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Dated at Rockville, Maryland, this 15th day of September 1997.

For the Nuclear Regulatory Commission.

A.J. Galante,

Chief Information Officer.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26759]

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

September 12, 1997.

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 October 6, 1997, 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 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.

American Electric Power Company, Inc. (70-6126)

American Electric Power Company, Inc. ("AEP"), 1 Riverside Plaza, Columbus, Ohio 43215, a registered holding company, has filed a post-

effective amendment under sections 6(a), 7, 32, and 33 of the Act and rule 53 under the Act to an application-declaration filed before under sections 6(a), 7, 9(a), 10, 12(b), 32 and 33 of the Act and rules 45 and 53 under the Act.

By prior Commission orders,¹ AEP was authorized to issue and sell, through December 31, 2000, up to 3.8 million shares of its common stock, \$6.50 par value per share ("Common Stock"), to the American Electric Power System Employees Savings Plan ("Savings Plan"). Fidelity Management Trust Company is a trustee of the Savings Plan ("Trustee"). As of August 31, 1997, AEP had 519,395 shares of Common Stock available for issuance and sale ("Unsold Balance").

AEP now proposes, through December 31, 2001, to issue and sell to the Trustee: (i) the Unsold Balance, plus (ii) an additional 5 million shares of its Common Stock ("Additional Common Stock"). The Trustee will purchase the Common Stock for a price equal to the average of the Common Stock's high and low price on the New York Stock Exchange, determined after the close of trading for the day. In no event will the price of the Common Stock be less than its par value, unless the Trustee purchases the Common Stock through a dividend reinvestment plan, the exercise of stock rights, or other program similar to dividend reinvestment plans or stock rights.

The proceeds from the issuance and sale of the Additional Common Stock will be used: (i) to pay AEP's unsecured debt when it matures, (ii) to purchase additional common stock of AEP subsidiaries, (iii) to acquire interests in exempt wholesale generators ("EWGs"), as defined in section 32 of the Act, and in foreign utility companies ("FUCOs"), as defined in section 33 of the Act; and (iv) for other corporate purposes.

If the proceeds from the issuance and sale of Common Stock are invested in EWGs or FUCOs, the investment will be limited to 50% of the consolidated retained earnings of AEP determined in accordance with rule 53 ("Investment Limit"). In a separate filing, which the Commission noticed on April 18, 1997 (HCAR No. 26708), AEP requested authorization to increase the Investment Limit to 100% of consolidated retained earnings. In addition, when the proceeds from the sale of Common Stock are invested in EWGs and FUCOs, the number of shares of Common Stock sold will be deducted from the 10

million shares of Common Stock Authorized for these investments by order dated May 10, 1996 (HCAR No. 26516).

BEC Energy, et al. (70-9057)

BEC Energy, a Massachusetts business trust ("BEC"), and its parent company, Boston Edison Company, a Massachusetts public-utility holding company exempt from registration under section 3(a)(2) of the Act pursuant to rule 2 ("Boston Edison") (together, "Applicants"), both located at 800 Boylston Street, Boston, Massachusetts 02199, have filed an application under section 3(a)(1), 3(a)(2), 9(a)(2) and (10) of the Act.

The Applicants request an order: (1) authorizing BEC to acquire directly all of the outstanding common stock of Boston Edison and to acquire indirectly all of the outstanding common stock of Boston Edison's electric utility subsidiary company, Harbor Electric Energy Company ("HEEC"); (2) granting BEC an exemption under section 3(a)(1) from all provisions of the Act, except section 9(a)(2); and (3) granting Boston Edison an exemption under section 3(a)(2) from all provision of the Act, except section 9(a)(2). The Applicants state that the proposed restructuring will establish a more appropriate corporate structure to conduct nonutility business activities, while providing a mechanism for protecting the utility business and utility customers of Boston Edison and HEEC from the risks and costs of these activities.

BEC is organized under Massachusetts law to carry out the proposed restructuring and will become the holding company over Boston Edison. BEC holds all of the outstanding common stock of Boston Edison Mergerco Electric Company, Inc. ("Merger-Sub"), that has also been formed to carry out the proposed restructuring. Neither BEC nor Merger-Sub presently conduct any business or own any utility assets.

Boston Edison and HEEC are engaged principally in the generation, purchase, transmission, distribution and sale of electric energy. Boston Edison provides electricity at retail to an area of 590 square miles, including the City of Boston and 39 surrounding cities and towns. In 1996, Boston Edison served an average of 657,487 customers. Boston Edison also supplies electricity at wholesale for resale to other electric utilities and municipal electric departments. Boston Edison is subject to regulation by the Massachusetts Department of Public Utilities. Boston Edison also engages directly in certain

¹ Holding Co. Act Release Nos. 26516 (May 10, 1996), 25939 (Dec. 6, 1993), 25210 (Dec. 12, 1990), 24594 (Mar. 8, 1988), 22549 (June 28, 1982), 22112 (June 30, 1981), 21639 (June 24, 1980), 21022 (Apr. 27, 1979), 20516 (Apr. 25, 1978).

nonutility businesses through its wholly owned subsidiary, Boston Energy Technology Group ("BETG") and indirectly through nine BETG subsidiaries.²

The Applicants propose to form the holding company structure under an Agreement and Plan of Merger to be entered into among Boston Edison, BEC and Merger-Sub ("Plan of Merger"). Under the terms of the Plan of Merger, Merger-Sub would be merged ("Merger") with Boston Edison, and each outstanding share of common stock of Merger-Sub would be converted into one share of common stock, \$1.00 per value per share, of Boston Edison ("Boston Edison Stock"). Subsequently, each outstanding share of Boston Edison Stock would be converted into one common share, \$1.00 par value per share, of BEC ("BEC Common Stock"). Upon consummation of the Merger, each person that owns Boston Edison Stock immediately prior to the Merger will own a corresponding number of the outstanding shares of BEC Common Stock, and BEC will own all of the outstanding Boston Edison Stock.

After the Merger, Boston Edison will transfer to BEC, by stock dividend or otherwise, the common stock of BETG. BEC will then engage in nonutility business activities through BETG and the Nonutility Subsidiaries. After the Merger, BEC will directly own Boston Edison and BETG, and HECC will continue to be a public-utility subsidiary of Boston Edison.

The preferred stock of Boston Edison ("Preferred Stock") and all indebtedness of Boston Edison will remain securities and obligations of Boston Edison after the Merger. Consequently, the Applicants state that the holders of Boston Edison's debt securities and the Preferred Stock will not be affected by the proposed restructuring.

BEC asserts that, following the consummation of the proposed restructuring, it will be a public-utility holding company entitled to an exemption from registration under section 3(a)(1) of the Act, because it and each of its public-utility subsidiaries from which it derives a material part of its income will be predominately intrastate in character and will carry on their business substantially within the state of Massachusetts. Boston Edison

² The nine subsidiaries are Boston Edison Services, Inc., Energyvision, LLC, BecoCom, Inc., RCN/BETG, LLC, Northwind Boston, LLC, Coneco Corporation, Coneco Financial Corporation, TravElectric Services Corporation, and Rez-Tek International Corporation ("Nonutility Subsidiaries"). Boston Edison's nonutility operations contributed a net loss of approximately \$600,000 (or less than 1%) to Boston Edison's aggregate after-tax-net income in fiscal year 1996.

claims that it will continue to be a public-utility holding company entitled to an exemption under section 3(a)(2) of the Act, because it is predominantly a public-utility company whose operations do not extend beyond its state of organization or any contiguous states.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-24971 Filed 9-18-97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39064; File No. SR-Amex-97-18]

Self-Regulatory Organizations; American Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval to Amendment No. 1 to the Proposed Rule Change to Amend the Manner of Calculation of the Hong Kong Option Index

September 12, 1997.

I. Introduction

On April 9, 1997, the American Stock Exchange, Inc. ("Amex" or "Exchange") submitted to the Securities and Exchange Commission ("Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to amend the manner of calculation of the Hong Kong Option Index ("HK Index").

Notice of the proposed rule change, together with the substance of the proposal, was published for comment in Securities Exchange Act Release No. 38651 (May 16, 1997), 62 FR 28524 (May 23, 1997). The Exchange filed Amendment No. 1 to the proposed rule change on July 9, 1997.³ No comments

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Amendment No. 1 clarifies how the Exchange intends to distinguish between the HK Index option contract using the old calculation method and the new HK Index option contract using the new floating rate calculation method. In addition, Amendment No. 1 states that the Exchange intends to issue an Information Circular to advise its members of the new calculation method, discussing the new method and the procedures for phasing in the contracts using the new calculation method and phasing out those contracts using the old calculation method. Finally, the Exchange attached a description of the calculation method used by WM/Reuters for calculating their closing spot rates for the Hong Kong dollar. See letter from Claire P. McGrath, Vice President and Special Counsel,

were received on the proposal. This order approves the proposed rule change, as amended.

II. Description

The proposed rule change amends the manner in which Amex calculates the HK Index by using a floating rate of exchange for the Hong Kong dollar rather than a fixed value. On April 11, 1994, Amex received approval to trade standardized options on the HK Index.⁴ The HK Index is a broad-based capitalization-weighted stock index designed and maintained by Amex, based on the capitalizations of 30 stocks that are traded on the Hong Kong Stock Exchange ("HKSE") and whose issuers have major business interests located in Hong Kong. The HK Index value is calculated by multiplying the price of each component security (in Hong Kong dollars) by its number of shares outstanding, adding the sums, and dividing by the current HK Index divisor. For valuation purposes, one HK Index unit is assigned a fixed value of one U.S. dollar. The Exchange adopted a fixed value for the HK Index unit because Hong Kong has traditionally pegged the value of the Hong Kong dollar to the U.S. dollar.⁵

At midnight on June 30, 1997, sovereignty over Hong Kong transferred from the United Kingdom to the People's Republic of China, and Hong Kong became a Special Administrative Region of China. In its filing, Amex notes that while there has been much debate over what this will mean financially, politically, and socially for the former British colony, statements from the People's Republic of China indicate that the existing currency and financial systems of Hong Kong will remain unchanged. In order, however, to be prepared for any possible changes with respect to the Hong Kong dollar, such as a change in the policy of pegging its value to the U.S. dollar, the Exchange has determined to adopt a floating rate of exchange for the Hong Kong dollar when calculating the value of the HK Index.

Amex will use the WM/Reuters Hong Kong dollar/U.S. dollar exchange rate available at 4 p.m. London time, which is based on market rates. These underlying market rates will be commercial interbank bid and offer rates. Representative rates for each currency are selected based on a number

Amex, to Ivette Lopez, Assistant Director, Division of Market Regulation, Commission, dated July 8, 1997.

⁴ See Securities Exchange Act Release No. 33894 (April 11, 1994), 59 FR 18429 (April 18, 1994).

⁵ As of April 14, 1997, the exchange rate was approximately HK \$7.75 per U.S. \$1.