



50-254/265

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

June 28, 1995

Mr. D. L. Farrar  
Manager, Nuclear Regulatory Services  
Commonwealth Edison Company  
Executive Towers West III  
1400 Opus Place, Suite 500  
Downers Grove, IL 60515

Mr. Stephen E. Shelton  
Vice President  
Iowa-Illinois Gas and  
Electric Company  
P. O. Box 4350  
Davenport, IA 52808

SUBJECT: ORDER APPROVING TRANSFER OF LICENSES AND NOTICE OF CONSIDERATION OF PROPOSED ISSUANCE OF AMENDMENTS TO FACILITY OPERATING LICENSES, PROPOSED NO SIGNIFICANT HAZARDS CONSIDERATION DETERMINATION, AND OPPORTUNITY FOR A HEARING (TAC NOS. M91050 AND M91051)

Dear Messrs. Farrar and Shelton:

The enclosed Order is in response to a letter dated November 21, 1994, from Iowa-Illinois Gas and Electric Company (IIGEC) requesting approval, pursuant to Section 50.80 of Title 10 of the Code of Federal Regulations, of the transfer of its ownership share of 25 percent of Quad Cities Nuclear Power Station, Units 1 and 2, to MidAmerican Energy Company (MidAmerican). IIGEC has indicated that it and Midwest Resources, Inc., Midwest Power Systems, Inc., and MidAmerican have agreed to merge, subject to obtaining the necessary approvals, with MidAmerican as the surviving corporation. The Commission has concluded that the proposed transferee, MidAmerican, is qualified to be a holder of the licenses and that the transfer is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto. The Order is being forwarded to the Office of the Federal Register for publication.

The Order includes a Notice of Consideration of Proposed Issuance of Associated Amendments, Proposed no Significant Hazards Consideration Determination, and Opportunity for a Hearing, which relates to Commonwealth Edison Company's request of February 23, 1995, for the Quad Cities Nuclear

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Commonwealth Edison Company  
Iowa-Illinois Gas and Electric Company

Quad Cities Nuclear Power Station  
Unit Nos. 1 and 2

cc:

Michael I. Miller, Esquire  
Sidley and Austin  
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Mr. S. Behrends, IV  
LeBoeuf, Lamb, Greene & MacRae  
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Washington, DC 20009-5728

Mr. L. William Pearce  
Station Manager  
Quad Cities Nuclear Power Station  
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U.S. Nuclear Regulatory Commission  
Quad Cities Resident Inspectors Office  
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Cordova, Illinois 61242

Chairman  
Rock Island County Board  
of Supervisors  
1504 3rd Avenue  
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Rock Island, Illinois 61201

Illinois Department of Nuclear Safety  
Office of Nuclear Facility Safety  
1035 Outer Park Drive  
Springfield, Illinois 62704

Regional Administrator  
U.S. NRC, Region III  
801 Warrenville Road  
Lisle, Illinois 60532-4351

Messrs. Farrar and Shelton

- 2 -

Power Station, Units 1 and 2, to amend Facility Operating License Nos. DPR-29 and DPR-30 to reflect the merger between IIGEC, MidAmerican, Midwest Power Systems Inc., and Midwest Resources, Inc.

Sincerely,



Robert M. Pulsifer, Project Manager  
Project Directorate III-2  
Division of Reactor Projects - III/IV  
Office of Nuclear Reactor Regulation

Docket Nos. 50-254, 50-265

Enclosure: Notice

cc w/encl: see next page

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

In the Matter of )  
COMMONWEALTH EDISON COMPANY ) Docket Nos. 50-254  
IOWA-ILLINOIS GAS AND ELECTRIC ) and 50-265  
COMPANY )  
(Quad Cities Nuclear Power Station, )  
Units 1 and 2) )

ORDER APPROVING TRANSFER OF LICENSE AND NOTICE  
OF CONSIDERATION OF PROPOSED ISSUANCE OF ASSOCIATED AMENDMENTS,  
PROPOSED NO SIGNIFICANT HAZARDS CONSIDERATION DETERMINATION,  
AND OPPORTUNITY FOR A HEARING

I.

Iowa-Illinois Gas and Electric Company (IIGEC) is holder of 25 percent ownership in Quad Cities Nuclear Power Station, Units 1 and 2. Commonwealth Edison Company (ComEd) owns the remaining 75 percent share of the facility. IIGEC and ComEd are governed by Facility Operating License Nos. DPR-29 and DPR-30 issued by the U.S. Atomic Energy Commission (AEC) pursuant to Part 50 of Title 10 of the Code of Federal Regulations (10 CFR Part 50) on December 14, 1972. Under these licenses, only ComEd, acting as agent and representative of the two owners listed on the licenses, has the authority to operate the Quad Cities Nuclear Power Station, Units 1 and 2. The Quad Cities station is located in Rock Island County, Illinois.

II.

By letter dated November 21, 1994, IIGEC informed the Commission that MidAmerican Energy Company (MidAmerican) will become the surviving corporation and public utility of a proposed merger between IIGEC, MidAmerican, Midwest

Resources, Inc., and Midwest Power Systems, Inc. This merger would result in the transfer of IIGEC's 25 percent ownership share in Quad Cities Nuclear Power Station, Units 1 and 2, to MidAmerican. The current stockholders of IIGEC and Midwest Resources, Inc. will become stockholders of MidAmerican when the merger takes effect. IIGEC requested the Commission's approval of the transfer of the ownership interest it now holds, pursuant to 10 CFR 50.80. Notice of this request for approval was published in the FEDERAL REGISTER on January 10, 1995 (60 FR 2615).

The transfer of Facility Operating License Nos. DPR-29 and DPR-30 is subject to the NRC's approval under 10 CFR 50.80(a). Upon review of information submitted in the letter of November 21, 1994, and other information before the Commission, the NRC staff has determined that MidAmerican will be an electric utility as defined in 10 CFR 50.2 and, consequently, as provided in 10 CFR 50.33(f), is not required to provide information on financial qualifications for a license to operate. The NRC staff concludes that MidAmerican is qualified to hold the licenses to the extent and for the purposes that IIGEC is now authorized to hold the licenses, and that the transfer, subject to the conditions set forth herein, is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission. These findings are supported by a Safety Evaluation dated June 20, 1995.

### III.

By August 4, 1995, any person adversely affected by this Order may file a request for a hearing with respect to issuance of the Order. Any person requesting a hearing shall set forth with particularity how that interest is

interest is adversely affected by this Order and shall address the criteria set forth in 10 CFR 2.714(d), in the same manner as is more fully discussed below regarding requests for hearing and petitions for leave to intervene in connection with proposed license amendments.

If a hearing is to be held, the Commission will issue an Order designating the time and place of such hearing.

If a hearing is held concerning this Order, the issue to be considered at any such hearing shall be whether this Order should be sustained.

Any request for a hearing must be filed with the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555, Attention: Docketing and Services Branch, or may be delivered to the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, by the above date. Copies should also be sent to the Office of the General Counsel, and to the Director, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and to Michael I. Miller, Esquire, Sidley and Austin, One First National Plaza, Chicago, Illinois 60603, attorney for ComEd, and Sam Behrends, Esquire, LeBoeuf, Lamb, Greene & MacRae, 1875 Connecticut Avenue, NW., Washington, DC 20009-5728, attorney for IIGEC.

#### IV.

Accordingly, pursuant to Sections 161b, 161i, and 184 of the Atomic Energy Act of 1954, as amended, 42 USC §§ 2201(b), 2201(i), 2234, and 10 CFR 50.80, IT IS HEREBY ORDERED that the Commission consents to the proposed transfer of the licenses described herein from IIGEC to MidAmerican subject to the following: (1) approved amendments describing MidAmerican as

part owner of Quad Cities Nuclear Power Station, Units 1 and 2, for Facility Operating License Nos. DPR-29 and DPR-30, which when issued by the NRC, would become effective as of the date of issuance; (2) should the transfer not be completed by August 30, 1995, this Order shall become null and void; and (3) on application and for good cause shown, this Order may be extended for a short period beyond August 30, 1995.

This Order is effective upon issuance.

V.

Notice is hereby given that the Commission is considering the issuance of amendments to the licenses described herein to reflect the above transfer approved by the Commission. IIGEC stated in a letter dated November 21, 1994, again as stated by ComEd in their letter dated February 23, 1995, that the amendments are administrative in nature only because (1) IIGEC holds a minority interest (25 percent) in the facility, (2) ComEd is the sole operator of the facility, and (3) MidAmerican, as successor in interest to IIGEC, will be committed under the Ownership Agreement and the Operating Agreement to provide funds necessary on a pro-rata basis for the safe operation, maintenance, repair, decontamination, and decommissioning of the Quad Cities station in conformance with NRC regulations, subject to the same obligations, terms, and conditions that apply to IIGEC under the licenses. IIGEC further stated that MidAmerican's ability to fund these costs will be equal to, or greater than, that of IIGEC.

Before issuance of the proposed license amendments, the Commission will have made findings required by the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations.

The Commission has made a proposed determination that the proposed amendments involve no significant hazards consideration. Under the Commission's regulations in 10 CFR 50.92, operation of the facility in accordance with the proposed amendments would not (1) involve a significant increase in the probability or consequences of an accident previously evaluated; or (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in a margin of safety. As required by 10 CFR 50.91(a), ComEd has provided its analysis of the issue of no significant hazards consideration. According to the licensee, the proposed amendments would not:

1. Involve a significant increase in the probability or consequences of an accident previously evaluated because:

The proposed changes are purely administrative in nature, and as such do not affect any accident precursors or initiators. Therefore, the proposed changes do not increase the probability of any previously evaluated accident. Similarly, the proposed changes do not affect any equipment or procedures used to mitigate the consequences of an accident.

2. Create the possibility of a new or different kind of accident from any accident previously evaluated because:

The proposed changes are administrative in nature and therefore have no effect on the accident analyses or system operation. Therefore, the possibility of a new or different kind of accident is not created.

3. Involve a significant reduction in the margin of safety because:

The proposed changes do not involve a relaxation of the criteria used to establish safety limits, a relaxation of the bases for limiting safety system settings, or a relaxation of the bases for limiting conditions of operation. The proposed changes are administrative in nature without consequence to the safety of the plant. Therefore, the proposed changes do not impact the margin of safety.

The NRC staff has reviewed the licensee's analysis and, based on this review, it appears that the three standards of 10 CFR 50.92(c) are satisfied. Therefore, the NRC staff proposes to determine that the amendment request involves no significant hazards consideration.

The Commission is seeking public comments on this proposed determination. Any comments received within 30 days after the date of publication of this notice will be considered in making any final determination.

Normally, the Commission will not issue the amendments until the expiration of the 30-day notice period. However, should circumstances change during the notice period such that failure to act in a timely way would result, for example, in derating or shutdown of the facility, the Commission may issue the license amendments before the expiration of the 30-day notice period, provided that its final determination is that the amendments involve no significant hazards consideration. The final determination will consider all public and State comments received. Should the Commission take this action, it will publish in the FEDERAL REGISTER a notice of issuance and provide for an opportunity for a hearing after issuance. The Commission expects that the need to take this action will occur very infrequently.

Written comments may be submitted by mail to the Rules Review and Directives Branch, Division of Freedom of Information and Publications Services, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and should cite the publication date and page number of this FEDERAL REGISTER notice. Written comments may also be delivered to Room 6D22, Two White Flint North, 11545 Rockville Pike, Rockville, Maryland, from

7:30 a.m. to 4:15 p.m. Federal workdays. Copies of written comments received may be examined at the NRC Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC.

The filing of requests for hearing and petitions for leave to intervene is discussed below.

By August 4, 1995, any person whose interest may be affected by the issuance of the amendments to the subject facility operating licenses and who wishes to participate as a party must file a written request for a hearing and a petition for leave to intervene. Requests for a hearing and a petition for leave to intervene shall be filed in accordance with the Commission's "Rules of Practice for Domestic Licensing Proceedings" in 10 CFR Part 2. Interested persons should consult a current copy of 10 CFR 2.714, which is available 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 Dixon Public Library, 221 Hennepin Avenue, Dixon, Illinois. If a request for a hearing or a petition for leave to intervene is filed by the above date, the Commission or an Atomic Safety and Licensing Board, designated by the Commission or by the Chairman of the Atomic Safety and Licensing Board Panel, will rule on the request and/or petition; and the Secretary or the designated Atomic Safety and Licensing Board will issue a notice of hearing or an appropriate order.

As required by 10 CFR 2.714, a petition for leave to intervene shall set forth with particularity the interest of the petitioner in the proceeding and how that interest may be affected by the results of the proceeding. The petition should specifically explain the reasons why intervention should be

permitted with particular reference to the following factors: (1) the nature of the petitioner's right under the Act to be made party to the proceeding; (2) the nature and extent of the petitioner's property, financial, or other interest in the proceeding; and (3) the possible effect of any order which may be entered in the proceeding on the petitioner's interest. The petition should also identify the specific aspect(s) of the subject matter of the proceeding as to which the petitioner wishes to intervene. Any person who has filed a petition for leave to intervene or who has been admitted as a party may amend the petition without requesting leave of the Board up to 15 days prior to the first prehearing conference scheduled in the proceeding, but such an amended petition must satisfy the specificity requirements described above.

Not later than 15 days prior to the first prehearing conference scheduled in the proceeding, a petitioner shall file a supplement to the petition to intervene, which must include a list of the contentions which are sought to be litigated in the matter. Each contention must consist of a specific statement of the issue of law or fact to be raised or controverted. In addition, the petitioner shall provide a brief explanation of the bases of the contention and a concise statement of the alleged facts or expert opinion which support the contention and on which the petitioner intends to rely in proving the contention at the hearing. The petitioner must also provide references to those specific sources and documents of which the petitioner is aware and on which the petitioner intends to rely to establish those facts or expert opinion. The Petitioner must provide sufficient information to show that a genuine dispute exists with the applicant for the amendments on a material issue of law or fact. Contentions shall be limited to matters within

the scope of the amendments under consideration. The contention must be one which, if proven, would entitle the petitioner to relief. A petitioner who fails to file such a supplement which satisfies these requirements with respect to at least one contention will not be permitted to participate as a party.

Those permitted to intervene become parties to the proceeding, subject to any limitations in the Order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing, including the opportunity to present evidence and cross-examine witnesses.

If a hearing is requested, the Commission will make a final determination on the issue of no significant hazards consideration. The final determination will serve to decide when the hearing is held.

If the final determination is that the amendment request involves no significant hazards consideration, the Commission may issue the amendments and make them immediately effective, notwithstanding the request for a hearing. Any hearing held would take place after issuance of the amendments.

If the final determination is that the amendment request involves a significant hazards consideration, any hearing held would take place before the issuance of any amendment.

A request for a hearing or a petition for leave to intervene must be filed with the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555, Attention: Docketing and Services Branch, or may be delivered to the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, by the above date. Where petitions are filed during the last 10 days of the notice period, it is

requested that the petitioner promptly so inform the Commission by a toll-free telephone call to Western Union at 1-(800) 248-5100 (in Missouri 1-(800) 342-6700). The Western Union operator should be given Datagram Identification Number N1023 and the following message addressed to Mr. Robert A. Capra: petitioner's name and telephone number, date petition was mailed, plant name, and publication date and page number of this FEDERAL REGISTER notice. A copy of the petition should also be sent to the Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and to Michael I. Miller, Esquire, Sidley and Austin, One First National Plaza, Chicago, Illinois 60603, attorney for ComEd, and Sam Behrends, Esquire, LeBoeuf, Lamb, Greene & MacRae, 1875 Connecticut Avenue, NW., Washington, DC 20009-5728, attorney for IIGEC.

Nontimely filings of petitions for leave to intervene, amended petitions, supplemental petitions and/or requests for hearing will not be entertained absent a determination by the Commission, the presiding officer or the presiding Atomic Safety and Licensing Board that the petition and/or request should be granted based upon a balancing of the factors specified in 10 CFR 2.714(a)(1)(i)-(v) and 2.714(d).

Pursuant to 10 CFR 51.21, 51.32 and 51.35, an environmental assessment and finding of no significant impact has been prepared and published in the FEDERAL REGISTER on March 27, 1995 (60 FR 15799).

Accordingly, based upon the environmental assessment, the Commission has determined that the issuance of these amendments will not have a significant effect on the quality of the human environment.

For further details with respect to this action, see the application for the transfer of licenses dated November 21, 1994, and the application for amendments dated February 23, 1995, 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 room located at the Dixon Public Library, 221 Hennepin Avenue, Dixon, Illinois.

FOR THE NUCLEAR REGULATORY COMMISSION



William T. Russell, Director  
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland,  
this 28th day of June 1995

Messrs. Farrar and Shelton

- 2 -

Power Station, Units 1 and 2, to amend Facility Operating License Nos. DPR-29 and DPR-30 to reflect the merger between IIGEC, MidAmerican, Midwest Power Systems Inc., and Midwest Resources, Inc.

Sincerely,

Original signed by:

Robert M. Pulsifer, Project Manager  
Project Directorate III-2  
Division of Reactor Projects - III/IV  
Office of Nuclear Reactor Regulation

Docket Nos. 50-254, 50-265

Enclosure: Notice

cc w/encl: see next page

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\* See previous concurrence

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For further details with respect to this action, see the application for the transfer of licenses dated November 21, 1994, and the application for amendments dated February 23, 1995, 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 room located at the Dixon Public Library, 221 Hennepin Avenue, Dixon, Illinois.

FOR THE NUCLEAR REGULATORY COMMISSION

Original signed by:

William T. Russell, Director  
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland,  
this 28th day of June 1995

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\* See previous concurrence

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