

6. No Money Market Fund shall acquire securities of any other investment company in excess of the limits contained in section 12(d)(1)(A) of the Act.

7. Before a Fund may participate in the Securities Lending Program, a majority of the trustees (including a majority of the independent trustees) of the Fund will approve the Fund's participation in the Securities Lending Program. Such trustees also will evaluate the securities lending arrangement and its results no less frequently than annually and determine that any investment of Cash Collateral in the Money Market Funds is in the best interest of the shareholders of the Fund.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26735]

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

June 27, 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 July 21, 1997, 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.

Consolidated Natural Gas Company, et al. (70-8577) (70-8577)

Consolidated Natural Gas Company ("CNG"), a registered holding company located at CNG Tower, 625 Liberty Avenue, Pittsburgh, Pennsylvania 15222-3199, and its wholly-owned nonutility subsidiary companies, CNG Energy Services Corporation ("Energy Services") and CNG Products and Services, Inc., ("Products and Services"),¹ located respectively at One Park Ridge Center, Pittsburgh, Pennsylvania 15244-0746 and CNG Tower, 625 Liberty Avenue, Pittsburgh, Pennsylvania 15222-3199 (collectively "Applicants"), have filed a post-effective amendment to their application-declaration under sections 6(a), 7, 9(a), 10 and 12(b) of the Act and rules 43, 45 and 54 thereunder seeking a supplemental order pertaining to the provision of certain energy-related services and related loan financing. A notice of the filing of the initial application-declaration was issued by the Commission on July 21, 1995 (Holding Co. Act Release No. 26337) and an initial order was issued on August 28, 1995 (Holding Co. Act Release No. 26363).

The initial order authorized Products and Services to provide customers with ten categories of energy-related services (collectively, "Original Customer Services").² It also authorized CNG to

¹ CNG incorporated CNG Special Products and Services, Inc., in 1995, as a wholly-owned non-utility subsidiary of its CNG Energy Services Corporation subsidiary. The name was changed in late 1995 to CNG Products and Services, Inc. Products and Services provides energy-related, customer-convenience type services to customers of the local distribution companies in the CNG System and to others, primarily customers of non-affiliated utilities. The "CNG System" consists of CNG and its wholly-owned utility and non-utility subsidiaries.

² The specific customer services approved by the initial order were as follows: (1) "Service Line Maintenance Program" (repair of service lines owned by and located on customers' property, in exchange for a nominal monthly fee); (2) "Appliance Guard" (an extended service warranty covering the cost of repairing customers' appliances); (3) "Payment Power" (bill payment protection, up to \$400 a month for six months); (4) "Routine Furnace Services" (routine furnace inspection and repair); (5) "One-Package Appliance Inspection and Replacement" (annual inspection, maintenance or replacement of any appliance, including hot water heaters); (6) "Community Bill Payment Center" (a centralized bill payment center for "one stop" payment of all utility and municipal bills); (7) "Energy Audits and Services" (energy audits for institutional customers together with a turn-key service package); (8) "Propane Services" (in areas where it is not economical for local

provide Products and Services with up to \$10 million in related revolving loan financing through December 31, 2000. Applicants now seek a supplemental order authorizing additional categories of energy-related services and allowing Products and Services to provide financing to customers³ in connection with the sale and installation of certain energy-related equipment (collectively, "New Customer Services").

The proposed New Customer Services would consist of the following: (1) *Energy-Related Equipment*—Products and Services would sell and install (a) energy-related appliances such as furnaces, air conditioners, hot water heaters, heat pumps, gas grills, gas lights, gas logs and related fireplace equipment, natural gas vehicle ("NGV") conversion equipment (to convert a non-gas powered vehicle to "dual-fuel" capability) and the NGV refueling equipment necessary to allow customers to refuel their NGVs at home, and other similar appliances, and (b) energy-related products that enhance safety, increase energy efficiency, or provide energy-related information, such as home security systems (including carbon monoxide, smoke and fire detectors, and fire extinguishers), energy consumption monitoring devices (including software programs), demand side management devices to increase energy efficiency or reduce energy consumption, and other similar products. (2) *Energy-Related Safety Inspection and Repair Services*—Products and Services would offer residential and commercial customers a safety inspection and repair service to detect and correct problems such as carbon monoxide leaks, and faulty equipment wiring. (3) *Energy-Related Electronic Measurement Services*—Products and Services would offer

distribution companies to extend natural gas service via underground pipelines); (9) "Gas Fired Electric Generators" (installation of temporary or permanent gas-fired turbines for on-site generation and consumption of electricity); and (10) "Pipeline Maintenance, Construction and Managerial Support Services for Others" (management, construction and required maintenance for pipelines owned by non-affiliated utilities and provision of consulting services to small non-affiliated utilities).

³ As in the initial order, the term "customers" refers to both customers of CNG's local distribution companies ("LDCs") and others, primarily customers of utilities not affiliated with CNG. CNG has five wholly-owned LDCs: (1) The East Ohio Gas Company, serving approximately 1,081,000 customers primarily in northeastern Ohio; (2) The People's Natural Gas Company, serving approximately 332,000 customers in southwestern Pennsylvania; (3) Virginia Natural Gas, Inc., serving approximately 184,000 customers in southeastern Virginia; (4) Hope Gas, Inc., serving approximately 111,000 customers in central and northern West Virginia; and (5) West Ohio Gas Company, serving approximately 60,000 customers in a region in western Ohio centered around Lima.

residential, commercial and industrial customers a variety of enhanced measurement and billing services (such as, in the case of residential consumers, the ability to use a home phone or computer to determine what their energy bill is at any point during the month, or, in the case of large commercial consumers, the ability to continuously monitor energy consumption, prices and fuel-switching opportunities) that will enable them to better monitor and control their energy consumption and expenditures. (4) *Energy-Related Marketing and Consulting Services*—Products and Services would offer marketing services to non-affiliated businesses by providing non-affiliated LDCs and other third parties with bill insert and automated meter reading services as well as other consulting services such as advice in how to set up a billing mechanism or marketing program.⁴ (5) *Risk Management Products for Gas Customers*—A variety of financial instruments may be made available to gas customers interested in hedging energy price or consumption fluctuations under existing contracts. These instruments will not be used for speculative purposes. (6) *Expanded Service Line Maintenance Program*—Products and Services proposes to expand the scope of the Service Line Maintenance Program approved in the initial order to cover any type of energy-related service line (wire or pipe) owned by the customer. In exchange for a nominal monthly fee, Products and Services would agree to pay for any needed repairs to customers' lines.⁵ Applicants state that Products and Services does not, and will not as a result of this expanded maintenance program, own or operate any facilities or utility assets as defined in sections 2(a)(3), 2(a)(4) or 2(a)(18) of the Act. (7) *Customer Financing*—Applicants seek authorization for Products and Services to offer its own or to broker non-associate third-party financing to commercial, industrial and residential customers ("Customer Financing") to facilitate purchases by its customers of goods and services included within the Energy-Related Equipment category of New Customer Services. Customer Financing also would be available for

purchases by CNG's gas utility customers of Energy-Related Equipment where the customer is not otherwise purchasing goods and services promoted by Products and Services. Customer Financing would take the form of direct loans, installment purchase arrangements and loan guarantees. (8) *Incidental Products and Services*—Applicants seek authorization to provide certain incidental products and services related to the seven categories of New Customer Services listed above and the ten categories of Original Customer Services authorized in the initial order ("Incidental Products and Services"). The proposed Incidental Products and Services would be closely related to the consumption of energy and/or the maintenance of property by customers. The need for such products and services would arise as a result of, or evolve out of, and would not differ materially from, the Original Customer Services and/or New Customer Services described above.⁶ (The Original Customer Services and the proposed New Customer Services, are hereafter collectively referred to as "Customer Services.")

Products and Services conducts or will conduct its Customer Services business both within and outside of the four states of Virginia, West Virginia, Pennsylvania and Ohio where the CNG System LDCs are located (collectively, "LDC States"). However, applicants state that during the twelve-month period beginning on the first day of the Month following the date on which Products and Services commences its New Customer Services business pursuant to a supplemental order issued by the Commission in this matter, and for each subsequent calendar year thereafter, total Customer Services revenues of Products and Services derived from customers in the LDC States will exceed total Customer Service revenues of Products and Services derived from customers in all other states.

Applicants state that CNG's LDCs will assist Products and Services with customer billing, accounting, and other energy-related services and anticipate that these services can be provided to Products and Services by the current staff at the LDCs. They state that all services required to conduct the Customer Services and Incidental products and Services businesses that are provided to Products and Services

by the LDCs or any other CNG System company will be billed at cost in accordance with section 13(b) of the Act and rules 87, 90 and 91 thereunder.

Public Service Company of Oklahoma (70-9055)

Public Service Company of Oklahoma ("PSOK"), 212 East 6th Street, Tulsa, Oklahoma, 74119-1212, a wholly-owned electric utility subsidiary of Central and South West Corporation ("CSW"), a registered holding company, has filed an application under sections 9(a) and 10 of the Act and rule 54 thereunder seeking authorization to acquire up to 712,000 total shares (up to 4.9% of the voting shares) of Scientech, Inc. ("Scientech"), a privately owned Idaho corporation that provides utility related services (and some ancillary and minor products such as replacement parts and components for commercial nuclear facilities) to the nuclear utility industry ("utility services business") and certain United States Government agencies ("government agency services business").⁷

Scientech's utility services business is aimed at electric utilities, which are restructuring and outsourcing in an increasingly competitive environment. Scientech provides services (including engineering and other services), systems (including security systems), and instruments, which describe, regulate, monitor and enhance the safety and reliability of plant operations and their environmental impacts (collectively, "risk and reliability services").⁸ Nearly 40% of Scientech's utility services business involves the analysis and evaluation of operational safety and risk using proprietary software. Approximately 20% of Scientech's utility services business is associated with engineering and operational support activities involving nuclear materials and facilities, design and

⁷ Scientech has four wholly-owned subsidiaries, three majority owned subsidiaries and one minority owned subsidiary. The wholly-owned subsidiaries are UNC Analytical Services, Inc. (d/b/a Belfort Engineering and Environmental Services, Inc.), Grant Environmental, Inc., NUS Information Services, Inc., and NUS Instruments, Inc. The majority owned subsidiaries are SRVNet, Inc., Technology Applications, Inc., and SCIENTECH de Venezuela, Inc. The minority owned subsidiary is SEMTECH, Inc.

⁸ Scientech also provides risk and reliability services internationally. These services, which totaled approximately \$1.3 million for the fiscal year ended January 31, 1997, are currently being provided to the governments of and/or utilities in Canada, Japan, Korea, and former Soviet Block countries. Approximately 75% of these services are being funded under contract with the Department of Energy and the Nuclear Regulatory Commission. Most of the remaining work is performed under direct contract with Japanese and Canadian utilities.

⁴ Applicants state that this category of New Customer Services expands on the "Pipeline Maintenance, Construction and Managerial Support Services for Others," category of Original Customer Services approved by the initial order.

⁵ Applicants believe that customers will find it more convenient and cost effective to pay one monthly fee to Products and Services instead of separate monthly fees to a variety of utilities (gas, electric, telephone, cable, water, etc.).

⁶ Applicants state that the Proposed Incidental Products and Services would not involve the manufacture of energy-consuming equipment but could be related to, among other things, the maintenance, financing, sale or installation of such equipment.

installation of microwave transmission systems, and training and simulator instruction for nuclear power plants. Approximately 10% of Sciencetech's utility services business is involved with the design and installation of enhanced physical security systems, and another 10% involves support services related to environmental compliance and cleanup. Information management and other network services account for 15% of Sciencetech's utility services business, and the other 5% involves software sales, including software used to support power plant operations.

Under contracts with the Department of Energy relating to the nuclear industry, Sciencetech provides government agency services to the Department of Defense and the Nuclear Regulatory Commission. Sciencetech's government agency services business principally involves the design and installation of enhanced physical security systems and work requiring skills in safety analysis and assessment, knowledge of secure handling of nuclear materials, technical review, technical policymaking, and technical policy implementation.

A majority of Sciencetech's \$53 million in actual revenues for its fiscal year ended January 31, 1997 came from its government agency services business. However, Sciencetech has adopted a strategy of reducing its reliance on government contracts and applying its expertise to capture a greater share of the utility services market. In September 1996, Sciencetech purchased the business and a portion of the assets (primarily customer accounts receivable and other current assets relating to utility services customers) of Halliburton NUS, a nuclear utility services provider. On a *pro forma* basis, including the Halliburton NUS acquisition, Sciencetech's utility services and government contracts businesses would have each accounted for approximately 48% of total of total revenues of approximately \$70 million.

Sciencetech also applies some of its expertise to applications outside of government agencies and the utility industry. It has sold environmental services to mining operations, internet services to non-utilities and risk and reliability services to the industrial sector. These services totalled approximately \$2 million for the fiscal year ended January 31, 1997, which was approximately 3% of Sciencetech's total revenue. Based on Sciencetech's present business strategy and its view of optimum growth opportunities, it is anticipated that Sciencetech will continue to provide the same or similar types of

products and services to non-utility and non-government customers and the percentage of Sciencetech's total revenue from sales of products and services to such customers will not materially increase.

Sciencetech's through its subsidiary, NUS Information Services, Inc., has performed a small amount of work at the South Texas Project ("STP"), a nuclear generating facility partially owned by a CSW electric utility subsidiary, Central Power and Light Company. Currently, STP is subscribing to four informational database services provided by NUS Information Services, Inc. It also has an open work order for database maintenance. No other services are presently being provided by Sciencetech or its subsidiaries to the CSW system.⁹ After consummation of PSOK's proposed investment in Sciencetech, Sciencetech and/or its subsidiaries may provide additional services or products to the CSW system, although no such services or products have been identified at this time.¹⁰

PSOK has entered into a Stock Purchase Agreement, dated June 2, 1997, between Dr. Lawrence J. Ybarrondo, Chairman of the Board of Directors and founder of Sciencetech (and certain related trusts and family members) (collectively, the "Sellers") and PSOK.¹¹ Pursuant to the Stock Purchase Agreement, and subject to certain conditions including receipt of an order from the Commission approving this application, PSOK shall purchase from the Sellers, at a purchase price of \$6.00 per share, or an aggregate purchase price of \$3,036,000, an aggregate of 506,000 shares of Sciencetech common stock (representing approximately 25% of the total outstanding capital stock of Sciencetech), consisting of 70,000 shares of Class A Voting Common Stock ("Class A Stock") and 436,000 shares of Class B Nonvoting Common Stock ("Class B Stock").¹² The

⁹ The CSW system is comprised of CSW and its utility and non-utility subsidiaries. The four utility subsidiaries of the CSW system are Central Power & Light Company, PSOK, Southwestern Electric Power Company and West Texas Utilities Company.

¹⁰ Applicant contends that Commission authorization under section 13(b) of the Act is not required for Sciencetech and/or its subsidiaries to provide services to the CSW system because, as discussed below, PSOK will never own more than 4.9% of the voting stock of Sciencetech and, consequently, Sciencetech will be neither an affiliate nor a subsidiary company as defined in the Act.

¹¹ Sellers and PSOK have also entered into an Escrow Agreement, Shareholders Agreement and Registration Rights Agreement, all dated June 2, 1997.

¹² Each share of Class A Stock entitles its holder to one vote on any matter coming before the Sciencetech shareholders for a vote. The holders of Class B Stock are not entitled to vote on any matter

70,000 shares of Class A Stock represent 4.5% of the Class A Stock to be outstanding immediately following consummation of PSOK's proposed investment in Sciencetech and the 436,000 shares of Class B Stock represent 100% of the Class B Stock to be outstanding immediately following consummation of PSOK's proposed investment.

The Stock Purchase Agreement also grants, subject to receipt of the Commission approval sought in this application, an option for PSOK to purchase from Sellers an additional 206,000 shares of Class B Stock, not later than September 2, 1998, at a purchase price per share of \$9.00 ("Option Shares"). Purchase of these additional shares would give PSOK ownership of approximately 34% of the total outstanding capital stock of Sciencetech. The acquisition of all shares, including any Option Shares, will be funded by PSOK out of internally generated funds.

Each holder of Class B Stock has the right, at any time, at the option of the holder and without payment of any further consideration, to exchange each share of Class B Nonvoting Stock into one share of fully paid Class A Voting Stock.¹³ However, Applicant states that PSOK will not take any action that would cause PSOK to own or control, and PSOK will not own or control, more than 4.9% of the voting stock of Sciencetech at any one time.

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

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[File No. 1-11342]

Issuer Delisting; Notice of Application To Withdraw From Listing and Registration (Servico, Inc., Common Stock, \$.01 Par Value)

June 30, 1997.

Servico, Inc. ("Company") has filed an application with the Securities and Exchange Commission ("Commission"), pursuant to Section 12(d) of the

coming before the shareholders, except that no amendment to Sciencetech's Articles of Incorporation may be effected without the affirmative vote of holders of a majority of the outstanding shares of Class B Stock.

¹³ Holders of Class A Stock have a corresponding right to convert their Class A shares into Class B shares.