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Per D. McCollock

UNITED STATES NUCLEAR REGULATORY COMMISSION

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

ATLANTIC CITY ELECTRIC COMPANY

PHILADELPHIA ELECTRIC COMPANY

DELMARVA POWER AND LIGHT COMPANY

DOCKET NOS. 50-272 AND 50-311

SALEM NUCLEAR GENERATING STATION, UNITS 1 AND 2

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 control of the interests in the Salem Nuclear Generating Station (SNGS), Units 1 and 2, licenses to the extent effected by a proposed merger of Atlantic Energy, Inc. (the parent holding company of Atlantic City Electric Company (ACE) and Delmarva Power & Light Company (DP&L), resulting in the formation of a new holding company, Conectiv, Inc. ACE is co-holder of Facility Operating Licenses Nos. DPR-70 and DPR-75, along with Public Service Electric and Gas Company (PSE&G), Philadelphia Electric Company (PECo), and DP&L issued for operation of the SNGS, Units 1 and 2, located in Lower Alloways Creek Township, Salem County, New Jersey.

ENVIRONMENTAL ASSESSMENT

Identification of the Proposed Action:

The proposed action would consent to the transfer of the interests in SNGS to the extent effected by the proposed merger of Atlantic Energy, Inc. and DP&L, resulting in the formation of a new holding company, Conectiv, Inc.,

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under which ACE and DP&L would become wholly owned subsidiaries. No direct transfer of the licenses as held by ACE and DP&L would occur. PSE&G, the licensed operator of the facilities, and PECo are not involved in the merger and restructuring.

The proposed action is in accordance with 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, Potts & Trowbridge, Counsel for ACE and DP&L.

The Need for the Proposed Action:

The proposed action is required to enable the proposed merger and restructuring of Atlantic Energy, Inc., ACE, and DP&L to occur to the extent indirect transfers of control of the licenses will be effected by the merger and restructuring.

Environmental Impacts of the Proposed Action:

The Commission has completed its evaluation of the proposed action and concludes that there will be no physical or operational changes as a result of the proposed action. The corporate merger and restructuring will not affect the qualifications or organizational affiliation of the personnel who operate the facilities, as PSE&G, not involved in the merger, will continue to be responsible for the operation of SNGS, Units 1 and 2.

The change 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 the allowable individual or cumulative occupational 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 action will not affect nonradiological plant effluents and will have 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 there is no measurable environmental impact associated with the proposed action, any alternatives with equal or greater environmental impact need not be evaluated. 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" for Salem Nuclear Generating Station, Units 1 and 2, April 1973.

Agencies and Persons Consulted:

In accordance with its stated policy, on October 21, 1997, the staff consulted with the New Jersey State official, Mr. R. Pinney of the State of New Jersey, 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 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., of 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

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