a conflict of interest from which the Adviser or the Affiliated Manager derives an inappropriate advantage.

8. Before a Portfolio may rely on the order requested by applicants, the operation of the Portfolio in the manner described in the application will be approved by a majority of its outstanding voting securities, as defined in the Act (or, in the case of the Trust, pursuant to voting instructions provided by contract owners with assets allocated to any sub-account of a registered separate account for which a Trust Portfolio serves as a funding medium), or, in the case of a new Portfolio whose public shareholders purchase shares on the basis of a prospectus containing the disclosure contemplated by condition 11 below, by the sole initial shareholder(s) before offering shares of that Portfolio to the public.

9. The Adviser will provide general management services to each Company and their Portfolios, including overall supervisory responsibility for the general management and investment of each Portfolio's securities portfolio, and, subject to review and approval by each Company's Board of Trustees, will (i) set the Portfolio's overall investment strategies; (ii) select Managers; (iii) when appropriate, allocate and reallocate the Fund's assets among Managers; (iv) monitor and evaluate the performance of Mangers; and (v) ensure that the Managers comply with the Portfolio's investment objectives, policies and restrictions.

10. Within 60 days of the hiring of any new Manager or the implementation of any proposed material change in a Management Agreement, shareholders will be furnished all information about the new Manager or Management Agreement that would be included in a proxy statement, except as modified by the order to permit Limited Fee Disclosure. Such information will include Limited Fee Disclosure and any change in such disclosure caused by the addition of a new Manager or any proposed material change in a Management Agreement. The Adviser will meet this condition by providing shareholders, within 60 days of the hiring of a Manager or the implementation of any material change to the terms of a Management Agreement, with an information statement meeting the requirements of Regulation 14C and Schedule 14C under the Exchange Act. The information statement also will meet the requirements of Schedule 14A under the Exchange Act, except as modified by the order to permit Limited Fee Disclosure. The Trust will ensure that the information statement is furnished to contract owners with assets allocated to any registered separate account for which the Trust serves as a funding medium.

11. Each Company will disclose in its prospectus the existence, substance, and effect of any order granted pursuant to the application.

12. No Trustee or officer of a Company or director or officer of the Adviser will own directly or indirectly (other than through a pooled investment vehicle over which such person does not have control) any interest in a Manager except for (i) ownership of interests in the Adviser or any entity that controls, is controlled by or is under common control with the Adviser; or (ii) ownership of less than 1% of the outstanding securities of any class of equity or debt of a publicly-traded company that is either a Manager or an entity that controls, is controlled by or is under common control with a Manager.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–31726 Filed 12–12–96; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 35–26618]

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

December 6, 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 by December 30, 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.

Eastern Utilities Associates, et al. (70–8955)

Eastern Utilities Associates (''EUA''), P.O. Box 2333, Boston, Massachusetts 02107, a registered holding company, and its subsidiaries, Blackstone Valley Electric Company (''Blackstone''), Washington Highway, Lincoln, Rhode Island 02865, Eastern Edison Company (''Eastern''), 110 Mulberry Street, Brockton, Massachusetts 02403, Montaup Electric Company (''Montaup''), P.O. Box 2333, Boston, Massachusetts 02107, and Newport Electric Corporation (''Newport''), 12 Turner Road, Middleton, Rhode Island 02840 (collectively, ''Declarants'') have filed a declaration (''Declaration'') under sections 6(a) and 7 of the Act and rule 54 thereunder.

Declarants propose to enter into a revolving credit facility (''Facility'') from which they and certain other EUA subsidiaries will be permitted to borrow from time to time, from one or more commercial banks or other lending institutions (''Lenders'') up to $150 million in the aggregate through a period ending five years after the closing date of the agreement.[1] Borrowings may take the form of: (i) borrowings from all Lenders under the Facility on a pro rata basis (''Pro Rata Borrowings''); (ii) borrowings of at least $100,000 each and up to $20 million in the aggregate (''Swing Line Borrowings'') from a particular Lender (''Swing Line Lender''); and (iii) short-term borrowings for a period from seven days to 180 days from Lenders on a competitive bid basis (''Competitive Bid Borrowings''). All borrowings under the Facility will be unsecured and will be evidenced by promissory notes.

The following Declarants and Affiliates will have the following respective maximum borrowing limits under the Facility: Ocean State and ESC, $10 million each; and Cogenex, $75 million. EUA, Blackstone, Eastern,

[1] The other subsidiaries, EUA Cogenex Corporation (''Cogenex''), EUA Ocean State Corporation (''Ocean State''), EUA Service Corporation (''ESC''), EUA Energy Investment Corporation (''EEIC''), and EUA Energy Services, Inc. (''EUA Energy'') (collectively, ''Affiliates''), intend to finance authorized activities through the Facility. The Affiliates have not joined the Declaration as parties, however, because such financing is exempt from prior approval pursuant to rules 45 and 52.

Montaup and Newport will have unrestricted access to the Facility. Access to the Facility will be limited for a Declarant or an Affiliate other than Cogenex if such Declarant or Affiliate reduces its operating income by more than 20% as a result of selling an income-generating asset, and will be eliminated for a Declarant or an Affiliate other than Cogenex if such Declarant or Affiliate reduces its operating income by more than 50% as a result of selling an income-generating asset.

EUA states that, for the funding of short-term loans to Cogenex, EUA shall limit its borrowings under the Facility up to $25 million in the aggregate, the amount currently authorized in an order dated April 5, 1995 (HCAR No. 26266) (''Cogenex Order''). The terms and conditions of any loans made to Cogenex would be the same as the terms and conditions under the Facility. EUA further agrees that with the exception of the borrowings described in the first sentence of this paragraph (i.e., up to $25 million in the aggregate), EUA would not use any of its proposed borrowings under the Facility to invest in Cogenex.

Declarants will pay interest on any Pro Rata Borrowings, at the borrower's election, at a rate which is: (i) the greater of the Bank of New York's prime commercial lending rate or the federal funds rate plus ½% (''Alternative Base Rate''); or (ii) the London Interbank Offering Rate (''LIBOR'') for the applicable interest period, plus a margin of at least 0.15% and up to 0.45%, which margin rate shall be based upon the then current bond ratings of Eastern's First mortgage bonds (''LIBOR Rate'').

Declarants will pay interest on any Swing Line Borrowings at a rate or rate's to be determined by the borrower and the Swing Line Lender. Swing Line Borrowings in excess of $2.5 million in the aggregate could be converted, at the borrower's option, to Competitive Bid Borrowings or Pro Rata Borrowings. Swing Line Borrowings in excess of $20 million in the aggregate will be converted to Pro Rata Borrowings which would initially bear interest at the Alternate Base Rate. Upon the occurrence of an event of default by the borrower, or at the request of the Swing Line Lender, all outstanding Swing Line Borrowings could be replaced by and refinanced using the proceeds from Pro Rata Borrowings.

Declarants will pay interest on any Competitive Bid Borrowings at a rate or rates determined by competitive bid auction or auctions among the Lenders. If a Declarant so elects, the competitive bid auction agent will notify all of the Lenders of a requested loan amount, the date the loan will begin and the interest period for such loan, and will request that each Lender provide a quote for such loan. The Declarant may then choose to accept or reject any quotes it receives.

Interest calculations would be made on the basis of a 360-day year for the actual number of days elapsed except with respect to interest accruing at the Bank of New York's prime commercial lending rate, in which case interest would be calculated on the basis of a 365 or 366 day year for the actual number of days elapsed.

Any payment of principal and/or interest which is not paid when due would bear interest, to the extent permitted under applicable law, at a rate per annum equal to the interest rate otherwise applicable plus two percent.

Declarants will pay to the administrative agent for the Facility, for the pro rata account of the Lenders, an annual facility fee to be based upon the average daily amount of the Facility regardless of usage. The fee to be paid by the Declarants will be at least 0.10% and up to 0.30% of the average daily amount of the Facility, such percentage to be determined in accordance with the then current bond ratings of Eastern's first mortgage bonds. The administrative agent under the Facility will be a commercial bank, initially the Bank of New York, which will be paid a one-time agency fee of $50,000. An administrative fee of $7,500 will be paid to the administrative agent at closing and on each subsequent anniversary of the closing during the term of the Facility. Additionally, with respect to Competitive Bid Borrowings only, in the event that one or more Declarants request(s) a competitive bid, such Declarant(s) collectively will pay a $200 fee to the administrative agent in connection with such request.

Borrowings under the Facility will replace borrowings authorized by the Commission pursuant to order dated December 19, 1995 (HCAR Nos. 26433) (which authorized short-term financing for Eastern, Montaup, Blackstone, Newport, ESC, and Ocean State). Upon issuance of an order authorizing the transactions proposed in the instant Declaration, the authorization granted pursuant to HCAR No. 26433 (Dec. 19, 1995) will be replaced in its entirety and will cease to have effect. In addition, as a result of replacing EUA's ''regular bank lines of credit,'' the Facility will become the source of borrowings by EUA: (i) for the financing of EEIC and borrowings authorized pursuant to HCAR Nos. 24515A and 26028 (Dec. 4, 1987, as amended Jan. 11, 1988, and Apr. 15, 1994, respectively); (ii) authorized in connection with investments by EUA in EUA Energy, authorized by HCAR No. 26493 (Mar. 14, 1996), as subsequently amended; and (iii) for the financing of Cogenex authorized pursuant to the Cogenex Order. The Commission orders issued in connection with the financing of EEIC (HCAR Nos. 24515A and 26028) and investment in EUA Energy (HCAR No. 26493) will remain in full force and effect, as presently written.

The authorization granted by the Cogenex Order will be replaced in its entirety and will cease to have effect upon the issuance of the Commission's order authorizing the transactions proposed in the Declaration; provided, that the Commission's order authorizing the transactions proposed in the Declaration shall include authorization for the following transactions previously authorized by the Cogenex Order:

(a) EUA proposes to invest in Cogenex up to an aggregate principal amount of $50 million in one or any combination of short-term loans, capital contributions, or purchases of Cogenex common stock.

(b) Cogenex proposes to obtain financing in an aggregate principal amount not to exceed $200 million from any of the following sources: (i) up to $50 million from EUA, as described in (a) above, and (ii) $150 million from one or any combination of (A) the issuance and sale of unsecured notes (''New Notes'') through a private or a public offering, (B) the borrowing of proceeds from the issuance or sale of bonds by a state or political subdivision agency (''Bonds''), and (C) the borrowing of up to $75 million under the Facility. Should it become necessary to secure more favorable terms for the New Notes or Bonds, EUA proposes to guarantee, or provide an equity maintenance agreement for all or a portion of the obligations of Cogenex on the New Notes and Bonds. EUA and Cogenex request that the Commission reserve jurisdiction over the issuance and sale of the New Notes and Bonds and EUA's guarantee of or provision of an equity maintenance agreement for the New Notes and Bonds pending completion of the record.

(c) Cogenex proposes to extend its authority to invest in Northeast Energy Management, Inc. (''NEM'') and EUA Cogenex-Canada, Inc. (''Cogenex-Canada''), two wholly-owned non-utility subsidiaries of Cogenex, and their authority to borrow funds, with no increase in the amount of authorized funding. By Commission order dated January 28, 1994 (HCAR No. 25982), the Commission authorized Cogenex to

invest in NEM, and NEM to borrow from Cogenex, up to an aggregate $9.1 million. By Commission order dated September 30, 1994 (HCAR No. 26135), the Commission authorized Cogenex to provide equity and debt funding for Cogenex-Canada and for Cogenex-Canada to borrow from third parties in amounts not to aggregate more than $20 million outstanding. These authorizations were extended from December 31, 1995 through December 31, 1997 by the Cogenex Order.

The Facility will be used: (i) to pay, reduce or renew outstanding notes payable to banks as they become due; (ii) to finance the Declarants' respective cash construction expenditures for fiscal years 1996 through 2000; (iii) to provide funds to meet certain sinking fund requirements and retirements or redemptions of outstanding securities; (iv) in the case of EUA, to make short-term loans, capital contributions and open account advances in accordance with rule 45(b)(4) or rule 52 or as previously authorized by the Commission to Cogenex, EEIC and EUA Energy; (v) to pay for the cost of issuance of New Notes and Bonds of Cogenex; (vi) to provide for debt servicing reserves or expenses in connection with the issuance of New Notes and Bonds; (vii) for the Declarants' respective working capital requirements; and (viii) for other general corporate purposes.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–31618 Filed 12–12–96; 8:45 am]

BILLING CODE 8010–01–M

[Rel. No. IC–22378; 812–10354]

Renaissance Capital Growth & Income Fund III, Inc. and Renaissance Capital Group, Inc.; Notice of Application

December 6, 1996.

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

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

APPLICANTS: Renaissance Capital Growth & Income Fund III, Inc. (the ''Company'') and Renaissance Capital Group, Inc. (the ''Adviser'').

RELEVANT ACT SECTIONS: Order requested under sections 6(c) and 57(i) of the Act and rule 17d–1 thereunder permitting certain joint transactions prohibited by section 57(a)(4) of the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit the Company to co-invest with certain affiliated entities of the Adviser.

FILING DATES: The application was filed on September 19, 1996, and amended on November 8, 1996, and December 6, 1996. By letter dated December 6, 1996, applicants' counsel stated that an amendment, the substance of which is incorporated herein, will be filed during the notice period.

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 December 30, 1996, 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. Applicants, 8080 North Central Expressway, Suite 210, Dallas, Texas 75206.

FOR FURTHER INFORMATION CONTACT: Brian T. Hourihan, Senior Counsel, at (202) 942–0526, or Mary Kay Frech, 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 Company, a Texas corporation, is a non-diversified closed-end investment company that has elected to operate as a business development company (''BDC'') under the Act. The Company's primary investment objective is to seek long-term capital appreciation through investments in ''eligible portfolio securities'' (as defined in the Act). In addition, the Company seeks to structure its investments to provide an element of current income through interest, dividends, and fees whenever feasible in light of market conditions and the cash flow characteristics of portfolio companies. The investments strategy of the Company is to invest in a diversified portfolio of companies that have the potential for rapid growth in sales, earnings, and enterprise value. The Company expects, after the completion of the initial investment phase, to maintain a portfolio of investments in 10 to 20 companies in diverse industries.

2. The Adviser is a registered investment adviser under the Investment Advisers Act of 1940 and provides investment advisory services to the Company.[1] The Adviser is responsible, subject to the supervision of the Company's board of directors, for administering the Company's business affairs. The adviser also serves as the investment adviser to Renaissance U.S. Growth & Income Trust PLC (''Renaissance PLC''), a public limited company organized under the laws of England and Wales. Applicants state that Renaissance PLC is not registered as an investment company in reliance on the exclusion from the definition of investment company in section 3(c)(1) of the Act. The adviser seeks to find investment opportunities for Renaissance PLC in smaller capitalized United States public companies with the potential for significant capital appreciation.

3. The principals of the Adviser will select investments for the Company and Renaissance PLC separately considering in each case the investment of objectives, investment position, available funds, and other pertinent factors of the particular investment fund, including applicable investment restrictions and regulatory requirements. Applicants state that the Company and Renaissance PLC frequently may invest in the same portfolio companies in proportion to their respective amounts of capital available for investment.

4. Applicants state that they would like the flexibility to co-invest with additional private and public investment funds that may or may not be located in the United States and that share a common investment adviser with the Company. Therefore, applicants request an order pursuant to sections 6(c) and 57(i) of the Act and rule 17d–1 thereunder to the extent necessary to permit the Company to co-invest with companies that are affiliated with the Adviser, including Renaissance PLC (each an ''Adviser Affiliate'').

[1] The Adviser also serves as the investment adviser to two other registered BDCs (Renaissance Capital Partners I, Ltd., and Renaissance Capital Partners II, Ltd.) which were fully invested and not actively pursuing investment opportunities.