

Sections 2(a)(32), 22(c) and 27(i)(2)(A) of the Act, and Rule 22c-1 thereunder, is consistent with the exemptive relief provided under the Prior Order.

5. In addition, Applicants state that the Commission has previously granted similar exemptive relief to permit the issuance of variable annuity contracts providing for recapturable bonus credits in amounts up to 5%.

Conclusion

Applicants submit, based on the grounds summarized above, that their exemptive request meets the standards set out in Section 6(c) of the Act, namely that the exemptions requested are necessary or appropriate in the public interest, and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act, and that, therefore, the Commission should grant the requested order.

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

[Release No. 35-27045]

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

July 2, 1999.

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 under the Act. All interested persons are referred to the applications(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 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 27, 1999, 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 should 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 July 27, 1999, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

The Southern Company, et al. (70-8691)

The Southern Company ("Southern"), 270 Peachtree Street, N.W., Atlanta, Georgia 30303, a registered holding company, has filed an amendment to its declaration under sections 6(a), 7, and 12(b) of the Act and rules 45 and 54 under the Act.

On May 23, 1997 (HCAR No. 26720), the Commission issued a notice whereby Southern filed a declaration seeking authority for it to guarantee securities to be issued to third parties by Southern Company Services, Inc. ("Services"), a wholly owned service company subsidiary of Southern.

Southern now proposes, from time to time through June 30, 2004, to guarantee the debt or other obligations of Services up to an aggregate principal amount of \$200 million.

Services intends, from time to time through June 30, 2004, to make borrowings from Southern or third parties under rule 52 up to an aggregate principal amount of \$200 million. Services proposes to issue notes to Southern as evidence of any borrowings made from Southern. Terms and conditions of any borrowings from Southern to Services will mirror Southern's effective cost of capital.

Services proposes to issue and sell notes ("Notes") to third party lenders with terms of up to 50 years, contain sinking funds and bear interest at a rate not to exceed 3½ percentage points per annum over the rate for U.S. Treasury securities with a corresponding maturity. Services may hire an agent to place the Notes for a commission based upon the principal amount borrowed.

Services may also make borrowings from certain banks under one or more revolving credit commitment agreements. Short-term borrowings would have a maximum maturity of one year, and term loans would have maturities up to ten years. Borrowings would be evidenced by a "grid" promissory note to be dated the date of the initial borrowing and the date of each subsequent borrowing when a "grid" short-term or term-loan note is not outstanding. These borrowings would bear interest at rates to be negotiated with the lender. Services expects to pay fees in connection with

the credit arrangements. The interest rates and fees will be negotiated based upon prevailing market conditions.

Services also may make borrowings from other institutions. The institutional borrowings will be evidenced by notes to be dated as of the date of the borrowings and to mature in not more than ten years after the date of borrowing, or by "grid" notes evidencing all outstanding borrowings from each lender to be dated as of the date of the initial borrowing and to mature in not more than ten years after the date of borrowing. Generally, borrowings will be prepayable in whole, or in part, without penalty or premium, and will be at rates to be negotiated with the lending institutions based upon prevailing market conditions. Services also may negotiate separate rates for, or agree not to prepay, particular borrowings if it is considered more favorable.

In the event that Services makes borrowing from Southern, Services proposes to issue notes to Southern as evidence of the indebtedness. Terms and conditions of any borrowings from Southern to Services will mirror Southern's effective cost of capital.

The net proceeds from all borrowings will be used to fund the general requirements of Southern's Services' business, including the possible refunding of outstanding indebtedness. The proceeds will be used in the routine course of business for funding required capital expenditures, including computer equipment, software, office equipment and office facilities, other requirements as approved by the Commission and maintaining an adequate working capital level.

GPU, Inc. (70-7607)

GPU, Inc. ("GPU"), 300 Madison Avenue, Morristown, New Jersey 07962, a registered holding company, has filed a post-effective amendment under sections 6(a) and 7 of the Act and rule 54 under the Act to a declaration previously filed under the Act.

By order dated March 30, 1989 (HCAR No. 24851) ("Order"), the Commission authorized GPU to issue up to 20,000 shares of GPU common stock through December 31, 1998 ("Authorization Period") under a restricted stock plan for outside directors ("Plan").¹ GPU now requests that the Commission extend the Authorization Period through December 31, 2008. In all other respects, the terms and conditions of the Plan would remain unchanged.

¹ The number of shares authorized under the Plan later rose to 40,000 due to a two-for-one stock split.

Under the Plan, all members of GPU's board of directors ("Board") who are outside directors ("Outside Directors") are eligible to receive—in addition to their annual retainer, committee fees, and benefits under any other applicable benefits plan—shares of GPU common stock as compensation for their services as Board members. Until termination of service, an Outside Director generally may not dispose of any shares of GPU common stock awarded under the Plan, but has all other rights of a shareholder with respect to such shares, including voting rights and the right to receive all cash dividends paid with respect to awarded shares. A committee administers the Plan and determines any award under the plan.

The Plan states that its purpose is to enable GPU to attract and retain persons of outstanding competence to serve on its Board by paying them a portion of their compensation in GPU common stock.

Southern Ohio Coal Company, et al. (70-9515)

Southern Ohio Coal Company ("SOCCo"), a West Virginia corporation and a wholly owned nonutility subsidiary of Ohio Power Company ("Ohio Power"), and electric utility subsidiary of American Electric Power Company, Inc., a registered holding company, each located at 1 Riverside Plaza, Columbus, Ohio 43215, have filed a declaration under section 12(c) of the Act and rules 46 and 54 under the Act.

By Commission order dated September 13, 1996 (HCAR No. 26573), SOCCo was authorized to pay up to \$68 million out of capital surplus to Ohio Power through December 31, 1998, as one or more dividends on its common stock. Dividends in that amount have been paid to Ohio Power, according to SOCCo, and the authority under that order has expired. In June of 1997, SOCCo received approximately \$50 million from an institutional investor from the sale-leaseback of its Meigs Division coal preparation plant, intermine coal conveyor and overland coal conveyor. The remaining sale-leaseback proceeds and the cash generated from SOCCo's Meigs Division are in excess of \$15.8 million and exceed the amount of its working capital requirements, which are estimated by SOCCo to be \$9,928,000.

SOCCo now requests authorization to pay Ohio Power one or more dividends on its common stock, out of capital surplus, totalling up to \$15.807 million. SOCCo proposes that its Board of Directors declare dividends periodically when the cash is available, but in no event later than December 31, 2001.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41593; File No. SR-AMEX-99-20]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the American Stock Exchange LLC Relating to the Listing and Trading of Trust Issued Receipts

July 1, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on May 28, 1999, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to adopt Rules 1200, 1201 and 1202 relating to the listing and trading of Trust Issued Receipts. The text of the proposed rule change follows. [Bracketing] indicates text to be deleted and *italics* indicate text to be added.

Rules of General Applicability

TRUST ISSUED RECEIPTS

Rule 1200

(a) *Applicability. The Rules in this Chapter (Trading of Trust Issued Receipts) are applicable only to Trust Issued Receipts. Except to the extent that specific Rules in this Chapter govern, or unless the context otherwise requires, the provisions of the Constitution and all other rules and policies of the Board of Governors shall be applicable to the trading on the Exchange of such securities. Pursuant to the provisions of Article 1, Section 3(i) of the Constitution, Trust Issued Receipts are included within the definition of "security" or "securities"*

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

as such terms are used in the Constitution and Rules of the Exchange.

(b) *Definitions. The following terms as used in the Rules shall, unless the context otherwise requires, have the meanings herein specified:*

Trust Issued Receipts. The term "Trust Issued Receipt" means a security (a) that is issued by a trust ("Trust") which holds specified securities deposited with the Trust; (b) that, when aggregated in some specified minimum number, may be canceled by the beneficial owner to receive the securities; and (c) that pays beneficial owners dividends and other distributions on the deposited securities, if any are declared and paid to the trustee by an issuer of the deposited securities.

Commentary

.01 *The Exchange requires that members and member organizations provide to all purchasers of newly issued Trust Issued Receipts a prospectus for the series of Trust Issued Receipts*

.02 *Transactions in Trust Issued Receipts may be effected until 4:00 pm each business day.*

Designation

Rule 1201

The Exchange may list and trade Trust Issued Receipts based on one or more securities. The Trust Issued Receipts based on particular securities shall be designated as a separate series and shall be identified by a unique symbol. The securities that are included in a series of Trust Issued Receipts shall be selected by the Exchange or its agent, a wholly-owned subsidiary of the Exchange, or by such other person as shall have a proprietary interest in such Trust Issued Receipts, and may be revised from time to time.

Initial and Continued Listing

Rule 1202

Trust Issued Receipts will be listed and traded on the Exchange subject to application of the following criteria .

(a) *Initial Listing—For each Trust, the Exchange will establish a minimum number of Trust Issued Receipts required to be outstanding at the time of commencement of trading on the Exchange.*

(b) *Continued Listing—Following the initial twelve month period following formation of a Trust and commencement of trading on the Exchange, the Exchange will consider the suspension of trading in or removal from listing of a Trust upon which a series of Trust Issued Receipts is based*