

April 9, 1987

7590-01

Dockets Nos.: 50-272/277/278/311 & 354

Mr. Jerrold L. Jacobs
Senior Vice President
Atlantic City Electric Company
Post Office Box 1500
1199 Black Horse Pike
Pleasantville, New Jersey 08232

Dear Mr. Jacobs:

SUBJECT: CORPORATE REORGANIZATION OF ATLANTIC CITY ELECTRIC COMPANY

Enclosed is an Environmental Assessment and Finding of No Significant Impact which we are publishing in the Federal Register with respect to the subject reorganization.

Sincerely,

Original Signed by
D. R. Muller

Daniel R. Muller, Director
BWR Project Directorate #2
Division of BWR Licensing

Enclosure:
As stated

cc: w/enclosure
See attached list.

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Mr. E. G. Bauer, Jr.
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Peach Bottom Atomic Power Station,
Units 2 and 3

cc:

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Mr. Albert R. Steel, Chairman
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Peach Bottom Township
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Delta, Pennsylvania 17314

UNITED STATES NUCLEAR REGULATORY COMMISSION

PHILADELPHIA ELECTRIC COMPANY
PUBLIC SERVICE ELECTRIC AND GAS COMPANY
DELMARVA POWER AND LIGHT COMPANY
ATLANTIC CITY ELECTRIC COMPANY

DOCKETS NOS. 50-272, 50-277, 59-278, 50-311, AND 50-354ENVIRONMENTAL ASSESSMENT AND FINDING OFNO SIGNIFICANT IMPACT

The United States Nuclear Regulatory Commission (Commission) is considering approval under 10 CFR 50.80 of the corporate reorganization of Atlantic City Electric Company (ACEC), one of the co-owners and co-licensees for the Peach Bottom Atomic Power Station, Units 2 and 3, the Salem Nuclear Generating Station, Units 1 and 2, and the Hope Creek Generating Station, Unit 1.

ENVIRONMENTAL ASSESSMENTIdentification of Proposed Action:

By letters dated December 18, 1986, ACEC advised the Commission that ACEC's Board of Directors authorized the formation under the laws of the State of New Jersey of a holding company, Atlantic Energy, Inc., to hold all of the voting stock of ACEC. ACEC would become a generating subsidiary of the holding company and would remain as the co-holder of the licenses for Peach Bottom, Salem and Hope Creek. In each of the relevant licenses, ACEC is authorized to possess but not to operate the facility; in each case facility operation is

carried out by another NRC licensee. Pursuant to the proposed reorganization, Atlantic Energy, Inc., would become the sole holder of ACEC's common stock and the current holders of ACEC's common stock would become holders of shares of the common stock of Atlantic Energy, Inc., on a share-for-share-basis.

Pursuant to 10 CFR 50.80 the Commission may approve the transfer of control of a license, after notice to interested persons, upon the Commission's determination that the holder of the license following the transfer of control is qualified to have the control of the license and the transfer of the control is otherwise consistent with applicable provisions of law, regulations and orders of the Commission. Notice of the proposed action was published in the Federal Register on March 5, 1987 (52 FR 6895).

The Need for the Proposed Action:

ACEC stated that the purpose of the restructuring is to permit diversification on a limited basis into non-utility activities. The goal of such diversification is to enhance the financial strength and operating results of the entire system. ACEC contemplates that the holding company's diversification may initially be into energy-related activities such as cogeneration and other alternate energy forms. ACEC also indicated that the new structure will insulate its utility ratepayers from the risks associated with ventures of non-utility subsidiaries of the holding company and will enable utility managers to focus on utility operations.

Environmental Impact of the Proposed Action

ACEC is authorized to own but not to operate Peach Bottom Units 2 and 3, Salem Units 1 and 2, and Hope Creek Unit 1. The corporate reorganization of ACEC will not affect the management or operation of the facilities and will not reduce the funds available for the operators of these facilities to carry out activities required by the Operating Licenses (e.g., the environmental protection programs). On this basis, the Commission concludes that there are no significant radiological or nonradiological impacts associated with the proposed action.

Alternative Use of Resources:

This action involves no use of resources not previously considered in the Final Environmental Statement (construction permit and operating license) for the Peach Bottom Atomic Power Station, Units 2 and 3, the Salem Nuclear Generating Station, Units 1 and 2, and the Hope Creek Generating Station, Unit 1.

Agencies and Persons Consulted:

The NRC staff reviewed the licensee's request in consultation with the New Jersey Board of Public Utilities (who approved the corporate reorganization on January 5, 1987) and the Federal Energy Regulatory Commission.

FINDING OF NO SIGNIFICANT IMPACT

The Commission has determined not to prepare an environmental impact statement for the proposed action.

Based upon the foregoing environmental assessment, we conclude that the proposed action will not have a significant effect on the quality of the human environment.

Dated at Bethesda, Maryland this 9th day of April 1987.

FOR THE NUCLEAR REGULATORY COMMISSION

A handwritten signature in cursive script, reading "Daniel R. Muller".

Daniel R. Muller, Director
BWR Project Directorate #2
Division of BWR Licensing