

December 2, 1997

Mr. John H. O'Neill, Jr.
Shaw, Pittman, Potts & Trowbridge
2300 N Street, N.W.
Washington, D.C. 20037

SUBJECT: ENVIRONMENTAL ASSESSMENT AND FINDING OF NO SIGNIFICANT IMPACT AND
NOTICE OF CONSIDERATION OF APPROVAL OF APPLICATION REGARDING
PROPOSED CORPORATE RESTRUCTURING CONCERNING THE INDIRECT TRANSFER OF
CONTROL OF ATLANTIC CITY ELECTRIC COMPANY'S (ACE) INTEREST IN HOPE
CREEK GENERATING STATION (TAC NO. M98618)

Dear Mr. O'Neill:

Enclosed is a copy of the Environmental Assessment and Finding of No
Significant Impact and a related Notice of Consideration of Approval of
Application Regarding Proposed Corporate Restructuring concerning the indirect
transfer of control of ACE's interest in the Hope Creek Generating Station
license that would result from the restructuring. The assessment and notice
relate to an application filed by ACE under cover of your letter dated
April 30, 1997, for consent under 10 CFR 50.80 regarding the proposed merger
of Atlantic Energy, Inc. (the parent holding company of ACE), and Delmarva
Power & Light Company, resulting in the formation of a new holding company,
Conectiv, Inc.

The assessment and notice are being forwarded to the Office of the Federal
Register for publication.

Sincerely,
/s/ J. Stolz for
David H. Jaffe, Senior Project Manager
Project Directorate I-2
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Docket No. 50-354

Enclosures: 1. Environmental Assessment
2. Notice of Corporate Restructuring

cc w/encls: See next page

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DATE	11/26/97	11/26/97	11/14/97	11/21/97	11/26/97

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

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John H. O'Neill, Jr., Esq.
Shaw, Pittman, Potts & Trowbridge
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The assessment and notice are being forwarded to the Office of the Federal Register for publication.

Sincerely,

A handwritten signature in dark ink, appearing to read "David H. Jaffe", is written over a horizontal line. The signature is fluid and cursive.

David H. Jaffe, Senior Project Manager
Project Directorate I-2
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Docket No. 50-354

Enclosures: 1. Environmental Assessment
2. Notice of Corporate Restructuring

cc w/encls: See next page

Public Service Electric & Gas
Company

Hope Creek Generating Station

cc:

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Hancocks Bridge, NJ 08038

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U.S. Nuclear Regulatory Commission
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General Manager - Hope Creek Operations
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Hancocks Bridge, NJ 08038

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Hancocks Bridge, NJ 08038

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Lower Alloways Creek Township
c/o Mary O. Henderson, Clerk
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Hancocks Bridge, NJ 08038

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Chief Nuclear Officer & President-
Nuclear Business Unit
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Environmental Review Coordinator
Environmental Protection Agency
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New York, NY 10278

UNITED STATES NUCLEAR REGULATORY COMMISSION
PUBLIC SERVICE ELECTRIC AND GAS COMPANY
ATLANTIC CITY ELECTRIC COMPANY
DOCKET NO. 50-354
HOPE CREEK GENERATING STATION
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 Atlantic City Electric Company's (ACE) interests in the Hope Creek Generating Station (HCGS) license to the extent effected by a proposed merger of Atlantic Energy, Inc. (the parent holding company of 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 License No. NPF-57, along with Public Service Electric and Gas Company (PSE&G), issued for operation of the HCGS, located in Lower Alloways Creek Township, Salem County, New Jersey.

ENVIRONMENTAL ASSESSMENT

Identification of the Proposed Action:

The proposed action would consent to the indirect transfer of the interest in HCGS 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., under which ACE and DP&L would become wholly owned subsidiaries. ACE would continue to be a co-licensee of HCGS, and no direct transfer of the license would occur. PSE&G is not involved in the proposed merger.

The proposed action is in accordance with an application filed by ACE 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 an indirect transfer of the license 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 HCGS.

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 Related to the Operation of the Hope Creek Generating Station," NUREG-1074, December 1984.

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.

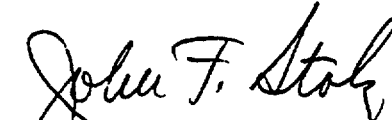
FINDING OF NO SIGNIFICANT IMPACT

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 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 Pennsville Public Library, 190 S. Broadway, Pennsville, New Jersey.

Dated at Rockville, Maryland, this 2nd day of December 1997.

FOR THE NUCLEAR REGULATORY COMMISSION

A handwritten signature in cursive script, reading "John F. Stolz".

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

UNITED STATES NUCLEAR REGULATORY COMMISSION

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

ATLANTIC CITY ELECTRIC COMPANY

HOPE CREEK GENERATING STATION

DOCKET NO. 50-354

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) interest in the Hope Creek Generating Station (HCGS) license to the extent effected by a proposed merger of Atlantic Energy, Inc. (the parent holding company of ACE) and Delmarva Power & Light Company (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, not involved in the merger, is co-holder of Facility Operating License No. NPF-57, along with ACE, issued for operation of the HCGS, located in Lower Alloways Creek Township, Salem County, New Jersey. An application filed by ACE 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, informed the Commission of the proposed 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 HCGS due to the corporate restructuring. ACE will continue to hold the license, and no direct transfer of the license will occur.

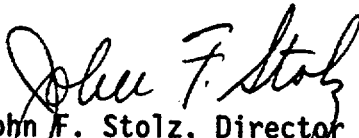
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P PDR

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 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 Pennsville Public Library, 190 S. Broadway, Pennsville, 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