pacific Life oversees and monitors the performance of the Managers and may reallocate a Portfolio's assets among Managers. Each Manager recommended by Pacific Life is approved by the Board, including a majority of the trustees who are not "interested persons," as defined in section 2(a)(19) of the Act, of the Fund ("Independent Trustees"). Each Portfolio pays Pacific Life a fee for its services based on the Portfolio's average daily net assets.

3. Pacific Life has entered into subadvisory agreements ("Subadvisory Agreements") with eleven Managers, each of which is registered or exempt from registration as an investment adviser under the Advisers Act. One of the Managers, Pacific Investment Management Company, is an affiliate of Pacific Life. Currently, two Portfolios of the Fund are advised by Pacific Life and

sixteen Portfolios of the Fund each are advised by one Manager. Subject to general supervision by Pacific Life and the Board, each Manager is responsible for the day-to-day management of the portion of the Portfolio it advises. The Manager's duties consist of making discretionary investment decisions on behalf of its Portfolio and conducting any research that may be necessary to formulate investment decisions. Pacific Life pays the Managers' fees out of the fees Pacific Life receives from each Portfolio.

4. Applicants request an order to permit Pacific Life to enter into Subadvisory Agreements without obtaining shareholder approval.¹ The requested relief will not extend to a Subadvisory Agreement with a Manager that is an "affiliated person" (as defined in section 2(a)(3) of the Act) of either the Fund or Pacific Life other than by reason of serving as a Manager to one or more of the Portfolios ("Affiliated Manager").²

Applicants' Legal Analysis

1. Section 15(a) of the Act makes it unlawful for any person to act as an investment adviser to a registered investment company except pursuant to a written contract that has been approved by a majority of the investment company's outstanding voting securities. Rule 18f-2 under the Act provides that each series or class of stock in a series company affected by a matter must approve the matter if the Act requires shareholder approval.

2. Section 6(c) of the Act authorizes the SEC to exempt persons or transactions from the provisions of the Act to the extent that the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants request relief under section 6(c) from section 15(a) of the Act and rule 18f-2 under the Act. For the reasons discussed

¹ The term "Shareholders" includes variable life and annuity contract owners having the voting interest in a separate account for which the Portfolio serves as a funding medium.

² Applicants also request relief for (a) any series of the Fund, now existing or organized in the future; and (b) any registered open-end management investment companies, including those that serve as funding vehicles for variable insurance products offered by Pacific Life and its affiliates, that in the future are (i) advised by Pacific Life or any entity controlling, controlled by, or under common control (as defined in section 2(a)(9) of the Act) with Pacific Life, (ii) use the manager of managers' strategy as described in the application, and (iii) comply with the terms and conditions contained in the application ("Future Funds"). The Fund is the only existing investment company that currently intends to rely on the order.

below, applicants state that the requested relief meets the standard of section 6(c).

3. Applicants assert that the Fund's Shareholders, in effect, hire Pacific Life to manage a Portfolio's assets by using external Managers, rather than using Pacific Life's own employees to manage assets directly. Applicants believe that Shareholders expect that Pacific Life, under the overall authority of the Board, will take responsibility for overseeing the Managers and for recommending their hiring, termination, and replacement. Applicants argue that the requested relief will reduce Portfolio expenses associated with Shareholder meetings and proxy solicitations, and enable the Portfolios to operate more efficiently. Applicants also note that the Advisory Contract will remain fully subject to the requirements of section 15 of the Act and rule 18f-2 under the Act, including the requirements for Shareholder approval.

Applicants' Conditions

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

1. Before applicants may rely on the requested order as to any Portfolio, the operation of the Fund and each Portfolio in the manner described in the application will be approved by a majority of its Shareholders or by its initial shareholder, provided that, in the case of approval by the initial shareholder, the pertinent Portfolio's Shareholders purchase shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below. Similarly, before a Future Fund may rely on the order requested in the application, the operation of the Future Fund in the manner described in the application will be approved by its initial shareholder before a public offering of shares of such Future Fund, provided that Shareholders purchase shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below.

2. The prospectus for the Fund and for each Portfolio will disclose the existence, substance, and effect of any order granted pursuant to the application. In addition, the Fund and each Portfolio will hold itself out as employing the management structure described in the application. The prospectus for the Fund and each Portfolio will prominently disclose that Pacific Life, subject to review of the Board, has ultimate responsibility to oversee the Managers and recommend their hiring, termination, and replacement.

3. Within 90 days of the hiring of any new Manager, Shareholders of the affected Portfolio will be sent all information about the new Manager that would be included in a proxy statement. Pacific Life will meet this condition by sending to such Shareholders an information statement meeting the requirements of Regulation 14C, Schedule 14C, and Item 22 of Schedule 14A under the Securities Exchange Act of 1934. The Fund will send the information statement to contract owners with contract assets allocated to any subaccount of a registered separate account which invests its assets in the Portfolio undergoing the change in Manager.

4. Pacific Life will not enter into a Subadvisory Agreement with any Affiliated Manager without such agreement, including the compensation to be paid under it, being approved by the Shareholders of the applicable Portfolio.

5. At all times, a majority of the Board of each Fund shall consist of Independent Trustees. The nomination of new or additional Independent Trustees will be at the discretion of the then-existing Independent Trustees.

6. Pacific Life will provide general management and administrative services to the Fund and its Portfolios, including overall supervisory responsibility for the general management and investment of each Portfolio's securities portfolio and, subject to Board review and approval, will (i) set the Portfolio's overall investment strategies; (ii) recommend and select Managers; (iii) when appropriate, allocate and reallocate the Portfolio's assets among multiple Managers; (iv) monitor and evaluate the performance of Managers; and (v) implement procedures reasonably designed to ensure that the Managers comply with the Portfolio's investment objectives, policies, and restrictions.

7. No trustee or officer of the Fund or director or officer of Pacific Life who participates directly in Pacific Life's investment advisory activities (including the management or administration of the Fund) or otherwise is able to influence the selection of Managers, will own directly or indirectly (other than through a pooled investment vehicle that is not controlled by that director or officer) any interest in a Manager except for (i) ownership of interests in Pacific Life or any entity that controls, is controlled by, or is under common control with Pacific Life; or (ii) ownership of less than 1% of the outstanding securities of any class of equity or debt of a publicly-traded company that is either a Manager or an

entity that controls, is controlled by or is under common control with a Manager.

8. When a Manager change is proposed for a Portfolio with an Affiliated Manager, the Board, including a majority of the Independent Trustees, will make a separate finding, reflected in the Board minutes, that the change is in the best interests of the Portfolio and its Shareholders, and does not involve a conflict of interest from which Pacific Life, its affiliates or the Affiliated Manager derives an inappropriate advantage.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-24868 Filed 9-23-99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-24018; File No. 812-11698]

Templeton Variable Products Series Fund, et al.

September 17, 1999.

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

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

SUMMARY OF APPLICATION: Templeton Variable Products Series Fund (the "Templeton Trust"), Franklin Templeton Variable Insurance Products Trust (formerly Franklin Valuemark Funds) (the "VIP Trust," and together with the Templeton Trust, the "Funds"), Templeton Funds Annuity Company ("TFAC") or any successor to TFAC, and any future open-end investment company for which TFAC or any affiliate is the administrator, sub-administrator, investment manager, adviser, principal underwriter, or sponsor ("Future Funds") seek amended order of the Commission to (1) add as parties to that order the VIP Trust and any Future Funds and (2) permit shares of the Funds and Future Funds to be issued to and held by qualified pension and retirement plans outside the separate account context.

APPLICANTS: Templeton Variable Products Series Fund, Franklin Templeton Variable Insurance Products

Trust, Templeton Funds Annuity Company or any successor to TFAC, and any future open-end investment company for which TFAC or any affiliate is the administrator, sub-administrator, investment manager, adviser, principal underwriter, or sponsor (collectively, the "Applicants").

FILING DATE: The application was filed on July 14, 1999, and amended and restated on September 17, 1999.

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 Commission and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m., on October 12, 1999, and should be accompanied by proof of service on the 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 Commission.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, D.C. 20549-0609.

Applicants: Templeton Variable Products Series Fund and Franklin Templeton Variable Insurance Products Trust, 777 Mariners Island Boulevard, San Mateo, California 94404, Attn: Karen L. Skidmore, Esq.

FOR FURTHER INFORMATION CONTACT: Kevin P. McEnery, Senior Counsel, or Susan M. Olson, Branch Chief, Office of Insurance Products, Division of Investment Management, at (202) 942-0690.

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application is available for a fee from the SEC's Public Reference Branch, 450 Fifth Street, N.W., Washington, D.C. 20549-0102 (tel. (202) 942-8090).

Applicants' Representations

1. Each of the Funds is registered under the 1940 Act as an open-end management investment company and was organized as a Massachusetts business trust. The Templeton Trust currently consists of eight separate series, and the VIP Trust consists of twenty-five separate series. Each Fund's Declaration of Trust permits the Trustees to create additional series of shares at any time. The Funds currently serve as the underlying investment medium for variable annuity contracts