

LOCAs of different sizes, locations, and other properties sufficient to provide assurance that the most severe postulated LOCAs are calculated.

Appendix K to Part 50 of Title 10 of the Code of Federal Regulations, "ECCS Evaluation Models," requires, among other items, that the rate of energy release, hydrogen generation, and cladding oxidation from the metal/water reaction shall be calculated using the Baker-Just equation.

10 CFR 50.44, 10 CFR 50.46, and 10 CFR Part 50, Appendix K, make no provisions for use of fuel rods clad in a material other than Zircaloy or ZIRLO. The licensee has requested the use of a Lead Test Assembly (LTA) with a tin composition that is less than the licensing basis for ZIRLO tin composition, as defined in Westinghouse design specifications.

Section 50.12 of Title 10 of the Code of Federal Regulations, "Specific Exemptions," states, among other items, the Commission may, upon application by any interested person or upon its own initiative, grant exemptions from the requirements of the regulations of this part, which are authorized by law, will not present an undue risk to the public health and safety, and are consistent with the common defense and security. The Commission will not consider granting an exemption unless special circumstances are present. Special circumstances are present whenever application of the regulation in the particular circumstances would not serve the underlying purpose of the rule or is not necessary to achieve the underlying purpose of the rule.

III

The licensee provided testing and evaluations which demonstrated that the intent of the regulations continue to be met since all aspects of safety, including mechanical, neutronic, thermal hydraulic, transient, and LOCA analyses results fall within those approved for the current 17x17 VANTAGE + fuel assemblies Analysis of Record for Byron Station, Units 1 and 2. The staff has reviewed the licensee's analysis and concluded in a Safety Evaluation dated February 26, 1999, that the licensee has demonstrated prudent judgment in the use of LTAs, and the licensee's analyses remain bounding for the LTAs. Therefore, application of the regulation in the particular circumstances is not necessary to achieve the underlying purpose of the rule.

IV

The Commission has determined that, pursuant to 10 CFR 50.12, this

exemption is authorized by law, will not endanger life or property or the common defense and security, and is otherwise in the public interest. Therefore, the Commission hereby grants the Commonwealth Edison Company an exemption from the requirements of 10 CFR 50.44, 10 CFR 50.46, and 10 CFR Part 50, Appendix K.

Pursuant to 10 CFR 51.32, the Commission has determined that the granting of this exemption will have no significant impact on the environment (64 FR 9549).

This exemption is effective upon issuance.

Dated at Rockville, Maryland, this 26th day of February, 1999.

For the Nuclear Regulatory Commission.

Roy P. Zimmerman,

Acting Director, Office of Nuclear Reactor Regulation.

[FR Doc. 99-5474 Filed 3-4-99; 8:45 am]

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NUCLEAR REGULATORY COMMISSION

[Docket No. 50-368]

Entergy Operations, Inc. (Arkansas Nuclear One, Unit No. 2); Notice of Withdrawal of Application for Amendment to Facility Operating License

The U.S. Nuclear Regulatory Commission (the Commission) has granted the request of Entergy Operations, Inc. (the licensee) to withdraw its May 19, 1995, application for proposed amendment to Facility Operating License No. NPF-6 for Arkansas Nuclear One, Unit No. 2, located in Pope County, Arkansas.

The proposed amendment would have extended the allowed outage time (AOT) for a train of low pressure safety injection (LPSI) inoperable at Arkansas Nuclear One, Unit No. 2 from 72 hours to 7 days.

The Commission had previously issued a proposed no significant hazards consideration determination published in the **Federal Register** on August 2, 1995 (60 FR 39440). However, by letter dated February 16, 1999, the licensee withdrew the proposed change.

For further details with respect to this action, see the application for the amendment dated May 19, 1995, and the licensee's letter dated February 16, 1999, which withdrew the application for the license amendment. The above documents are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, N.W. Washington, DC,

and at the Tomlinson Library, Arkansas Tech University, Russellville, AR 72801.

Dated at Rockville, Maryland, this 26th day of February, 1999.

For the Nuclear Regulatory Commission.

M. Christopher Nolan,

Project Manager, Project Directorate IV-1, Division of Licensing Project Management Office of Nuclear Reactor Regulation.

[FR Doc. 99-5475 Filed 3-4-99; 8:45 am]

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RAILROAD RETIREMENT BOARD

Determination of Quarterly Rate of Excise Tax for Railroad Retirement Supplemental Annuity Program

In accordance with directions in Section 3221(c) of the Railroad Retirement Tax Act (26 U.S.C., Section 3221(c)), the Railroad Retirement Board has determined that the excise tax imposed by such Section 3221(c) on every employer, with respect to having individuals in his employ, for each work-hour for which compensation is paid by such employer for services rendered to him during the quarter beginning April 1, 1999, shall be at the rate of 27 cents.

In accordance with directions in Section 15(a) of the Railroad Retirement Act of 1974, the Railroad Retirement Board has determined that for the quarter beginning April 1, 1999, 36.9 percent of the taxes collected under Sections 3211(b) and 3221(c) of the Railroad Retirement Tax Act shall be credited to the Railroad Retirement Account and 63.1 percent of the taxes collected under such Sections 3211(b) and 3221(c) plus 100 percent of the taxes collected under Section 3221(d) of the Railroad Retirement Tax Act shall be credited to the Railroad Retirement Supplemental Account.

By Authority of the Board.

Dated: February 26, 1999.

Beatrice Ezerski,

Secretary of the Board.

[FR Doc. 99-5451 Filed 3-4-99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26981]

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

February 26, 1999.

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 under the Act. 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 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 20, 1999, to the Secretary, Securities and Exchange Commission, Washington, DC 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 should 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 March 20, 1999, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Cinergy Corp. (70-9445)

Cinergy Corp. ("Cinergy"), 139 East Fourth Street, Cincinnati, Ohio 45202, a registered holding company, has filed a declaration under sections 6(a) and 7 of the Act and rule 54 under the Act.

On December 12, 1999, Cinergy's board of directors adopted the Cinergy Corp. Sharesave Scheme, an employee savings plan ("Plan"), for employees of Cinergy Global Power Services Ltd. ("CGPS"), an indirect wholly owned subsidiary of Cinergy organized under the laws of the United Kingdom. Adoption of the Plan does not require shareholder approval. Cinergy proposes to issue and sell under the Plan up to 75,000 shares of Cinergy common stock ("Common Stock") to employees of CGPS through December 31, 2004.

An employee may participate in the Plan by entering into a savings contract ("Savings Contract") under which he or she would make monthly contributions into a savings account ("Savings Account") for either a three or five year period ("Savings Period"). Each employee participating in the Plan would be granted a right, which may be exercised at the end of the Savings Period, to acquire shares of Common Stock using the funds accumulated in his or her Savings Account. The price at which the shares may be acquired by

the employee would be set at a discount of up to twenty percent off the average high and low sales price for the Common Stock on a predetermined date preceding the execution by the employee of the Savings Contract.

Participants are not required to exercise their right to acquire shares of Common Stock. If the Option Price is higher than the market value of the Common Stock on the Option maturity date, participants may withdraw the amounts accrued in their respective Savings Accounts to that date.

A three-person committee, initially made up of two CGPS officers and one Cinergy officer, will administer the Plan, which will have a ten year duration. Cinergy intends to use authorized, unissued, as well as, previously issued shares of Common Stock acquired by Cinergy to provide the shares acquired through the Plan.

Cinergy proposes to use proceeds from sales of Common Stock under the Plan for general corporate purposes.

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

Jonathan G. Katz,
Secretary.

[FR Doc. 99-5465 Filed 3-4-99; 8:45 am]
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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 23722; 812-11470]

The Victory Portfolios, et al.; Notice of Application

February 26, 1999.

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

ACTION: Notice of an application under section 17(b) of the Investment Company Act of 1940 (the "Act") for an exemption from section 17(a) of the Act.

SUMMARY OF THE APPLICATION:

Applicants request an order to permit the Victory Special Growth Fund, a series of The Victory Portfolios, to acquire all of the assets and liabilities of the Gradison Opportunity Growth Trust, a series of Gradison Growth Trust. Because of certain affiliations, applicants may not rely on rule 17a-8 under the Act.

APPLICANTS: The Victory Portfolios ("Victory"), Gradison Growth Trust ("Gradison"), and Key Asset Management Inc. ("Adviser").

FILING DATES: The application was filed on January 13, 1999. Applicants have agreed to file an amendment to the

application during the notice period, the substance of which is reflected in this notice.

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 Commission's Secretary 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 March 22, 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 who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

ADDRESSES: Secretary, Commission, 450 Fifth Street, NW, Washington, DC 20549. Applicants, c/o S. Elliot Cohan, Esq., Kramer Levin Naftalis & Frankel LLP, 919 Third Avenue, New York, New York 10022-3852.

FOR FURTHER INFORMATION CONTACT: Emerson S. Davis, Sr., Senior Counsel, at (202) 942-0714, or George J. Zornada, 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 from the Commission's Public Reference Branch, 450 Fifth Street, NW, Washington, DC 20549 (telephone (202) 942-8090).

Applicants' Representations

1. Victory, a Delaware business trust, is registered under the Act as an open-end management investment company and is currently comprised of thirty series, including the Victory Special Growth Fund (the "Acquiring Fund"). Gradison, an Ohio business trust, is registered under the Act as an open-end management investment company. Gradison Opportunity Value Fund (the "Acquired Fund") is a series of Gradison.

2. The Adviser, a New York corporation, is registered under the Investment Advisers Act of 1940 ("Advisers Act") and is the investment adviser to the Acquiring Fund. At the time of the Reorganization, as defined below, the Adviser will be a bank holding company subsidiary of KeyCorp, a financial services holding company. McDonald Investments, Inc. ("McDonald") is registered under the