

November 4, 1998

Mr. Oliver D. Kingsley, President
Nuclear Generation Group
Commonwealth Edison Company
Executive Towers West III
1400 Opus Place, Suite 500
Downers Grove, IL 60515

SUBJECT: ENVIRONMENTAL ASSESSMENT - QUAD CITIES NUCLEAR POWER
STATION, UNITS 1 AND 2 (TAC NOS. MA3516 AND MA3517)

Dear Mr. Kingsley:

Enclosed is a copy of the Environmental Assessment and Finding of No Significant Impact relating to the application dated September 10, 1998, accompanied by cover letters dated September 10, 1998, and supplemented by a letter dated September 16, 1998, and attachments thereto, from CalEnergy Company, Inc. (CalEnergy) and MidAmerican Energy Company (MidAmerican). The application seeks consent under 10 CFR 50.80 regarding the proposed corporate merger of CalEnergy and MidAmerican Energy Holdings Company (MAHC), the current parent company of MidAmerican. MidAmerican currently holds a 25 percent undivided ownership interest in the Quad Cities Nuclear Power Station, Units 1 and 2.

The Environmental Assessment and Finding of No Significant Impact is being forwarded to the Office of the Federal Register for publication.

Sincerely,

ORIG. 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: Environmental Assessment

cc w/encl: See next page

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

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Sincerely,

A handwritten signature in black ink, appearing to read "Robert M. Pulsifer", is written over the typed name.

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: Environmental Assessment

cc w/encl: See next page

O. Kingsley
Commonwealth Edison Company

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Quad Cities Nuclear Power Station .
Units 1 and 2

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O. Kingsley
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Quad Cities Nuclear Power Plant :
Units 1 and 2

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Akin, Gump, Strauss, Hauer & Feld, L.L.P.
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Environmental Review Coordinator
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UNITED STATES NUCLEAR REGULATORY COMMISSIONCOMMONWEALTH EDISON COMPANYMIDAMERICAN ENERGY COMPANYDOCKET NOS. 50-254 AND 50-265QUAD CITIES NUCLEAR POWER STATION, UNITS 1 AND 2ENVIRONMENTAL ASSESSMENT AND FINDING OFNO SIGNIFICANT IMPACT

The U. S. Nuclear Regulatory Commission (the Commission) is considering the issuance of an order, approving under 10 CFR 50.80, the transfer of control of Facility Operating License Nos. DPR-29 and DPR-30, to the extent held by MidAmerican Energy Company (MidAmerican) for possession of the Quad Cities Nuclear Power Station, Units 1 and 2 (Quad Cities), located in Rock Island County, Illinois.

ENVIRONMENTAL ASSESSMENTIdentification of the Proposed Action:

The proposed action would consent to the transfer of control of the licenses, with respect to MidAmerican's 25 percent ownership interest in Quad Cities, to the extent such transfer would be effected by a proposed corporate merger involving CalEnergy Company (CalEnergy) and MidAmerican Energy Holdings Company (MAHC), the parent of MidAmerican. Commonwealth Edison Company (ComEd) alone is licensed to operate, as well as possess Quad Cities and is not involved in the proposed merger. MidAmerican would continue to remain the minority owner and possession-only licensee of the facility.

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P PDR

The proposed action is in accordance with the application dated September 10, 1998, filed by CalEnergy and MidAmerican, accompanied by cover letters dated September 10, 1998, and supplemented by a letter dated September 16, 1998, and attachments thereto, from Roy P. Lessy, Jr., counsel for CalEnergy and MidAmerican.

The Need for the Proposed Action:

The proposed action is needed to permit the consummation of the proposed corporate merger discussed above to the extent the merger will effect a transfer of control of the licenses.

Environmental Impacts of the Proposed Actions:

The Commission has completed its evaluation of the proposed merger and concludes that there will be no changes to Quad Cities or the environment as a result of this action. The transfer of control of the licenses to the extent effected by the merger between MidAmerican and CalEnergy will not affect the numbers, qualifications, or organizational affiliation of the personnel who operate the facility, since ComEd is not involved in the proposed merger and will continue to be solely responsible for the operation of Quad Cities. No changes are being made with respect to any requirements governing plant operations or equipment.

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 proposed action and that post-accident radiological releases would not be greater than previously determined. Further, the Commission has determined that the proposed action 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 non-radiological impacts, the proposed action would not affect non-radiological plant effluents and would have no other environmental impact. Therefore, the Commission concludes that there are no significant non-radiological environmental impacts associated with the proposed action.

Alternatives to the Proposed Action:

Since the Commission has concluded that there are no significant environmental effects associated with the proposed action, any alternative with equal or greater environmental impact need not be evaluated.

The principal alternative would be to deny the requested approval. Denial of the application would result in no change in current environmental impacts. The environmental impacts of the proposed action and the alternative actions are identical.

Alternative Use of Resources:

The action does not involve the use of resources not previously considered in the Final Environmental Statement Related to Operation of Quad Cities Nuclear Power Station, Units 1 and 2, dated September 1972.

Agencies and Persons Consulted

In accordance with its stated policy, on September 30, 1998, the staff consulted with the Illinois State official, Mr. Frank Niziolek, Head, Reactor Safety Section, Division of Engineering, Illinois Department of Nuclear Safety, regarding the environmental impact of the proposed action. The State official had no comments.

FINDING OF NO SIGNIFICANT IMPACT

Based upon the foregoing 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 this action, see the request for approval dated September 10, 1998, accompanied by cover letters dated September 10, 1998, and supplemented by a letter dated September 16, 1998, and attachments thereto, from Roy P. Lessy, Jr., counsel for CalEnergy and MidAmerican, 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 public document room located at the Dixon Public Library, 221 Hennepin Avenue, Dixon, Illinois 61021.

Dated at Rockville, Maryland, this 4th day of November 1998.

FOR THE NUCLEAR REGULATORY COMMISSION

A handwritten signature in black ink, appearing to read 'S. A. Richards', with a stylized flourish at the end.

Stuart A. Richards, Director
Project Directorate III-2
Division of Reactor Projects - III/IV
Office of Nuclear Reactor Regulation