

Accordingly, the Commission has determined that, pursuant to 10 CFR 50.12(a), an exemption is authorized by law, will not endanger life or property or common defense and security, and is, otherwise, in the public interest. Therefore, the Commission hereby grants an exemption from the requirements of 10 CFR 50.60 such that in determining the setpoint for LTOP events, the appendix G curves for P/T limits are not exceeded by more than 10 percent in order to be in compliance with these regulations. This exemption is applicable only to LTOP conditions during normal operation.

Pursuant to 10 CFR 51.32, the Commission has determined that the granting of this exemption will not have a significant effect on the quality of the human environment (60 FR 7804).

This exemption is effective upon issuance.

Dated at Rockville, Maryland, this 13th day of February 1995.

For the Nuclear Regulatory Commission.

**Steven A. Varga,**

*Director, Division of Reactor Projects—I/II  
Office of Nuclear Reaction Regulation.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-35369; File No. SR-CBOE-95-04]

### **Self-Regulatory Organizations; Notice of Filing of Proposed Rule Changes by the Chicago Board Options Exchange, Incorporated, Amending Its Rules Relating to Certain Procedures Regarding Trading Rotations and Opening Procedures**

February 14, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on January 18, 1995, the Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule changes as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule changes from interested persons.

#### **I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Changes**

The Chicago Board Options Exchange, Incorporated ("CBOE" or the

"Exchange") proposes to amend its rules relating to certain procedures regarding trading rotations and opening procedures. These amendments would: (i) Amend Rule 6.2; (ii) amend Interpretations .02 and .03 to Rule 6.2; (iii) add an Interpretation to Rule 6.2; (iv) amend Rule 24.13; and (v) amend Interpretation .03 to Rule 24.13.

The text of the proposed rule changes is available at the Office of the Secretary, CBOE and at the Commission.

#### **II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Changes**

In its filing with the Commission, CBOE included statements concerning the purpose of and the basis for the proposed rule changes and discussed any comments it received on the proposed rule changes. The text of these statements may be examined at the places specified in Item IV below. The CBOE has prepared summaries set forth in Sections (A), (B) and (C) below, of the most significant parts of such statements.

##### *A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Changes*

The purpose of the proposed rule changes is first to grant two Floor Officials the authority to call for a trading rotation and to delay the commencement of an opening rotation if the Floor Officials believe this will aid in producing a fair and orderly market. The rule changes further allow the Order Book Official to deviate from the rotation order and manner which the Floor Procedures Committee may have established, as long as two Floor Officials first approve such a deviation. If the appropriate Floor Procedures Committee has not established the rotation order and manner for the options under its purview in a particular situation, then the Order Book Official may determine the order and manner of the rotation.

##### *Trading Rotations*

Specifically, the proposal would amend Rule 6.2 to grant two Floor Officials discretion to direct that one or more trading rotations be employed on any business day. Presently, pursuant to Rule 6.2, only the Floor Procedures Committee has this discretion. Consequently, if circumstances arose during the day that made an additional rotation appropriate, such as either a rotation following a trading halt or a closing rotation, then the Floor Procedures Committee would have to

assemble to make the decision to employ a rotation. CBOE believes it is impractical to assemble the entire Floor Procedures Committee for such an intra-day decision. Furthermore, under Rule 6.6(b)(iii), two Floor Officials already have the discretion to direct that one or more trading rotations be employed on any business day, but only when a fast market has been declared. CBOE believes that this discretion should not be limited only to fast market conditions. By amending Rule 6.2, two Floor Officials would have the discretion to direct that one or more trading rotations be employed, and this discretion would not be limited to a fast market situation.

The proposed rule would further amend Rule 6.2 to grant Order Book Officials more discretion regarding the rotation order and manner. This discretion may be exercised before the rotation begins as well as during a rotation. Presently Rule 6.2 provides that the Floor Procedures Committee shall specify both the particular option contracts to be included in each rotation and the sequence of such option contracts in that rotation. Under the proposed amendment to Rule 6.2, the "appropriate" Floor Procedures Committee, meaning the Floor Procedures Committee that makes policy regarding the particular class of options in question, would still have authority to set policy regarding the rotation order and manner. However, if the appropriate Floor Procedures Committee has not acted to establish any policy applicable to a particular situation, then the Order Book Official would be authorized to determine the appropriate order and manner for conducting the rotation. CBOE believes that the proposed amended Rule 6.2 would allow Order Book Officials to respond to particular circumstances the Floor Procedures Committee has not considered and to conduct the rotation as is appropriate under those circumstances.

In addition, pursuant to amended Rule 6.2, the Order Book Official, with the approval of two Floor Officials, would be permitted to deviate from a rotation policy or procedure previously established by the appropriate Floor Procedures Committee. In certain circumstances, it may be appropriate to deviate from the established procedure, but, as stated above, it would be impractical to assemble the Floor Procedures Committee for an intra-day decision allowing such a deviation. Instead of assembling the entire committee, two Floor Officials could act for the entire committee and approve or disapprove an Order Book Official's