7. Adoption of Rule 11a–3 represents the most recent Commission action under Section 11 of the 1940 Act. As with Rule 11a–2, the focus of the Rule is primarily on sales or administrative charges that would be incurred by investors for effecting exchanges. Applicants assert that the terms of the proposed offer are consistent with Rule 11a–3 because no additional sales charges will be incurred as a result of the exchange and no administrative fees will be charged to effect the exchange. Because the investment company involved in the proposed exchange offer is a separate account, and because it is organized as a unit investment trust rather than as a management investment trust, Applicants believe that they may not rely upon Rule 11a–3.

8. Applicants assert that the terms of the proposed exchange do not present the abuses against which Section 11 was intended to protect. No additional sales load or other fee will be imposed at the time of exchange other than the $100 that may be imposed in connection with new underwriting needed for: (i) Certain optional insurance riders; (ii) an upgrade to a preferred rating class; or (iii) a face amount increase.

9. The policy value and death benefit of a New Policy acquired in the proposed exchange will be precisely the same immediately after the exchange as that of the Old Policy exchanged immediately prior to the exchange. Accordingly, Applicants assert that the exchanges, in effect, will be relative net asset value exchanges that would be permitted under Section 11(a) if the Account were registered as a management investment company rather than as a unit investment trust.

10. The description of the proposed exchange offer in letters to Old Policy owners and in the New Policy's prospectus will provide full disclosure of the material differences in the two policies. Those letters, and any other sales literature used in connection with the exchange offer, will have been filed with the National Association of Securities Dealers, Inc. for review. Each Old Policy owner will be offered personalized hypothetical illustrations that compare the Old and New Policies. Applicants assert that, assuming no premature surrender, the New Policies should be less expensive than the Old Policies for many, if not most, Policy owners. Applicants believe that the disclosure provided and the illustrations provided upon request provide Old Policy owners with sufficient information to determine which Policy they prefer.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–1821 Filed 1–24–97; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 35—26648]

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

January 17, 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 February 10, 1997, 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.

Gulf Power Co. (70–8949)

Gulf Power Company (''Gulf''), 500 Bayfront Parkway, Pensacola, Florida, 32501, an electric public utility subsidiary company of The Southern company, a registered holding company, has filed an application-declaration under sections 6(a), 7, 9(a) and 10 of the Act and rule 54 thereunder.

Gulf proposes to incur obligations, from time to time through December 31, 2003, in connection with the issuance and sale by public instrumentalities of one or more series of pollution control revenue bonds (''Revenue Bonds'') in an aggregate principal amount of up to $200 million.

Gulf also proposes to issue and sell, through December 31, 2003, one or more series of its first mortgage bonds (''Bonds''), to mature in more than 40 years, and one or more series of preferred stock (''Stock''), in an aggregate amount of up to $400 million in any combination of issuance.

The Revenue Bonds would be issued to finance or reference air and water pollution control facilities and sewage and solid waste disposal facilities at electric power plants or other installations. Each county or other public instrumentality (''County'') with a plant or installation within its jurisdiction would issue Revenue bonds to finance or refinance the pollution control or waste disposal facilities associated with that plant or installation (''Project'').

The Revenue Bonds would mature within forty years of issuance and could involve a mandatory redemption sinking fund calculated to retire a portion of the aggregate principal amount of the Revenue Bonds prior to maturation.

Gulf would enter into a Loan or Installment Sale Agreement with each County (''Agreement'') for each issue of the Revenue Bonds. Gulf would issue a note (''Note'') therefore or the County would undertake to purchase and sell the related Project to Gulf. The proceeds from the sale of the Revenue Bonds would be deposited with a trustee (''Trustee'') under an indenture (''Trust Indenture'') and would be used by Gulf for payment of the cost of construction of the Project or to refund outstanding pollution control revenue obligations.

The Trust Indenture and the Agreement would give the holders of the Revenue Bonds the right, when the Revenue Bonds bear interest at a fluctuating rate, to require Gulf to purchase the Revenue Bonds. Arrangements could be made to remarket the Revenue Bonds. Gulf also could be required to purchase the Revenue Bonds, or the Revenue Bonds could be subject to mandatory redemption, if the interest thereon is determined to be subject to federal income tax, in which case interest on the Revenue Bonds also could be converted to an increased variable or fixed rate. Gulf also could be required to indemnify the holders against other additions to interest, penalties and additions to tax.

To obtain ratings for the Revenue Bonds equal to the rating of first mortgage bonds outstanding under a September 1, 1941 indenture between Gulf and The Chase Manhattan Bank (''Mortgage''), Gulf could secure its obligations under the Note and/or

Agreement with a series of its first mortgage bonds to be held by the Trustee as collateral (''Collateral Bonds''). The aggregate principal amount of the Collateral Bonds would be equal to the principal amount of the Revenue Bonds or to the principal amount plus interest payments thereon for a specified period.

Gulf also could cause an irrevocable letter of credit (''Letter of Credit'') to be delivered to the Trustee and/or have an insurance company issue a policy (''Policy'') to guarantee payment of the Revenue Bonds. Gulf may also provide to the County a subordinated security interest in the Project or other property of Gulf. In the event that Gulf is unable or determines not to issue the Collateral Bonds or provide for the Letter of Credit or the Policy, Gulf could guarantee payment of the principal or premium and interest on the Revenue Bonds.

With respect to the $400 million in Bonds and Stock, the Bonds would be issued pursuant to the Mortgage and sold for the best price obtainable but for a price to Gulf of not less than 98% nor more than 101 3/4% of the principal amount thereof, plus accrued interest, which could be an adjustable interest rate determined on a periodic basis or a fixed interest rate.

Gulf could enhance the marketability of the Bonds through an insurance policy to guarantee the payment when due of the Bonds. The Bonds and/or the Stock could be subject to a mandatory or optional cash sinking fund. With respect to the issuance of the Bonds and the Stock, Gulf requests Commission authorization for a deviation from the provisions of the Commission's Statement of Policy on First Mortgage Bonds and Preferred Stock.[1]

Gulf proposes to use the proceeds from the sale of the Bonds and the Stock to redeem or retire outstanding first mortgage bonds, pollution control bonds and/or preferred stock, or along with other funds, to pay a portion of its cash requirements to conduct its electric utility business.

GPU International, Inc., et al. (70–8971)

GPU International, Inc. (''GPU International''), formerly Energy Initiatives, Inc., and GPU Electric, Inc. (''GPU Electric''), formerly EI Energy, Inc., both non-utility subsidiaries of GPU, Inc. (''GPU''), a registered holding company, and both located at One Upper Pond Road, Parsippany, New Jersey 07054, have filed a declaration with the Commission pursuant to section 12(c) of the Act and rules 46 and 54 thereunder.

By orders of the Commission dated January 19, 1996 (HCAR No. 26457) and July 6, 1995 (HCAR No. 26326), GPU was authorized to acquire GPU Electric for the purpose of acquiring one or more exempt wholesale generators (''EWGs'') and/or foreign utility companies (''FUCOs'') (collectively ''Exempt Entities'').

Bt order of the Commission dated November 16, 1995 (HCAR No. 26409), June 14, 1995 (HCAR No. 26307), September 12, 1994 (HCAR No. 26205), December 18, 1994 (HCAR No. 25715 and June 26, 1990 (HCAR No. 26409), GPU International was authorized to (i) engage in preliminary project development activities in connection with its investments in qualifying facilities as defined in the Public Utility Regulatory Policies Act of 1978, as amended, and Exempt Entities, and (ii) acquire the securities of Exempt Entities.

GPU International and GPU Electric propose that they be authorized to declare and pay dividends to GPU out of capital and unearned surplus from time to time through December 31, 2001. They state that all dividends would be declared and paid only in compliance with applicable law of their respective jurisdictions of organization and loan covenants.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–1820 Filed 1–24–97; 8:45 am]

BILLING CODE 8010–01–M

[1] Holding Co. Act Release No. 13105 (Feb. 16, 1969), amended, Holding Co. Act Release No. 16369 (May 8, 1969); Holding Co. Act Release No. 13105 (Feb. 16, 1969), amended, Holding Co. Act Release No. 16758 (June 22, 1970).

[Release No. 34–38182; File No. SR–BSE–96–13]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the Boston Stock Exchange, Inc. Relating to Its Specialist Performance Evaluation Program

January 17, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on January 6, 1997,[3] the Boston Stock Exchange, Inc. (''BSE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to grant accelerated approval to the proposed rule change.

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

The BSE seeks a twelve-month extension of its Specialist Performance Evaluation Program (''SPEP'').[4]

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 self-regulatory organization 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 III below. The self-regulatory organization 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 request an extension of the Exchange's SPEP pilot program. The evaluation program, using the BEACON

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

[2] 17 CFR 240.19b–4.

[3] On January 6 and January 10, 1997, the BSE filed Amendment Nos. 1 and 2, respectively, with the Commission, the substance of which have been incorporated into this notice.

[4] The Commission initially approved the BSE's SPEP pilot program in Securities Exchange Act Release No. 22993 (March 10, 1986), 51 FR 8298 (March 14, 1986) (File No. SR–BSE–84–04). The Commission subsequently extended the pilot program in Securities Exchange Act Release Nos. 26162 (October 6, 1988), 53 FR 40301 (October 14, 1988) (File No. SR–BSE–87–06); 27656 (January 30, 1990), 55 FR 4296 (February 7, 1990) (File No. SR–BSE–90–01); 28919 (February 26, 1991), 56 FR 9990 (March 8, 1991) (File No. SR–BSE–91–01); and 30401 (February 24, 1992), 57 FR 7413 (March 2, 1992) (File No. SR–BSE–92–01). The BSE was permitted to incorporate objective measures of specialist performance into its pilot program in Securities Exchange Act Release No. 31890 (February 19, 1993), 58 FR 11647 (February 26, 1993) (File No. SR–BSE–92–04) (''February 1993 Approval Order''), at which point the initial pilot program ceased to exit as a separate program. The current pilot program was subsequently extended in Securities Exchange Act Release Nos. 33341, (December 15, 1993) 58 FR 67875 (December 22, 1993) (''December 1993 Approval Order''); 35187 (December 30, 1994), 60 FR 2406 (January 9, 1995); and 36668 (January 2, 1996), 61 FR 672 (January 9, 1996) (January 1996 Approval Order) (Pilot extended until December 31, 1996).