provisions of the Act and/or the Code, including any prohibited transaction provisions to which the exemption does not apply and the general fiduciary responsibility provisions of section 404 of the Act, which among other things require a fiduciary to discharge his duties respecting the plan solely in the interest of the participants and beneficiaries of the plan and in a prudent fashion in accordance with section 404(a)(1)(b) of the act; nor does it affect the requirement of section 401(a) of the Code that the plan must operate for the exclusive benefit of the employees of the employer maintaining the plan and their beneficiaries;

(2) Before an exemption may be granted under section 408(a) of the Act and/or section 4975(c)(2) of the Code, the Department must find that the exemption is administratively feasible, in the interests of the plan and of its participants and beneficiaries and protective of the rights of participants and beneficiaries of the plan;

(3) The proposed exemptions, if granted, will be supplemental to, and not in derogation of, any other provisions of the Act and/or the Code, including statutory or administrative exemptions and transitional rules. Furthermore, the fact that a transaction is subject to an administrative or statutory exemption is not dispositive of whether the transaction is in fact a prohibited transaction; and

(4) The proposed exemptions, if granted, will be subject to the express condition that the material facts and representations contained in each application are true and complete and accurately describe all material terms of the transaction which is the subject of the exemption. In the case of continuing exemption transactions, if any of the material facts or representations described in the application change after the exemption is granted, the exemption will cease to apply as of the date of such change. In the event of any such change, application for a new exemption may be made to the Department.

Signed at Washington, DC, this 7th day of August, 1995.

Ivan Strasfeld,

Director of Exemption Determinations, Pension and Welfare Benefits Administration, U.S. Department of Labor.

[FR Doc. 95–19871 Filed 8–10–95; 8:45 am]

BILLING CODE 4510–29–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35–26351]

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

August 4, 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 August 28, 1995, 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.

The Columbia Gas System, Inc. (70–8659)

The Columbia Gas System, Inc. (''Columbia''), 20 Montchanin Road, Wilmington, Delaware 19807, a registered holding company, has filed an application-declaration under sections 6(a), 7, 9(a) and 10 of the Act.

Columbia seeks authority to enter into interest rate hedge transactions to limit its exposure to a potential rise in long-term interest rates from now until the interest rates on its long-term debt are fixed upon its emergence from bankruptcy. Columbia's interest rate exposure is due to a projected fixed rate debt issuance of approximately $2.1 billion to fund Columbia's proposed plan or reorganization (''Columbia Plan''). An application by Columbia to issue this debt was filed on May 7, 1995 (File No. 70–8627) and is currently pending.

Among other things, the Columbia Plan contemplates the issuance of up to $2.1 billion in debentures (the ''New Indenture Securities'') to be issued under a new form of indenture on the date the Columbia Plan becomes effective (the ''Effective Date''), currently anticipated to be December 31, 1995. The New Indenture Securities are to be issued in seven series, each series bearing a maturity that will range from approximately 5 to thirty years. The principal amount of each series will be substantially the same as that of each other series; provided, however, that no series other than series A will have an initial principal amount that is more than 150% of that of any other series. The rate of interest to be borne by the New Indenture Securities of each series will be determined prior to the Effective Date based on market rates for securities of similar maturities and debt rating and in accordance with the pricing methodology set forth in the Columbia Plan.

Recent declines in long-term interest rates permit Columbia to lock in historically attractive interest rates on its New Indenture Securities. To take advantage of these rates, Columbia requests authorization to enter into certain interest rate hedging transactions prior to the issuance of the New Indenture Securities. These transactions include any or all of the following: (i) A sale of exchange-traded U.S. Treasury futures contracts, a forward sale of U.S. Treasury securities and/or a forward interest rate swap, (ii) the purchase of put options on U.S. Treasury securities (each a ''Put Options Purchase''), (iii) a Put Options Purchase in combination with the sale of call options on U.S. Treasury securities, or (iv) some combination of the above. These transactions may be executed on the Chicago Board of Trade (''CBOT'') with brokers through the opening of futures and/or options positions traded on the CBOT, the opening of over-the-counter positions with one or more counterparties or a combination of the two.

In a sale of exchange-traded U.S. Treasury futures contracts or in a forward sale of U.S. Treasury securities, Columbia would ''lock-in'' the U.S. Treasury security component of the New Indenture Securities at the then current Treasury forward yield by selling U.S. Treasury futures and/or by selling spot U.S. Treasury securities forward. Columbia would then reverse its short positions on or around the Effective Date by purchasing the U.S. Treasury futures contracts and/or U.S. Treasury securities previously sold.

In a forward swap, Columbia would agree to enter into a fixed-to-floating rate swap for a period equal to the maturity of the series of New Indenture Securities being hedged, as of a future settlement date. The future settlement date will be on or around the Effective Date. In the swap agreement, Columbia would contract to pay a fixed rate and received floating-rate payments. On or about the Effective Date, Columbia would unwind the swap by entering into a floating-to-fixed rate swap for a notional amount equal to that of the swap being unwound.

Any gains resulting from interest rate rises in closing the forward sale or sale of Treasury futures or in unwinding the swap would be offset ratably over the life of the New Indenture Securities being hedged by the higher financing cost of such securities. Any losses resulting from interest rate drops in closing such hedging transactions would be offset ratably over the life of the New Indenture Securities being hedged by the lower financing cost of such securities.

Using a Put Options Purchase strategy, Columbia would buy the right, but not the obligation, to sell U.S. Treasury securities forward at a predetermined price or yield. A Put Options Purchase would protect Columbia from a rise in U.S. Treasury rates and would permit Columbia to benefit from a decline in U.S. Treasury rates. To purchase this right, Columbia would be required to pay an up-front option premium.

Columbia additionally requests approval to sell call options on U.S. Treasury securities to earn premiums that would offset the cost of a Put Options Purchase. Columbia would buy the right to sell U.S. Treasury securities forward at a predetermined price and yield (through a put option purchase), and would sell the right to buy the same U.S. Treasury securities forward at a higher predetermined price and lower yield. The premiums paid for the put options would be paid for by the premiums received on the call options that are sold.

Alabama Power Company (70–8661)

Alabama Power Company (''Alabama''), 600 North 18th Street, Birmingham, Alabama 35291, an electric utility subsidiary of The Southern Company, a registered holding company, has filed an application-declaration pursuant to sections 6(a), 7, 9(a) and 10 of the Act and rule 54 thereunder.

Alabama entered into Installment Sale Agreements and supplements thereto (''Agreements'') with the Industrial Development Boards of various cities within the State of Alabama (''Boards'') to finance and refinance certain pollution control facilities at Alabama's plants located in or near such cities (''Projects''). Pursuant to the Agreements, the Boards purchased the then existing portions of the Projects, undertook to complete their construction and to sell the completed Projects to Alabama for a purchase price payable in semi-annual installments over a term of years.

Each Board issued its Series A pollution control revenue bonds (''Original Bonds''), and, in certain cases, subsequent series of pollution control revenue bonds (''Additional Bonds'') pursuant to various trust indentures and supplements thereto (''Indentures''), in various amounts, then estimated to be sufficient to cover the cost of construction of the Projects. To secure its obligations under the Agreements, Alabama granted to certain Boards a security interest in the Board's Project subordinate to the lien of the Indenture dated as of January 1, 1942, between Alabama and Chemical Bank, as Trustee, as supplemented and amended (''First Mortgage Indenture''). In other instances, Alabama issued and pledged bonds under the First Mortgage Indenture (''Mortgage'') (''Collateral First Mortgage Bonds'') as security for its obligations under the Agreements. Each Board assigned all its right, title and interest in the Agreement, including either the Collateral First Mortgage Bonds or the subordinate security interest, to the trustee under the Indenture (''Revenue Bond Trustee'') as security for the pollution control revenue bonds, including the Original Bonds and Additional Bonds to be issued under such Indenture.

The proceeds of the sale of the Original Bonds and the Additional Bonds were deposited by the Board with the Revenue Bond Trustee. The proceeds have been applied to payment of the cost of construction of the Projects. The total cost of construction of one or more of the Projects may exceed the proceeds of the Original Bonds and the Additional Bonds. Additionally, it may be necessary or appropriate to refund one of more series of such bonds.

Consequently, Alabama proposes to request that the appropriate Board or Boards issue up to an aggregate of $500 million principal amount of revenue bonds (''New Bonds'') through December 31, 2000. Upon issuance of the New Bonds, Alabama and the Board will execute and deliver to the Revenue Bond Trustee, as required by the Indenture, a supplement to the Agreement (''Supplemental Agreement'') providing for: (1) Any required revision to assure that the semi-annual purchase price payments will be sufficient (together with other moneys held by the Revenue Bond Trustee under the Indenture for that purpose) to pay the principal of, premium (if any), and interest on the New Bonds as they become due and payable; and (2) the payment of all expenses and costs incurred or to be incurred by virtue of the issuance of the new Bonds. The Board and the Revenue Bond Trustee will enter into a supplement (''Supplement'') to the Indenture providing for the New Bonds. The Supplement will provide for redemption provisions for the New Bonds comparable to those provided for the Original Bonds and the Additional Bonds.

It is proposed that the New Bonds will mature not more than 40 years from the first day of the month in which they are initially issued. The New Bonds may be entitled to the benefit of serial maturities and/or a mandatory redemption sinking fund calculated to retire a portion of the New Bonds prior to maturity.

The effective cost to Alabama of any series of the New Bonds will not exceed the yield on U.S. Treasury securities having a maturity comparable to that of such series of New Bonds. Such effective cost will reflect the applicable interest rate or rates and any underwriters' discount or commission.

The premium (if any) payable upon the redemption of any New Bonds at the option of Alabama will not exceed the greater of: (1) 5% of the principal amount of the New Bonds so to be redeemed; or (2) a percentage of such principal amount equal to the rate of interest per annum borne by the New Bonds.

The Supplement may give the holders of the related New Bonds the right, during such time, if any, as such New Bonds bear interest at a fluctuating rate, to require Alabama to purchase such New Bonds from time to time, and arrangements may be made for the remarketing of any such New Bonds through a remarketing agent. Alabama also may be required to purchase the New Bonds, or the New Bonds may be subject to mandatory redemption, at any time if the interest thereon is determined to be subject to federal income tax. Also, in the event of taxability, interest on the New Bonds may be effectively converted to a higher variable or fixed rate, and Alabama also may be required to indemnify the bondholders against any other additions

to interest, penalties, and additions to tax.

Alternatively, Alabama may enter into a new Agreement with the appropriate Board, and such Board may enter into a new Indenture with the appropriate Revenue Bond Trustee pursuant to which the New Bonds will be issued. In such event, the Agreement and the Indenture will contain provisions described, below.

In order to obtain the benefit of ratings for the New Bonds equivalent to the rating of Alabama's first mortgage bonds outstanding under the Mortgage, Alabama may determine to secure its obligations under the Agreements by delivering to the Revenue Bond Trustee, to be held as collateral, a series of Collateral First Mortgage Bonds in principal amount either: (1) Equal to the principal amount of the New bonds; or (2) equal to the sum of the principal amount of the New Bonds plus interest payments thereon for a specified period. The Collateral First Mortgage Bonds will be issued under an indenture supplemental to the Mortgage (''Supplemental Indenture'') to be dated as of the first day of the month in which the Collateral First Mortgage Bonds are to be issued and delivered, will mature on the maturity date of the New Bonds and will be nontransferable by the Revenue Bond Trustee. The Collateral First Mortgage Bonds in: (1) Above, would bear interest at a rate or rates equal to the interest rate or rates to be borne by the related New Bonds; and (2) above, would be non-interest bearing.

The Supplemental Indenture will provide, however, that the obligation of Alabama to make payments with respect to the Collateral First Mortgage Bonds will be satisfied to the extent that payments are made under the Agreement sufficient to meet the payments when due in respect of the related New Bonds. The Supplemental Indenture will provide that, upon acceleration by the Revenue Bond Trustee of the principal amount of all related outstanding New Bonds under the Indenture, the Revenue Bond Trustee may demand the mandatory redemption of the related Collateral First Mortgage Bonds then held by it as collateral at a redemption price equal to the principal amount thereof plus accrued interest, if any, to the date fixed for redemption. The Supplemental Indenture may also provide that, upon the optional redemption of the New Bonds, in whole or in part, at any time after they have been outstanding for a specified period, a related principal amount of the Collateral First Mortgage Bonds will be redeemed at the redemption price of the New Bonds.

In the case of interest bearing Collateral First Mortgage Bonds, because interest accrues in respect to the Collateral First Mortgage Bonds until satisfied by payments under the Agreement, ''annual interest charges'' in respect of such Collateral First Mortgage Bonds will be included in computing the ''interest earnings requirement'' of the Mortgage which restricts the amount of first mortgage bonds which may be issued and sold to the public in relation to Alabama's net earnings. In the case of non-interest bearing Collateral First Mortgage Bonds, since no interest would accrue in respect of such Collateral First Mortgage Bonds, the ''interest earnings requirement'' would be unaffected.

The Indenture will provide that, upon deposit with the Revenue Bond Trustee of funds sufficient to pay or redeem all or any part of the related New Bonds, or open direction to the Revenue Bonds Trustee by Alabama to apply available funds for that purpose, or upon delivery of such outstanding New Bonds to the Revenue Bond Trustee by or for the account of Alabama, the Revenue Bond Trustee will be obligated to deliver to Alabama the Collateral First Mortgage Bonds then held as collateral in an aggregate principal amount as they relate to the aggregate principal amount of the New Bonds for the payment or redemption of which the funds have been deposited or applied or which shall have been so delivered.

Alabama may determine to secure its obligations under any Agreement by causing an irrevocable letter of credit (''Letter of Credit'') of a bank (''Bank'') to be delivered to the Trustee. The Letter of Credit would be an irrevocable obligation of the Bank to pay to the Trustee, upon request, up to an amount necessary in order to pay principal of and premium (if any) and certain accrued interest on the related New Bonds when due. Any Letter of Credit issued as security for the payment of New Bonds will be issued pursuant to a Reimbursement Agreement between Alabama and the financial institution issuing such Letter of Credit.

Pursuant to the Reimbursement Agreement, Alabama will agree to pay or cause to be paid to the financial institution, on each date that any amount is drawn under such institution's Letter of Credit, an amount equal to the amount of such drawing, whether by cash or by means of a borrowing from such institution pursuant to the Reimbursement Agreement. Any such borrowing may have a term of up to 10 years and will bear interest at the lending institution's prevailing rate offered to corporate borrowers of similar quality which will not exceed the prime rate or: (1) The London Interbank Offered Rate plus up to ⅜ of 1%; (2) the lending institution's certificate of deposit rate plus up to ½ of 1%; or (3) a rate not to exceed the prime rate, to be established by agreement with the lending institution prior to the borrowing. Such delivery of the Letter of Credit to the Trustee would obtain for the related New Bonds the benefit of a rating equivalent to the credit rating of the Bank.

As an alternative to, or in conjunction with, securing its obligations under any Agreement as described above, and in order to obtain a ''AAA'' rating for the related New Bonds by one or more nationally recognized securities rating agencies, Alabama may cause an insurance company to issue a policy of insurance guaranteeing the payment when due of the principal of and interest on such New Bonds. The insurance policy would extend for the term of the related New Bonds and would be non-cancelable by the insurance company for any reason. Alabama's payment in respect of said insurance policy could be in various forms, including a non-refundable, one-time insurance premium paid at the time the policy is issued, and/or an additional interest percentage to be paid to the issuer in correlation with regular interest payments. In addition, Alabama may be obligated to make payments of certain specified amounts into separate escrow funds and to increase the amounts on deposit in such funds under certain circumstances. The amount in each escrow fund would be payable to the insurance company as indemnity for any amounts paid pursuant to the related insurance policy in respect of principal of or interest on the related New Bonds.

It is contemplated that any New Bonds will be sold by the Board pursuant to arrangements with a purchaser or purchasers to be selected. In accordance with the laws of the State of Alabama, the interest rate to be borne by any series of New Bonds will be fixed by the Board and will be either a fixed rate, which fixed rate may be convertible to a rate which will fluctuate in accordance with a specified prime or base rate or rates or be determined through auction or remarketing procedures, or a fluctuating rate, which fluctuating rate may be convertible to a fixed rate. Bond counsel will issue an opinion that interest on the New Bonds will generally be exempt from federal income taxation. Alabama has been advised that the annual interest rates on obligations, the interest on which is tax exempt, recently have

been and can be expected at the time of issue of any series of New Bonds to be approximately one to three percentage points lower that the rates on obligations of like tenor and comparable quality, interest on which is fully subject to federal income tax.

Alabama also proposes that it may enter into arrangements providing for the delayed or future delivery of New Bonds to one or more purchasers, placement agents or underwriters. The obligations of the purchasers, placement agents or underwriters to purchase New Bonds under any such arrangements may be secured by U.S. Treasury securities, letters of credit or other collateral.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–19838 Filed 8–10–95; 8:45 am]

BILLING CODE 8010–01–M

[Rel. No. 1C–21269; 811–7057]

Trademark Funds; Notice of Application

August 4, 1995.

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

ACTION: Notice of application for deregistration under the Investment Company Act of 1940 (the ''Act'').

APPLICANT: Trademark Funds.

RELEVANT ACT SECTION: Section 8(f).

SUMMARY OF APPLICATION: Applicant requests an order declaring that it has ceased to be an investment company.

FILING DATE: The application was filed on May 8, 1995 and amended on July 26, 1995.

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 applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on August 29, 1995, and should be accompanied by proof of service on applicant, 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 5th Street, N.W., Washington, D.C. 20549. Applicant, Federated Investors Tower, Pittsburgh Pennsylvania 15222–3779.

FOR FURTHER INFORMATION CONTACT: Deepak T. Pai, Staff Attorney, at (202) 942–0574, or Robert A. Robertson, 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.

Applicant's Representations

1. Applicant is an open-end management investment company organized as a Massachusetts business trust. On November 25, 1992, applicant registered under the Act as an investment company and filed a registration statement under the Securities Act of 1933. The registration statement was declared effective on February 8, 1993, and applicant's initial public offering commenced promptly thereafter. Applicant's series include: Trademark Equity Fund, Trademark Kentucky Municipal Bond Fund, Trademark Short-Intermediate Government Fund and Trademark Government Income Fund.

2. On August 15, 1994, the investment adviser to the Trademark Funds, Liberty National Bank and Trust Company of Kentucky, was acquired indirectly by Banc One Corporation. At a meeting held on October 7, 1994, applicant's trustees, including the independent trustees, unanimously approved an agreement and plan of reorganization (the ''Plan''). Under the Plan, Trademark Equity Fund, Trademark Kentucky Municipal Bond Fund, Trademark Short-Intermediate Government Fund and Trademark Government Income Fund would be acquired by The One Group Large Company Growth Fund, The One Group Kentucky Municipal Bond Fund, The One Group Intermediate Bond Fund and The One Group Government Bond Fund, respectively. Proxy materials were filed with the SEC and were distributed to applicant's shareholders on or about December 12, 1994. At a special meeting held on January 12, 1995, applicant's shareholders approved the Plan.

3. At the end of the business day on January 19, 1995, the specified One Group investment companies acquired all of the assets of the corresponding Trademark series in exchange for One Group shares, which then were distributed pro rata by the Trademark series to their shareholders in complete liquidation and termination of the Trademark series. As a result, each shareholder of the Trademark series received a number of full and fractional shares equal in value at the date of exchange to the value of the net assets of the Trademark series transferred to the corresponding One Group investment companies attributable to the shareholder.

4. All fees and expenses, including accounting expenses, portfolio transfer taxes or other similar expenses incurred in connection with the reorganization will be paid by the fund directly incurring such fees and expenses, except that the costs of proxy materials and proxy solicitation, including legal expenses, will be borne by Banc One Corporation.

5. Applicant has no assets or liabilities and is not a party to any litigation or administrative proceeding. At the time of the application, applicant had no securityholders.

6. Applicant is neither engaged in, nor does it propose to engage in, any business activities other than those necessary for the winding-up of its affairs. Applicant intends to file all documents required to terminate its existence as a Massachusetts business trust.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–19839 Filed 8–10–95; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 34–36050; File No. SR–DTC–95–10]

Self-Regulatory Organizations; The Depository Trust Company; Order Approving a Proposed Rule Change Implementing the Advice of Confirm Correction/Cancellation Feature and Modifying the Authorization/Exception Processing Feature of the Institutional Delivery System

August 2, 1995.

On April 27, 1995, The Depository Trust Company (''DTC'') filed with the Securities and Exchange Commission (''Commission'') a proposed rule change (File No. SR–DTC–95–10) under Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] to implement the Advice of Confirm Correction/Cancellation feature and modify the Authorization/Exception Processing feature of the Institutional Delivery system (''ID''). Notice of the proposal was published in the **Federal Register**

[1] 15 U.S.C. 78(b)(1) (1988).