NUCLEAR REGULATORY COMMISSION

[Docket No. 50–346]

Toledo Edison Company; Centerior Service Company; and the Cleveland Electric Illuminating Company (Davis-Besse Nuclear Power Station, Unit No. 1); Order Approving Application Regarding the Transfer of Operating Authority

I

Toledo Edison Company and The Cleveland Electric Illuminating Company are the owners of the Davis-Besse Nuclear Power Station, Unit No. 1, located in Ottawa County, Ohio. The owners, together with Centerior Service Company, are the licensees that hold Facility Operating License No. NPF–3 issued by the U.S. Nuclear Regulatory Commission (NRC) pursuant to Part 50 of Title 10 of the *Code of Federal Regulations* (10 CFR Part 50) on April 22, 1977. Under this license, Centerior Service Company and Toledo Edison Company act as agents for The Cleveland Electric Illuminating Company, and have exclusive responsibility for and control over the physical construction, operation, and maintenance of Davis-Besse.

II

By application dated June 29, 1998, as supplemented by submittals dated July 14, October 26, and November 30, 1998, the licensees requested approval of the transfer of operating authority under the license to a new company, FirstEnergy Nuclear Operating Company (FENOC), and issuance of a conforming amendment. The licensees proposed to transfer operating authority under the license to FENOC to allow it to use and operate Davis-Besse and to possess and use related licensed nuclear materials in accordance with the same conditions and authorizations in the current operating license. The licensees have also requested the issuance of a license amendment reflecting the transfer of operating authority. FENOC, a wholly-owned subsidiary of FirstEnergy Corporation, the parent of the owners, would become the licensed operator for Davis-Besse and would have exclusive control over the operation and maintenance of the facility. The present plant organization, the oversight organizations, and the engineering and support organizations would be transferred essentially intact from the operating licensees to FENOC. The technical qualifications of the FENOC organization, therefore, would be at least equivalent to those of the existing organization responsible for operating the plant. Centerior Service Company would be removed from the license.

Under the proposed arrangement, ownership of Davis-Besse would remain unchanged, with each owner retaining its current ownership interest. FENOC would not own any portion of Davis-Besse. Likewise, the owners' entitlement to capacity and energy from Davis-Besse would not be affected by the proposed transfer of operating responsibility for Davis-Besse to FENOC. The owners would continue to provide all funds for operation, maintenance, and decommissioning of Davis-Besse by FENOC. The owners' responsibility would include providing funding for any emergency situations that might arise at Davis-Besse.

The licensees requested the Commission's approval of the transfer of operating authority to FENOC and issuance of a conforming license amendment pursuant to 10 CFR 50.80 and 50.90. Notice of this application for approval and an opportunity for a hearing was published in the **Federal Register** on August 4, 1998 (63 FR 41602), and an Environmental Assessment and Finding of No Significant Impact was published in the **Federal Register** on September 8, 1998 (63 FR 47531).

Under 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. Upon review of the information contained in the submittals of June 29, July 14, October 26, and November 30, 1998, and other information before the Commission, the NRC staff has determined that FENOC is qualified to hold the license to the extent and for the purposes described above, and that the transfer of the license as described above is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission, subject to the conditions set forth below. These findings are supported by a Safety Evaluation dated December 1, 1998.

III

Accordingly, pursuant to Sections 105, 161b, 161i, and 184 of the Atomic Energy Act of 1954, as amended, 42 USC §§ 2135, 2201(b), 2201(i), and 2234, and 10 CFR 50.80, *It is hereby ordered* that the Commission consents to the transfer of the license as described herein to FENOC, subject to the following conditions:

(1) FENOC shall not market or broker power or energy from the Davis-Besse Nuclear Power Station, Unit No. 1. The owners are responsible and accountable for the actions of FENOC to the extent that said actions affect the marketing or brokering of power or energy from the Davis-Besse Nuclear Power Station, Unit No. 1, and, in any way, contravene the antitrust license conditions contained in the license.

(2) Should the formation of FENOC and transfer of operating authority not be completed by December 31, 1999, this Order shall become null and void, provided, however, on application and for good cause shown, such date may be extended.

This Order is effective upon issuance.

Action on the proposed conforming license amendment will be taken upon implementation of the transfer approved by this Order.

For further details with respect to this Order, see the licensees' application dated June 29, 1998, as supplemented by submittals dated July 14, October 26, and November 30, 1998, which are available for public inspection at the Commission's Public Document Room, The Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the University of Toledo, William Carlson Library, Government Documents Collection, 2801 West Bancroft Avenue, Toledo, OH 43606.

Dated at Rockville, Maryland, this 1st day of December 1998.

For the Nuclear Regulatory Commission.

Roy P. Zimmerman,

Acting Director, Office of Nuclear Reactor Regulation.

[FR Doc. 98–32506 Filed 12–7–98; 8:45 am]

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NUCLEAR REGULATORY COMMISSION

[Docket 70–7002]

Notice of Amendment to Certificate of Compliance GDP–1 for The U.S. Enrichment Corporation Portsmouth Gaseous Diffusion Plant, Piketon, Ohio

The Director, Office of Nuclear Material Safety and Safeguards, has made a determination that the following amendment request is not significant in accordance with 10 CFR 76.45. In making that determination, the staff concluded that: (1) there is no change in the types or significant increase in the amounts of any effluents that may be released offsite; (2) there is no significant increase in individual or cumulative occupational radiation exposure; (3) there is no significant construction impact; (4) there is no significant increase in the potential for,

or radiological or chemical consequences from, previously analyzed accidents; (5) the proposed changes do not result in the possibility of a new or different kind of accident; (6) there is no significant reduction in any margin of safety; and (7) the proposed changes will not result in an overall decrease in the effectiveness of the plant's safety, safeguards or security programs. The basis for this determination for the amendment request is shown below.

The NRC staff has reviewed the certificate amendment application and concluded that it provides reasonable assurance of adequate safety, safeguards, and security, and compliance with NRC requirements. Therefore, the Director, Office of Nuclear Material Safety and Safeguards, is prepared to issue an amendment to the Certificate of Compliance for the Portsmouth Gaseous Diffusion Plant (PORTS). The staff has prepared a Compliance Evaluation Report which provides details of the staff's evaluation.

The NRC staff has determined that this amendment satisfies the criteria for a categorical exclusion in accordance with 10 CFR 51.22(c)(19). Therefore, pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared for this amendment.

USEC or any person whose interest may be affected may file a petition, not exceeding 30 pages, requesting review of the Director's Decision. The petition must be filed with the Commission not later than 15 days after publication of this **Federal Register** Notice. A petition for review of the Director's Decision shall set forth with particularity the interest of the petitioner and how that interest may be affected by the results of the decision. The petition should specifically explain the reasons why review of the Decision should be permitted with particular reference to the following factors: (1) the interest of the petitioner; (2) how that interest may be affected by the Decision, including the reasons why the petitioner should be permitted a review of the Decision; and (3) the petitioner's areas of concern about the activity that is the subject matter of the Decision. Any person described in this paragraph (USEC or any person who filed a petition) may file a response to any petition for review, not to exceed 30 pages, within 10 days after filing of the petition. If no petition is received within the designated 15-day period, the Director will issue the final amendment to the Certificate of Compliance without further delay. If a petition for review is received, the decision on the amendment application will become final in 60 days, unless the Commission grants the petition for review or otherwise acts within 60 days after publication of this **Federal Register** Notice.

A petition for review must be filed with the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, Attention: Rulemakings and Adjudications Staff, or may be delivered to the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW, Washington, DC, by the above date.

For further details with respect to the action see (1) the application for amendment and (2) the Commission's Compliance Evaluation Report. These items are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW, Washington, DC, and at the Local Public Document Room.

Date of amendment request: August 24, 1998.

Brief description of amendment: The amendment corrects two improper unit conversions from pounds to kilograms in Technical Safety Requirement (TSR) 2.1.3.15, ''Receiving Cylinder Fill Weights'' and ensures that the approved shipping weight for 5-inch UF_6 cylinders is consistent with ANSI N14.1–1995, ''Uranium Hexafluoride Packaging for Transport.'' Notably, the proposed amendment changes the UF_6 cylinder fill limits for 8A (8-inch diameter) cylinders from 255 pounds (lbs) (155.665 kilograms (kg)) to 255 lbs (115.665 kg), for 10-inch cylinders from 370 lbs (158.756 kg) to 350 lbs (158.756 kg), and for 5A and 5B (5-inch diameter) cylinders from 55.67 lbs (25,250 grams (g)) to 54.9 lbs (24,902 g).

Basis for Finding of No Significance

1. The proposed amendment will not result in a change in the types or significant increase in the amounts of any effluents that may be released offsite.

The proposed revision to TSR 2.1.3.15 does not involve any process which would change or increase the amounts of any effluents that may be released offsite. Therefore, the proposed revision will not result in an increase in the amounts of effluents that may be released offsite or result in any impact to the environment.

2. The proposed amendment will not result in a significant increase in individual or cumulative occupational radiation exposure.

The proposed revision to correct the improper conversions from lbs to kg and to ensure that the approved shipping weight for 5-inch cylinders is consistent with ANSI N14.1–1995 is an administrative change and does not involve any process or equipment which would affect radiation exposure; therefore, it will not increase individual or cumulative occupational radiation exposure.

3. The proposed amendment will not result in a significant construction impact.

The proposed change will not result in any construction, nor will this change effect any planned or existing construction project, therefore, there will be no construction impact.

4. The proposed amendment will not result in a significant increase in the potential for, or radiological or chemical consequences from, previously analyzed accidents.

The proposed revision to correct the improper conversions from lbs to kg and to ensure that the approved shipping weight for 5-inch cylinders is consistent with ANSI N14.1–1995 is an administrative change and will not result in a significant increase in the potential for, or radiological or chemical consequences from, previously analyzed accidents.

5. The proposed amendment will not result in the possibility of a new or different kind of accident.

The proposed change is an administrative change; therefore, this change will not result in the possibility of a new or different kind of accident.

6. The proposed amendment will not result in a significant reduction in any margin of safety.

The proposed revision to TSR 2.1.3.15 to correct the improper conversions from lbs to kg and to ensure that the approved shipping weight for 5-inch cylinders is consistent with ANSI N14.1-1995 is an administrative change. Therefore, the proposed change does not represent a reduction in any margin of safety.

7. The proposed amendment will not result in an overall decrease in the effectiveness of the plant's safety, safeguards or security programs.

The staff has not identified any safety, safeguards or security related implications from the proposed correction to TSR 2.1.3.15. Therefore, the correction will not result in undue risk to the public health and safety, common defense and security, or the environment.

Effective date: The amendment to GDP–2 will become effective 60 days after issuance by NRC.

Certificate of Compliance No. GDP–2: This amendment will revise TSR 2.1.3.15.

Local Public Document Room location: Portsmouth Public Library,

1220 Gallia Street, Portsmouth, Ohio 45662.

Dated at Rockville, Maryland, this 30th day of November 1998.

For the Nuclear Regulatory Commission.

Carl J. Paperiello,

Director, Office of Nuclear Material Safety and Safeguards.

[FR Doc. 98–32503 Filed 12–7–98; 8:45 am]

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NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50–269, 50–270, and 50–287]

Duke Energy Corporation; Oconee Nuclear Station, Units 1, 2, and 3; Environmental Assessment and Finding of No Significant Impact

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of amendments to Facility Operating License Nos. DPR–38, DPR–47, and DPR–55, issued to Duke Energy Corporation (the licensee), for operation of the Oconee Nuclear Station, Units 1, 2, and 3, respectively, located in Oconee County, South Carolina.

Environmental Assessment

Identification of Proposed Action

The proposed action would amend the Oconee Facility Operating Licenses for Units 1, 2, and 3 to revise the Oconee Technical Specifications (TS) to be consistent with the Improved Standard Technical Specifications (ITS) conveyed by NUREG–1430, ''Standard Technical Specifications Babcock and Wilcox Plants,'' Revision 1, dated April 1995.

The proposed action is in response to the licensee's application for amendments dated October 28, 1997, as supplemented by letters dated March 26, May 20, July 29, August 13, October 1, October 21, October 28, and November 23, 1998.

The Need for the Proposed Action

It has been recognized that nuclear safety in all plants would benefit from improvement and standardization of the TS. The Commission's ''NRC Interim Policy Statement on Technical Specification Improvements for Nuclear Power Reactors'' (52 FR 3788, February 6, 1987), and later the Commission's ''Final Policy Statement on Technical Specification Improvements for Nuclear Power Reactors'' (Final Policy Statement) (58 FR 39132, July 22, 1993), formalized this need. To facilitate the development of individual improved TS, each reactor vendor owners' group (OG) and the NRC staff developed standard TS (STS). For Babcock and Wilcox plants, the STS are published as NUREG–1430, and this document was the basis for the new Oconee Units 1, 2, and 3, TS. The NRC Committee to Review Generic Requirements reviewed the STS and made note of the safety merits of the STS and indicated its support of conversion to the STS by operating plants.

Description of the Proposed Action

The proposed revision to the TS is based on NUREG–1430 and on guidance provided in the Final Policy Statement. Its objective is to completely rewrite, reformat, and streamline the existing TS. Emphasis is placed on human factors principles to improve clarity and understanding. The Bases section has been significantly expanded to clarify and better explain the purpose and foundation of each specification. In addition to NUREG–1430, portions of the existing TS were also used as the basis for the ITS. Plant-specific issues (unique design features, requirements, and operating practices) were discussed at length with the licensee.

The proposed changes from the existing TS can be grouped into four general categories, as follows:

1. Nontechnical (administrative) changes, which were intended to make the ITS easier to use. They are purely editorial in nature or involve the movement or reformatting of requirements without affecting technical content. Every section of the Oconee TS has undergone these types of changes. In order to ensure consistency, the NRC staff and the licensee have used NUREG–1430 as guidance to reformat and make other administrative changes.

2. Relocation of requirements, which includes items that were in the existing Oconee TS. The TS that are being relocated to licensee-controlled documents are not required to be in the TS under 10 CFR 50.36 requirements. They are not needed to obviate the possibility that an abnormal situation or event will give rise to an immediate threat to public health and safety. The NRC staff has concluded that appropriate controls have been established for all of the current specifications, information, and requirements that are being moved to licensee-controlled documents. In general, the proposed relocation of items in the Oconee TS to the Updated Final Safety Analysis Report, appropriate plant-specific programs, procedures, and ITS Bases follows the guidance of NUREG–1430. Once these items have been relocated by removing them from the TS to licensee-controlled documents, the licensee may revise them under the provisions of 10 CFR 50.59 or other NRC staff-approved control mechanisms, which provide appropriate procedural means to control changes.

3. More restrictive requirements, which consist of proposed Oconee ITS items that are either more conservative than corresponding requirements in the current Oconee TS, or are additional restrictions that are not in the existing Oconee TS, but are contained in NUREG–1430. Examples of more restrictive requirements include: placing a limiting condition for operation on plant equipment that is not required by the present TS to be operable; more restrictive requirements to restore inoperable equipment; and more restrictive surveillance requirements.

4. Less restrictive requirements, which are relaxations of corresponding requirements in the existing Oconee TS that provide little or no safety benefit and place unnecessary burdens on the licensee. These relaxations were the result of generic NRC actions or other analyses. They have been justified on a case-by-case basis for Oconee and will be described in the staff's Safety Evaluation to be issued in support of the license amendments.

In addition to the changes previously described, the licensee proposed certain changes to the existing TS that deviated from the STS in NUREG–1430. These additional proposed changes are described in the licensee's application and in the staff's Notice of Consideration of Issuance of Amendments to Facility Operating Licenses and Opportunity for a Hearing (62 FR 64405, dated December 5, 1997). Where these changes represent a change to the current licensing basis for Oconee, they have been justified on a case-by-case basis and will be described in the staff's Safety Evaluation to be issued in support of the license amendments.

Environmental Impacts of the Proposed Action

The Commission has completed its evaluation of the proposed action and concludes that the proposed TS conversion would not increase the probability or consequences of accidents previously analyzed and would not affect facility radiation levels or facility radiological effluents. Details of the staff's evaluation are provided in the safety evaluation accompanying the license amendments for the conversion.

Changes that are administrative in nature have been found to have no effect on the technical content of the TS, and are acceptable. The increased clarity