

Administrator, Custodian, nor their affiliates.

4. Applicants assert that the proposed transactions are consistent with the policies of each Series, as an Investing Series' investment in shares of a Target Series will be effected in accordance with each Investing Series' investment restrictions. Applicants also assert that permitting an Investing Series to invest that portion of its assets allocated to a particular type of security in the corresponding Target Series of the Trust would produce greater diversification, lower costs, and administrative efficiency for the Investing Series.

5. Applicants state that, for any particular Investing Series, the percentage of the Series' assets allocated to a particular type of security at a particular time may not be large enough to make direct investments in such securities economical.

Further, where a Series only allocates a small percentage of its assets to a particular type of security, applicants argue that it is inefficient to burden portfolio managers of the Investing Series with studying and following numerous issuers. Applicants assert that, where an Investing Series invests in a Target Series rather than directly investing in shares of certain securities, the Investing Series is able to invest in, and be exposed to, a greater range of issuers. Applicants asserts that this greater diversification decreases the risk and volatility of investing in particular securities.

6. Applicants assert that the proposed transactions are consistent with protection of investors and the general purposes of the Act.

#### *Applicants' Conditions*

Applicants' agree that any order of the SEC granting the requested relief shall be subject to the following conditions:

1. Each Investing Series' investment in shares of any Target Series will be in accordance with the percentage limitations set forth in section 12(d)(1)(A) of the Act.

2. Shares of each Series will not be subject to a sales load, redemption fee, advisory fee, or distribution fee under a plan adopted in accordance with rule 12b-1 under the Act.

3. Investment in shares of a Target Series will be in accordance with each Investing Series' respective investment restrictions and will be consistent with its policies as recited in its registration statement.

4. Applicants will cause the Adviser, Administrator, Custodian, and their respective affiliates, in their capacities as service providers for the Target Series, to remit to the respective

Investing Series, or waive, an amount equal to all fees received by them or their affiliates under their respective agreements with the Trust on behalf of the Target Series to the extent such fees are based upon the Investing Series' assets invested in the shares of a Target Series. Any of these fees remitted or waived will not be subject to recoupment by the Adviser, Administrator, Custodian, or their respective affiliates at a later date.

5. If the Adviser waives any portion of a Target Series' fees or bears any portion of the expenses of a Target Series (an "Expense Waiver"), the adjusted fees for a Target Series (gross fees minus Expense Waiver) will be calculated without reference to the amounts waived or remitted pursuant to condition 4. Adjusted fees then will be reduced by the amount waived pursuant to condition 4. If the amount waived pursuant to condition 4 exceeds adjusted fees, the Adviser also will reimburse the Investing Series in an amount equal to such excess.

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

Margaret H. McFarland,

*Deputy Secretary.*

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BILLING CODE 8010-01-M

#### **[Release No. 35-26449]**

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

January 5, 1996.

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 in January 29, 1996, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the relevant application(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.

Consolidated Natural Gas Company, et al. (70-8703)

Consolidated Natural Gas Company ("CNG"), CNG Tower, 625 Liberty Avenue, Pittsburgh, Pennsylvania, 15222-3199, a registered holding company, CNG's nonutility subsidiaries, CNG Energy Services Corporation ("Energy Services"), and CNG Products and Services, Inc. ("CNG Products"), One Park Ridge Center, P.O. Box 15746, Pittsburgh, Pennsylvania 15244-0746, have filed an application-declaration under sections 9(a), 10, 12(b) and 12(c) of the Act and rule 43, 44, 45 and 54 thereunder.

Consolidated, Energy Services and CNG Power propose to effect a restructuring of a group of companies in the CNG System ("System"), which are in the nonutility energy business. The resulting configuration would cause this part of the System to conform more substantially with its managerial reporting structure.

By Commission order dated August 28, 1995 (HCAR No. 26363), CNG and Energy Services were authorized to form CNG Products, which then was called CNG Special Products and Services, Inc. All of the issued and outstanding common stock of CNG Products are at this time owned by Energy Services. It is now proposed that the ownership of CNG Products be transferred from Energy Services to CNG in the form of a dividend by Energy Services to CNG of all of the outstanding common stock of CNG Products.

By Commission order dated December 21, 1990 (HCAR No. 25224), CNG through CNG Power, was authorized to form CNG Technologies, Inc. ("CNGT") and to invest up to \$2 million in CNGT for it to acquire limited partnership interests in a gas industry fund created to invest in smaller companies developing new technologies to enhance the supply, transportation and utilization of natural gas. By subsequent Commission order dated August 27, 1992 (HCAR No. 25615) ("Order"), CNG was authorized to provide up to \$25 million to CNG Power's Natural Gas Vehicle Division ("Division"), through December 31, 1997, to allow it to engage in natural gas vehicle activities. In order to have CNG Power's activities more

concentrated in independent power production, it is proposed to move the outstanding shares of common stock of CNGT and the Division to CNG Products after it becomes a direct subsidiary of CNG.

It is proposed that CNG Power sell all of the CNGT common stock ("Common") to CNG Products for its net book value, which was \$1,994,000 at October 8, 1995. To finance the acquisition of the Common, CNG Products proposes to sell up to 220 shares of its common stock at its par value of \$10,000 per share to CNG.

The transfer of the Division would be effected by CNG Power declaring a dividend of the Division's assets to CNG, with subsequent transfer of the assets to CNG Products as a contribution to capital by CNG. It is proposed that CNG Products would also succeed to the same authority granted to CNG Power in the Order.

By order dated October 21, 1994 (HCAR No. 26148), CNG Power was authorized to acquire all of the issued and outstanding shares of common stock of CNG Market Center Services, Inc., ("CNG Market Center"). As part of the movement of CNG Power from being a direct subsidiary of CNG to being a direct subsidiary of Energy Services, CNG Power proposes to transfer as a dividend to CNG all of the issued and outstanding shares of common stock of CNG Market Center.

By Commission order dated February 27, 1987 (HCAR No. 24329), CNG was authorized to acquire all of the issued and outstanding shares of common stock of CNG Power, which was then called CNG Trading Company. CNG now proposes to transfer these shares as a capital contribution to Energy Services.

By Commission order dated May 13, 1991 (HCAR No. 25311), CNG was authorized to acquire all of the issued and outstanding shares of common stock of CNG Storage Service Company ("CNG Storage"). CNG now proposes to transfer these shares as a capital contribution to Energy Services.

Allegheny Power System, Inc., et al. (70-8751)

Allegheny Power System, Inc. ("APS"), a registered holding company, and AYP Capital, Inc. ("AYP"), a non utility subsidiary company of APS, both of 12 East 49th Street, New York, New York, 10017, have filed an application-declaration under sections 6(a), 7, 9(a), 10, and 12(b) of the Act and rule 45 thereunder.

AYP proposes to invest up to \$5 million to engage in preliminary development activities in connection

with new technologies related to the core business of APS and to invest up to \$15 million to acquire an interest and to become a limited partner in a Delaware limited partnership ("Partnership"). the Partnership will invest in companies ("Portfolio Companies") engaged in the development of new technologies, products or services related to the core business of APS.

AYP will acquire all of the limited partnership interests in the Partnership. The sole general partner will be Advent International Corporation ("Advent"), a venture capital investment firm. APS proposes to provide the funds needed by AYP to engage in those preliminary development activities and to acquire the interests in the Partnership. APS will obtain such funds from sales of common stock, commercial paper sales, and generated funds.

The term of the Partnership shall be for ten years from the date of a Limited Partnership Agreement ("Agreement"), subject to extension for up to two years. The Agreement provides that AYP shall contribute to the capital of the Partnership cash in the amount of 10% of its capital commitment of \$15 million. Thereafter, the balance of the capital commitment of \$13.5 million shall be due and payable in cash installments.

Subject to certain limitations set forth in the Agreement, the management, operation, and implementation of policy of the Partnership will be vested in Advent alone. Advent shall have discretion to invest funds in accordance with investment guidelines set forth in the Investment Charter attached to the Agreement. However, after execution of the Agreement, no term or provision shall be waived, modified or amended, unless AYP has given its prior consent, nor shall investments be made in new technologies that AYP deems unrelated to its core business.

AYP will be entitled to receive notices and other information from Advent, to inspect books and records, to attend discussions with potential Portfolio Companies and to vote on a limited number of actions that could fundamentally change the structure and purposes of the Partnership. AYP will have no independent right to vote on whether to invest in particular Portfolio Companies or to remove Advent, except for cause or a substantial change in the management of Advent.

Advent will be paid an annual management fee up to 3.5% of the total committed capital, as well as a 20% share of net gains and income on investments. All Partnership income and losses will be allocated 80% to the

AYP and 20% to Advent. Distributions in kind of the securities of Portfolio Companies might be made. Unless AYP obtains approval from the Commission to retain such securities, AYP undertakes that it will sell such securities within one year from the date of its receipt thereof.

Savannah Electric and Power Company (70-8753)

Allegheny electric and Power Company ("Savannah"), 600 East Bay Street, Savannah, Georgia 31401, an electric public-utility subsidiary of The Southern Company, a registered holding company, has filed an application under sections 9(a) and 10 of the Act.

Savannah proposes to enter into arrangements with the Savannah Economic Development Authority ("authority"), a public corporation and an instrumentality of the State of Georgia, for the issuance and sale of the Authority's industrial development revenue bonds ("Revenue Bonds") in an aggregate principal amount not exceeding \$7 million for payment of the costs of acquiring, constructing, installing and equipping a project ("Project") consisting of mooring dolphins, pilings and a coal conveying system for off-loading coal from barges or ships, including a dock, foundations and related facilities, for delivering coal to Savannah's Plant Kraft (Port Wentworth) in Chatham county, Georgia. The Revenue Bonds will be issued and sold, and the related transactions (as described herein) will be consummated, no later than June 30, 1996.

The Revenue Bonds will be issued under and secured by a Trust Indenture ("Trust Indenture") between the Authority and a banking institution acting as trustee ("Trustee") for the owners of the Revenue Bonds. The Revenue Bonds, which are anticipated to be fully subject to taxation under applicable federal and state tax laws, will mature (subject to prior redemption) on a date not more than 30 years after the date on which they are initially issued.

The proceeds from the Authority's sale of the Revenue Bonds will be deposited with the Trustee and will be applied by Savannah to payment of the cost of construction of the Project.

The Revenue Bonds initially will bear interest at an interest rate determined weekly until converted at the direction of Savannah to a different interest rate mode permitted under the Trust Indenture. Other permitted modes will include interest periods of one month's, three months' and six months' duration. Savannah also may convert the interest

rate on the Revenue Bonds to a fixed rate to their stated maturity. The interest rate on the Revenue Bonds will not at any time exceed 2% plus the yield on U.S. Treasury securities having a comparable maturity.

Except as otherwise provided in the Trust Indenture, the interest rate in each such mode will be determined by the remarketing agent ("Remarketing Agent") as the minimum rate of interest necessary, in the judgment of the Remarketing Agent, to enable the Remarketing Agent to sell the Revenue Bonds at a price equal to the principal amount thereof plus accrued interest, if any, thereon. SunTrust Bank, Atlanta (which bank is also expected to serve as placement agent for the Revenue Bonds) will initially serve as Remarketing Agent. Savannah will agree to pay the Remarketing Agent an annual fee not exceeding  $\frac{1}{4}$  of 1% of the principal amount of the Revenue Bonds outstanding.

The Trust Indenture provides that the Revenue Bonds will be subject to purchase on the demand of the owners thereof and to mandatory purchase upon the occurrence of certain events, as set forth in the Trust Indenture. Such mandatory purchase events include conversion of the interest rate mode to a fixed rate of interest to the stated maturity of the Revenue Bonds.

The Revenue Bonds will be subject to redemption at the direction of Savannah as provided in the Trust Indenture. The Revenue Bonds may be entitled to the benefit of a mandatory redemption sinking fund calculated to retire a portion of the initial aggregate principal amount of the issue prior to maturity.

In connection with the issuance of the Revenue Bonds, Savannah proposes to grant the Authority an estate for years in the real property on which the Project is being constructed for a term coinciding with the term of the Revenue Bonds. Savannah additionally proposes to enter into a Lease Agreement with the Authority ("Agreement"). The Agreement will provide for the Authority's lease of the Project to Savannah and Savannah's lease of the Project from the Authority. Savannah will agree pursuant to the Agreement to pay to the Trustee, as assignee of the Authority, from time to time as the amount owed thereunder in respect of the lease of the Project, amounts which, and at or before times which, shall correspond to the payments with respect to the principal of and premium, if any, and interest on the Revenue Bonds whenever and in whatever manner the same shall become due, whether at stated maturity, upon redemption or declaration or otherwise,

and the purchase price of Revenue Bonds required to be purchased under the Trust Indenture. The Agreement will also obligate Savannah to pay the fees and charges of the Trustee and all costs of operating, maintaining and repairing the Project.

The Agreement will provide that, upon its expiration or termination, all right, title and interest in and to the Project will revert to Savannah.

Savannah further proposes to enter into arrangements with the Authority and SunTrust Bank, Atlanta (or other entity or entities) acting as placement agent with respect to the issuance and sale by the Authority of the Revenue Bonds. Pursuant to such arrangements, the placement agent is to agree to use its best efforts to arrange for the sale of the Revenue Bonds at a purchase price of 100% of the principal amount thereof, and Savannah will pay the placement agent's fee for its services in an amount not exceeding 1% of the principal amount of the Revenue Bonds.

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

Margaret H. McFarland,

*Deputy Secretary.*

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BILLING CODE 8010-01-M

**[Investment Company Act Rel. No. 21661; 812-9936]**

**Funds IV Trust, et al.; Notice of Application**

January 5, 1996.

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

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

**APPLICANTS:** Funds IV Trust (the "Trust") and Bank IV, National Association (the "Adviser").

**RELEVANT ACT SECTIONS:** Order requested under section 6(c) for an exemption from section 15(a).

**SUMMARY OF APPLICATION:** Fourth Financial Corporation ("Fourth Financial"), the parent of the Adviser to the Trust, will merge with and into Acquisition Sub, Inc. ("ASI"), a wholly-owned subsidiary of Boatmen's Bancshares, Inc. ("Boatmen's"). The merger will result in the assignment, and thus the termination, of the existing investment advisory contract between the Trust and the Adviser. The order would permit the implementation, without shareholder approval, of a new advisory contract for a period of up to 120 days following the date of the

merger (but in no event later than May 30, 1996) ("Interim Period"). The order also would permit the Adviser to receive from the Trust fees earned under the new investment advisory contract during the Interim Period following approval by the Trust's shareholders.

**FILING DATE:** The application was filed on January 5, 1996.

**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 January 30, 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 who wish to be notified of a hearing may request such notification by writing to the SEC's Secretary.

**ADDRESSES:** Secretary, SEC, 450 Fifth Street NW., Washington, DC 20549. Applicants, Funds IV Trust, c/o Furman Selz Incorporated, 237 Park Avenue, Suite 910, New York, New York 10017, Attention John J. Pileggi; Bank IV, 100 North Broadway, Wichita, Kansas 67202, Attention: Philip Owings, Senior Vice President.

**FOR FURTHER INFORMATION CONTACT:** Sarah A. Buescher, Staff Attorney, at (202) 942-0573, or Alison E. Baur, 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 Trust is a Delaware business trust and is registered under the Act as an open-end management investment company. Each of the following funds is a series of the Trust: U.S. Treasury Reserve Money Market Fund, Short-Term Treasury Income Fund, Intermediate Bond Income Fund, Bond Income Fund, Stock Appreciation Fund, Aggressive Stock Appreciation Fund, Value Stock Appreciation Fund, and International Equity Fund (collectively, the "Funds").

2. The Adviser is a wholly-owned subsidiary of Fourth Financial and is a bank within the meaning of section 2(a)(5) of the Act. The Trust has entered