

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.

The Southern Company (70-8961)

The Southern Company ("Southern"), 270 Peachtree Street, Atlanta, Georgia 30303, a registered holding company, has filed a declaration pursuant to sections 12(b) of the Act and rule 45 and 54 thereunder.

Southern proposes that, from time-to-time on or before December 31, 2003, it may guarantee indebtedness incurred by Southern Company Services, Inc. ("Services"), its subsidiary service company, in an aggregate outstanding amount of up to \$200 million under one or more of the following borrowing methods.

Services may issue and sell new notes ("Proposed Notes") to a lender or lenders other than Southern. The Proposed Notes would be issued under an agreement(s) with the lender(s) and may be guaranteed by Southern as to principal, premium, if any, and interest. The proposed notes may have terms of up to 30 years, contain sinking funds and bear interest at a rate or rates not to exceed 3½ percentage points per annum over the rate for United States Treasury securities of corresponding maturity at the time the lender(s) commit to purchase the particular issue. Services may engage an agent to place the proposed notes for a commission not in excess of ½ of 1% of the principal amount borrowed.

Services also may effect short-term or term-loan borrowings under one of more revolving credit commitment agreements. Short-term borrowings under such agreement(s) would have a maximum maturity of one year and term loans would have maturities up to 10 years. It is expected that the borrowings would be evidenced by a "grid" promissory note to be dated the date of the initial borrowing and the date of each borrowing thereafter when a "grid" short-term or term-loan note, as they case may be, is not outstanding ("Grid Notes").

The Grid Notes would bear interest at rates to be negotiated with the lending bank or banks. Borrowings under the proposed revolving credit commitment agreements would be at rates per annum not in excess of: (1) The lender's prime or base ("Prime") rate plus 1%; (2) the lender's certificate of deposit ("CD")

rate plus 1¾%; and (3) the lender's LIBOR plus 2%. Services also may negotiate separate rates for particular borrowings, an option Services would pursue only if the resulting rates are considered more favorable than those otherwise available under the commitments. In addition, it is expected that Services will be obligated to pay a commitment fee not in excess of ½ of 1% per annum of the unused portion of each lending bank's commitment.

Services also may effect short-term borrowings from certain banks and other institutions. These borrowings will be evidenced by notes to be dated as of the date of such borrowings and to mature in not more than 10 years after the date of issue, 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 10 years after the date of issue. Generally, borrowings will be prepayable in whole, or in part, without penalty or premium, and will be at rates per annum not in excess of: (1) The Prime rate; (2) the CD rate plus 1%, and LIBOR plus 1%. Services also may negotiate separate rates for, and/or agree not to prepay, particular borrowings if it is considered more favorable to Services. Compensation for the credit facilities, not to exceed ½ of 1% per annum of the amount of the facilities, is expected to be provided by balances or comparable fees in lieu of balances.

Unitil Corporation (70-9047)

Unitil Corporation ("Unitil"), 6 Liberty Lane West, Hampton, New Hampshire 03842-1270, a registered holding company, has filed a declaration under section 12(b) of the Act and rule 45 thereunder.

Unitil proposes to guarantee the lease payment obligations of its service company subsidiary, Unitil Service Corporation ("Unitil Service"), to Unitil Realty Corp. ("Unitil Realty"), its real estate subsidiary company, under a lease agreement ("Lease"), in an amount not to exceed \$12 million.

In August 1996, Unitil Realty completed construction of a new corporate office facility for Unitil Service in Hampton, New Hampshire ("Facility") at a cost of approximately \$9 million. Unitil Service is the only tenant of the Facility.

Unitil Realty has received a commitment for permanent debt financing for the Facility. In order for Unitil Realty to obtain the most favorable financing rate, Unitil proposes to guarantee Unitil Service's obligations under the Lease. Under the Lease, Unitil Service is obligated to pay rent payments covering the cost of principal

and interest to Unitil Realty, return on equity for Unitil Realty and certain other expenses such as property taxes, insurance, utilities, repairs, maintenance, leasehold improvements and alterations.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-14210 Filed 5-30-97; 8:45 am]
BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-38671; File No. SR-PHLX-97-04]

Self-Regulatory Organizations; Order Partially Approving and Granting Accelerated Approval of Amendment No. 2 to a Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Establishing a 4:02 p.m. Closing Time for Equity and Narrow-Based Index Options Trading, and Modifying Option Trading Rotation Procedures

May 23, 1997.

I. Introduction

On January 8, 1997, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder.² On January 29, 1997, the Exchange filed Amendment No. 1 to the rule proposal.³ On April 4, 1997, the Exchange filed Amendment No. 2 to the proposed rule change.⁴ On April 23, the Exchange filed Amendment No. 3 to the proposed rule change.⁵

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Letter from Theresa McCloskey, Exchange, to Janice Mitnick, Commission, dated January 29, 1997. Amendment No. 1 is a technical amendment, correcting rule language in Rule 1047, Commentary .03(c), which was submitted as Exhibit B with the rule filing.

⁴ Letter from Philip H. Becker, Exchange, to Michael A. Walinskas, Commission, dated April 4, 1997. Amendment No. 2 proposes a 4:02 p.m. close of trading for narrow-based index options and modifies option trading rotation procedures. Amendment No. 2 originally contained a proposal modifying Exchange index option exercise cut-off procedures. However, this proposal was resubmitted in Amendment No. 3, constituting a withdrawal of such proposal from Amendment No. 2.

⁵ File No. SR-PHLX-97-04, Amendment No. 3, dated April 22, 1997. Amendment No. 3 proposes to amend Rule 1042A and Floor Procedure Advice G-1 to change the index option exercise cut-off time

Notice of the substance of the proposed rule change and Amendment No. 1 was provided by issuance of a release⁶ and by publication in the **Federal Register**.⁷ Notice of the substance of Amendment Nos. 2 and 3 was provided by issuance of a release⁸ and by publication in the **Federal Register**.⁹ One comment letter was received.¹⁰ This order partially approves the proposed rule change. Specifically, this order approves the originally filed proposal that establishes a 4:02 p.m. close of trading for equity options, Amendment No. 1, a technical amendment to the originally filed proposal, and Amendment No. 2, which proposes a 4:02 close of trading for narrow-based index options and modifies option trading rotation procedures.¹¹

II. Description of the Proposal

The Exchange proposes to amend Rule 101 to close equity and narrow-based index options trading at 4:02 p.m. Currently, both equity and narrow-based index options trade until 4:10 p.m.

The Exchange also proposes to amend Rule 1047 to permit two floor officials to approve a trading rotation after the normal close of trading. Currently, authority to determine that a final trading rotation is needed to assure a fair and orderly market rests with the Options Committee.

The Exchange also proposes to amend Rules 1047 and 1047A to amend the notification requirement that applies to trading rotations conducted after the close of trading. Currently, notice of a trading rotation held as a result of unusual market conditions must be disseminated to the floor by the close of trading. This effectively requires the Exchange to decide whether it is going to conduct a trading rotation before the close of trading. The proposal eases this strict provision by only requiring that advance notice of a rotation be disseminated and that the rotation not

commence until five minutes after dissemination of the notice.

The Exchange also proposes to amend, pursuant to Amendment No. 3 to the proposal, Rule 1042A and Floor Procedure Advice G-1 to change the index option exercise cut-off time from 4:30 p.m. (or 15 minutes after the close of trading if trading is closed at a time other than the regular close of trading) to five minutes after the close of trading. Thus, the exercise cut-off time applicable to narrow-based index options (proposed to close at 4:02 p.m.) would be 4:07 p.m., and the cut-off time applicable to broad-based index options (which close at 4:15 p.m.) would be 4:20 p.m. The proposal, pursuant to Amendment No. 3, also deletes the current requirement that member organizations must accept exercise instructions until 4:15 p.m. each business day.

The Commission received one comment letter regarding this proposal.¹² The commenter generally supports a 4:02 p.m. close of trading for equity and narrow-based index options.¹³ The commenter also supports the Exchange's proposed Amendment No. 3, which would amend the Exchange's narrow-based index exercise cut-off time to expire five minutes after the close of trading.

III. Discussion

The Commission finds that those portions of the proposed rule change that establish a 4:02 p.m. close of trading for equity and narrow-based index options and modify option trading rotation practices are consistent with the requirements of the Act, and the rules and regulations thereunder applicable to a national securities exchange, and, in particular, Section 6(b)(5).¹⁴ Section 6(b)(5) requires, among other things, that the rules of an exchange be designed to promote just and equitable principles of trade, perfect the mechanism of a free and open national market, and, in general, to further investor protection and the public interest.

The Commission believes that it is reasonable for the Exchange to amend its rules to close trading in equity and narrow-based index options at 4:02 p.m., versus the existing 4:10 p.m. close. Changing the closing time for these options to 4:02 p.m. preserves the Exchange's stated need to continue trading options for some period of time after the close of trading in the underlying securities. The Exchange has stated that this two minute extension from the close of the stock markets will allow options traders to respond to late reports of closing prices over the consolidated tape, thereby bringing options quotes into line with the closing price of the underlying security. Due to technological advances, these delays have now been reduced, but have not been completely eliminated. The Exchange believes that two minutes of options trading after the underlying equities close is sufficient to bring options quotes into line with the closing price of the underlying security.

In determining an appropriate closing time, the Exchange has also considered the problems that might result when the Exchange remains open after the close of the primary exchange for the underlying stocks. The Exchange states that the existing 4:10 options trading close, providing ten minutes of options trading after the underlying equities have closed, often results in automatic executions of options at outdated prices. The Exchange also states that, like equity options, narrow-based index options are sensitive to changes in the underlying equities prices. Further, the Exchange states that not all market participants are able to respond quickly to changes in equity options prices between 4:00 and 4:10 p.m.

Therefore, the Commission finds that a closing time of 4:02 p.m. for equity and narrow-based index options is a reasonable means to address the Exchange's desire to balance the need for some extended trading period after the underlying markets have closed with the need to prevent negative impact from equity and narrow-based index options trading without the pricing benefit of continuing stock trading.

The Commission also believes that it is reasonable for two Exchange floor officials to determine to commence a trading rotation due to unusual market conditions, rather than the Options Committee. The Exchange states such "unusual market conditions" include a situation where an underlying stock has not stopped printing transaction prices by the time of the options trading close. This change provides the Exchange a more flexible decision making

from 4:30 p.m. (or 15 minutes after the close of trading if trading is closed at a time other than the regular close of trading) to five minutes after the close of trading. The proposal also deletes the current requirement that member organizations must accept exercise instructions until 4:15 p.m. each business day.

⁶ Securities Exchange Act Release No. 38218 (January 30, 1997).

⁷ 62 FR 5662 (February 6, 1997).

⁸ Securities Exchange Act Release No. 38554 (April 29, 1997).

⁹ 62 FR 24529 (May 5, 1997).

¹⁰ Letter from Michael Schwartz, Committee On Options Proposals, dated January 10, 1997.

¹¹ In partially approving the Exchange proposal, the Commission is not approving at this time Amendment No. 3 to the proposal. The comment period for Amendment No. 3 expires on May 26, 1997. See *supra* n. 9.

¹² See *supra* n. 10.

¹³ The American Stock Exchange, Inc. ("Amex"); Chicago Board Options Exchange, Inc. ("CBOE"); Pacific Exchange, Inc. ("PCX"); and New York Stock Exchange, Inc. ("NYSE") have all amended their rules to implement a 4:02 p.m. close for equity and narrow-based index options. See Release No. 34-38640 (May 14, 1997) (order approving Amex rule change), Release No. 34-38643 (May 14, 1997) (order approving CBOE rule change), Release No. 34-38641 (May 14, 1994) (order approving NYSE rule change), and Release No. 34-38642 (May 14, 1997) (order approving PCX rule change).

¹⁴ 15 U.S.C. § 78f(b)(5). The Commission is not, at this time, approving or making any findings with regard to Amendment No. 3 to the proposal.

mechanism for determining whether to conduct a trading rotation. A full Options Committee determination may not be possible or practical under many market circumstances. The Commission notes that the CBOE and the Amex do not require full committee approval for conducting a trading rotation.¹⁵

The Commission also believes that it is reasonable to amend the rules of the Exchange to alter the notification procedure for trading rotations to permit notice of such rotations to be disseminated after the close of trading. Currently, notice of a trading rotation must be disseminated to the floor by the close of trading. The Exchange's proposal would require that a trading rotation not commence until five minutes after dissemination of the notice of the rotation. The Commission notes that the CBOE and the PCX require a five minute notice period prior to a trading rotation and permit trading rotation notice to be given after the close of trading.¹⁶

It is contemplated that the Exchange will implement this rule change on or about June 23, 1997.¹⁷

The Exchange has requested that the portion of the proposed rule change that establishes a 4:02 p.m. close of trading for narrow-based index options and modifies option trading rotation practices be given accelerated effectiveness pursuant to Section 19(b)(2) of the Act.¹⁸ The Commission finds good cause for approving this portion of the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register**. The Commission notes that it has approved a 4:02 p.m. close for equity and narrow-based index options for the Amex, CBOE, NYSE, and PCX.¹⁹ The Amex, CBOE and PCX rule filings were published in the **Federal Register**²⁰ and were subject to a full notice and comment period. One

comment letter supporting the proposals was received.²¹ Further, as stated above, the Commission notes that the proposal regarding option trading rotation practices are similar to the current practices of the Amex and PCX.²² Accordingly, the Commission believes, consistent with Section 6(b)(5) of the Act, that good cause exists to approve this portion of the proposed rule change on an accelerated basis.

IV. Conclusion

For the reasons discussed above, the Commission finds that the proposal is consistent with the Act, and, in particular, Section 6 of the Act.

It is therefore Ordered, pursuant to Section 19(b)(2) of the Act,²³ that those portions of the proposed rule change that establish a 4:02 p.m. close of trading for equity and narrow-based index options and modify option trading rotation practices (SR-PHLX-97-04) are hereby approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²⁴

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-14283 Filed 5-30-97; 8:45 am]

BILLING CODE 8010-01-M

SOCIAL SECURITY ADMINISTRATION

Administration of Plans for Achieving Self-Support (PASS); Public Forum

AGENCY: Social Security Administration (SSA).

ACTION: Notice

DATE: Thursday, June 5, 1997, 9:00 a.m.-12:00 p.m., 1:00 p.m.-3:00 p.m.

ADDRESSES: Federal Building Auditorium, 1301 Clay Street, Oakland, California 94612.

SUPPLEMENTARY INFORMATION:

Type of Meeting: The forum is open to the public. Individuals/organizations wishing to make statements at the forum should register with the Social Security Administration (SSA) prior to the date of the forum.

Purpose: SSA is seeking information and suggestions from the public about its administration of Plans for Achieving Self-Support (PASS), a Supplemental Security Income (SSI) provision. SSI is a federal needs-based program. Under this program, PASS is intended to increase an individual's potential to be

self-supporting. It encourages disabled and blind individuals to return to work by allowing certain income and resources to be excluded from consideration in SSI eligibility determinations and benefit computations. In so doing, the income and resources used for goods and services he or she purchases in order to complete the PASS will not be considered as countable income and resources which could be used for food, clothing and shelter, and may allow the person to receive payments up to the monthly SSI federal benefit rate (plus any State supplementary payment). In order for the provision to apply, the PASS, among other things, must be approved by SSA. The PASS among other things, must stipulate a specific occupational goal, and specify the income and resources to be excluded and how they would be used toward attaining the goal.

While any information and all views about PASS are welcome, SSA is focusing on the following issues:

SSA is responsible for evaluating the feasibility of occupational goals under a PASS. *What standards should SSA use to determine if an occupational goal is feasible for a particular individual?*

SSA must also discern a link between the goods and services sought through a PASS and the stated goal. *What elements should we expect to be present in a plan to demonstrate such a connection?*

What types of goods and services are appropriate for a PASS? What types of goods and services are inappropriate for a PASS? How should SSA evaluate whether the planned costs are reasonable?

In response to concerns about PASS outcomes, *how should SSA define success for the purposes of a PASS?*

PASS recipients must demonstrate progress under an approved PASS. *How should this progress be evaluated by SSA?*

Agenda: The forum will start at 9:00 a.m. with opening statements by representatives from the Social Security Administration providing a historical perspective of the PASS provision.

The remainder of the agenda will be devoted to the presentation of oral statements by members of the public. Statements will be limited to 5 minutes per speaker. Persons wishing to provide oral testimony should contact Pamela Reim of the SSA Regional Public Affairs Office in San Francisco, California to reserve time to speak. Persons who cannot attend the forum but wish to provide information or views for the Agency's consideration can send written statements to: Social Security

¹⁵ See CBOE Rule 6.2, Interpretations and Policies .02; and Amex Rule 1, Commentary .02.

¹⁶ See CBOE Rule 6.2, Interpretations and Policies .02; and PCX Rule 6.64, Commentary .01.

¹⁷ Phone conversation between Edith Hallahan, Exchange and Janice Mitnick, Commission, on May 23, 1997.

¹⁸ Letter from Philip H. Becker, Exchange, to Michael Walinskas, Commission, dated May 22, 1997 (requesting acceleration of narrow-based index options 4:02 p.m. close); phone conversation between Edith Hallahan, Exchange and Janice Mitnick, Commission, on May 23, 1997 (requesting acceleration of option trading rotation practices provision).

¹⁹ See *supra* n.13.

²⁰ See SR-AMEX-96-45, Release No. 34-38123 (January 6, 1997), 62 FR 1786 (January 13, 1997); SR-CBOE-96-71, Release No. 34-37988 (November 26, 1996), 61 FR 64405 (December 4, 1996); and SR-PSE-96-41, Release No. 34-37920 (November 4, 1996), 61 FR 58434 (November 14, 1996).

²¹ See *supra* n.10.

²² See *supra* n.16.

²³ 15 U.S.C. 78s(b)(2).

²⁴ 17 CFR 200.30-3(a)(12).