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per D. McCulloch

UNITED STATES NUCLEAR REGULATORY COMMISSION

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

PHILADELPHIA ELECTRIC COMPANY

DELMARVA POWER AND ELECTRIC COMPANY

ATLANTIC CITY ELECTRIC COMPANY

SALEM NUCLEAR GENERATING STATION, UNITS 1 AND 2

DOCKET NOS. 50-272 AND 50-311

NOTICE OF CONSIDERATION OF APPROVAL OF APPLICATION REGARDING

PROPOSED CORPORATE RESTRUCTURING

Notice is hereby given that 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 control of Atlantic City Electric Company's (ACE) and Delmarva Power and Light Company's (DP&L) interests in the Salem Nuclear Generating Station (SNGS), Units 1 and 2, licenses to the extent effected by a proposed merger and restructuring of Atlantic Energy, Inc. (the parent holding company of ACE) and DP&L, resulting in the formation of a new holding company, Conectiv, Inc., under which ACE and DP&L would become wholly owned subsidiaries. Atlantic Energy, Inc. will cease to exist. Public Service Electric and Gas Company (PSE&G), Philadelphia Electric Company (PECo), DP&L, and ACE are co-holders of Facility Operating Licenses Nos. DPR-70 and DPR-75, issued for operation of the SNGS, Units 1 and 2, located in Lower Alloways Creek Township, Salem County, New Jersey. PSE&G, the licensed operator of the facilities, and PECo are not involved in the proposed merger and restructuring. An application filed by ACE and DP&L under cover of a letter dated April 30, 1997, from John H. O'Neill, Jr., of Shaw, Pittman,

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Potts & Trowbridge (Counsel for ACE and DP&L) informed the Commission of the proposed merger and corporate restructuring.

According to the proposed plan, there will be no significant change in ownership, management, or sources of funds for operation, maintenance, or decommissioning of the SNGS, Units 1 and 2, due to the corporate restructuring. ACE and DP&L will continue to hold the licenses, and no direct transfer of the licenses will occur.

Pursuant to 10 CFR 50.80, the Commission may approve the transfer of control of a license after appropriate notice to interested persons. Such approval is contingent upon the Commission's determination that the holder of the license following the transfer is qualified to hold the license and that the transfer is otherwise consistent with applicable provisions of law, regulations, and orders of the Commission.

For further details with respect to the proposed action, see the application filed by ACE and DP&L under cover of a letter dated April 30, 1997, as supplemented November 7, 1997, from John H. O'Neill, Jr., Shaw, Pittman, Potts & Trowbridge (Counsel for ACE and DP&L), 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 Salem Free Public Library, 112 West Broadway, Salem, New Jersey.

Dated at Rockville, Maryland, this 2nd day of December 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