

October 15, 1997

Mr. Lew W. Myers
Vice President - Nuclear, Perry
Centerior Service Company
P.O. Box 97, A200
Perry, OH 44081

SUBJECT: ENVIRONMENTAL ASSESSMENT AND FINDING OF NO SIGNIFICANT
IMPACT RELATED TO APPROVAL OF AN INDIRECT TRANSFER OF LICENSE
- PERRY NUCLEAR POWER PLANT, UNIT NO. 1 (TAC NO. M99357)

Dear Mr. Myers:

Enclosed is a copy of the Environmental Assessment and Finding of No Significant Impact related to your request for approval under 10 CFR 50.80 of an indirect license transfer discussed in your application dated August 1, 1997. The proposal requests approval of an indirect transfer of the license resulting from the merger of DQE, Inc. (the parent holding company of Duquesne Light Company) and Allegheny Power Systems, Inc.

The assessment 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. 50-440

Enclosure: Environmental Assessment

cc w/encl: See next page

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DATE	10/13/97	10/11/97	10/17/97	10/10/97	10/11/97

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

October 15, 1997

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Vice President - Nuclear, Perry
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Sincerely,

A handwritten signature in black ink, reading "Douglas V. Pickett", is written over the typed name.

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

Docket No. 50-440

Enclosure: Environmental Assessment

cc w/encl: See next page

L. Myers
Centerior Service Company

Perry Nuclear Power Plant
Unit Nos. 1 and 2

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UNITED STATES NUCLEAR REGULATORY COMMISSION
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY, ET AL.
PERRY NUCLEAR POWER PLANT, UNIT NO. 1
DOCKET NO. 50-440
ENVIRONMENTAL ASSESSMENT AND FINDING OF
NO SIGNIFICANT IMPACT

The U.S. Nuclear Regulatory Commission (the Commission) is considering approval, by issuance of an order under 10 CFR 50.80, of the indirect transfer of Facility Operating License No. NPF-58, to the extent it is held by the Duquesne Light Company (Duquesne Light) for the Perry Nuclear Power Plant, Unit No. 1 (PNPP), located in Lake County, Ohio.

ENVIRONMENTAL ASSESSMENT

Identification of the Proposed Action:

The proposed action would consent to the indirect transfer of the license with respect to a proposed merger between DQE, Inc. and Allegheny Power System, Inc. DQE, Inc. is the parent holding company of Duquesne Light, which holds a license to possess an interest in PNPP. Duquesne Light, The Cleveland Electric Illuminating Company (CEI), Toledo Edison Company, Centerior Service Company (CSC), OES Nuclear, Inc., Ohio Edison Company, and Pennsylvania Power Company are holders of Facility Operating License No. NPF-58, dated November 13, 1986. Facility Operating License No. NPF-58 authorizes the holders to possess the PNPP, and authorizes CEI and CSC to use and operate PNPP in accordance with the conditions and requirements set forth in the operating license. By letter dated August 1, 1997, the Commission was informed that DQE, Inc. and Allegheny Power have

entered into a merger agreement which will result in the indirect transfer of control of the interest held by Duquesne Light in the PNPP operating license to Allegheny Power, which will be renamed Allegheny Energy, Inc. (Allegheny Energy).

According to the application, the merger will have no adverse effect on either the technical management or operation of PNPP since CEI and CSC, responsible for the operation and maintenance of PNPP, are not involved in the merger. The Toledo Edison Company, Ohio Edison Company, OES Nuclear, Inc., CEI, CSC, and Pennsylvania Power Company will remain licensees responsible for their possessory interests and related obligations. No direct transfer of the license will result from the merger.

The proposed action is in accordance with Duquesne Light's request for approval dated August 1, 1997.

The Need for the Proposed Action:

The proposed action is required to obtain the necessary consent to the indirect transfer of the license discussed above. According to the application, the underlying transaction is needed to create a stronger, more competitive enterprise that is expected to save over \$1 billion in net savings over the first 10 years, thereby enhancing Duquesne Light's financial resources to possess its interests in the PNPP.

Environmental Impacts of the Proposed Action:

The proposed action involves administrative activities unrelated to plant operation.

The proposed action will not result in an increase in the probability or consequences of accidents or result in a change in occupational or offsite dose. Therefore, there are no radiological impacts associated with the proposed action.

The proposed action will not result in a change in nonradiological plant effluents and will have no other nonradiological environmental impact.

Accordingly, the Commission concludes that there are no environmental impacts associated with this action.

Alternatives to the Proposed Action:

As an alternative to the proposed action, the staff considered denial of the proposed action. Denial of the application would result in no change in current environmental impacts. The environmental impacts of the proposed action and the alternative action are similar.

Alternative Use of Resources:

This action does not involve the use of any resources not previously considered in the "Final Environmental Statement Related to the Operation of Perry Nuclear Power Plant, Units 1 and 2," dated August 1982, in NUREG-0884.

Agencies and Persons Consulted:

In accordance with its stated policy, on October 1, 1997, the staff consulted with the Ohio State official regarding the environmental impact of the proposed action. The State official had no comments.

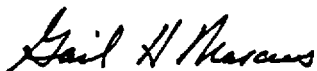
FINDING OF NO SIGNIFICANT IMPACT

Based upon the 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 the proposed action, see Duquesne Light's submittal dated August 1, 1997, which is 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 Perry Public Library, 3753 Main Street, Perry, Ohio 44081.

Dated at Rockville, Maryland, this 15th day of October 1997.

FOR THE NUCLEAR REGULATORY COMMISSION

A handwritten signature in cursive script, reading "Gail H. Marcus".

Gail H. Marcus, Director
Project Directorate III-3
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation