Need for the Proposed Action

The proposed exemption is needed because the licensee's required insurance coverage significantly exceeds the potential cost consequences of radiological incidents possible at a permanently shutdown and defueled nuclear power plant with spent fuel that will have cooled for two years on July 22, 1998.

Environmental Impacts of the Proposed Action

The NRC's evaluation of the proposed exemption from 10 CFR 50.54(w) and 10 CFR 140.11 indicates that issuance of the proposed exemption is an administrative action and will not have any environmental impact. The HNP facility permanently ceased reactor power operations on July 22, 1996, and completed the permanent transfer of all reactor fuel to the SFP on November 15, 1996. The licensee maintains and operates the plant in a configuration necessary to support the safe storage of spent fuel and to comply with the facility operating license and NRC's rules and regulations.

No changes are being made in the types or amounts of any radiological effluents that may be released offsite. There is no significant increase in occupational or public radiation exposure. Accordingly, the Commission concludes that there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential nonradiological impacts, the proposed exemption does not affect nonradiological plant effluents and has no other nonradiological environmental impact.

Therefore, the Commission concludes that there are no significant radiological or nonradiological environmental impacts associated with the proposed exemption.

Alternatives to the Proposed Action

Since the Commission has concluded that there is no significant environmental impact associated with the proposed exemption, any alternatives with equal or greater environmental impact need not be evaluated. The principal alternative to the action would be to deny the request, thereby requiring the licensee to maintain insurance coverage required of an operating plant (no-action alternative); such an action would not enhance the protection of the environment. Denial of the application would result in no change in current environmental impacts. The impacts of the proposed action and the alternative are similar.

Alternative Use of Resources

This action does not involve the use of any resources not previously considered in the Final Environmental Statement for HNP issued in October 1973.

Agencies and Persons Consulted

In accordance with its stated policy on August 19, 1998, the NRC staff consulted with the Connecticut State Official, Mr. D. Galloway, Department of Environmental Protection, regarding the environmental impact of the proposed action. The State official had no comments.

Finding of No Significant Impact

On the basis of the environmental assessment, the staff concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the Commission will not prepare an environmental impact statement for the proposed exemption.

For further details with respect to the proposed exemption, see letters from the licensee dated September 26, October 7, and December 18, 1997, which are available at the Commission's Public Document Room, 2120 L Street, NW., Washington, D.C. 20555-0001 and at the Local Public Document Room, Russell Library, 123 Broad Street, Middletown, Connecticut 06457.

Dated at Rockville, Maryland, this 16th day of September 1998.

For the Nuclear Regulatory Commission.

Micheal T. Masnik,

Acting Director, Non-Power Reactors and Decommissioning Project Directorate, Division of Reactor Program Management, Office of Nuclear Reactor Regulation.

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NUCLEAR REGULATORY COMMISSION

[Docket No. 50–155]

Consumers Energy Company (Big Rock Point Nuclear Plant); Environmental Assessment and Finding of No Significant Impact

The U.S. Nuclear Regulatory Commission (the Commission or NRC) is considering issuance of an exemption from certain requirements of its regulations to Facility Operating License No. DPR–6, a license held by the Consumers Energy Company (Consumers or the licensee). The exemption would apply to the Big Rock Point (BRP) plant, a permanently shutdown and defueled reactor power facility located at the Consumers site in Charlevoix County, Michigan.

Environmental Assessment

Identification of the Proposed Action

The proposed exemption would modify emergency response plan requirements due to the permanently shutdown and defueled status of the BRP facility.

The proposed action is in accordance with the licensee's application dated September 19, 1997, as supplemented or modified by letters of October 29, 1997, and March 2, July 30, and August 28, 1998. The requested action would grant an exemption from certain requirements of 10 CFR 50.54(q) to discontinue offsite emergency planning activities and to reduce the scope of onsite emergency planning.

The Need for the Proposed Action

On June 26, 1997, Consumers certified that it would permanently cease reactor power operations at its BRP facility. On August 30, 1997, the reactor was shut down. By letter dated September 23, 1997, the licensee certified the permanent removal of all fuel from the reactor vessel. In accordance with 10 CFR 50.82(a)(2), upon docketing of the certifications, Facility Operating License DPR–6 no longer authorizes operation of the reactor or emplacement or retention of the fuel into the reactor vessel. In this permanently shutdown and defueled condition, the facility poses a reduced risk to public health and safety. Because of this reduced risk, certain requirements of 10 CFR 50.54(q) are no longer required. An exemption is required from portions of 10 CFR 50.54(q) to allow the licensee to implement a revised Defueled Emergency Plan (DEP) that is appropriate for the permanently shutdown and defueled reactor facility.

Environmental Impact of the Proposed Action

Before issuing the proposed exemption, the Commission will have concluded that the granting of the exemption from certain portions of 10 CFR 50.54(q) is acceptable, as described in the safety evaluation accompanying issuance of the exemption. The proposed action will not increase the probability or consequences of accidents, no changes are being made in the types of effluents that may be released offsite, and there is no significant increase in occupational or public radiation exposure. Therefore, there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential nonradiological impacts, the proposed action does not affect nonradiological plant effluents and has no other environmental impact. Accordingly, the Commission concludes that there are no significant nonradiological environmental impacts associated with the proposed action.

Alternatives to the Proposed Action

Since the Commission has concluded that there is no significant environmental impact associated with the proposed action, any alternative with equal or greater environmental impact need not be evaluated. The principal alternative to the proposed exemption would be to deny the request (no-action alternative). Denial of the exemption would result in no change in current environmental impacts. The environmental impacts of the proposed action and the alternative action are similar.

Alternative Use of Resources

This action does not involve the use of resources not previously considered in BRP's Environmental Report for Decommissioning, dated February 27, 1995.

Agencies and Persons Consulted

In accordance with its stated policy, on December 18, 1997, the NRC staff consulted with Mr. David W. Minnaar of the State of Michigan, Radiation Protection Section, Drinking Water and Radiological Protection Division, Michigan Department of Environmental Quality, regarding the environmental impacts of the proposed action. The State official had no comment regarding environmental impacts of the proposed action.

Finding of No Significant Impact

Based on the environmental assessment, the Commission concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the Commission has determined not to prepare an environmental impact statement for the proposed action.

For further details with respect to this action, see licensee letters dated September 19, and October 29, 1997, and March 2, July 30, and August 28, 1998, which are all available for public review at the Commission's Public Document Room, Gelman Building, 2120 L Street, NW., Washington, DC, and at the Local Public Document Room, North Central Michigan College, 1515 Howard Street, Petosky, MI 49770.

For the Nuclear Regulatory Commission.

Dated at Rockville, Maryland, this 17th day of September 1998.

Seymour H. Weiss,

Director, Non-Power Reactors and Decommissioning Project Directorate, Division of Reactor Program Management, Office of Nuclear Reactor Regulation.

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NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50–220 and 50–410]

Niagara Mohawk Power Corporation Nine Mile Point Nuclear Station, Unit Nos. 1 and 2; Environmental Assessment and Finding of No Significant Impact

The U.S. Nuclear Regulatory Commission (the Commission) is considering the issuance of an Order approving, under 10 CFR 50.80, an application regarding an indirect transfer of control of the operating licenses for Nine Mile Point Nuclear Station, Unit Nos. 1 and 2 (NMP1 and NMP2, or collectively, the facility) to the extent held by Niagara Mohawk Power Corporation (NMPC). The transfer would be to a New York corporation, Niagara Mohawk Holdings, Inc., to be created as a holding company over NMPC in accordance with a Settlement Agreement reached with the New York Public Service Commission (PSC Case Nos. 94–E–0098 and 94–E–0099), dated October 10, 1997, and revised March 19, 1998. NMPC is licensed by the Commission to possess, maintain, and operate both NMP1 and NMP2. NMPC fully owns NMP1 and is a 41-percent co-owner of NMP2. The facility is located in Scriba, New York.

Environmental Assessment

Identification of the Proposed Action:

The proposed action would consent to the indirect transfer of control of the licenses to the extent effected by NMPC becoming a subsidiary of the newly formed holding company in connection with a proposed plan of restructuring. Under the restructuring plan, each share of NMPC's common stock would be exchanged for one new share of common stock of the holding company. NMPC's outstanding preferred stock would not be exchanged. Under this restructuring, NMPC would divest all of its hydro and fossil generation assets by auction, but would retain its nuclear assets, and would continue to be an ''electric utility'' as defined in 10 CFR 50.2 engaged in the transmission, distribution and, through NMP1 and NMP2, the generation of electricity. NMPC would continue to be the owner of NMP1 and a co-owner of NMP2 and would continue to operate both NMP1 and NMP2. No direct transfer of the operating licenses or ownership interests in the facility would result from the proposed restructuring. The transaction would not involve any change in the responsibility for nuclear operations within NMPC. Officer responsibilities at the holding company level would be primarily administrative and financial in nature and would not involve operational matters related to NMP1 or NMP2. No NMPC nuclear management positions would be changed as a result of the corporate restructuring. The proposed action is in accordance with NMPC's application submitted under a cover letter dated July 21, 1998.

The Need for the Proposed Action:

The proposed action is required to enable NMPC to restructure as described above.

Environmental Impacts of the Proposed Action:

The Commission has completed its evaluation of the proposed corporate restructuring and concludes that it is an administrative action unrelated to plant operation; therefore, there will be no resulting physical or operational changes to the facility. The corporate restructuring will not affect the qualifications or organizational affiliation of the personnel who operate and maintain the facility.

The proposed action will not increase the probability or consequences of accidents, no changes are being made in the types of any effluents that may be released offsite, and there is no significant increase in occupational or offsite radiation exposure. Accordingly, the Commission concludes that there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential nonradiological impacts, the restructuring will not affect nonradiological plant effluents and will have no other nonradiological environmental impact.

Accordingly, the Commission concludes that there are no significant environmental impacts associated with the proposed action.

Alternatives to the Proposed Action:

Since the Commission has concluded there are no significant environmental impacts that will result from the proposed action, any alternatives with equal or greater environmental impact need not be evaluated.