

50-2413



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

January 15, 1997

Mr. Ted C. Feigenbaum
Executive Vice President and
Chief Nuclear Officer
Northeast Utilities Service Company
c/o Mr. Terry L. Harpster
Director - Nuclear Licensing Services
P.O. Box 128
Waterford, CT 06385

SUBJECT: ENVIRONMENTAL ASSESSMENT OF TEMPORARY EXEMPTION FROM CERTAIN
REQUIREMENTS OF 10 CFR 50.75: REPORTING AND RECORDKEEPING FOR
DECOMMISSIONING PLANNING - SEABROOK STATION, UNIT 1
(TAC NO. M95476)

Dear Mr. Feigenbaum:

Enclosed is a copy of the Environmental Assessment and Finding of No Significant Impact related to a proposed temporary exemption from the requirements of 10 CFR 50.75(e)(2). The exemption would allow Great Bay Power Corporation (Great Bay) 6 months from the date of issue, to obtain a surety bond or other allowable decommissioning funding assurance mechanism for non-electric utilities.

By letter dated May 8, 1996, North Atlantic Energy Service Corporation requested, for itself and as agent for the Joint Owners of Seabrook Station, Unit No. 1, approval of the indirect transfer of control of Great Bay Power Corporation's interest in Operating License NPF-86 through the formation of a holding company. Commission approval of the request may result in an improvement in Great Bay's financial strength benefiting public health and safety. The staff has not completed action on that request because it appears that Great Bay does not meet the definition of "electric utility" as provided in 10 CFR 50.2. As a non-electric utility, Great Bay must meet the requirements of 10 CFR 50.75(e)(2) for additional assurance for decommissioning funding. Currently, Great Bay does not meet these requirements. However, in order to permit action upon the May 8, 1996, request without further delaying the potential benefits, the Commission has proposed to issue the temporary exemption.

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January 15, 1997

T. Feigenbaum

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

Sincerely,

ORIGINAL SIGNED BY:

Albert W. De Agazio, Senior Project Manager
Project Directorate I-1
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Docket No. 50-443
Serial No. SEA-96-012

Enclosure: Environmental Assessment
cc w/enclosure: See next page

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T. Feigenbaum

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Sincerely,



Albert W. De Agazio, Senior Project Manager
Project Directorate I-1
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Docket No. 50-443
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Enclosure: Environmental Assessment

cc w/enclosure: See next page

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UNITED STATES NUCLEAR REGULATORY COMMISSION
NORTH ATLANTIC ENERGY SERVICE CORPORATION, ET AL.
SEABROOK STATION, UNIT NO. 1
DOCKET NO. 50-443
ENVIRONMENTAL ASSESSMENT AND FINDING OF
NO SIGNIFICANT IMPACT

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an exemption for Facility Operating License No. NPF-86 issued to North Atlantic Energy Service Corporation (the licensee or North Atlantic) for operation of the Seabrook Station, Unit No. 1 (Seabrook) located in Rockingham County, New Hampshire. North Atlantic is authorized to act as agent for the eleven owners of the facility.

ENVIRONMENTAL ASSESSMENT

Identification of the Proposed Action:

This Environmental Assessment addresses the potential environmental issues related to the proposed issuance of a temporary exemption from certain requirements of 10 CFR 50.75(e)(2). Specifically, the proposed exemption would allow Great Bay Power Corporation (Great Bay) 6 months from the date of issue, to obtain a surety bond or other allowable decommissioning funding assurance mechanism for non-electric utilities. Great Bay holds an undivided 12.1324 percent ownership interest in Seabrook.

The Need for the Proposed Action:

On May 8, 1996, North Atlantic submitted to the NRC a request on behalf of Great Bay for Commission consent to the indirect transfer of control of

Great Bay's interest in the Seabrook Operating License through formation of a holding company. Additional information relating to this request was submitted on October 18, 1996, and December 9, 1996. Approval of the application would allow Great Bay, through the formation of several corporate entities and a merger, to become a wholly-owned subsidiary of a new holding company, Great Bay Holdings Corporation. Such a restructuring would expand Great Bay's opportunities, thereby potentially improving Great Bay's financial strength, benefiting public health and safety. The indirect transfer of control of Great Bay's share of Seabrook is subject to NRC approval pursuant to 10 CFR 50.80.

Great Bay was established in 1994 as a successor to EUA Power Company, which had filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code. When the NRC staff approved the plan for Great Bay's emergence from bankruptcy in 1993, it believed that Great Bay would continue to be an electric utility based upon its status as such prior to bankruptcy and upon the expectation that the reorganized entity would be successful in obtaining long-term contracts for the sale of most of its share of power from Seabrook. However, Great Bay has been marketing most of its share of electricity from Seabrook on the spot wholesale market. The staff has not yet completed its review of the proposed transfer of control, but it appears that Great Bay does not now meet the definition of "electric utility" as provided in 10 CFR 50.2, in that it does not appear to recover the cost of the electricity it generates and/or distributes, either directly or indirectly, through rates established by a regulatory authority. If Great Bay is no longer an "electric utility," as defined in 10 CFR 50.2, it does not meet the requirements of 10 CFR 50.75(e)(2) in that it does not have a surety bond or other surety method in

place to provide additional assurance for decommissioning funding.

Because of its status as an exempt wholesale generator, Great Bay is precluded from participating in opportunities in additional electricity markets under New Hampshire law. The proposed formation of a holding company would protect Great Bay's status as a wholesale electric generator and allow its management to develop opportunities in additional electricity markets through the holding company, thus potentially improving Great Bay's financial position, benefiting public health and safety.

To allow the staff to act upon Great Bay's request for approval of indirect transfer of control of Great Bay, without further delaying the potential benefits that may result therefrom, and at the same time to afford Great Bay a reasonable opportunity to implement a suitable decommissioning funding assurance method required of a non-electric utility, the staff proposes to grant Great Bay a 6 month exemption from compliance with the provisions 10 CFR 50.75(e)(2) pertaining to the additional surety arrangements for decommissioning funding assurance for non-electric utility licensees.

Environmental Impacts of the Proposed Action:

The Commission has evaluated the environmental impact of the proposed action and has determined that the probability or consequences of accidents would not be increased by the temporary exemption, and that post-accident radiological releases would not be greater than previously determined. Further, the Commission has determined that the temporary exemption would not affect routine radiological plant effluents and would not increase occupational radiological 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 temporary exemption would not affect nonradiological plant effluents and would have no other environmental impact. Therefore, the Commission concludes that there are no significant nonradiological environmental impacts associated with the proposed action.

Alternative to the Proposed Action

Since the Commission concluded that there are no significant environmental effects that would result from the proposed action, any alternative with equal or greater environmental impacts need not be evaluated.

The principal alternative would be to not issue the temporary exemption and, thereby, delay completion of the staff's review of the request for approval for indirect transfer of control until the necessary surety arrangement is in place. Delay would result in no change in current environmental impacts. The environmental impacts of the proposed action and the alternative action are identical.

Alternative Use of Resources

This action does not involve the use of any resources not previously considered in the Final Environmental Statement for the Seabrook Station, Unit No. 1, dated March 1983.

Agencies and Persons Contacted

In accordance with its stated policy, on January 15, 1997, the NRC staff consulted with the New Hampshire state official, Mr. George Iverson of the New Hampshire Emergency Management Agency regarding the environmental impact of the proposed action. On January 15, 1997, the NRC staff consulted with the Massachusetts state official, Mr. James Muckerheid of the Massachusetts Emergency Management Agency. The state officials had no comments.

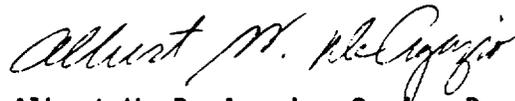
Finding of No Significant Impact

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 licensee's letters dated May 8, 1996, October 18, 1996, and December 9, 1996, which are 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 rooms located at the Local Public Document Room located at Exeter Public Library, Founders Park, Exeter, New Hampshire 03833.

Dated at Rockville, Maryland, this 15th day of January 1997.

FOR THE NUCLEAR REGULATORY COMMISSION



Albert W. De Agazio, Senior Project Manager
Project Directorate I-1
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Office of Nuclear Reactor Regulation