

D. Custody

1. Section 28(c) requires a face-amount certificate company to deposit and maintain, upon such terms and conditions as the SEC may prescribe by rule, regulation, or order, all certificate reserve investments with a bank. The Custody Orders approve various custodial arrangements for IDSC. Under these arrangements, IDSC's custodian holds assets either directly or in the book entry system of the Depository Trust Company or the Federal Reserve. In addition, a transnational depository, Centrale de Livraison de Valeurs Mobilieres, S.A., holds a small number of foreign bonds. From time to time, the custodian's agent bank, State Street Bank and Trust Co. in New York City, holds short-term securities. Finally, the custodian's agent, Marquette Bank Minneapolis, holds a small number of unregistered bearer securities. IDSC believes that it can maintain custody for most of the investments permitted under the Minnesota Code in accordance with the Custody Orders.

2. IDSC, however, requests an order under section 28(c) to allow certain custody arrangements for exchange-traded options. IDSC proposes to maintain custody of exchange-traded options indirectly through clearing members who will be participating members in the Options Clearing Corporation ("OCC"). The clearing member will hold such options in nonproprietary accounts. IDSC or its custodian will prepare an activity report of every option transaction or exercise, and will identify on its records the quantity of options belonging or attributable to IDSC on the books of the clearing member. IDSC or its custodian will monitor account activity to assure that IDSC's options are appropriately recorded. IDSC's board of directors initially will approve IDSC's use of the OCC system and will review it annually thereafter, together with the annual report from IDSC or its custodian, in conjunction with its overall review of IDSC's custody arrangements.

3. IDSC believes that, in general, these custodial arrangements will be similar to how a management investment company may maintain custody of similar investments under section 17(f). Thus, IDSC believes that it would be appropriate to permit custody of options under safeguards similar to those that apply to custody of such investments when they are made by management investment companies.

Applicant's Conditions

As conditions to the requested relief, applicant agrees to the following,

provided that only condition 6 applies to applicant's request to amend applicant's exemption related to its calculation of reserves in order to change the benchmark for such calculation:

1. Qualified investments under section 28(b) of the Act will be determined by reference to Minnesota law governing investments by life insurance companies as such law exists as of the date of the order granting the relief requested in this application, and such other investments as the Commission shall by rule, regulation, or order authorize as qualified investments. However, any investment in municipal revenue bonds held by applicant that is a qualified investment under applicable law immediately prior to the time that the requested exemptions are granted will continue to be a qualified investment even if it would not otherwise be a qualified investment under the requested exemptions.

2. Qualified investments under section 28(b) of the Act will be determined by reference to Minnesota law governing investments by life insurance companies only so long as applicant remains subject to the jurisdiction of and periodic examinations by the Minnesota Commissioner of Commerce.

3. Applicant will not invest in an illiquid security if, immediately after the investment, more than 15% of its investment portfolio would be held in illiquid securities. For these purposes, an illiquid security will be any security which may not be sold or disposed of in the ordinary course of business within seven days at approximately the current market value at which applicant has valued the investment.

4. To the extent required by generally accepted accounting principles, applicant will employ market-based accounting in valuing its portfolio investments for financial reporting purposes.

5. In its prospectuses and in a communication to existing certificate owners, applicant will explain its expanded use of derivative instruments. In particular, applicant will explain that it may enter into financial transactions, including futures and other derivatives, for the purpose of managing interest rate exposures associated with its assets or liabilities. Applicant also will explain that derivatives are financial instruments whose performance is derived, at least in part, from the performance of an underlying asset, security or index, and that a small change in the value of the underlying asset, security or index may cause a

sizable gain or loss in the fair value of the derivative. For these purposes, derivatives are interest rate futures, options, forwards, swaps, caps and similar financial transactions.

6. Applicant will maintain an amount of unappropriated earned surplus and capital equal to at least 5% of net certificate reserves. Net certificate reserves means certificate reserves less outstanding certificate loans. In determining compliance with this condition, qualified investments shall be valued in accordance with the provisions of Minnesota Statutes where such provisions are applicable.

By the Commission.

Margaret H. McFarland,

Deputy Secretary.

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[Release No. 35-26296]

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

May 26, 1995.

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 June 19, 1995, 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 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.

West Texas Utilities Company (70-8057)

West Texas Utilities Company ("WTU"), 301 Cypress Street, Abilene, Texas 79601-5820, a wholly owned electric public-utility subsidiary company of Central and South West Corporation, a registered holding company, has filed a post-effective amendment to its declaration under sections 6(a) and 7 of the Act and rule 54 thereunder.

By order of the Commission dated October 7, 1992 (HCAR No. 25649), the Commission authorized WTU, among other things, to issue and sell up to an aggregate principal amount of \$150 million of first mortgage bonds ("New Bonds"), in one or more series, from time to time through December 31, 1994. The Company was authorized to use the proceeds from the sale of New Bonds to redeem or purchase some of its then outstanding first mortgage bonds, and repay outstanding short-term borrowings or for other general corporate purposes.

In October 1992, WTU issued \$75 million of first mortgage bonds. By order dated December 19, 1994, (HCAR No. 26194) ("Order"), the Commission extended WTU's authorization to issue and sell the remaining \$75 million of first mortgage bonds from December 31, 1994 to December 31, 1996. In March 1995, WTU issued \$40 million of additional New Bonds. WTU has authority remaining under the Order to issue and sell up to an additional \$35 million of New Bonds ("Remaining Bonds").

WTU now proposes to issue and sell, through December 31, 1997, up to an additional \$95 million of first mortgage bonds which, together with the Remaining Bonds would aggregate \$130 million of first mortgage bonds (collectively, "Bonds"). WTU proposes to issue and sell the Bonds with maturities not less than two nor more than 40 years.

The Bonds will be issued under WTU's indenture dated August 1, 1943, to Harris Trust and Savings Bank and J. Bartolini, as Trustees, as amended and supplemented, and secured by a first lien on substantially all of the properties now owned and hereafter acquired by WTU, except for properties specifically excepted from such liens. WTU proposes to issue and sell the Bonds either pursuant to competitive bidding or in negotiated transactions with underwriters or agents.

The Bonds may have redemption or refunding restrictions to be determined at or about the time of sale of the Bonds. WTU further proposes to issue the Bonds with or without a sinking or

retirement fund and requests a waiver from the requirement of a limitation on dividends.

The proceeds from the sale of the Bonds will be used to: (1) Redeem all or a portion of WTU's outstanding \$55.203 million Series O Bonds; and/or (2) repay a portion of WTU's short-term debt, to provide working capital and for other general corporate purposes.

Mississippi Power Company (70-8127)

Mississippi Power Company ("Mississippi"), 2992 West Beach Boulevard, Gulfport, Mississippi 39501, a wholly owned electric public-utility subsidiary company of The Southern Company, a registered holding company, has filed a post-effective amendment to its application-declaration previously filed under sections 6(a), 7, 9(a), 10, 12(c) and 12(d) of the Act and rules 42 and 44 thereunder.

By orders dated April 13, 1993, June 25, 1993 and December 15, 1993 (HCAR Nos. 25791, 25837 and 25946, respectively), Mississippi was authorized, among other things, to enter into loan agreements and/or installment sales agreements with various public instrumentalities ("Financing Agreements"), in connection with the issuance by those authorities of bonds relating to certain pollution control equipment ("Revenue Bonds"), in amounts aggregating \$37.875 million. Mississippi was further authorized to engage in related transactions for the purpose of securing its obligations under the Financing Agreements. The Commission reserved jurisdiction over all transactions, in connection with the issuance and sale by one or more public instrumentalities of one or more series of Revenue Bonds in an aggregate principal amount of up to an additional \$11.125 million.

Mississippi proposes that its authority to enter into Financing Agreements relating to Revenue Bonds be increased by \$13.875 million, so that it may enter into such agreements in amounts aggregating up to \$25 million.

EUA Energy Investment Corporation (70-8617)

EUA Energy Investment Corporation ("EEIC"), P.O. Box 2333, Boston, Massachusetts 02107, a wholly owned nonutility subsidiary of Eastern Utilities Associates ("EUA"), a registered holding company, has filed an application-declaration pursuant to sections 6(a), 7, 9(a), 10, and 12(b) of the Act and rules 43(a) and 45(a) promulgated thereunder.

By orders dated December 4, 1987 (HCAR No. 24515) and April 15, 1994

(HCAR 26028), the Commission authorized EEIC to engage in certain energy related research and development activities. Pursuant to these orders, EEIC has developed certain proprietary technology with a group of individuals and companies not associated with EEIC ("Wood Group"). Additionally, EEIC has acquired certain related contract rights and equipment related to this technology (together with such technology, "Proprietary Technology"). The Proprietary Technology relates to the development and commercialization of biomass-fired combustion turbine power generation facilities and products and/or services offered in connection with such facilities ("Business Opportunity").

EEIC requests Commission authorization to incorporate a nonutility subsidiary ("EEIC Subsidiary"), which would participate as one of two general partners in a proposed joint venture ("BIOTEN Partnership"), along with a corporation to be established by the Wood Group ("BIOTEN LLC"). The initial authorized capitalization of the EEIC Subsidiary will be 200,000 shares of Common Stock, \$.01 par value per share. EEIC, which will be the sole owner of the EEIC Subsidiary, will acquire 100 of the authorized shares of the EEIC Subsidiary Common Stock in exchange for its contribution of the Proprietary Technology to the EEIC Subsidiary.

The EEIC subsidiary will, in turn, contribute the Proprietary Technology to the BIOTEN Partnership in exchange for its general partnership interest. BIOTEN LLC will contribute its title to all shares of a to-be-formed wholly-owned subsidiary of BIOTEN LLC ("BIOTEN Operations") in exchange for its general partnership interest in the BIOTEN Partnership. BIOTEN Operations will own certain property to be used in connection with the Business Opportunity at the time its stock is transferred to the BIOTEN Partnership.

In addition, EEIC requests authorization through December 31, 1998 to make additional capital contributions to the BIOTEN Partnership in an aggregate amount of up to \$3,907,000. This would consist of up to \$1.907 million to be disbursed in connection with the testing and development of a commercial prototype plant using the Proprietary Technology and, possibly, an additional \$2 million ("Additional Contribution").

EEIC will at all times own no more than a 9.9% voting interest in the BIOTEN Partnership. However, EEIC will initially have a 30% interest in the profits of the BIOTEN Partnership upon its formation. Also, EEIC will also

receive an additional one and one-half percent share of the partnership's profits for each \$100,000 that its capital contribution to the partnership exceeds \$1.607 million, exclusive of the Additional Contribution. This share of the partnership's profits will increase to 45% upon EEIC's election to make the Additional Contribution, which election is solely within EEIC's discretion.

EEIC also requests Commission authorization from time to time through December 31, 1998 to provide the BIOTEN Partnership with a line of credit of up to \$3 million. Advances made under this line of credit will bear interest at an annual rate equal to the prime lending rate announced from time to time by The First National Bank of Boston, N.A., plus (a) 6% at any time the Additional Contribution has been made but not yet repaid to EEIC and (b) 2% after the Additional Contribution made to the BIOTEN Partnership has been repaid, but in no event to exceed 16% per annum.

All advances made under the line of credit will become due and payable three years after the later of (a) the date of the partnership agreement establishing the BIOTEN Partnership and (b) the date such line of credit is first drawn upon. All advances under this line of credit will be evidenced by a promissory note and the BIOTEN Partnership's obligations under the note will be secured by a first priority security interest in the assets of the BIOTEN Partnership.

UNITIL Corp., et al. (70-8623)

UNITIL Corporation ("UNITIL"), a registered holding company, and its wholly owned subsidiary companies ("Subsidiaries"), Concord Electric Company ("Concord"), Exeter & Hampton Electric Company ("E&H"), Fitchburg Gas and Electric Light Company ("Fitchburg"), UNITIL Power Corp. ("UNITIL Power"), UNITIL Realty Corp. ("UNITIL Realty"), UNITIL Resources, Inc. ("UNITIL Resources"), and UNITIL Service Corp. ("UNITIL Service"), all of 216 Epping Road, Exeter, New Hampshire, 03833, have filed an application-declaration under sections 6(a), 7, 9(a), 10 and 12(b) and the Act and rules 43 and 45 thereunder.

The application-declaration seeks Commission authorization for: (i) The issuance of unsecured bank notes in support of short-term borrowing by UNITIL through June 30, 1997 of up to \$15 million on a revolving basis from certain banks; (ii) short-term borrowing by the Subsidiaries pursuant to formal or informal credit lines up to stated limits through June 30, 1997; and, (iii) continued use of the system money pool

("Money Pool") through June 30, 1997, pursuant to the February 1, 1985 Cash Pooling and Loan Agreement ("Pooling Agreement") among UNITIL and the Subsidiaries.

By order dated March 29, 1993 (HCAR No. 25773) ("Order"), UNITIL and the Subsidiaries, with the exception of UNITIL Resources, were authorized to make unsecured short-term borrowings up to stated limits and to operate under the Money Pool through June 30, 1995. UNITIL Resources now seeks Commission authorization to engage in short-term borrowing of up to \$500,000. In addition, UNITIL Resources seeks authorization to operate under the Money Pool.

UNITIL proposes to issue bank notes pursuant to which it will be allowed to borrow up to \$15 million at the base or prime rate. These borrowings will be subject to prepayment at UNITIL's option. In some instances the borrowings may bear an interest rate that is the higher of the base rate or 1/2 of one percent per annum above the daily Federal Funds Rate published by the Federal Reserve Bank of New York. In addition, short-term notes may be offered at fixed money market rates. Money market rate borrowings may or may not be subject to prepayment. Borrowings will not exceed the nine months.

Concord, E&H, Fitchburg, UNITIL Power, UNITIL Realty, UNITIL Resources and UNITIL Service seek authorization to incur short-term borrowings from any source, but principally if not exclusively from the Money Pool, of up to the following amounts (in millions of dollars):

Concord	5
E&H	5
Fitchburg	12
UNITIL Power	6
UNITIL Realty	7
UNITIL Resources	5
UNITIL Service	1

Short-term borrowing from commercial banks undertaken by the Subsidiaries will be under terms and conditions substantially similar to the terms and conditions of the short-term borrowing agreements entered into by UNITIL.

The Pooling Agreement allows UNITIL and the Subsidiaries to invest their surplus funds and the Subsidiaries to borrow on an equal basis. UNITIL Service administers the Money Pool for UNITIL and the Subsidiaries on an "at-cost" basis. UNITIL and the Subsidiaries propose to continue operating under the Money Pool pursuant to the same terms and conditions as authorized in the Order.

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

Margaret H. McFarland,
Deputy Secretary.

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

May 26, 1995.

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Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by June 19, 1995, 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 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.

Blackstone Valley Electric Company (70-8633)

Notice of Proposal to Increase Unsecured Indebtedness Limitation of Preferred Stock; Order Authorizing Solicitation of Proxies

Blackstone Valley Electric Company ("BVEC"), Washington Highway, P.O. Box 1111, Lincoln, Rhode Island 02865, an electric public-utility subsidiary company of Eastern Utilities Associates, a registered holding company, has filed a declaration with the Commission under Sections 6(a), 7, and 12(e) of the Act and Rules 62 and 65 thereunder.