

properties for purposes of determining whether the functional relationship requirement of section 11(b)(1) of the Act is satisfied.<sup>10</sup> In this regard, Applicants state that the proposed acquisition is expected to improve operations of Supply's underground natural gas storage facilities in Allegany and Steuben Counties, New York, and will be: (1) in the interest of Supply's direct and indirect transportation and storage customers, including Distribution, National's public utility subsidiary and its customers; and (2) nondetrimental to its customers, the public interest, investors or the proper functioning of the National Fuel Gas System.

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. 35-26850]

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

March 27, 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 declarant(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 21, 1998, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the relevant application(s) and/or

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.

#### Northeast Utilities, et al. (70-9185)

##### *Notice of Proposal To Issue Securities; Order Authorizing Solicitation of Proxies*

Northeast Utilities ("NU"), a registered holding company, 174 Brush Hill Avenue, West Springfield, Massachusetts 01090-0010, its utility subsidiaries Western Massachusetts Electric Company and Holyoke Water Power Company, both located at 174 Brush Hill Avenue, West Springfield, Massachusetts 01090-0010, The Connecticut Light and Power Company and Northeast Nuclear Energy Company, both located at 107 Selden Street, Berlin, Connecticut 06037, Public Service Company of New Hampshire and North Atlantic Energy Service Corporation, both located at 1000 Elm Street, Manchester, New Hampshire 03105, and NU's nonutility subsidiary Northeast Utilities Service Company, located at 107 Selden Street, Berlin, Connecticut 06037 (collectively, "Participating Subsidiaries"), have filed an application-declaration under sections 6(a), 7, 9(a), 10 and 12(e) of the Act and rules 54, 62 and 65 under the Act.

On January 13, 1988, NU's Board of Trustees approved an incentive plan ("Incentive Plan"), an employee share purchase plan ("Purchase Plan" and together with the Incentive Plans, "Plans"), and a stock compensation plan. NU now proposes to solicit proxies from its shareholders for their approval of the Plans at NU's 1998 annual shareholder meeting, scheduled for May 12, 1998.

In addition, NU proposes to issue its common shares, par value \$5 ("Common Stock"), in connection with the Plans. The maximum number of shares that NU may issue for awards or grants under the Incentive Plan<sup>1</sup> in any calendar year is one percent of the number of shares outstanding as of the last day of the previous calendar year. The maximum number of shares that

NU may issue for purchases under the Purchase Plan in any calendar year is one-half of percent of the number of shares outstanding as of the last day of the previous calendar year. These limitations are subject to adjustment in the event of a recapitalization, stock split, merger, combination, exchange or similar corporate transaction.

In addition, the Participating Subsidiaries propose to acquire up to 1.3 million shares of Common Stock on the open market (less than one percent of the shares outstanding as of December 31, 1997) during the years 1998 through 2007. These shares would be used to provide incentive compensation to employees other than through grants and awards under the Incentive Plan.

Assuming shareholder approval, the Incentive Plan will be effective as of January 1, 1998 and the Purchase Plan will be effective on July 1, 1998. The Plans will terminate ten years from their respective effective dates, unless terminated earlier by the Board or, for the Incentive Plan, unless extended by Board vote, subject to shareholder approval. Each of the Plans will be administered by the Compensation Committee of NU's board of trustees (or its delegate), which is composed exclusively of non-employee members of the board.

The Incentive Plan provides for annual cash or stock-based bonus awards for eligible officers of NU and participating subsidiaries based on fulfillment of various company and individual performance goals. The Incentive Plan also provides for grants for eligible officers, employees and contractors of NU and participating subsidiaries of NU. The grants may take the form of stock options, restricted stock, stock appreciation rights, or performance units whose value depends on the value of the Common Stock. The Incentive Plan also provides for the grant of stock options to non-employee trustees of NU, at prices equal to fair market value as of the date of the grant.

Under the Purchase Plan, eligible employees of the Participating Subsidiaries will be given the opportunity to purchase newly-issued shares of Common Stock periodically through payroll deduction. The price of a share will generally be 85 percent of its fair market price. Officers who receive stock option grants under the Incentive Plan will not be eligible for the discounted price, but may purchase shares under the Purchase Plan at a price generally set equal to their fair market value.

NU states that the purpose of the Incentive Plan is to provide incentive

<sup>10</sup> Section 2(b) of the GRAA provides that the functional relationship requirement of section 11(b)(1) of the Act will be deemed satisfied if the Commission determines that "(1) \* \* \* such acquisition is in the interest of consumers of each gas utility company of [the] registered company or consumers of any other subsidiary of such registered company; and (2) \* \* \* such acquisition will not be detrimental to the interest of consumers of any such gas utility company or other subsidiary or to the proper functioning of the registered holding company system."

<sup>1</sup> This includes shares issued upon exercise of options granted under the Plan.

compensation that will assist NU in recruiting and retaining talented employees and to further align their interests with those of NU shareholders. NU also states that the purpose of the Purchase Plan is to allow employees to participate in share ownership, which NU states will be beneficial to both the employees and NU.

It appears to the Commission that the application-declaration, to the extent it relates to the proposed proxy solicitation, should be permitted to become effective immediately under rule 62(d).

*It Is Ordered*, that the application-declaration, to the extent that it relates to the proposed Proxy Solicitations be, and it hereby is, permitted to become effective immediately, under rule 62 and subject to the terms and conditions prescribed in rule 24 under the Act.

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. 35-26852]

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

March 27, 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 21, 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.

### Entergy Corporation (70-9189)

#### *Notice of Proposal To Issue and Sell Common Stock; Order Authorizing Solicitation of Proxies*

Entergy Corporation ("Entergy"), 639 Loyola Avenue, New Orleans, Louisiana 70113, a registered holding company, has filed a declaration under sections 6(a), 7 and 12(e) under the Act and rules 54, 62 and 65.

The Entergy Board of Directors ("Board") has adopted the 1998 Equity Ownership Plan of Entergy Corporation and Subsidiaries ("Equity Plan"), subject to shareholder approval. The Equity Plan will be an amendment and restatement of Entergy's current Equity Ownership Plan which was approved by its stockholders in 1991. Awards granted under the Equity Plan are intended to qualify as performance based compensation under section 162(m) of the Internal Revenue Code of 1986, as amended.

Entergy proposes, through December 31, 2008, to grant Options Restricted Shares, Performance Shares and Equity Awards, all as defined in the Equity Plan, and to issue or sell up to 12 million shares of its common stock, \$0.01 par value ("Common"), under the Equity Plan. The purpose of the Equity Plan is to give certain designated officers and executive personnel ("Key Employees") and outside directors an opportunity to acquire shares of Common to tie more closely their interests with those of Entergy's shareholders and to reward effective corporate leadership.

The Common will be available for awards under the Equity Plan, subject to adjustment for stock dividends, stock splits, recapitalizations, mergers, consolidations or other reorganizations. Shares of Common awarded under the Equity Plan may be either authorized but unissued shares or shares acquired in the open market. Shares of Common covered by awards which are not earned, or which are forfeited for any reason, and Options which expire unexercised, will again be available for subsequent awards under the Equity Plan. To the extent that shares of Common previously held in a participant's name are surrendered upon the exercise of an Option or shares relating to an award are used to pay

withholding taxes, the shares will become available for subsequent awards under the Equity Plan.

The Equity Plan will be administered by the Board's Personnel Committee, or any other committee designated by the Board ("Committee"), to the extent required to comply with rule 16b-3 under the Securities Exchange Act of 1934, as amended. The Committee will have the exclusive authority to interpret the Equity Plan. The Committee also will have the authority to select, from among Key Employees and outside directors of Entergy and its subsidiaries, those individuals to whom awards will be granted, to grant any combination of awards to any participants and to determine the specific terms and conditions of each award.

The Equity Plan will be submitted to Entergy's shareholders for approval at the Annual Meeting of Stockholders to be held May 15, 1998 ("Meeting"). Approval of the Equity Plan requires the affirmative vote of the holders of a majority of the Common represented and entitled to vote at the Meeting. Entergy proposes to solicit proxies from its shareholders to approve the Equity Plan. Entergy requests that an order authorizing the solicitation of proxies be issued as soon as practicable under rule 62(d).

It appears to the Commission that the declaration, to the extent that it relates to the proposed solicitation of proxies, should be permitted to become effective immediately under rule 62(d).

*It is Ordered*, that the declaration, to the extent that it relates to the proposed solicitation of proxies, be permitted to become effective immediately, under rule 62 and subject to the terms and conditions prescribed in rule 24 under the Act.

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

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

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## SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3057]

### State of California; Amendment #4

In accordance with information received from the Federal Emergency Management Agency, the above-numbered Declaration is hereby amended to extend the deadline for filing applications for physical damage as a result of this disaster to May 8, 1998.