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Docket No. 50-416

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Mr. Oliver D. Kingsley, Jr.
Vice President - Nuclear Operations
Mississippi Power & Light Company
P. O. Box 23054
Jackson, Mississippi 39205

Dear Mr. Kingsley:

SUBJECT: FEDERAL REGISTER NOTICE

RE: Grand Gulf Nuclear Station, Unit 1

Enclosed is an Individual Notice of Consideration of Issuance of Amendment to Facility Operating License and Proposed No Significant Hazards Consideration Determination and Opportunity for Hearing. This amendment was requested by your letter dated September 2, 1986, as amended October 4, 13 and 24, 1986. This Notice was forwarded to the Office of the Federal Register and will be published on November 3, 1986.

Sincerely,

Original signed by

Robert E. Martin, Project Manager
BWR Project Directorate No. 4
Division of BWR Licensing

Enclosure:
As stated

cc w/enclosure:
See next page

MO'Brien
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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

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Robert E. Martin
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Enclosure:
As stated

cc w/enclosure:
See next page

Mr. Oliver D. Kingsley, Jr.
Mississippi Power & Light Company

Grand Gulf Nuclear Station

cc:
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President
Claiborne County Board of Supervisors
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Mr. C. R. Hutchinson
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Mississippi Power & Light Company
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Port Gibson, Mississippi 39150

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UNITED STATES NUCLEAR REGULATORY COMMISSION

MISSISSIPPI POWER & LIGHT COMPANY

MIDDLE SOUTH ENERGY, INC.

SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION

DOCKET NO. 50-416

NOTICE OF CONSIDERATION OF ISSUANCE OF AMENDMENT TO
FACILITY OPERATING LICENSE AND PROPOSED NO SIGNIFICANT HAZARDS
CONSIDERATION DETERMINATION AND OPPORTUNITY FOR HEARING

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an amendment to Facility Operating License No. NPF-29 issued to Mississippi Power & Light Company (MP&L), Middle South Energy, Inc. (MSE) (now renamed System Energy Resources, Inc., SERI), and South Mississippi Electric Power Association (SMEPA) for operation of the Grand Gulf Nuclear Station, Unit 1, located in Claiborne County, Mississippi.

The proposed amendment would change the Grand Gulf Nuclear Station, Unit 1 (GGNS) facility operating license and pages 6-3 and 6-9 of the facility Technical Specifications (TS's) to reflect the transfer of authority to control and operate the GGNS from MP&L to SERI in accordance with the licensee's application for amendment dated September 2, 1986 and as amended on October 4, 13 and 24, 1986.

In addition to the submittal of an application for amendment of the license pursuant to 10 CFR 50.90, the licensees have also submitted, pursuant to 10 CFR 50.80, an application for transfer of control of the licensed

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activities to System Energy Resources, Inc. The NRC staff's review of the application will address those issues necessary for both the issuance of the license amendment pursuant to 10 CFR 50.90 and for approval of transfer of control of licensed activities pursuant to 10 CFR 50.80.

Ownership of the GGNS remains unchanged, being 90 percent owned by MSE/SERI and 10 percent owned by SMEPA. SMEPA's role in this transfer is completely unchanged. The entire Nuclear Production Department, now a part of MP&L, will transfer, with no significant changes, to SERI. All of the costs, capacity and energy associated with SERI's 90 percent share of GGNS Unit 1 remain allocated to the Middle South Utilities system operating companies, Arkansas Power & Light Company, MP&L, Louisiana Power and Light Company and New Orleans Public Service, Inc.

The licensees propose that the application be considered in two parts. The first part will deal with a technical amendment which reflects transfer of control and operational responsibilities from MP&L to SERI. The second part will deal with consideration of the antitrust conditions presently embodied in the license. Accordingly, the Commission proposes to proceed with issuance of an amendment to the facility operating license which transfers control and operational responsibilities to SERI and also continues to hold MP&L and SERI to the terms of the existing antitrust conditions pending completion of review of the antitrust considerations of this amendment request.

The licensees have addressed in their application and the NRC review will include consideration of the following technical issues: financial resources, technical qualifications of the proposed SERI staff, continuation of assured sources of offsite power in compliance with GDC-17, continuation

of an adequate level of emergency preparedness and planning, and continuation of authority to control activities within the site exclusion area in compliance with 10 CFR Part 100.

Before issuance of the proposed license amendment, 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 amendment request involves no significant hazards consideration. Under the Commission's regulations in 10 CFR 50.92, this means that operation of the facility in accordance with the proposed amendment 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.

With regard to (1) above the administrative changes to the facility operating license and the TS's to transfer control and operational responsibilities from MP&L to SERI does not increase the probability or consequences of an accident previously evaluated.

The changes to the license and to the TS's are limited to changing the designation of the licensee responsible for control and operations from MP&L to SERI and to changing the title of the President and Chief Operating Officer to President and Chief Executive Officer. There are no changes in the design of the plant and there is no impact on the safety analyses of Chapter 15 of the Final Safety Analysis Report.

There are no significant changes in the technical qualifications of the site and corporate staffs to be provided for the operation of the GGNS since virtually the entire onsite plant operating staff and virtually the entire corporate technical and managerial staffs of MP&L previously associated with the GGNS will transfer to SERI.

As a result of the proposed change SERI would be both the owner of 90 percent of the plant and the operator of the plant. MP&L would own the 500KV and 115KV switchyards, which are located on the plant site, and the associated transmission lines. Therefore, the proposed change was evaluated with respect to the control that the plant operating staff would have over the offsite power supplies to ensure provision of two independent sources of offsite power in compliance with the requirements of GDC-17, "Electric Power Systems." The licensee has provided information showing that the provision of offsite power to the Grand Gulf Nuclear Station, pursuant to a previously established contract between MSE/SERI as part owner of the plant and MP&L as owner of the transmission facilities and portions of the switchyard, remains unchanged and that the present compliance with GDC-17 is not changed. The licensee has also stated that a contractual agreement will be developed to define the interface between MP&L and SERI with respect to operation, maintenance, outages and future design changes. These agreements will constitute commitments by SERI which will also be incorporated into the FSAR. These agreements and commitments will ensure that the design and operation of the offsite power supplies, will continue to meet the requirements of GDC 17, and that any future changes will be reviewed by SERI consistent with the requirements of the Commission's regulations.

As a result of the proposed change SERI would have the responsibility for operation of the plant including control of activities within the exclusion zone including interfacing MP&L activities associated with the transmission lines and the two switchyards owned by MP&L which are within the exclusion zone. The licensees state that a contractual agreement will be established between MP&L and SERI which will recognize this interface and will specify that SERI has authority to exercise control over activities on any MP&L property within the exclusion area.

The proposed change will require a transferral of responsibility for emergency planning and preparedness from MP&L to SERI. This will be performed for SERI largely by the present Nuclear Production Department staff of MP&L which will transfer to SERI. However certain physical and personnel resources, limited to support in administrative areas but not inclusive of decision making authority, will continue to be provided by MP&L in support of these activities. The licensee states that decisional responsibilities related to accident recognition and classification, mitigative and corrective actions, radiological assessment and protective action recommendations and coordination with state and local authorities will rest with SERI personnel. The licensee has provided a description of an Emergency Preparedness Transition Plan specifying how the transition will be accomplished. Those resources required by SERI from MP&L for the uninterrupted continuation of emergency planning and preparedness activities will be specified in a contractual agreement between SERI and MP&L.

Thus, there are insignificant changes to the design of the plant, the safety analyses, the personnel to operate the plant and provisions will be made to ensure the continued adequacy of areas affected by the proposed change including offsite power supplies, control of access to the exclusion area and offsite emergency planning and preparedness. Therefore, the proposed change would not involve a significant increase in the probability or consequences of an accident previously evaluated.

With regard to (2) above the licensee states that the change from having MP&L operate the plant as an agent for MSE/SERI to having SERI operate the plant as its own agent using virtually the entire staff from MP&L previously involved in the operation of the GGNS will not create the possibility of a new or different kind of accident. The plant design, the licensing basis as specified in the FSAR as amended, the conditions for operation as set forth in the license and the TS's, the operating and emergency procedures are all unchanged. The design of the offsite power supply system, including the switchyards and transmission yards owned by MP&L is unchanged and provisions have been made whereby future changes which may be contemplated will be reviewed by SERI consistent with the requirements of the Commission's regulations.

The Nuclear Production Department, now in MP&L will continue, as the SERI staff, to control access to the exclusion area including those parts of the exclusion area which will continue to be owned by MP&L. Therefore, this change does not create the possibility of a new or different kind of accident from any accident previously evaluated.

With regard to (3) above the changes to the license and to the TS do not reduce the margin of safety. The purpose of the change is to effect the transfer of authority to control and operate the plant from MP&L, as MSE/SERI's agent, to SERI. The licensee's application does not involve any changes to the operating criteria as specified in the TS's nor does it involve any changes in the plant's design. The plant site and corporate staff in MP&L's Nuclear Production Department will be transferred virtually intact to SERI, thus there will be no significant reduction of the base of experience of those operating the plant. The significant financial aspects of supporting the operation of the plant appear to be unchanged and the economic regulatory authority over the plant's operation are unchanged in this regard. The offsite power supply system is unchanged and provisions will be made whereby future changes will be reviewed by SERI consistent with the requirements of the Commission's regulations. Control of access to the exclusion area will continue to be performed by the staff presently responsible for operation of the plant. Emergency planning and preparedness responsibilities will continue to be met by the staff currently responsible for these activities with some limited administrative support resources to be provided, under contractual agreement, by MP&L. Therefore no margin of safety is significantly reduced by this action.

On these bases, the Commission proposes to determine that the proposed amendment does not involve a 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. The Commission will not normally make a final determination unless it receives a request for a hearing.

Written comments should be addressed to the Rules and Procedures Branch, Division of Rules and Records, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, and should cite the publication date and page number of this FEDERAL REGISTER notice. Copies of comments received may be examined at the NRC Public Document Room, 1717 H Street, NW, Washington, D.C.

By December 3, 1986 , the licensee may file a request for a hearing with respect to issuance of the amendment to the subject facility operating license and any person whose interest may be affected by this proceeding and who wishes to participate as a party in the proceeding must file a written petition for leave to intervene. Request for a hearing and petitions 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. If a request for a hearing or 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 a 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 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 fifteen (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 fifteen (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, and the bases for each contention set forth with reasonable specificity. Contentions shall be limited to matters within the scope of the amendment under consideration. 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 amendment and make it effective, notwithstanding the request for a hearing. Any hearing held would take place after issuance of the amendment.

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

Normally, the Commission will not issue the amendment 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 in derating or shutdown of the facility, the Commission may issue the license amendment before the expiration of the 30-day notice period, provided that its final determination is that the amendment involves no significant hazards consideration. The final determination will consider all public and State comments received. Should the Commission take this action, it will publish a notice of issuance and provide for opportunity for a hearing after issuance. The Commission expects that the need to take this action will occur very infrequently.

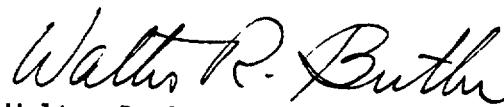
A request for a hearing or a petition for leave to intervene must be filed with the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, Att: Docketing and Service Branch, or may be delivered to the Commission's Public Document Room, 1717 H Street, NW Washington, D.C., by the above date. Where petitions are filed during the last ten (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 (800) 325-6000 (in Missouri (800) 342-6700). The Western Union operator should be given Datagram Identification Number 3737 and the following message addressed to Walter R. Butler, Director, BWR Project Directorate No. 4, Division of BWR Licensing: 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, D.C. 20555, and to Nicholas S. Reynolds, Esquire, Bishop, Liberman, Cook, Purcell, and Reynolds, 1200 17th Street, N.W., Washington, D.C. 20036, attorney for the licensee.

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 factors specified in 10 CFR 2.714(a)(1)(i)-(v) and 2.714(d).

For further details with respect to this action, see the application for amendment dated September 2, 1986, as amended and supplemented on October 4, 13 and 24, 1986, which is available for public inspection at the Commission's Public Document Room, 1717 H Street, NW, Washington, D.C. 20555, and at the Hinds Junior College, McLendon Library, Raymond, Mississippi 39154.

Dated at Bethesda, Maryland, this 29th day of October 1986.

FOR THE NUCLEAR REGULATORY COMMISSION



Walter R. Butler, Director
BWR Project Directorate No. 4
Division of BWR Licensing