

December 31, 1990

Docket No. 50-346

Mr. Donald C. Shelton
Vice President, Nuclear
Toledo Edison Company
Edison Plaza - Stop 712
300 Madison Avenue
Toledo, Ohio 43652

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Dear Mr. Shelton:

SUBJECT: AMENDMENT NO. 152 TO FACILITY OPERATING LICENSE NO. NPF-3
(TAC NO. M77030)

The Commission has issued Amendment No. 152 to Facility Operating License No. NPF-3 for the Davis-Besse Nuclear Power Station, Unit No. 1. The amendment revises the license in response to your application dated July 17, 1990, as supplemented by letter dated November 29, 1990.

This amendment adds Centerior Service Company as a licensee in the Facility Operating License. It authorizes the Toledo Edison Company and Centerior Service Company to act as agent for the Cleveland Electric Illuminating Company, and have exclusive responsibility and control over the construction, operation and maintenance of the facility. Under this new organization, the Toledo Edison Company's nuclear organization reports to the existing Centerior Service Company. This amendment also adds a new condition to the license related to the existing antitrust conditions.

A copy of the Safety Evaluation is also enclosed. Notice of issuance will be included in the Commission's next biweekly Federal Register notice.

Sincerely,

Original Signed By:

M. David Lynch, Project Manager
Project Directorate III-3
Division of Reactor Projects III/IV/V
Office of Nuclear Reactor Regulation

Enclosures:

- 1. Amendment No. 152 to License No. NPF-3
- 2. Safety Evaluation

cc w/enclosures:
See next page

LA/PDIII-3
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PM/PDIII-3
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PTS
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PD/PDIII-3
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12/20/90

OGC-WF1
BHOLLORZ
12/21/90

concern in license conditions, not policy

Correct date OK by OGC Safety Eval 9/19/90.

DOCUMENT NAME: 77030 AMD

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

December 31, 1990

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Mr. Donald C. Shelton
Vice President, Nuclear
Toledo Edison Company
Edison Plaza - Stop 712
300 Madison Avenue
Toledo, Ohio 43652

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Sincerely,

A handwritten signature in black ink, appearing to read "M. David Lynch", with a long horizontal flourish extending to the right.

M. David Lynch, Project Manager
Project Directorate III-3
Division of Reactor Projects III/IV/V
Office of Nuclear Reactor Regulation

Enclosures:

1. Amendment No. 152 to
License No. NPF-3
2. Safety Evaluation

cc w/enclosures:
See next page

Mr. Donald C. Shelton
Toledo Edison Company

Davis-Besse Nuclear Power Station
Unit No. 1

cc:

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

TOLEDO EDISON COMPANY

AND

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

DOCKET NO. 50-346

DAVIS-BESSE NUCLEAR POWER STATION, UNIT NO. 1

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 152
License No. NPF-3

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by the Toledo Edison Company and The Cleveland Electric Illuminating Company (the licensees) dated July 17, 1990, as supplemented by letter dated November 29, 1990, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.
2. Accordingly, Facility Operating License No. NPF-3 is amended as follows:
 - I. Add Centerior Service Company to the title of the NPF-3 license to read:

TOLEDO EDISON COMPANY
CENTERIOR SERVICE COMPANY
AND
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
DOCKET NO. 50-346
DAVIS-BESSE NUCLEAR POWER STATION, UNIT NO. 1
FACILITY OPERATING LICENSE

License No. NPF-3

II. Add Centerior Service Company and a footnote to paragraph 1.A as follows:

1. The Nuclear Regulatory Commission (the Commission) having found that:
 - A. The application for license filed by the Toledo Edison Company, Centerior Service Company, and the Cleveland Electric Illuminating Company (the licensees*) complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I and all required notifications to other agencies or bodies have been duly made;

The footnote should read as follows:

*The Toledo Edison Company and Centerior Service Company (both of which are wholly-owned subsidiaries of Centerior Energy Corporation) are authorized to act as agents for the Cleveland Electric Illuminating Company, and have exclusive responsibility and control over the physical construction, operation, and maintenance of the facility. Centerior Service Company was added as a licensee by Amendment No. 152 .

III. Add Centerior Service Company to paragraph 2 as follows:

2. Facility Operating License No. NPF-3 is hereby issued to the Toledo Edison Company, Centerior Service Company, and the Cleveland Electric Illuminating Company to read as follows:

IV. Delete the phrase "and operated by the Toledo Edison Company" from Paragraph 2.A so that it reads as follows:

A. This license applies to the Davis-Besse Nuclear Power Station, Unit No. 1, a pressurized water nuclear reactor and associated equipment (the facility), owned by the Toledo Edison Company and the Cleveland Electric Illuminating Company. The facility is located on the southwestern shore of Lake Erie in Ottawa County, Ohio, approximately 21 miles east of Toledo, Ohio, and is described in the "Final Safety Analysis Report" as supplemented and amended (Amendments 14 through 44) and the Environmental Report as supplemented and amended (Supplements 1 through 2).

V. Add a footnote to Paragraph 2.B.(1) as follows:

B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:

(1) Toledo Edison Company*, pursuant to Section 103 of the Act and 10 CFR Part 50, "Licensing of Production and Utilization Facilities," to possess, use, and operate the facility;

*The Toledo Edison Company's nuclear organization reports to Centerior Service Company.

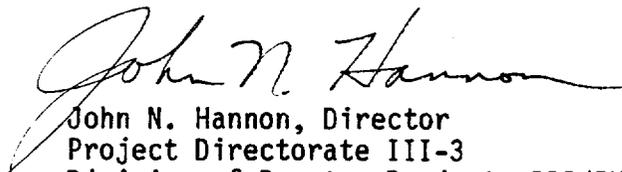
VI. Add a new license condition after Paragraph 2.C(5) to ensure Centerior Service Company's compliance with the antitrust conditions of the license. The new license condition should read as follows:

2.C.(6) Antitrust Conditions

Centerior Service Company shall comply with the antitrust conditions delineated in Condition 2.E of this license as if named therein. Toledo Edison Company is responsible and accountable for the actions of Centerior Service Company to the extent that Centerior Service Company's actions contravene the antitrust license conditions of Condition 2.E. of this license.

3. This license amendment is effective as of its date of issuance and shall be implemented not later than 45 days after issuance.

FOR THE NUCLEAR REGULATORY COMMISSION



John N. Hannon, Director
Project Directorate III-3
Division of Reactor Projects III/IV/V
Office of Nuclear Reactor Regulation

Attachment: Changes to the Facility
Operating License

Date of Issuance: December 31, 1990



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

THE TOLEDO EDISON COMPANY

CENTERIOR SERVICE COMPANY

AND

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

DOCKET NO. 50-346

DAVIS-BESSE NUCLEAR POWER STATION, UNIT NO. 1

FACILITY OPERATING LICENSE

License No. NPF-3

1. The Nuclear Regulatory Commission (the Commission) having found that:
 - A. The application for license filed by the Toledo Edison Company, Centerior Service Company, and the Cleveland Electric Illuminating Company (the licensees*) complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I and all required notifications to other agencies or bodies have been duly made;
 - B. Construction of the Davis-Besse Nuclear Power Station, Unit No. 1 (the facility) has been substantially completed in conformity with Construction Permit No. CPPR-80 and the application, as amended, the provisions of the Act and the rules and regulations of the Commission;
 - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
 - D. There is reasonable assurance: (i) that the activities authorized by this operating license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the rules and regulations of the Commission;
 - E. The Toledo Edison Company is technically qualified and the licensees are financially qualified to engage in the activities authorized by this operating license in accordance with the rules and regulations of the Commission;

*The Toledo Edison Company and Centerior Service Company (both of which are wholly-owned subsidiaries of Centerior Energy Corporation) are authorized to act as agent for the Cleveland Electric Illuminating Company, and have exclusive responsibility and control over the physical construction, operation, and maintenance of the facility. Centerior Service Company was added as a licensee by Amendment No. 152.

- F. The licensees have satisfied the applicable provisions of 10 CFR Part 140 "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;
 - G. The issuance of this operating license will not be inimical to the common defense and security or to the health and safety of the public;
 - H. After weighing the environmental, economic, technical, and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of Facility Operating License No. NPF-3 subject to the conditions for protection of the environment set forth herein is in accordance with 10 CFR Part 51 (formerly Appendix D to 10 CFR Part 50), of the Commission's regulations and all applicable requirements have been satisfied; and
 - I. The receipt, possession, and use of source, byproduct and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR Part 30, 40, and 70, including 10 CFR Sections 30.33, 40.32, 70.23, and 70.31.
2. Facility Operating License No. NPF-3 is hereby issued to the Toledo Edison Company, Centerior Service Company, and the Cleveland Electric Illuminating Company to read as follows:
- A. This license applies to the Davis-Besse Nuclear Power Station, Unit No. 1, a pressurized water nuclear reactor and associated equipment (the facility) owned by the Toledo Edison Company and the Cleveland Electric Illuminating Company. The facility is located on the south-western shore of Lake Erie in Ottawa County, Ohio, approximately 21 miles east of Toledo, Ohio, and is described in the "Final Safety Analysis Report" as supplemented and amended (Amendments 14 through 44) and the Environmental Report as supplemented and amended (Supplements 1 through 2).
 - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
 - (1) Toledo Edison Company*, pursuant to Section 103 of the Act and 10 CFR Part 50, "Licensing of Production and Utilization Facilities," to possess, use, and operate the facility:

*The Toledo Edison Company's nuclear organization reports to Centerior Service Company.

2.C(4) Fire Protection

Prior to plant heatup following the first refueling outage, the licensee is required to complete the modifications identified in Table 1 of the NRC's Fire Protection Safety Evaluation Report dated July 26, 1979, except that the Service Water System backup which is independent of offsite power will be provided by mid-1984.

2.C.(5) Toledo Edison Company shall maintain in effect and implement a secondary water chemistry monitoring program to inhibit steam generator tube degradation. The program shall include:

- (a) Identification of a sampling schedule for the critical parameters and control points for these parameters;
- (b) Identification of the procedures used to quantify parameters that are critical to control points;
- (c) Identification of process sampling points;
- (d) Procedure for the recording and management of data;
- (e) Procedures defining corrective actions for off control point chemistry conditions; and
- (f) A procedure identifying the authority responsible for the interpretation of the data, and the sequence and timing of administrative events required to initiate corrective action.

2.C(6) Antitrust Conditions

Centerior Service Company shall comply with the antitrust conditions delineated in Condition 2.E of this license as if named therein. Toledo Edison Company is responsible and accountable for the actions of Centerior Service Company to the extent that Centerior Service Company's actions contravene the antitrust license conditions of Condition 2.E of this license.

2.D The licensee shall fully implement and maintain in effect all provisions of the Commission-approved physical security, guard training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The plans, which contain Safeguards Information protected under 10 CFR 73.21, are entitled: "Davis-Besse Nuclear Power Station Physical Security Plan," with revisions submitted through January 29, 1988; "Davis-Besse Nuclear Power Station Guard Training and Qualification Plan," with revisions submitted through February 20, 1987; and "Davis-Besse Nuclear Power Station Safeguards Contingency Plan," with revisions submitted through February 20, 1987. Changes made in accordance with 10 CFR 73.55 shall be implemented in accordance with the schedule set forth therein.



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

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
RELATED TO AMENDMENT NO. 152 TO FACILITY OPERATING LICENSE NO. NPF-3

TOLEDO EDISON COMPANY

AND

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

DAVIS-BESSE NUCLEAR POWER STATION, UNIT NO. 1

DOCKET NO. 50-346

1.0 INTRODUCTION

By letter dated July 17, 1990 (Serial Number 1811), as supplemented by letter dated November 29, 1990 (Serial Number 1877), the Toledo Edison Company (TE) proposed an amendment to Facility Operating License No. NPF-3 for the Davis-Besse Nuclear Power Station, Unit No. 1 (DBNPS). The proposed amendment would add Centerior Service Company as a licensee in the Facility Operating License. It authorizes the Toledo Edison Company and Centerior Service Company to act as agent for the Cleveland Electric Illuminating Company, and have exclusive responsibility and control over the construction, operation and maintenance of the facility. Under this new organization, the Toledo Edison Company's nuclear organization reports to the existing Centerior Service Company.

On September 19, 1990, the Commission published a proposed finding that the amendment involved no significant hazard consideration. The supplemental letter dated November 29, 1990 added the requirements that Centerior Service Company (CSC) shall comply with the antitrust conditions in the license and that Toledo Edison Company will be responsible and accountable for the actions of CSC to the extent that CSC's actions contravene those antitrust conditions. The proposed finding of no significant hazard consideration adequately and completely bounds this supplement. No revision to the proposed finding of no significant hazards consideration of the original application is warranted.

2.0 DISCUSSION

On April 24, 1990, the Board of Directors of Centerior Energy Corporation adopted a reorganization plan for the Corporation, its operating company subsidiaries -- The Cleveland Electric Illuminating Company and The Toledo Edison Company, and its existing service company subsidiary -- Centerior Service Company (CSC). The reorganization resulted in a title change for the Vice President in charge of the nuclear organization, from the Toledo Edison Vice President, Nuclear to CSC Vice President, Nuclear - Davis-Besse.

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Under the reorganization, CSC assumes senior management responsibility for nuclear activities at the DBNPS. The DBNPS organization reports through the CSC Vice President, Nuclear - Davis-Besse to the CSC Executive Vice President - Power Generation, who in turn reports to CSC's President and Chief Operating Officer, and ultimately to CSC's Chairman and Chief Executive Officer. All other DBNPS personnel remain employees of Toledo Edison. The reorganization makes no changes in the technical or financial qualifications for the DBNPS. The sources of funding for the DBNPS remain as they were prior to the reorganization.

The proposed change is an effort to consolidate Centerior's nuclear plants under a common management. It is envisioned that consolidated management will eventually allow a greater sharing of experience and expertise, to the mutual benefit of both the DBNPS and the Perry Nuclear Power Plant.

The proposed amendment would modify paragraphs 1.A and 2, 2.A. and 2.B.(1) and add a new paragraph 2.C.(6) to License NPF-3. A footnote to paragraph 1.A would be added as follows:

The Toledo Edison Company and Centerior Service Company (both of which are wholly-owned subsidiaries of Centerior Energy Corporation) are authorized to act as agent for the Cleveland Electric Illuminating Company, and have exclusive responsibility and control over the physical construction, operation, and maintenance of the facility. Centerior Service Company was added as a licensee by Amendment No. 152.

Paragraph 2.A would be revised to delete the phrase, "and operated by the Toledo Edison Company," because responsibility for operation of the facility is discussed in paragraph 2.B.(1). Paragraph 2.B.(1) would be revised by adding a footnote to clarify that the Toledo Edison nuclear organization reports to CSC. This footnote also serves to make clear that, for those additional references to Toledo Edison throughout the Facility Operating License, the Toledo Edison nuclear organization reports to CSC.

To ensure that Centerior Service Company will be in compliance with the antitrust conditions of the license and to alleviate concerns regarding Toledo Edison Company's responsibility in the actions of Centerior Service Company which may contravene the antitrust license conditions, a new license condition would be added to specifically address the antitrust considerations.

3.0 EVALUATION

The technical qualifications necessary to operate the DBNPS will continue to be provided by the Toledo Edison nuclear organization. While there is a change in the internal reporting chain, there continues to be established and well-defined lines of authority, responsibility, and communication from the highest management levels through intermediate levels to all onsite operating organizational positions involved with activities affecting the safety of the plant.

The Nuclear Regulatory Commission's (NRC) financial qualifications requirements remain satisfied by virtue of the ownership of the plant by the electric utilities, which ownership remains unchanged.

The reorganization of the nuclear organizations of the Centerior Energy Corporation's electric utilities under the same company, Centerior Service Company, will provide benefits inherent to an integrated nuclear company. These benefits include sharing of nuclear operating experience and expertise, and more effective communication.

To address the staff's antitrust concerns when Centerior Service Company is added as a licensee to DBNPS Operating License Number NPF-3, a new license condition 2.C.(6) is added to the license that explicitly requires Centerior Service Company to comply with the existing antitrust conditions that the current plant owners, Toledo Edison Company and Cleveland Electric Illuminating Company, are to abide by. Condition 2.C.(6) states "Centerior Service Company shall comply with the antitrust conditions delineated in Condition 2.E of this license as if named therein." The staff finds that the addition of this antitrust condition will be sufficient to bound Centerior Service Company's role in marketing or brokering of power or energy from each entity in the Combined CAPCO Company Territories (CCCT).

The new license condition also states "Toledo Edison Company is responsible and accountable for the actions of Centerior Service Company to the extent that Centerior Service Company's actions contravene the antitrust license conditions of Condition 2.E. of this license." We conclude that this new license condition maintains the integrity of the antitrust license conditions. Our basis for this finding is that the Toledo Edison Company will have a substantial vested interest in prohibiting violations of the antitrust license conditions by Centerior Service Company.

The staff, in making its evaluations concerning antitrust, has applied the criteria and review areas required by 10 CFR 50.90, 10 CFR 50.91 and NUREG-0970, as appropriate. The staff concludes that the enhanced antitrust license conditions are sufficient to prohibit Centerior Service Company from actions that will cause antitrust concerns. The plant owners are still subject to compliance with antitrust conditions as before.

On this basis, the staff finds the proposed changes acceptable.

4.0 ENVIRONMENTAL CONSIDERATION

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 October 29, 1990 (55 FR 43422). Accordingly, based upon the environmental assessment, the Commission has determined that the issuance of this amendment will not have a significant effect on the quality of the human environment.

5.0 CONCLUSION

The staff has concluded, based on the considerations discussed above, that: (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, and (2) such activities will be conducted in compliance with the Commission's regulations, and the issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public.

Principal Contributor: A. H. Hsia

Dated: December 31, 1990