

1997

September 19, 1997

Mr. J. E. Cross
President-Generation Group
Duquesne Light Company
Post Office Box 4
Shippingport, PA 15077

SUBJECT: ENVIRONMENTAL ASSESSMENT AND FINDING OF NO SIGNIFICANT IMPACT
RELATED TO APPROVAL OF AN INDIRECT TRANSFER OF LICENSE, BEAVER
VALLEY POWER STATION, UNIT NOS. 1 AND 2 (TAC NOS. M99386 AND M99387)

Dear Mr. Cross:

Enclosed is a copy of the Environmental Assessment and Finding of No Significant Impact related to your request for approval under 10 CFR 50.80 of an indirect license transfer discussed in your application, dated August 1, 1997. The proposal requests approval of an indirect transfer of the license resulting from the merger of DQE, Inc. (the parent holding company of Duquesne Light Company), and Allegheny Power System, Inc. (Allegheny Power), in which DQE, Inc., will become a wholly owned subsidiary of Allegheny Power. Allegheny Power will be renamed Allegheny Energy, Inc.

The assessment is being forwarded to the Office of the Federal Register for publication.

Sincerely,
/s/ T. Liu for
Donald S. Brinkman, Senior Project Manager
Project Directorate I-2
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Docket Nos. 50-334/412

Enclosure: Environmental Assessment

cc w/encl: See next page

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DATE	9/11/97	9/11/97	9/15/97 <i>T.H. Essig</i>	9/16/97	9/18/97

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

September 19, 1997

Mr. J. E. Cross
President-Generation Group
Duquesne Light Company
Post Office Box 4
Shippingport, PA 15077

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The assessment is being forwarded to the Office of the Federal Register for publication.

Sincerely,

A handwritten signature in cursive script, appearing to read "Donald S. Brinkman".

Donald S. Brinkman, Senior Project Manager
Project Directorate I-2
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Docket Nos. 50-334/412

Enclosure: Environmental Assessment

cc w/encl: See next page

J. E. Cross
Duquesne Light Company

Beaver Valley Power Station
Units 1 & 2

cc:

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UNITED STATES NUCLEAR REGULATORY COMMISSION
DUQUESNE LIGHT COMPANY, ET AL.
BEAVER VALLEY POWER STATION, UNIT NOS. 1 AND 2
DOCKET NOS. 50-334 AND 50-412
ENVIRONMENTAL ASSESSMENT AND FINDING OF
NO SIGNIFICANT IMPACT

The U.S. Nuclear Regulatory Commission (the Commission) is considering approval, by issuance of an order under 10 CFR 50.80, of the indirect transfer of Facility Operating Licenses Nos. DPR-66 and NPF-73, to the extent they are held by the Duquesne Light Company (DLC) for Beaver Valley Power Station, Unit Nos. 1 and 2 (BVPS-1 and BVPS-2), located in Shippingport, Pennsylvania.

ENVIRONMENTAL ASSESSMENT

Identification of the Proposed Action:

The proposed action would consent to the indirect transfer of the licenses with respect to a proposed merger between DQE, Inc., and Allegheny Power Systems, Inc. DQE, Inc. is the parent holding company of DLC, which holds licenses to possess interests in and operate BVPS-1 and BVPS-2. The Cleveland Electric Illuminating Company, The Toledo Edison Company, and Ohio Edison Company, and its subsidiary Pennsylvania Power Company, also hold licenses to possess interests in BVPS-1 and BVPS-2, but are not involved in the proposed merger. In the proposed merger, DQE, Inc. will become a wholly owned subsidiary of Allegheny Power. Allegheny Power will be renamed Allegheny Energy, Inc.

According to the application, the merger will have no effect on the operation of Beaver Valley Power Station or the provisions of its operating licenses. The Cleveland Electric Illuminating Company, The Toledo Edison Company, Ohio Edison Company, and Pennsylvania Power Company will remain licensees responsible for their possessory interests and related obligations. Duquesne Light Company will continue to operate the Beaver Valley Power Station after the merger, as required by the operating licenses. No direct transfer of the licenses will result from the merger.

The proposed action is in accordance with DLC's request for approval dated August 1, 1997.

The Need for the Proposed Action:

The proposed action is required to obtain the necessary consent to the indirect transfer of the licenses discussed above. According to the application, the underlying transaction is needed to create a stronger, more competitive enterprise that is expected to save over \$1 billion in net savings over the first 10 years, thereby enhancing DLC's financial resources to possess its interests in BVPS-1 and BVPS-2.

Environmental Impacts of the Proposed Action:

The Commission has reviewed the proposed action and concludes that there will be no changes to the facility or its operation as a result of the proposed action. Accordingly, the NRC staff concludes that 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 NRC staff concludes that there are no significant nonradiological environmental impacts associated with the proposed action.

Alternatives to the Proposed Action:

As an alternative to the proposed action, the staff considered denial of the proposed action. Denial of the application 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 any resources not previously considered in the "Final Environmental Statement Related to the Beaver Valley Power Station, Unit 1," dated July 1973, and the "Final Environmental Statement Related to the Operation of Beaver Valley Power Station, Unit 2," dated September 1986 in NUREG-1094.

Agencies and Persons Consulted:

In accordance with its stated policy, on September 5, 1997, the staff consulted with the Pennsylvania State official, Mr. Michael P. Murphy of the Bureau of Radiation Protection, Department of Environmental Protection, regarding the environmental impact of the proposed action. The State official had no comments.

FINDING OF NO SIGNIFICANT IMPACT

Based upon 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 the proposed action, see DLC's submittal dated August 1, 1997, which is 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 B. F. Jones Memorial Library, 663 Franklin Avenue, Aliquippa, PA 15001.

Dated at Rockville, Maryland, this 19th day of September 1997.

FOR THE NUCLEAR REGULATORY COMMISSION



John F. Stolz, Director
Project Directorate I-2
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation