

March 13, 1997

Mr. Paul J. Telthorst
Director - Licensing
Clinton Power Station
P. O. Box 678
Mail Code V920
Clinton, IL 61727

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SUBJECT: ORDER APPROVING TRANSFER OF LICENSE NO. NPF-62 FOR CLINTON POWER STATION, UNIT NO. 1 (TAC NO. M96903)

Dear Mr. Telthorst:

The enclosed Order is in response to your submittal dated October 17, 1996 (U-602648), as modified and supplemented by your letter of December 13, 1996 (U-602675), requesting approval, pursuant to Section 50.80 of Title 10 of the Code of Federal Regulations, of the transfer of the license for the Clinton Power Station, Unit No. 1 (CPS), to the extent it is held by Soyland Power Cooperative in connection with its 13.21-percent ownership share of CPS, to Illinois Power Company (IP). IP currently owns 86.79 percent of CPS and is the operator of the plant. Upon completion of the transfer, IP will remain the plant operator and will become sole owner of CPS. IP is a wholly owned subsidiary of Illinova Corporation and will remain so after completion of the transfer.

The Commission has concluded that IP is qualified to be the sole holder of the license 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.

Sincerely,

Original signed by:
Douglas V. Pickett, Senior Project Manager
Project Directorate III-3
Division of Reactor Projects - III/IV
Office of Nuclear Reactor Regulation

Docket No. 50-461

Enclosure: Order

cc w/encl: See next page

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Division of Reactor Projects - III/IV
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DATE	03/10/97		03/10/97	

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UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

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Director - Licensing
Clinton Power Station
P. O. Box 678
Mail Code V920
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Sincerely,

A handwritten signature in cursive script that reads "Douglas V. Pickett".

Douglas V. Pickett, Senior Project Manager
Project Directorate III-3
Division of Reactor Projects - III/IV
Office of Nuclear Reactor Regulation

Docket No. 50-461

Enclosure: Order

cc w/encl: See next page

Mr. Paul J. Telthorst
Illinois Power Company

Clinton Power Station
Unit No. 1

cc:

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c/o County Clerk's Office
DeWitt County Courthouse
Clinton, Illinois 61727

Mr. J. W. Blattner
Project Manager
Sargent & Lundy Engineers
55 East Monroe Street
Chicago, Illinois 60603

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
ILLINOIS POWER COMPANY)	Docket No. 50-461
SOYLAND POWER COOPERATIVE)	
)	
(Clinton Power Station, Unit No. 1))	

ORDER APPROVING TRANSFER OF LICENSE
FOR CLINTON POWER STATION, UNIT NO. 1

I.

Illinois Power Company (IP) owns 86.79 percent of Clinton Power Station, Unit No. 1 (CPS), a single-unit nuclear power plant. Soyland Power Cooperative (Soyland) owns the remaining 13.21-percent interest in the facility. IP and Soyland are governed by Facility Operating License No. NPF-62 issued by the U.S. Nuclear Regulatory Commission (the Commission) pursuant to Part 50 of Title 10 of the Code of Federal Regulations (10 CFR Part 50) on April 17, 1987. Under this license, only IP has the authority to operate CPS. The CPS facility is located in DeWitt County, Illinois.

II.

In an application originally submitted by letter dated October 17, 1996, and then supplemented and modified by letter dated December 13, 1996, IP requested NRC's consent to a proposed transfer of the 13.21-percent share of CPS currently owned by Soyland to IP. Upon completion of the sale, IP will remain the plant operator and will become sole owner of CPS. IP is a wholly owned subsidiary of Illinova Corporation and will remain so after completion of the sale. The proposed action constitutes a transfer of the license for

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CPS to the extent it is held by Soyland, and is subject to the license transfer provisions of 10 CFR 50.80.

III.

On the basis of the information provided in IP's application, the staff finds that IP is financially qualified to contribute appropriately to the operation and decommissioning of CPS. In its letter of December 13, 1996, IP indicated that it would assume responsibility for the external trust fund established by Soyland for its share of the ultimate decommissioning expenses of CPS. IP also would remain an "electric utility" as defined in 10 CFR 50.2, engaged in the generation, transmission, and distribution of electric energy for wholesale and retail sale, subject to the rate regulation of the Illinois Commerce Commission and the Federal Energy Regulatory Commission. Thus, pursuant to 10 CFR 50.33(f), IP is exempt from further financial qualifications review as an electric utility. However, since IP will become the sole entity responsible for operating and decommissioning expenses for the facility, the staff has concluded that approval of the application should be conditioned upon IP providing prior notice to the NRC of any asset transfer having a depreciated book value exceeding 10 percent of IP's consolidated net utility plant to its parent company or any affiliated company. Such a condition will help to ensure that IP will remain financially qualified to be the sole holder of the license.

IV.

The proposed transfer does not involve any transfer of operating authority, which IP already possesses. There will be no change in the

management or technical qualifications of IP's nuclear organization as a result of the license transfer. On the basis of the continuity of IP's nuclear organization and management previously described, the staff finds that the proposed license transfer will not adversely affect IP's technical qualifications or the management of CPS and does not otherwise raise any technical qualifications issues.

V.

CPS underwent an antitrust review before issuance of the construction permit and antitrust license conditions were attached to the CPS operating license that still apply to IP. Thus, the application in this case does not involve a new owner or a licensee that has not undergone an antitrust review by the NRC. Under the Atomic Energy Act, no further review by the NRC is authorized.

VI.

IP makes the following statements in its letter of December 13, 1996: "The shares of common stock of Illinova are publicly traded and widely held. IP and IPMI [Illinova Power Marketing, Inc.] are wholly owned subsidiaries of Illinova. The directors and officers of both these companies are U.S. citizens. Neither Illinova, IP, nor IPMI is owned, controlled, or dominated by any alien, foreign corporation, or foreign government." (IP letter, Attachment 2, p. 7.) The staff has no reason to believe otherwise.

VII.

After reviewing the information submitted in the letters of October 17

and December 13, 1996, and other information before the Commission, and in consideration of the foregoing findings, the NRC staff has determined that IP is qualified to hold the license 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.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended; 42 U.S.C. sections 2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80, the Commission consents to the proposed transfer of the license described herein from Soyland to IP, subject to the following: (1) the issuance of approved amendments fully reflecting the transfer approved by this Order at the time such transfer is effected; (2) should the transfer not be completed by December 31, 1997, this Order shall become null and void, provided, however, on application and for good cause shown, such date may be extended; and (3) IP shall provide the Director of the Office of Nuclear Reactor Regulation a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens) from IP to Illinova Corporation (its parent company) or to any other affiliated company, facilities for the production, transmission, or distribution of electric energy having a depreciated book value exceeding ten percent (10%) of IP's consolidated net utility plant.

This Order is effective upon issuance.

Pursuant to 10 CFR 51.21, 51.32, and 51.35, an environmental assessment and a finding of no significant impact have been prepared and published in the FEDERAL REGISTER on February 5, 1997 (62 FR 5495). On the basis of the environmental assessment, the Commission has determined that the issuance of

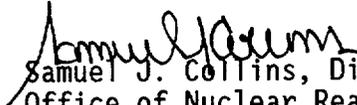
this Order will not have a significant effect on the quality of the human environment.

Notice of consideration of issuance of an order approving the transfer of the license and an opportunity for a hearing was published in the FEDERAL REGISTER on January 29, 1997 (62 FR 4337).

For further details with respect to this action, see IP's letters requesting approval of the transfer of the license dated October 17 and December 13, 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 room located at the Vespasian Warner Public Library, 310 N. Quincy Street, Clinton, IL 61727.

Dated at Rockville, Maryland, this 13th day of March 1997.

FOR THE NUCLEAR REGULATORY COMMISSION


Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

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*See previous concurrence

**See DMatthews to GMarcus memo dated 1/13/97

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