

dual trading of the Security and that a dual listing would fragment the market for the Security.

Any interested person may, on or before January 10, 1996, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, facts bearing upon whether the application has been made in accordance with the rules of the Amex and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Jonathan G. Katz,
Secretary.

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[Release No. 35-26436]

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

December 22, 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 January 11, 1996, 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.

General Public Utilities Corporation, et al. (70-8593)

General Public Utilities Corporation ("GPU"), 100 Interpace Parkway, Parsippany, New Jersey 07054, a registered holding company ("GPU"), GPU Service Corporation ("GPUSC"), 100 Interpace Parkway, Parsippany, New Jersey 07054, Energy Initiatives, Inc. ("EII"), One Upper Pond Road, Parsippany, New Jersey 07054, Energy Services, Inc. ("ESI"), One Upper Pond Road, Parsippany, New Jersey 07054, each a wholly owned nonutility subsidiary of GPU, and GPU's utility subsidiaries, Jersey Central Power & Light Company, 300 Madison Avenue, Morristown, New Jersey 07960, Metropolitan Edison Company, P.O. Box 16001, Reading, Pennsylvania 19640, and Pennsylvania Electric Company, 1001 Broad Street, Johnstown, Pennsylvania 15907 ("Operating Companies"), have filed a post-effective amendment under sections 6(a), 7, 9(a), 10, 12(b), 32 and 33 of the Act and rules 45, 52, 53 and 54 thereunder.

By order dated July 6, 1995 (HCAR No. 26326) (the "Order"), the Commission authorized GPU to acquire indirectly the securities of one or more foreign utility companies ("FUCOs") and exempt wholesale generators ("EWGs") (each, an "Exempt entity") through subsidiary companies which are not themselves Exempt Entities (each, a "Subsidiary Company"). Each Subsidiary Company would be engaged directly or indirectly, and exclusively, in the business of owning and holding the interests and securities of one or more Exempt Entities and in project development activities relating to the acquisition of such securities and the underlying projects.

The Order stated that equity investments in the Subsidiary Companies could take the form of capital stock or shares, trust certificates, partnership interests or other equity or participation interests.

The Order also authorized GPU to make investments in one or more Subsidiary Companies from time to time through December 31, 1997 in an aggregate amount of up to \$200 million. Such investments could take the form of cash capital contributions or open account advances; loans evidenced by promissory notes; guarantees by GPU or the principal of, or interest on, any promissory notes or other evidences of indebtedness or obligations of any Subsidiary Company, or of GPU's undertaking to contribute equity to a Subsidiary Company; assumption of

liabilities of a Subsidiary Company; and reimbursement agreements with banks entered into to support letters of credit delivered as security for GPU's equity contribution obligation to a Subsidiary Company or otherwise in connection with a Subsidiary Company's project development activities.

In addition to the above-described investments in Subsidiary Companies, the Order authorized GPU to make investments in Exempt Entities from time to time through December 31, 1997. Such investments could take the form of (i) guarantees of the indebtedness or other obligations of one or more Exempt Entities; (ii) assumption of liabilities of one or more Exempt Entities; and (iii) guarantees and letter of credit reimbursement agreements in support of equity contribution obligations or otherwise in connection with project development activities for one or more Exempt Entities.

The aggregate amount of such guarantees, assumptions and reimbursement agreements entered into with respect to Exempt Entities, together with the amount invested in Subsidiary Companies, would not exceed \$200 million in the aggregate outstanding at any one time ("Investment Cap").

GPU now proposes to increase the Investment Cap, which would include all forms of equity or participation interests, to 50% of GPU's consolidated retained earnings at the time any investment in a Subsidiary Company or Exempt Entity is made. GPU states that, under new rules 45(b)(4) and 52, open account advances without interest are not subject to the limit of the Investment Cap, nor are cash capital contributions to Subsidiary Companies to the extent they are not made in connection with the acquisition of a new subsidiary.

The Subsidiary Companies propose to provide services and goods to associate Subsidiary Companies and associate Exempt Entities at fair market prices. GPU requests an exemption pursuant to section 13(b) of the Act from the requirements of rules 90 and 91 applicable to such transactions in any case in which one or more of the following circumstances are present:

a. Such associate is a FUCO or an EWG which derives no part of its income, directly or indirectly, from the generation, transmission, or distribution of electric energy for sale within the United States;

b. Such associate is an EWG which sells electricity at market-based rates which have been approved by the FERC or the appropriate State Public Utility Commission, provided the purchaser of such electricity is not an associate of GPU;

c. Such associate is an EWG that sells electricity at rates based upon its cost of service, as approved by the FERC or any State Public Utility Commission, provided that the purchaser of such electricity is not an associate of GPU; or

d. Such associate is a Subsidiary Company, the sole business of which is developing, owning and/or operating FUCOs or EWGs described in clause 1, 2 or 3 above.

In an order dated June 14, 1995 (HCAR No. 26307), the Commission has previously authorized EII and ESI to provide goods and services to associate EWGs and FUCOs who satisfy one of the requirements in clause a, b, or c above under an exemption from the cost standard. EII and ESI now requests an exemption under section 13(b) of the Act from the requirements of rules 90 and 91 with respect to the rendering of services or sale of goods to Subsidiary Companies that satisfy the requirements of clause d above. GPUSC and the Operating Companies also propose to provide certain services at cost to any Subsidiary Company or Exempt Entity in which GPU owns an interest.

The Order set forth different limits on the interest rates for U.S. dollar-denominated debt of Subsidiary Companies than for non-U.S. dollar-denominated debt. GPU now proposes that the interest rate on indebtedness of a Subsidiary Company or Exempt Entity, with respect to which there is recourse to GPU, whether or not the indebtedness is denominated in U.S. dollars or foreign currency, not exceed that rate of interest which is generally obtainable for indebtedness bearing similar terms, conditions, and features and which is issued by companies of the same or reasonably comparable credit quality.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-31379 Filed 12-22-95; 11:12 am]

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[Investment Company Act Release No. 21617; 812-9750]

Spectra Fund, Inc., et al.; Notice of Application

December 21, 1995.

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

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (the "Act").

APPLICANTS: Spectra Fund, Inc. ("Fund"), Spectra Fund ("Trust"), Fred Alger Management, Inc. ("Adviser"), and Alger Associates, Inc. ("Associates").

RELEVANT ACT SECTIONS: Order requested under section 17(b) for an exemption from sections 17(a)(1) and 17(a)(2).

SUMMARY OF APPLICATION: Applicants seek an order permitting the Fund to convert from a closed-end management investment company organized as a Massachusetts corporation to an open-end management investment company organized as a Massachusetts business trust by transferring all of its assets and liabilities to the Trust in exchange for shares of the Trust.

FILING DATES: The application was filed on September 7, 1995, and amended on December 1, 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 January 16, 1996, 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 may request notification or a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street NW., Washington, DC 20549. Applicants, 75 Maiden Lane, New York, New York 10038.

FOR FURTHER INFORMATION CONTACT: Courtney S. Thornton, Senior Counsel, at (202) 942-0583, or C. David Messman, 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 SEC's Public Reference Branch.

Applicants' Representations

1. The Fund was organized in 1968 as a Massachusetts corporation, and operated as an open-end management investment company until 1978, when it converted to a closed-end management investment company. The Trust, which has been organized as a Massachusetts business trust, will register as an open-end management investment company

and will have substantially the same investment objectives and policies as the Fund. The Adviser serves as investment adviser to the Fund, and will serve as the investment adviser to the Trust.

2. Associates, the indirect parent of the Adviser, owns 34.4% of the outstanding shares of the Fund. Fred M. Alger, III, chairman of the board of the Fund and the Trust, owns 53.1% of the outstanding voting securities of Associates. His brother, David D. Alger, president and a director of the Fund and president and a trustee of the Trust, owns 17.2% of the outstanding voting securities of Associates.¹

3. Since the Fund's conversion to a closed-end management investment company, its shares generally have traded at a discount of greater than 10% to their net asset value. On May 24, 1995, after considering various means of reducing the discount to net asset value at which Fund shares typically trade, the board of directors of the Fund (the "Board") decided to recommend conversion from closed-end to open-end status, which would give shareholders the right to dispose of Fund shares at such time as they choose at prices based on the net asset value of their shares. The Board also recommended that the Fund convert from a Massachusetts corporation to a Massachusetts business trust in order to reduce its operating expenses by eliminating the need for annual shareholder meetings, with their associated costs.

4. To effect the conversion of the Fund from a closed-end management investment company organized as a Massachusetts corporation to an open-end management investment company organized as a Massachusetts business trust (the "Reorganization"), a majority of the Board (including a majority of directors who are not interested persons of the Fund) approved an agreement and plan of reorganization and liquidation (the "Agreement"). In accordance with the Agreement, the Fund will transfer all of its assets and liabilities to the Trust in a tax-free exchange for shares of beneficial interest of the Trust equal in number and value to the shares of common stock of the Fund then outstanding. Immediately thereafter, the Fund will distribute these shares of the Trust *pro rata* to its shareholders in

¹ Fred Alger is also chairman of the board of Associates and the Adviser. David Alger is president and a director of Associates and the Adviser, and, in addition to his indirect ownership of Fund shares through Alger Associates, directly owns .5% of the shares of the Fund.