

this information to financial institutions and uniform distribution firms, each providing services related to purchasing uniform items, is consistent and compatible with that purpose. Similarly, since the proposed uses of the data within USPS 050.020 are required by Public Law 104-193, they are necessary and proper uses and therefore compatible uses which meet Privacy Act requirements.

The system modifications and additions are not expected to have any undue effect on individual privacy rights. The modifications to USPS 050.040 do not alter the scope or character of information collected by the system. The contract financial institutions and uniform distribution firms have been made subject to the Privacy Act in accordance with subsection (m) and are required to apply appropriate protections subject to the audit and inspection of the Postal Inspection Service. Records within USPS 050.040 and 050.020 continue to be kept in a secured environment, with automated data processing physical and administrative security and technical software applied to data on computer media. Paper records are kept in a secured area of post offices and are made available internally on an official need-to-know basis.

Postal Service records disclosed to the OCSE will be accomplished by Connect:Direct, hardcopy medium, or other means ensuring the security of the data. The FPLS will ensure the data's integrity to the greatest extent practicable by validating names and social security numbers with Social Security Administration records and the Postal Service will be notified of any invalid, incomplete, and corrected social security numbers.

USPS Privacy Act system 050.020 was last published in its entirety in the **Federal Register** on December 4, 1992 (57 FR 57515-57519) and was amended on November 22, 1993 (58 FR 61718-61719) and June 12, 1996 (61 FR 29774). USPS Privacy Act system 050.040 was last published in its entirety in the **Federal Register** on October 26, 1989 (54 FR 43669-43670). The Postal Service proposes amending these systems as shown below.

USPS 050.020

SYSTEM NAME:

Finance Records—Payroll System, 050.020.

* * * * *

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

[Change to read:]

General routine use statements a, b, c, d, e, f, g, h, j, k, l, and m listed in the prefatory statement at the beginning of the Postal Service's published system notices apply to this system. Other routine uses are as follows:

* * * * *

[Add the following:]

33. Disclosure of information about current or former postal employees may be made to the Office of Child Support Enforcement, Administration for Children and Families, Department of Health and Human Services Federal Parent Locator System (FPLS) and Federal Tax Offset System for locating individuals and identifying their income sources to establish paternity, establish and modify orders of support, and for enforcement action.

34. Disclosure of information about current or former postal employees may be made to the Social Security Administration for verifying social security numbers in connection with the operation of the FPLS by the Office of Child Support Enforcement.

35. Disclosure of information about current or former postal employees may be made to the Department of the Treasury for purposes of administering the Earned Income Tax Credit Program (Section 32, Internal Revenue Code of 1986) and verifying a claim with respect to employment in a tax return.

USPS 050.040

SYSTEM NAME:

Finance Records—Uniform Allowance Program, 050.040.

SYSTEM LOCATION:

[Change to read:]

Postal facilities employing personnel entitled to uniform allowances and the Information Service Center, St. Louis, MO, and contractor facilities where necessary to perform uniform supply and postal purchasing card services.

* * * * *

CATEGORIES OF RECORDS COVERED BY THE SYSTEM:

[Change to read:]

Name, Social Security number, home address; uniform code, designation code, and pay location; account balance and invoices and other information relating to the uniform item(s) purchase.

* * * * *

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

[Change to read:]

General routine use statements a, b, c, d, e, f, g, h, j, k, l, and m listed in the prefatory statement at the beginning of the Postal Service's published system

notices apply to this system. Other routine uses are as follows:

* * * * *
[Add the following:]

3. Disclosure of information about current or former employees may be made to a financial institution under contract with the Postal Service to provide purchasing card services with respect to the purchase of uniform items.

4. Disclosure of information about current or former employees may be made to a distribution firm under contract with the Postal Service to provide fulfillment services with respect to the purchase of uniform items.

Stanley F. Mires,

Chief Counsel, Legislative.

[FR Doc. 98-1669 Filed 1-23-98; 8:45 am]

BILLING CODE 7710-12-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26815]

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

January 16, 1998.

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 References.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by February 9, 1998, 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.

National Fuel Gas Company et al. (70-9153)

National Fuel Gas Company ("NFG"), a gas registered holding company, and each of its wholly owned subsidiaries, National Fuel Gas Distribution Corporation ("Distribution"), a gas utility company, and NFG's nonutility subsidiaries, National Fuel Gas Supply Corporation ("Supply"), Utility Constructors, Inc. ("UCI"), Highland Land & Minerals, Inc. ("Highland"), Leidy Hub, Inc. ("Leidy"), Horizon Energy Development, Inc. ("Horizon"), Data-Track Account Services, Inc. ("Data-Track") and Seneca Independence Pipeline Company ("Seneca Independence"), each of 10 Lafayette Square, Buffalo, New York 14203, Seneca Resources Corporation ("Seneca Resources"), Niagara Independence Marketing Company ("Niagara Marketing") and Niagara Energy Trading Inc. ("Niagara Energy"), each of 1201 Louisiana Street, Suite 400, Houston, Texas 77002, and National Fuel Resources, Inc. ("NFR") of 165 Lawrence Bell Drive, Suite 120, Williamsville, New York 14221 (collectively, "Applicants"), have filed an application-declaration ("Application") under sections 6(a), 7, 9(a), 10, 12(b), 12(f), 32 and 33 of the Act, and rule 53 under the Act requesting authorization to engage in various financing and related transactions for the period from the effective date of an order in this matter through December 31, 2002 ("Authorization Period"). The Applicants, other than NFG, are sometimes referred to collectively as "Subsidiaries."

The authorization would be subject to the following conditions: (1) with respect to long-term debt financing activities (a) NFG's long-term debt must be rated investment grade by at least one nationally recognized statistical rating organization, as that term is used in Rule 15c3-1(c)(2)(vi)(F) under the Securities Exchange Act of 1934 and (b) NFG's common equity, as reflected in its most recent Form 10-K or Form 10-Q, does not fall below 30% of its consolidated capitalization; (2) the effective cost of money for debt may not exceed 300 basis points over the interest rate on U.S. Treasury securities of a comparable term; (3) the effective cost of money for preferred stock and other fixed income securities may not exceed 500 basis points over the interest rate on 30-year U.S. Treasury securities; (4) the maturity of debt may not be more than 50 years; (5) issuance expenses in connection with an offering of securities, including any underwriting

fees, commissions or other similar compensation, may not exceed 5% of the principal or total amount of the securities being issued; and (6) the aggregate amount of external debt and equity financing to be issued by NFG during the Authorization Period will not exceed (a) \$750 million of short-term borrowings outstanding at any one time and (b) \$2 billion of long-term debt and equity outstanding at any one time, excluding any common stock issued under the NFG Rights Plan.¹ The value of debt securities will equal the aggregate principal amount of the debt securities while the value of equity securities will equal the consideration received by NFG at the time the equity securities are issued. In addition, proceeds from the sale of securities by NFG in external financing transactions will be used by NFG for general corporate purposes including (i) the financing of capital expenditures of NFG and its Subsidiaries, (ii) the financing of inventories and other working capital requirements, (iii) the acquisition, retirement or redemption of securities issued by NFG that qualifies for the exemption in rule 42 or a successor rule and/or (iv) investments in exempt wholesale generators ("EWGs"), as defined in section 32 of the Act, foreign utility companies ("FUCOs"), as defined in section 33 of the Act, and energy-related companies and gas related companies, each as defined in rule 58. Any deviation from these conditions would require further Commission approval.

The proposed transactions and the proposed participation of the various Applicants are described below.

1. External Financing by NFG

NFG proposes to issue and sell short-term securities, with a term not to exceed 270 days, aggregating not more than \$750 million outstanding at any one time during the Authorization Period. NFG also proposes to issue and sell long-term securities aggregating not more than \$2 billion outstanding at any one time through the Authorization Period. Securities may be issued through underwriters or dealers, directly to a limited number of purchasers or a single purchaser,²

¹ The terms and conditions of this authorization are contained in Holding Co. Act Release No. 26532 (June 12, 1996).

² If underwriters are used in the sale of the securities, these securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The securities may be offered to the public either through underwriting syndicates (which may be represented by managing

through agents, in exchange for securities of other companies, the acquisition of which is separately authorized by the Commission or exempt under section 32, 33 or 34 or rule 58, as applicable, and/or through compensation, benefits and incentive plans, customer stock purchase plans and dividend reinvestment plans (collectively, "Stock Issuance Plans"). NFG also proposes to engage in interest rate swaps and similar hedging instruments.

a. Short-term Debt

NFG proposes to issue short-term debt, consisting of borrowings under its credit facilities and the issuance of commercial paper and/or other forms of short-term financing. NFG represents that in no case will the outstanding balance of all short-term borrowings exceed \$750 million during the Authorization Period. With respect to its short-term borrowings, NFG proposes that the authorizations requested in this proceeding supersede the short-term borrowing authorization contained in Commission order, dated December 28, 1995 ("December 1995 Order").³

Commercial paper will be sold by NFG in domestic or foreign commercial paper markets directly or through dealers and placement agents at prevailing discount rates or prevailing coupon rates at the date of issuance for commercial paper of comparable quality and terms. NFG anticipates that the commercial paper will then be resold at

underwriters) or directly by one or more underwriters acting alone. The securities may be sold directly by NFG or through agents designated by NFG from time to time. If dealers are used in the sale of any securities, these securities will be sold to the dealers and any dealer may then resell the securities to the public at fixed prices or varying prices to be determined by the dealer at the time of resale. NFG may also sell securities to agents acting as principal. These agents may sell the securities to the public at fixed prices or varying prices to be determined by the agent at the time of resale. If equity securities are being sold in an underwritten offering, NFG may grant the underwriters an over-allotment option permitting the purchase from NFG of additional equity securities (an additional 15% under present guidelines), at the same price as the equity securities then being offered, for the sole purpose of covering over-allotments.

Securities issued by NFG may be sold under "delayed delivery contracts" which permit the underwriters or agents to locate buyers who will agree to buy the securities at an agreed price on the trade date but accept delivery at a later date. Debt securities may also be sold through the use of medium-term notes and similar programs or in transactions under which securities are sold to initial purchasers and then resold by the initial purchasers (typically, investment banks or similar institutions) in transactions covered by rule 144A or another exemption under the Securities Act of 1933 ("Securities Act") or under Regulation S under the Securities Act.

³ See Holding Co. Act Release No. 26443.

a discount to corporate and institutional investors, which may include commercial banks, insurance companies, pension funds, investment trusts, mutual funds, foundations, colleges and universities, finance companies and nonfinancial corporations. Foreign commercial paper may also be sold to individual investors.

Back-up lines of credit for 100% of the outstanding amount of commercial paper are generally required by credit rating agencies. NFG currently has a committed credit facility which provides support for its commercial paper program.

NFG proposes to establish credit facilities with banks and/or other financial institutions and to issue and sell, from time to time, short-term notes. These notes will bear interest at rates comparable to, or lower than, those available through other forms of short-term borrowing with similar terms requested in this proceeding, and will have a term of not more than 270 days. NFG requests authority to incur, as necessary, commitment or similar fees not to exceed one-half of one percent (.50%) of the average daily credit facility available, and/or compensating balances not to exceed twenty percent (20%) of the credit facility established.

NFG further requests authorization to amend its commercial paper program or credit facilities without further Commission authorization, provided that the term of any borrowing under the program or facility does not extend beyond 270 days from its date of issuance or borrowing.

NFG states that it may engage in other types of short-term financing, which would include bank borrowings and other short-term securities issued under a mortgage or indenture, as it deems appropriate at the time of issuance. The term of these short-term borrowings will not exceed 270 days.

b. Long-term Securities

NFG proposes to issue and sell long-term securities which would consist of any combination of long-term debt, debt having terms in excess of 270 days, common stock, preferred stock or other equity securities. The aggregate principal amount of long-term debt securities and the value of the consideration received from the issuances of equity securities under the Application during the Authorization Period will not exceed \$2 billion at any one time outstanding.

Long-term debt securities would include, but not be limited to, debentures, convertible debt, subordinated debt, medium-term notes, bank borrowings and securities with call

or put options. Long-term debt securities would have the designation, aggregate principal amount, maturity, interest rate(s) or methods of determining the same, interest payment terms, redemption provisions, non-refunding provisions, sinking fund terms, conversion or put terms, U.S. dollar or foreign currency denominations, security and subordination provisions, and other terms and conditions as NFG may determine at the time of issuance. Medium-term notes would be issued under the Indenture, dated as of October 15, 1994, between NFG and The Bank of New York, Trustee, as amended ("Indenture"). Debentures and other long-term securities may be issued under the Indenture or under a mortgage or other indenture.

Equity securities would include common stock (including the rights with respect to such common stock), including common stock issued by Stock Issuance Plans under prior Commission orders⁴ during the Authorization Period and future Stock Issuance Plans authorized by the Commission, preferred stock, other preferred securities, options and/or warrants convertible into common or preferred stock and common and/or preferred stock issued upon the exercise of convertible debt, rights, options, warrants and/or similar securities.

From time to time during the Authorization Period, NFG may adopt other similar Stock Issuance Plans. For instance, a direct stock purchase plan with a dividend reinvestment feature that allows sales to persons not already shareholders may be implemented. NFG proposes to issue shares of common stock under existing plans and similar plans or plan funding arrangements it may adopt and to engage in other sales of its shares of common stock for reasonable business purposes without the requirement of prior Commission authorization during the Authorization Period. With respect to issuances of long-term securities, NFG proposes that the authorizations requested in this proceeding supersede the authorizations contained in the Existing Common Stock Authorizations, except that the grants of common stock and rights to purchase common stock under the 1997 Award and Option Plan may be issued through December 12, 2006.⁵

⁴ See Holding Co. Act Release Nos. 26670 (Feb. 18, 1997) ("February 1997 Order"), 26655 (Jan. 24, 1997), 26394 (Oct. 19, 1995), 26261 (Mar. 30, 1995), 26176 (Nov. 30, 1994), 25753 (Mar. 5, 1993) and 24793 (Dec. 28, 1988) (collectively, "Existing Common Stock Authorizations").

⁵ The 1997 Award and Option Plan under the February 1997 Order authorizes awards granting the

c. Hedging Transactions

NFG proposes to enter into hedging transactions ("Hedge Program") related to all or a portion of existing or anticipated financing, including floating rate debt or fixed rate debt, using interest rate swaps, caps, floors, collars, ceilings, options and forwards (collectively, "Derivative Transactions") with counterparties during the Authorization Period, in notional (i.e., principal) amounts aggregating not in excess of the amount of debt outstanding at any one time.

NFG proposes to use two different swap strategies. Under one swap strategy, NFG would agree to make payments of interest to a counterparty, payable periodically. The interest would be payable at a variable or floating rate index and would be calculated on a notional amount. In return, the counterparty would agree to make payments to NFG based upon the same notional amount and at an agreed upon fixed interest rate. This would be a "floating-to-fixed swap" on NFG's part. Under another swap strategy, NFG would pay a fixed interest rate and receive a variable interest rate on a notional amount. This would be a "fixed-to-floating swap" on NFG's part.

NFG also proposes to enter into an anticipatory interest rate hedging program ("Anticipatory Hedge Program") using Derivative Transactions within a limited time prior to the issuance of short- or long-term debt securities. The Hedge Program will be used to fix and/or limit the interest rate risk exposure of any new issuance through: (1) a forward sale of exchange-traded U.S. Treasury futures contracts, U.S. Treasury securities and/or a forward swap (each a "Forward Sale"); (2) the purchase of put options on U.S. Treasury securities ("Put Options Purchase"); (3) a Put Options Purchase in combination with the sale of call options on U.S. Treasury securities ("Zero Cost Collar"); or (4) some combination of a Forward Sale, Put Options Purchase and/or Zero Cost Collar.

The program may be executed on-exchange ("On-Exchange Trades") with brokers through the opening of futures and/or options positions traded on the Chicago Board of Trade, the opening of over-the-counter positions with one or more counterparties ("Off-Exchange Trades") or a combination of On-Exchange-Trades and Off-Exchange-Trades ("On-Exchange-Trades and Off-Exchange-Trades") or a combination of On-Exchange-Trades and Off-Exchange-Trades. NFG will determine the optimal

right to purchase up to 1,900,000 shares of common stock through December 12, 2006.

structure of the Anticipatory Hedge Program at the time of execution. NFG may decide to lock in interest rates and/or limit its exposure to interest rate increases. All open positions under the Anticipatory Hedge Program will be closed on or prior to the date of the new issuance and NFG will not, at any time, take possession of the underlying U.S. Treasury securities.

All transactions entered into under the Hedge Program will be bona fide hedges and will meet the criteria established by the Financial Accounting Standards Board in order to qualify for hedge accounting treatment, and NFG will comply with the financial disclosure requirements associated with hedging transactions.

NFG proposes that the authorizations requested in this proceeding with respect to hedging transactions, including the Hedge Program and the Anticipatory Hedge Program, supersede the authorizations to engage in hedging transactions contained in the December 1995 Order.

d. Other Securities

In addition to the specific securities for which NFG seeks authorization in this proceeding, NFG also proposes to issue other types of securities ("Other Securities") that it deems appropriate during the Authorization Period. NFG requests that the Commission reserve jurisdiction over the issuance of Other Securities. NFG also undertakes that it will file a post-effective amendment in this proceeding describing the general terms of the proposed Other Securities and obtain a supplemental order of the Commission authorizing the issuances of Other Securities.

2. *Intrasystem Financing by Subsidiaries*

The Subsidiaries propose various financing transactions between NFG and the Subsidiaries and among the Subsidiaries.

a. Money Pool

Under the December 1995 Order, NFG, Distribution, Supply, Seneca Resources, Highland, Leidy, Horizon, Data-Track, NFR and UCI ("Current Money Pool Participants") were authorized to engage in a money pool arrangement ("Money Pool") through December 31, 2000. The Current Money Pool Participants now propose to continue to participate in, and incur short-term borrowings from, the Money Pool through the Authorization Period. NFG proposes to add Seneca Independence, Niagara Marketing and Niagara Energy as new participants to the Money Pool. NFG further proposes that the authorizations requested in this

proceeding with respect to the Money Pool supersede the authorizations for the current Money Pool contained in the December 1995 Order.

At certain times during the year, NFG and certain Subsidiaries generate surplus funds. Each Subsidiary may contribute excess funds to the Money Pool from time to time. The Applicants propose that the Subsidiaries borrow short-term funds from the Money Pool and that the maximum amount of Money Pool borrowings outstanding for each Subsidiary will be determined by NFG and the Subsidiaries in accordance with business needs. Subsidiary borrowings from the Money Pool would be used to provide financing for general corporate purposes, including the temporary financing of inventories and other working capital requirements and construction spending.

NFG will administer the Money Pool and coordinate the system's short-term borrowings but cannot borrow surplus funds generated by the Subsidiaries. NFG will match, to the extent possible, the short-term cash surpluses and borrowing requirements of the Subsidiaries.

The sources of funding for the Money Pool may consist of surplus funds of NFG and/or of its Subsidiaries, proceeds from NFG's sale of commercial paper, borrowings under credit facilities, borrowings by NFG from banks or other financial institutions and/or issuances of other securities. Amounts borrowed by NFG under the \$750 million short-term borrowing authorization requested in this proceeding would be included in the Money Pool.

Subsidiary requests for short-term loans will be met first from available surplus funds of the other Subsidiaries, and then from NFG corporate funds, if available. In the event these sources of funds are insufficient, borrowings outside the system will be made by NFG through the issuance and sale of commercial paper, borrowings under credit facilities, other borrowing facilities with banks or other financial institutions and/or issuances of other securities. These borrowings will not exceed \$750 million during the Authorization Period.

The interest rate on Subsidiary borrowings consisting solely of internal funds from the Money Pool will be the same rate charged on high-grade unsecured 30-day commercial paper sold through dealers by major corporate issuers. Borrowings consisting wholly or in part of funds obtained through the sale of commercial paper or borrowings from banks or other financial institutions will pay interest at a rate

equal to NFG's net cost for these borrowings.

The Applicants state that none of the internal subsidiary funds (surplus funds of the Subsidiaries available in the Money Pool) will be used for the acquisition of an interest in an EWG or a FUCO except (a) investment by Horizon of up to \$150 million and (b) investment by NFR or through a subsidiary, if formed, of up to \$25 million.

b. Internal Nonutility Securities

National requests on behalf of the Subsidiaries, other than Distribution ("Nonutility Subsidiaries"), authorization to issue and sell securities of any type that are not otherwise exempt or authorized by Commission order ("Internal Nonutility Securities") to NFG and other Nonutility Subsidiaries during the Authorization Period. NFG requests that the Commission reserve jurisdiction over the issuances of Internal Nonutility Securities. NFG also undertakes that it will file a post-effective amendment in this proceeding describing the general terms of the proposed Internal Nonutility Securities and obtain a supplemental order of the Commission authorizing the issuances of Internal Nonutility Securities.

3. *External Financing by Subsidiaries*

NFG also requests authorization for the Nonutility Subsidiaries to issue and sell securities of any type that are not otherwise exempt or authorized by Commission order, including guarantees (collectively, "External Nonutility Securities"), to persons other than NFG, including banks, insurance companies and other financial institutions during the Authorization Period. NFG requests that the Commission reserve jurisdiction over the issuance of External Nonutility Securities. NFG also undertakes that it will file a post-effective amendment in this proceeding describing the general terms of the proposed External Nonutility Securities and obtain a supplemental order of the Commission authorizing the issuances of External Nonutility Securities.

Distribution also proposes to issue and sell debt securities of any type that are not otherwise exempt or authorized by Commission order to persons other than NFG, including banks, insurance companies and other financial institutions, in an aggregate principal amount which will not exceed \$250 million during the Authorization Period.

4. Financing Entities

NFG and the Nonutility Subsidiaries propose to organize new corporations, trusts, partnerships or other entities created for the purpose of facilitating financings. These entities will issue to third parties interests in such entities or other securities authorized or issued under an exemption. Additionally, request is made for: (a) The issuance of debentures or other evidences of indebtedness by NFG or Nonutility Subsidiaries to a financing entity in return for the proceeds of the financing, and (b) the acquisition by NFG and Nonutility Subsidiaries of voting interests or equity securities issued by the financing entity to establish such Applicant's ownership of the financing entity. NFG and the Nonutility Subsidiaries also propose to enter into guarantees and expense agreements with the corresponding financing entities, under which they would agree to pay all amounts payable relating to the securities issued by the financing entity. The amount of any guarantees provided to financing entities will not exceed \$250 million in the aggregate at any one time during the Authorization Period.

5. Guarantees by National

NFG is currently authorized to guarantee up to \$500 million of obligations under Commission order dated November 12, 1993 (HCAR No. 25922) ("November 1993 Order"). NFG now proposes to guarantee securities of, and provide other forms of credit support with respect to obligations of, its Subsidiaries in an aggregate amount not to exceed \$2 billion at any time during the Authorization Period. The \$2 billion of guarantees is in addition to any financing requested in the Application. The terms and conditions of any guarantee will be negotiated on a case by case basis as the need arises. NFG proposes that the guarantee authorization requested in this proceeding supersede and replace the guarantee authorization granted in the November 1993 Order.

Guarantees and other forms of credit support provided by NFG on behalf of any EWG, FUCO or rule 58 company will be subject to the limitations of rule 53 or rule 58, as applicable.

6. Acquisition of EWGs, FUCOs and Rule 58 Companies

NFG proposes to use some or all of the proceeds of the financings for which authorization is requested in this proceeding to invest in EWGs and FUCOs in an aggregate amount which, when added to NFG's aggregate

investment, as defined in rule 53(a)(1), would not exceed 50% of NFG's consolidated retained earnings, as defined in rule 53(a)(1). NFG proposes that the authorization to invest in EWGs and FUCOs requested in this Application supersede the authorization applicable to EWG and FUCO investments contained in Commission order dated August 29, 1995 (HCAR No. 26364).

NFG also proposes to use some or all of the proceeds of the financings for which authorization is requested in this proceeding to make investments in energy-related companies and gas-related companies under rule 58.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-1677 Filed 1-23-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-22999; 812-10678]

SSgA Funds and State Street Bank and Trust Company, Notice of Application

January 14, 1998.

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

ACTION: Notice of application for an order under section 6(c) of the Investment Company Act of 1940 (the "Act") for an exemption from sections 13(a)(2), 13(a)(3), 18(f)(1), 22(f), and 22(g) of the Act and rule 2a-7 thereunder; under sections 6(c) and 17(b) of the Act for an exemption from sections 17(a)(1) and (2) of the Act; and pursuant to section 17(d) of the Act and rule 17d-1 thereunder.

SUMMARY OF APPLICATION: Applicants SSgA Funds and State Street Bank and Trust Company ("State Street") request an order that would permit SSgA Funds to enter into deferred compensation arrangements with certain of their directors.

FILING DATES: The application was filed on May 22, 1997 and amended on November 26, 1997. Applicants have agreed to file an amendment during the notice period, the substance of which is included in this notice.

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 applicants with a copy of the request, personally or by

mail. Hearing requests should be received by the SEC by 5:30 p.m. on February 9, 1998 and should be accompanied by proof of service on the 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 SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. SSgA Funds, Two International Place, 35th Floor, Boston, Massachusetts 02110; State Street, 225 Franklin Street, Boston, Massachusetts 02110.

FOR FURTHER INFORMATION CONTACT: David W. Grim, Staff Attorney, at (202) 942-0571, or Nadya B. Roytblat, Assistant Director, 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 (tel. 202-942-8090).

Applicants' Representations

1. SSgA Funds is an open-end management investment company registered under the Act and comprised of several investment portfolios. State Street serves as investment adviser to each portfolio of SSgA Funds. Applicants request that the relief also apply to all registered investment companies or series of these companies now or in the future advised by State Street or any entity under common control with or controlled by State Street (these registered investment companies, together with SSgA Funds, the "Funds").¹

2. Each member of the board of trustees of SSgA Funds (collectively, the "Trustees") who is not an employee of State Street or Frank Russell Investment Management Company² or any of their affiliates (each, an "Eligible Trustee") receives annual fees from SSgA Funds which collectively are, and are expected to continue to be, insignificant in comparison to the total net assets of SSgA Funds. No Trustee who is an employee of State Street or Frank Russell Investment Management

¹ Each Fund that currently intends to rely on the requested relief has been named as an applicant. Any other existing or future Fund that relies on the order will comply with the terms and conditions of the application.

² Frank Russell Investment Management Company is the administrator of SSgA Funds.