



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

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

RELATED TO TRANSFER OF CONTROL OF LICENSES

FROM FIRSTENERGY NUCLEAR OPERATING COMPANY AND

FIRSTENERGY NUCLEAR GENERATION, LLC TO OPCO AND OWNERCO

FOR

RENEWED FACILITY OPERATING LICENSE NOS. DPR-66, NPF-73, AND NPF-3 AND

FACILITY OPERATING LICENSE NO. NPF-58 AND THEIR RESPECTIVE GENERALLY

LICENSED INDEPENDENT SPENT FUEL STORAGE INSTALLATIONS

BEAVER VALLEY POWER STATION, UNIT NOS. 1 AND 2

DAVIS-BESSE NUCLEAR POWER STATION, UNIT NO. 1

PERRY NUCLEAR POWER PLANT, UNIT NO. 1

DOCKET NOS. 50-334, 50-412, 72-1043, 50-346, 72-14, 50-440, AND 72-69

1.0 INTRODUCTION

By letter dated April 26, 2019 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML19116A087), as supplemented by letters dated May 31, 2019; August 2, 2019; August 29, 2019; September 25, 2019 (two submissions); and October 17, 2019 (ADAMS Accession Nos. ML19151A531, ML19214A100, ML19241A462, ML19268A053, ML19268B133, and ML19290D432, respectively), FirstEnergy Nuclear Operating Company (FENOC), acting on behalf of itself and FirstEnergy Nuclear Generation, LLC (FENGen) (together, the Applicants), requested, pursuant to Section 184 of the Atomic Energy Act of 1954, as amended (the Act), and Section 50.80, "Transfer of licenses," of Title 10 of the *Code of Federal Regulations* (10 CFR), that the U.S. Nuclear Regulatory Commission (NRC, the Commission) consent to the transfer of Renewed Facility Operating License (RFOL) Nos. DPR-66 and NPF-73 for Beaver Valley Power Station (BVPS), Unit Nos. 1 and 2; RFOL No. NPF-3 for Davis-Besse Nuclear Power Station, Unit No. 1 (DBNPS); and Facility Operating License (FOL) No. NPF-58 for Perry Nuclear Power Plant, Unit No. 1 (PNPP), and their respective generally licensed independent spent fuel storage installations (ISFSIs) (together, the Facilities).

Specifically, the Applicants requested a direct transfer of operating authority for the Facilities from FENOC to an as-yet unnamed company, herein identified as OpCo; a direct transfer of ownership of the Facilities from FENGen to an as-yet unnamed company, herein identified as

OwnerCo; and an indirect transfer of ownership of the Facilities to an as-yet unnamed parent company, herein identified as New HoldCo (FirstEnergy Corp. (FE) is currently the ultimate parent company). The Applicants also requested the NRC's prior written consent and issuance of conforming amendments to the licenses pursuant to 10 CFR 50.80 and 10 CFR 50.90, "Application for amendment of license, construction permit, or early site permit."

A notice of the application was published in the *Federal Register* (FR) on June 27, 2019 (84 FR 30775). The supplemental letters dated August 2, 2019; August 29, 2019; September 25, 2019 (two submissions); and October 17, 2019, provided additional information that clarified the application and did not expand the scope of the application as originally noticed.

2.0 BACKGROUND

According to the application, on March 31, 2018, FirstEnergy Solutions Corp. (FES), together with FENOC, FENGen, and FES's other subsidiaries, filed voluntary petitions for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Ohio, Eastern Division (Bankruptcy Court). By letter dated April 2, 2018 (ADAMS Accession No. ML18094A661), in accordance with 10 CFR 50.54(cc)(1), FENOC notified the NRC of the bankruptcy filing. The proposed direct and indirect license transfers would support the emergence from bankruptcy of the Applicants, along with FES and other affiliated companies that are currently debtors in the bankruptcy process, pursuant to the Eighth Amended Joint Plan of Reorganization (the Bankruptcy Reorganization Plan) filed with the Bankruptcy Court on October 11, 2019, and the Revised Eighth Amended Plan filed with the Bankruptcy Court on October 14, 2019, and confirmed by the Bankruptcy Court on October 16, 2019, as noted in the Applicants' supplemental letter dated October 17, 2019.

Under the Bankruptcy Reorganization Plan, at emergence from bankruptcy, a new privately-held holding company, New HoldCo, will be formed with shares initially held by certain current creditors of one or more of FES, FENOC, FENGen, or FirstEnergy Generation, LLC (FG) (a sister company of FENGen holding fossil fuel generation assets) and management of the new holding company. Both OpCo and OwnerCo will become wholly-owned subsidiaries of New HoldCo. New HoldCo will also have ultimate ownership of FES's existing non-nuclear generating assets as well as the retail and wholesale load-serving business.

According to the application, the proposed transaction will not change the role of OpCo (reorganized FENOC), as the licensed operator of the Facilities, or OwnerCo (reorganized FENGen), as the licensed owner of the Facilities, nor will it result in any adverse changes to their financial qualifications, decommissioning funding assurance, or technical qualifications. OpCo will continue to operate the Facilities, while OwnerCo will continue to own the Facilities, in a substantially similar manner as before the emergence from bankruptcy, consistent with the Facilities' licenses and applicable NRC requirements.

3.0 REGULATORY EVALUATION

The proposed transaction described in the application involves both direct and indirect transfers of control of the Facilities' licenses, requiring prior NRC approval. Generally, for direct transfers of control of a license, the NRC must find that the proposed transferee is qualified to be the holder of the license and that transfer of the license is otherwise consistent with applicable provisions of law, NRC regulations, and orders issued by the NRC; for indirect transfers of

control of a license, the NRC must find that the proposed indirect transfer does not affect the technical and financial qualifications of the licensee to hold the license.

The request for approval of the direct and indirect transfers of control of the Facilities' licenses as described above, and as discussed in this safety evaluation (SE), is made pursuant to 10 CFR 50.80(a), which states:

No license for a production or utilization facility (including, but not limited to, permits under this part and part 52 of this chapter, and licenses under parts 50 and 52 of this chapter), or any right thereunder, shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of the license to any person, unless the Commission gives its consent in writing.

In addition, the regulations at 10 CFR 50.80(b) and (c) apply. Section 50.80(b) of 10 CFR states that an application for a license transfer shall include as much of the information described in 10 CFR 50.33, "Contents of applications; general information," and 10 CFR 50.34, "Contents of applications; technical information," with respect to the identity and technical and financial qualifications of the proposed transferee as would be required by those sections if the application were for an initial license.

Section 50.80(c) of 10 CFR states, in part:

...the Commission will approve an application for the transfer of a license, if the Commission determines: (1) That the proposed transferee is qualified to be the holder of the license; and (2) That transfer of the license is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

In 10 CFR 50.33(a) through (d), the NRC requires applicants to provide information including the name of the applicant, address of the applicant, description of the corporate structure of the applicant, citizenship of the applicant, and foreign ownership, control, or domination (FOCD) of the applicant, as applicable.

In addition, 10 CFR 50.33(f) states, in part:

Except for an electric utility applicant for a license to operate a utilization facility of the type described in § 50.21(b) or § 50.22, [each application shall state] information sufficient to demonstrate to the Commission the financial qualification of the applicant to carry out, in accordance with regulations in this chapter, the activities for which the permit or license is sought.

Section 50.2, "Definitions," of 10 CFR states, in part, that an electric utility means:

[A]ny entity that generates or distributes electricity and which recovers the cost of this electricity, either directly or indirectly, through rates established by the entity itself or by a separate regulatory authority.

The NRC staff applies the guidance in NUREG-1577, Revision 1, "Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance,"

dated February 1999 (ADAMS Accession No. ML013330264), to evaluate the financial qualifications of applicants to carry out the activities for which the permit or license is sought.

In addition, 10 CFR 50.33(k)(1) requires that applicants provide the information described in 10 CFR 50.75, "Reporting and recordkeeping for decommissioning planning," indicating how reasonable assurance will be provided that funds will be available to decommission the facility.

The regulation under 10 CFR 50.75 specifies how a licensee will provide reasonable assurance that funds will be available for the decommissioning process. Specifically, 10 CFR 50.75(b) requires that decommissioning financial assurance be provided in an amount not less than the minimum formula amount in 10 CFR 50.75(c). In 10 CFR 50.75(e), the NRC includes the methods acceptable to the agency for covering this decommissioning financial assurance amount, including using a decommissioning trust fund (DTF). Finally, 10 CFR 50.75(f) and (h) provide additional requirements on the reporting and management of DTFs.

In addition, 10 CFR 50.82(a)(8)(i) states that licensees may use DTFs if:

- (A) The withdrawals are for expenses for legitimate decommissioning activities consistent with the definition of decommissioning in § 50.2;
- (B) The expenditure would not reduce the value of the decommissioning trust below an amount necessary to place and maintain the reactor in a safe storage condition if unforeseen conditions or expenses arise; and
- (C) The withdrawals would not inhibit the ability of the licensee to complete funding of any shortfalls in the decommissioning trust needed to ensure the availability of funds to ultimately release the site and terminate the license.

In accordance with 10 CFR 50.2, the term "decommission" means to remove a facility or site safely from service and reduce residual radioactivity to a level that permits (1) release of the property for unrestricted use and termination of the license or (2) release of the property under restricted conditions and termination of the license.

In 10 CFR 50.82(a)(8)(v), the NRC also requires power reactor licensees that have permanently ceased operations to provide to the NRC annually, by March 31, a decommissioning financial assurance status report. The report must include additional financial assurance to cover any projected shortfalls.

In 10 CFR 50.54(bb), the NRC requires, in part, a licensee to submit, for NRC review and preliminary approval, the program by which the licensee intends to manage and provide funding for the management of all irradiated fuel, also known as spent fuel, at the reactor following permanent cessation of operation of the reactor until title to the spent fuel and possession of the spent fuel is transferred to the U.S. Department of Energy (DOE) for its ultimate disposal in a repository. In addition, 10 CFR 50.82(a)(8)(vii) provides, in part, for the licensee's annual submittal to the NRC of a report on the status of its funding for managing spent fuel. If the funds accumulated do not cover the projected cost, a plan to obtain additional funds to cover the cost must be included.

In addressing FOCD issues, Sections 103d and 104d of the Act provide, in relevant parts, that no license may be issued to the following:

[A]ny corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government.

The NRC's regulation at 10 CFR 50.38, "Ineligibility of certain applicants," is the regulatory provision that implements the FOCD provisions of the Act. The NRC staff evaluates license transfer applications in a manner that is consistent with the guidance provided in the NRC Standard Review Plan (SRP) on FOCD, published in the *Federal Register* on September 28, 1999, to determine whether the proposed transferee is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government (64 FR 52355). The NRC's position on FOCD, outlined in the SRP, states that "the foreign control limitation should be given an orientation toward safeguarding the national defense and security." Further, the SRP on FOCD outlines how the effects of foreign ownership may be mitigated through implementation of a "negation action plan" to ensure that any foreign interest is effectively denied control or domination over the licensee.

In 10 CFR 50.34(b)(6), the NRC requires that applicants provide certain information on facility operation. It requires, in part, that the information provided by the applicant includes the following:

- (i) The applicant's organizational structure, allocations or responsibilities and authorities, and personnel qualification requirements.
- (ii) Managerial and administrative controls to be used to assure safe operation.

In 10 CFR 50.34(b)(7), the NRC also requires that applicants provide the following information in the final safety analysis report:

The technical qualifications of the applicant to engage in the proposed activities in accordance with the regulations in this chapter.

The NRC staff uses, in part, the following regulatory guidance to evaluate whether the qualifications of licensees would be affected by proposed transfers:

- (1) NUREG-0800, "Standard Review Plan for the Review of Safety Analysis Reports for Nuclear Power Plants: LWR [Light-Water Reactor] Edition," Chapter 13, "Conduct of Operations," Section 13.1.1, Revision 6, "Management and Technical Support Organization," dated August 2016 (ADAMS Accession No. ML15005A449), which provides guidance for the review of changes to the technical organization or personnel qualifications proposed as a result of an operating license transfer. Specifically, Section I.4, "Reviews of Operating License Transfers," states that the applicant for transfer of an operating license should provide a description of the organization to support plant operations, which should include (1) organizational charts of the corporate-level management and technical support organizations, emphasizing the changes to be made as a result of the transfer, (2) the relationship of the nuclear-oriented parts of the organization to the rest of the corporate organization, and (3) description

of the specific provisions which have been made for uninterrupted technical support for operations.

- (2) NUREG-0800, Chapter 13, Sections 13.1.2–13.1.3, Revision 7, “Operating Organization,” dated August 2017 (ADAMS Accession No. ML15007A296), which provides guidance for the review of changes to the operating organization proposed as a result of an operating license transfer.

The purpose of this evaluation is to ensure that the proposed corporate management is involved with, informed of, and dedicated to the safe operation, maintenance, and decommissioning of the facility and that adequate technical and financial resources will be provided to support these activities.

The NRC staff also reviews information that relates to nuclear onsite property damage insurance requirements under 10 CFR 50.54(w), the Price-Anderson insurance and indemnity requirements under Section 170 of the Act, and 10 CFR Part 140, “Financial Protection Requirements and Indemnity Agreements.”

With respect to the transfer of control of a license for an ISFSI, 10 CFR 72.50(a) states:

No license or any part included in a license issued under this part for an ISFSI or MRS [monitored retrievable storage installation] shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of the license to any person, unless the Commission gives its consent in writing.

4.0 FINANCIAL QUALIFICATIONS AND DECOMMISSIONING FUNDING ASSURANCE FOR DBNPS AND PNPP

In the application dated April 26, 2019, the Applicants stated that on March 28, 2018, FES announced that it intended to permanently cease operation of the Facilities. DBNPS was scheduled for deactivation by May 31, 2020, and PNPP was scheduled for deactivation by May 31, 2021. FENOC separately certified to the NRC this planned permanent cessation of operations for DBNPS and PNPP by letter dated April 25, 2018 (ADAMS Accession No. ML18115A007). However, in the letter dated July 26, 2019 (ADAMS Accession No. ML19207A097), the Applicants withdrew their certification of permanent cessation of operations for DBNPS and PNPP. Subsequently, in the supplemental letter dated September 25, 2019, the Applicants provided revised pro forma data for 5 years of operation for DBNPS and PNPP. Therefore, the NRC staff’s financial qualifications and decommissioning funding assurance evaluation of these plants is based on their continuing operation until the end of their respective licenses.

4.1 Financial Qualifications for DBNPS and PNPP

In accordance with 10 CFR 50.33(f), a non-electric utility applicant must provide information sufficient to demonstrate its financial qualifications to carry out the activities for which the license is being sought. The information must show that the applicant possesses, or has reasonable assurance of obtaining, the funds necessary to cover estimated operating costs for the period of the license. In making this showing, the applicant must submit estimated total annual operating costs for each of the first 5 years of facility operations and indicate the

source(s) of funds to cover these costs. For license transfers, the relevant 5-year period is that time immediately following the transfer.

The Applicants do not assert that OwnerCo will be an “electric utility” as defined in 10 CFR 50.2, because OwnerCo will not recover the cost of electricity through rates established by itself or by a separate regulatory authority. Therefore, the NRC staff has determined that OwnerCo must meet the financial qualifications requirements for a non-electric utility pursuant to 10 CFR 50.33(f). According to the application, OwnerCo, as the owner of DBNPS and PNPP, will have the benefit of the power output of the plants. OwnerCo will be responsible to pay OpCo for all costs associated with operations, maintenance, and capital investment at DBNPS and PNPP.

In their supplemental letter dated September 25, 2019, the Applicants provided pro forma income statements for DBNPS and PNPP, which are presented in Tables 1 and 2, respectively, as follows:

TABLE 1
DBNPS
Pro Forma Income Statement
(\$ in millions)

	2020	2021	2022	2023	2024
Operating Revenues:	[[]]	[[]]	[[]]	[[]]	[[]]
Operating Expenses:	[[]]	[[]]	[[]]	[[]]	[[]]
Other Income/ (Expenses):	[[]]	[[]]	[[]]	[[]]	[[]]
Income before Income Taxes:	[[]]	[[]]	[[]]	[[]]	[[]]
Net Income:	[[]]	[[]]	[[]]	[[]]	[[]]

TABLE 2

PNPP
Pro Forma Income Statement
(\$ in millions)

	2020	2021	2022	2023	2024
Operating Revenues:	[[]]	[[]]	[[]]	[[]]	[[]]
Operating Expenses:	[[]]	[[]]	[[]]	[[]]	[[]]
Other Income/ (Expenses):	[[]]	[[]]	[[]]	[[]]	[[]]
Income before Income Taxes:	[[]]	[[]]	[[]]	[[]]	[[]]
Net Income:	[[]]	[[]]	[[]]	[[]]	[[]]

In these pro forma income statements, the Applicants provide the information necessary to evaluate the financial qualifications of OwnerCo and OpCo with respect to their proposed owning and operating, respectively, of DBNPS and PNPP. This information includes revenue, expense, and net income. The pro forma income statements indicate that total annual operating costs for each of the first 5 years of operation of DBNPS and PNPP will be covered by the revenues generated from the sale of electricity and from Nuclear Resource Credits received from the State of Ohio at each of the plants. Therefore, the application demonstrates that OwnerCo and OpCo possess or have reasonable assurance of obtaining the funds necessary to cover estimated operating costs for the period of the license and, thus, that they are financially qualified. This information is consistent with the Bankruptcy Court’s findings in confirming the Bankruptcy Reorganization Plan on October 16, 2019.

The application also states that there currently exists a \$400 million support agreement between FES and FENGen that provides support to FENGen for the safe operation and maintenance of the Facilities, including DBNPS and PNPP. As part of the proposed transaction, the support agreement will be assigned by FES to New HoldCo for the benefit of OwnerCo. The NRC staff finds that this is acceptable because this funding source is sufficient to provide assurance that adequate funds will remain available to fund ongoing operations and maintenance expenses. The application proposes conforming amendments to the existing support agreement license conditions, which are acceptable to the staff for DBNPS and PNPP. This provides additional assurance of financial qualification.

Based on the above, the Applicants have provided information sufficient to demonstrate that OwnerCo and OpCo are financially qualified to own and operate, respectively, DBNPS and PNPP. Therefore, the NRC staff finds that the proposed DBNPS and PNPP license transfers satisfy 10 CFR 50.80 with respect to financial qualifications.

4.2 Decommissioning Funding Assurance for DBNPS and PNPP

At the time of the proposed transfer, FENGen’s existing trust funds for DBNPS and PNPP will be transferred to OwnerCo. FENGen’s nuclear decommissioning trusts (NDTs) are held in external trust funds segregated from FENGen’s assets and outside

its administrative control. The funds are governed by the Master NDT Agreement with the Bank of New York Mellon as Trustee. The terms of that agreement comply with the requirements of 10 CFR 50.75(h)(1) and will remain in effect and govern the funds that are to be transferred.

As required by 10 CFR 50.75(f)(1), FENOC provided to the NRC decommissioning funding status (DFS) reports for the Facilities as of December 31, 2018, by letter dated March 15, 2019, and supplemented by letter dated August 29, 2019 (ADAMS Accession Nos. ML19074A242 and ML19241A462, respectively). The letters noted that there was sufficient funding for DBNPS and PNPP.

In the DFS reports, the amount of decommissioning funds required for DBNPS and PNPP to establish reasonable assurance of decommissioning funding using the table of minimum amounts formula (in 2018 dollars) were approximately \$491.3 million and \$682.0 million, respectively. The amount of decommissioning funds required for decommissioning pursuant to the site-specific cost estimates provided by FENOC in the DFS reports (in 2014 dollars) were \$842.4 million and \$1,043.3 million, respectively. The amount of funds available in decommissioning trusts as of December 31, 2018, were approximately \$563.0 million and \$517.1 million, respectively. The letter noted that as of December 31, 2018, the PNPP DTF did not meet the minimum requirements for reasonable assurance, but that by January 31, 2019, the amount in the DTF (\$541.9 million) did meet the minimum requirements and, therefore, that no further action was needed.

The NRC staff analyzed FENOC's site-specific decommissioning cost estimates for DBNPS and PNPP against total current funding levels as provided and evaluated these data over a 60-year SAFSTOR¹ period. The staff calculated the balance of funds at the end of SAFSTOR, which resulted in a surplus of funds in excess of current site-specific requirements. Accordingly, based on its review of the DFS reports provided by FENOC, the staff determined that OwnerCo demonstrated adequate decommissioning funding assurance with respect to DBNPS and PNPP in accordance with the NRC's regulations.

Based on the above, the Applicants have provided information sufficient to demonstrate that there is reasonable assurance that, after the proposed license transfer, funds will be available for the decommissioning process for DBNPS and PNPP. Therefore, the NRC staff finds that the proposed DBNPS and PNPP license transfers satisfy 10 CFR 50.80 with respect to decommissioning funding.

5.0 FINANCIAL QUALIFICATIONS AND DECOMMISSIONING FUNDING ASSURANCE FOR BVPS, UNITS 1 AND 2

In the application dated April 26, 2019, the Applicants stated that on March 28, 2018, FES announced that it intended to permanently cease operation of the Facilities. BVPS Unit 1 was scheduled for deactivation by May 31, 2021, and BVPS Unit 2 was scheduled for deactivation by October 31, 2021. FENOC separately certified to the NRC this planned permanent cessation of operations for BVPS, Units 1 and 2, by letter dated April 25, 2018 (ADAMS Accession

¹ A method of decommissioning in which a nuclear facility is placed and maintained in a condition that allows the facility to be safely stored and subsequently decontaminated (deferred decontamination) to levels that permit release for unrestricted use.

No. ML18115A007). Therefore, the NRC staff's financial qualifications and decommissioning funding assurance evaluation of these plants is based on their continuing operation until the announced deactivation dates.

For a facility in decommissioning, a licensee is required to execute financial plans for spent fuel management under 10 CFR 50.54(bb) and report annually on the status of funding dedicated to radiological decommissioning and spent fuel management under 10 CFR 50.82(a)(8)(v)-(vii).

Accordingly, as described in this SE, for BVPS, Units 1 and 2, the NRC staff's review of the Applicants' financial qualifications and decommissioning financial assurance pursuant to 10 CFR 50.33(f), 10 CFR 50.33(k)(1), 10 CFR 50.54(bb), 10 CFR 50.75, and 10 CFR 50.82(a), includes an analysis of the projected costs for operating BVPS, Units 1 and 2, until their permanent cessation of operations, as well as decommissioning the plants and terminating the licenses, and managing spent fuel until the DOE takes title to and possession of the fuel.

5.1 Financial Qualifications for BVPS, Units 1 and 2, until Permanent Cessation of Operations

After the permanent cessation of operations for BVPS, Units 1 and 2, they will not have normal operating expenses, but will instead have expenses for radiological decommissioning and managing spent fuel. Those portions of the financial qualifications evaluation are discussed below in Sections 5.2 and 5.3 of this SE.

In accordance with 10 CFR 50.33(f), a non-electric utility applicant must provide information sufficient to demonstrate its financial qualifications to carry out the activities for which the license is being sought. The information must show that the applicant possesses, or has reasonable assurance of obtaining, the funds necessary to cover estimated operating costs for the period of the license. In making this showing, the applicant must submit estimated total annual operating costs for each of the first 5 years of facility operations and indicate the source(s) of funds to cover these costs. For license transfers, the relevant 5-year period is that time immediately following the transfer.

The Applicants do not assert that OwnerCo will be an "electric utility" as defined in 10 CFR 50.2, because OwnerCo will not recover the cost of electricity through rates established by itself or by a separate regulatory authority. Therefore, the NRC staff has determined that OwnerCo must meet the financial qualifications requirements for a non-electric utility pursuant to 10 CFR 50.33(f). According to the application, OwnerCo, as the owner of BVPS, Units 1 and 2, will have the benefit of the power output of the plants. OwnerCo will be responsible to pay OpCo for all costs associated with operations, maintenance, and capital investment at BVPS, Units 1 and 2.

In their supplemental letter dated September 25, 2019, the Applicants provided pro forma income statements for BVPS, Units 1 and 2, for their remaining years of operation, which are presented in Tables 3 and 4, respectively, as follows:

TABLE 3

BVPS, Unit 1
Pro Forma Income Statement
(\$ in millions)

	2020	2021
Operating Revenues:	[[]]	[[]]
Operating Expenses:	[[]]	[[]]
Other Income/(Expenses):	[[]]	[[]]
Income before Income Taxes:	[[]]	[[]]
Net Income:	[[]]	[[]]

TABLE 4

BVPS, Unit 2
Pro Forma Income Statement
(\$ in millions)

	2020	2021
Operating Revenues:	[[]]	[[]]
Operating Expenses:	[[]]	[[]]
Other Income/(Expenses):	[[]]	[[]]
Income before Income Taxes:	[[]]	[[]]
Net Income:	[[]]	[[]]

In these pro forma income statements, the Applicants provide the information necessary to evaluate the financial qualifications of OwnerCo and OpCo with respect to their proposed owning and operating, respectively, of BVPS, Units 1 and 2. This information includes revenue, expense, and net income. The pro forma income statements indicate that total annual operating costs for the two remaining years of operation of BVPS, Units 1 and 2, will be covered by the revenues generated from the sale of electricity at each of the plants.

Therefore, the application demonstrates that OwnerCo and OpCo possess or have reasonable assurance of obtaining the funds necessary to cover estimated operating costs for the period of the license and, thus, that they are financially qualified. This information is consistent with the Bankruptcy Court's findings in confirming the Bankruptcy Reorganization Plan on October 16, 2019.

The application also states that there currently exists a \$400 million support agreement between FES and FENGen that provides support to FENGen for the safe operation and maintenance of the Facilities, including BVPS, Units 1 and 2. As part of the proposed transaction, the support agreement will be assigned by FES to New HoldCo for the benefit of OwnerCo. The NRC staff

finds that this is acceptable because this funding source is sufficient to provide assurance that adequate funds will remain available to fund ongoing operations and maintenance expenses. The application proposes conforming amendments to the existing support agreement license conditions, which are acceptable to the staff for BVPS, Units 1 and 2. This provides additional assurance of financial qualification.

Based on the above, the Applicants have provided information sufficient to demonstrate that OwnerCo and OpCo are financially qualified to own and operate, respectively, BVPS, Units 1 and 2. Therefore, the NRC staff finds that the proposed BVPS, Units 1 and 2, license transfers satisfy 10 CFR 50.80 with respect to financial qualifications prior to the units' permanent cessation of operations.

After the permanent cessation of operations for BVPS, Units 1 and 2, the units will not have normal operating expenses, but will instead have expenses for radiological decommissioning and managing spent fuel. Those portions of the financial qualifications evaluation are discussed in the following sections of this SE.

5.2 Radiological Decommissioning

As noted above, pursuant to 10 CFR 50.2, "decommission" means to remove a facility or site safely from service and reduce residual radioactivity to a level that permits (1) release of the property for unrestricted use and termination of the license or (2) release of the property under restricted conditions and termination of the license. As described below, the NRC staff's review of decommissioning funding assurance assesses whether the Applicants have provided reasonable assurance that funds will be available to cover estimated costs for radiological decommissioning of BVPS, Units 1 and 2, and its ISFSI.

The existing DTFs for BVPS, Units 1 and 2, were created in compliance with 10 CFR 50.75. As required by 10 CFR 50.75(f)(1), and by letter dated March 15, 2019 (ADAMS Accession No. ML19074A242), FENOC provided to the NRC DFS reports for the Facilities as of December 31, 2018. The letter noted that there was sufficient funding for BVPS Unit 2. For BVPS Unit 1, a shortfall in the NDT of approximately \$78 million was identified, and the letter provided a regulatory commitment to reconcile the shortfall by March 31, 2020. The application dated April 26, 2019, relied on the March 15, 2019, commitment to demonstrate that reasonable assurance of adequate funding for radiological decommissioning exists for BVPS Unit 1. On May 29, 2019, the NRC staff requested supplemental information to complete its acceptance review of the license transfer application (ADAMS Accession No. ML19143A073). Specifically, the staff requested, in accordance with 10 CFR 50.33(k)(1), supplemental information demonstrating how the Applicants will provide reasonable assurance that funds will be available to decommission BVPS Unit 1, including how the projected shortfall in decommissioning funding will be corrected on or prior to the date the license transfer is consummated. FENOC supplemented the application by letter dated May 31, 2019 (ADAMS Accession No. ML19151A531), which included a proposed condition to the NRC order approving the license transfer that on or by the closing date of the license transfer transaction, the Applicants would take all necessary steps to ensure that the decommissioning funding assurance mechanism to address any shortfall identified for BVPS Unit 1 is implemented and maintained consistent with the staff's SE.

In their supplemental letter dated August 29, 2019 (ADAMS Accession No. ML19241A462), the Applicants provided information that the shortfall was reduced from the amount previously reported in March 2019 to approximately \$55 million. The Applicants reiterated the commitment

to reconcile the shortfall prior to or on the closing date of the transfer. In their supplemental letter dated September 25, 2019 (ADAMS Accession No. ML19268A053), the Applicants provided a provisional trust agreement for NRC review.

As a result, the following condition will be imposed as part of the license transfer:

On or by the closing date of the license transfer transaction, the Applicants shall take all necessary steps to ensure that the provisional trust agreement submitted on September 25, 2019, to address the shortfall identified for BVPS, Unit 1 is implemented and maintained consistent with the safety evaluation supporting this Order.

In the DFS reports, the amount of decommissioning funds required for BVPS, Units 1 and 2, to establish reasonable assurance of decommissioning funding using the table of minimum amounts formula (in 2018 dollars) were approximately \$507.9 million and \$507.9 million, respectively. The amount of decommissioning funds required for decommissioning pursuant to the site-specific cost estimates provided by FENOC in the DFS reports (in 2014 dollars) were approximately \$693.8 million and \$700.7 million, respectively. The amount of funds available in decommissioning trusts as of December 31, 2018, were approximately \$286.9 million and \$383.2 million, respectively. The amount of funds available in the decommissioning trust for BVPS Unit 1 was approximately \$319.4 million on June 30, 2019.

The NRC staff analyzed FENOC's site-specific decommissioning cost estimates for BVPS, Units 1 and 2, and the associated ISFSI against total current funding levels as provided and evaluated these data over a 60-year SAFSTOR period, beginning with permanent cessation of operations at BVPS on May 31, 2021, for Unit 1, and on October 31, 2021, for Unit 2. The staff reviewed the cash flow analysis in the site-specific decommissioning cost estimate for BVPS Unit 2 and the revised cash flow analysis for BVPS Unit 1 (dated August 29, 2019, which includes the provisional trust amount) that calculated the balance of funds at the end of SAFSTOR. These result in a surplus of funds in excess of current site-specific requirements. Accordingly, based on its review of the DFS reports provided by FENOC, the staff determined that OwnerCo demonstrated adequate decommissioning funding assurance with respect to BVPS, Units 1 and 2, in accordance with the NRC's regulations.

The NRC staff determined that the transfer of control, including the transfer of decommissioning funds, will not affect the decommissioning funding arrangements currently in place for BVPS, Units 1 and 2. Based on its review, in consideration of the above analysis and the condition in the Order regarding the creation of the provisional trust to address the projected shortfall in decommissioning funding for BVPS Unit 1, the NRC staff finds that the Applicants have provided reasonable assurance of obtaining the funds necessary to cover estimated costs for decommissioning BVPS, Units 1 and 2, in accordance with the requirements of 10 CFR 50.33(f), 10 CFR 50.33(k)(1), 10 CFR 50.75, and 10 CFR 50.82(a).

5.3 Spent Fuel Management

By letter dated March 15, 2019 (ADAMS Accession No. ML19074A244), FENOC submitted to the NRC Irradiated Fuel Management Plans (IFMPs) for BVPS Unit 1, BVPS Unit 2, DBNPS, and PNPP. The application dated April 26, 2019, relied on these IFMPs to support its plans for spent fuel management. By letter dated August 22, 2019 (ADAMS Accession No. ML19234A158), FENOC withdrew the IFMPs for DBNPS and PNPP. As FENOC noted,

IFMPs for DBNPS and PNPP are no longer required because DBNPS and PNPP will no longer permanently cease operations as originally stated in the application.

The letter dated August 22, 2019, also provided revised versions of the BVPS, Units 1 and 2, IFMPs contained in the letter dated March 15, 2019. The supplemental letter dated August 29, 2019, revised the application to rely on the BVPS, Units 1 and 2, IFMPs submitted in the letter dated August 22, 2019.

With regard to spent fuel removal from the site, the Applicants indicated that fuel is expected to be removed beginning in 2029. This plan remains dependent upon the DOE's ability to remove spent fuel from the site in a timely manner. According to the revised IFMPs, assuming that the DOE's generator allocation/receipt schedules are based upon the oldest fuel receiving the highest priority and that the DOE begins removing spent fuel from commercial facilities in 2025 with an annual capacity of 3,000 metric tons of uranium, spent fuel is projected to remain at the site for approximately 39 years after the termination of operations in 2021. Any delay in transfer of fuel to the DOE or decrease in the rate of acceptance will correspondingly prolong the transfer process and result in spent fuel remaining at the site longer than anticipated. Accordingly, in the revised IFMPs, the Applicants based their cost assumptions on fuel removal from BVPS, Units 1 and 2, from 2029 through 2060. The NRC staff finds that these assumptions with regard to the final disposition of BVPS, Units 1 and 2, spent fuel are reasonable because the DOE, according to the Nuclear Waste Policy Act of 1982, is authorized to ultimately enter into contracts with owners and generators of commercial spent nuclear fuel to begin taking title to (legal ownership of) spent nuclear fuel. Spent fuel storage operations will continue at the site, independent of decommissioning operations, until the transfer of the fuel to the DOE is complete.

As noted in the supplemental letter dated August 22, 2019, the funding for spent fuel management will be provided by a combination of a provisional trust in the amount of \$267 million from 2021 through 2026 (Periods 1 and 2a) and payments from the DOE due to its partial breach of the Standard Contract for Disposal of Spent Nuclear Fuel and/or High-Level Radioactive Waste (Standard Contract) from 2026 through 2060 (Period 2b).

The Applicants note that upon emergence from bankruptcy, New HoldCo and its subsidiaries are projected to have approximately \$2 billion in current assets, including cash and cash equivalents. The Applicants anticipate that such assets would be able to fund Periods 1 and 2a spent fuel management activities for BVPS, Units 1 and 2, by placement of \$267 million into a provisional trust by the end of 2021. The provisional trust will enable use of the funds for spent fuel management activities occurring during Periods 1 and 2a. Upon the completion of the spent fuel activities in Periods 1 and 2a, the terms of the provisional trust will provide that it can be terminated, and its balance released back to OwnerCo. As assurance regarding their reliance on the provisional trust, the Applicants agreed to the following license condition for BVPS, Units 1 and 2, reflecting their commitment:

OwnerCo shall create a provisional trust in the amount of \$267 million for spent fuel management activities for Beaver Valley Power Station, Unit Nos. 1 and 2. The trust shall be fully funded by December 31, 2021. Upon completion of the specified spent fuel management activities in the Irradiated Fuel Management Plan, dated August 22, 2019, the provisional trust may be terminated. The provisional trust may also be modified or terminated upon NRC approval of a revised Irradiated Fuel Management Plan that supersedes the plan dated August 22, 2019.

The Applicants expect to recover the majority of the costs for Periods 1 and 2a by making claims for damages resulting from the DOE's partial breach of the Standard Contract. The Applicants also expect that by no later than January 1, 2027, they will be able to obtain a settlement agreement to recover Period 2b costs annually.

The Applicants also committed to having a performance bond in place to cover annual spent fuel management costs in the event that a settlement with the DOE is not reached. The bond will be renewed annually until a settlement is reached. As assurance regarding their reliance on a future DOE settlement agreement, the Applicants agreed to the following license condition for BVPS, Units 1 and 2, reflecting their commitment:

OwnerCo shall obtain performance bonds if a settlement agreement with the U.S. Department of Energy (DOE) on DOE reimbursements for spent fuel management expenses is not entered into by January 1, 2027. The performance bonds will be effective December 31, 2026, initially in the amount of \$9.3 million and \$4.7 million for BVPS, Units 1 and 2, respectively, and they will be renewed annually. This amount covers 1.3 times the highest annual amount of ISFSI operation and maintenance (O&M) costs projected.

The NRC staff finds that the assumption of DOE reimbursement is a reasonable source of additional funding. In recent years, the DOE reimbursements have become more consistent and predictable despite the longevity of the litigation process and complexity of the DOE standard settlement agreements. Moreover, FENGen (to be renamed OwnerCo) has successfully recovered more than \$193 million from the DOE. Finally, as further assurance of their reliance on a future DOE settlement agreement, the Applicants agreed to a license condition to obtain a performance bond to cover spent fuel management costs if a settlement agreement has not been reached in the timeframe anticipated. Therefore, the NRC staff concludes that DOE reimbursements, as proposed by the Applicants, provide a reasonable source of funds to cover costs associated with the management of spent fuel for this financial qualifications review.

Based on its review, in consideration of the above analysis and the license conditions, and the Bankruptcy Court's confirmation of the Bankruptcy Reorganization Plan on October 16, 2019, the NRC staff finds that the Applicants have demonstrated reasonable assurance of obtaining the funds necessary to cover estimated costs for spent fuel management in accordance with the requirements of 10 CFR 50.33(f) and 10 CFR 50.54(bb).

6.0 TECHNICAL QUALIFICATIONS

The purpose of this technical qualifications evaluation is to ensure that the proposed corporate management is involved with, informed of, and dedicated to the safe operation, maintenance, and decommissioning of the Facilities. In addition, the review is intended to ensure that sufficient technical resources have been, are being, and will continue to be provided to adequately accomplish these activities.

6.1 Management and Technical Support Organization

The NRC staff reviewed the application to determine whether the corporate management and technical support organization of the licensee/owner/operator will change due to the proposed organization changes. The NRC staff evaluated the application using, in part, the guidance provided in NUREG-0800, Section 13.1.1, Revision 6.

In Section III.C, "Technical Qualifications," of the application, the Applicants indicated that management and technical personnel of the Facilities will not change as a result of the reorganization. The qualifications and structure of management and the technical personnel of the Facilities is unchanged.

The NRC staff concludes that the proposed organization chart is appropriate because it provides access to resources in the event of a safety concern. There are no changes to the management and technical support personnel or organization, therefore, the staff finds this treatment to be acceptable.

The NRC staff also used the requirements in 10 CFR 50.34(c) and (d), and 10 CFR 72.44(e) for the physical security related review.

The application, as supplemented, indicated that OpCo, as the licensed operator, will manage and perform the day-to-day activities, including decommissioning activities, to maintain compliance with the licenses and NRC regulations, subject to the direct oversight and control of OwnerCo, as the licensed owner. Further, the OpCo site organization will include the existing BVPS, DBNPS, and PNPP site personnel at the site at the time of the consummation of the transaction. This includes the plant operations, emergency planning, and security organizations.

The BVPS, DBNPS, and PNPP programs and procedures existing at the time of the consummation of the transaction, including the emergency and security plans and the fire protection, radiological protection, licensed operator training, certified fuel handler training (for BVPS only), and quality assurance programs, will also be implemented post-license transfer. Any subsequent changes to these programs and procedures will be determined by OpCo and OwnerCo and made in accordance with NRC regulations, including 10 CFR 50.59, 10 CFR 50.54(a), 10 CFR 50.54(p), 10 CFR 50.54(q), 10 CFR 50.48(f), and 10 CFR 50.71(e).

OwnerCo will have exclusive responsibility under the licenses for the possession, maintenance, and decommissioning of BVPS, DBNPS, and PNPP, including responsibility for spent fuel management and the maintenance and security of the ISFSI.

The application also indicated that OwnerCo will ensure that positions filled by incumbent employees that are vacated due to attrition are backfilled with qualified personnel, subject to a determination of need to fill the position. A normal attrition strategy would include filling vacant positions with other qualified employees, hiring from the community of retired BVPS, DBNPS, and PNPP employees, assigning qualified personnel from the OwnerCo and OpCo parent companies, and seeking qualified personnel from industry staff augmentation firms. In all cases, the individuals will be qualified to BVPS, DBNPS, and PNPP programs and procedures.

Based on its review, the NRC staff finds that through the implementation of NRC-approved programs and procedures, OwnerCo and OpCo will be able to continue to protect the site.

6.2 Operating Organization

The NRC staff reviewed the application to evaluate changes to the operating organization proposed as a result of the transaction. The NRC staff evaluated the application using, in part, the guidance provided in NUREG-0800, Sections 13.1.2–13.1.3, Revision 7.

The application stated that the current operating organization, including the licensed operators, will be maintained. The new operating organization is referred to as OpCo in the application; however, it is essentially the same as the current organization, with an administrative name change. Therefore, there are no changes to the operating organization. OpCo will continue to operate and maintain the Facilities consistent with the existing licensing bases.

The NRC staff reviewed the above information and because no changes are required for this transaction, the staff concludes that the operations organization proposed for OpCo continues to be acceptable.

7.0 ANTITRUST CONSIDERATION

The Act does not require or authorize antitrust reviews of post-operating license transfer applications.² The application post-dates the issuance of the operating licenses for the units under consideration in this SE and, therefore, no antitrust review is required or authorized. Additionally, no changes have been proposed in the subject licenses that contain antitrust conditions. Therefore, there are no antitrust issues to be considered in connection with the conforming license amendments.

8.0 FOREIGN OWNERSHIP, CONTROL, OR DOMINATION

According to the application, New HoldCo is not owned, controlled, or dominated by any alien, foreign corporation, or foreign government. New HoldCo is a privately-owned company incorporated under the laws of the state of Delaware, with its principal office located in Akron, Ohio. OwnerCo and OpCo are wholly-owned subsidiaries of New HoldCo. The supplemental letter dated August 2, 2019, contains the names and addresses of the directors and officers of New HoldCo and indicates that all are United States citizens.

The NRC staff conducted an independent analysis, including open-source research and verification of the information provided in the application related to the ownership of New HoldCo and found no evidence of FOCD.

Based on its independent analysis of the information provided in the application, the NRC staff concludes that it does not know or have reason to believe that New HoldCo is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government; therefore, it meets the FOCD requirement of 10 CFR 50.38.

9.0 NUCLEAR INSURANCE AND INDEMNITY

Pursuant to the requirements of the Price-Anderson Act (Section 170 of the Act) and the NRC's implementing regulations at 10 CFR Part 140, the current indemnity agreements must be modified to reflect the transfer of control of the licenses for the Facilities.

² Kansas Gas and Electric Co., et al. (Wolf Creek Generating Station, Unit 1), CLI-99-19, 49 NRC 441 (1999).

Consistent with NRC practice, the NRC staff will require OwnerCo and OpCo to provide evidence that they have obtained the appropriate amount of insurance pursuant to 10 CFR 140.11(a)(4) and 10 CFR 50.54(w), and that the insurance is effective concurrent with the date of the license transfers and amended indemnity agreement. Because the issuance of the amended licenses is directly tied to completion of the proposed license transfers, the Order approving the transfers will be conditioned as follows:

OwnerCo and OpCo shall provide satisfactory documentary evidence to the Director of the NRC Office of Nuclear Reactor Regulation that, as of the date of the license transfer, the licensees reflected in the amended licenses have obtained the appropriate amount of insurance required of a licensee under 10 CFR Part 140 and 10 CFR 50.54(w).

As required by 10 CFR 140.21, each reactor licensee should be able to demonstrate its financial capacity to pay into the secondary tier of financial protection for each reactor it is licensed to operate and insure pursuant to 10 CFR 140.11(a)(4) \$131.056 million per incident and up to \$20.496 million per year. In the supplemental letter dated September 25, 2019, the Applicants submitted financial documents demonstrating a balance sheet that showed sufficient cash and cash equivalents that would be available for payment of retrospective premiums. The Applicants' submittal also demonstrates the financial capacity to provide secondary financial protection for its entire nuclear fleet. Based on its review of this information, including the Bankruptcy Court's confirmation of the Bankruptcy Reorganization Plan on October 16, 2019, the NRC staff concludes that OwnerCo and OpCo have met the requirements under 10 CFR 140.21 for proof of financial capacity to pay into the secondary tier of financial protection.

10.0 DISCUSSION OF HEARING REQUESTS AND COMMENTS

On June 27, 2019, the NRC published in the *Federal Register* an opportunity to request a hearing and to comment on the license transfer application (84 FR 30775). In response, on July 17, 2019, the Environmental Law & Policy Center filed a hearing request. The hearing request is currently pending before the Commission. The NRC did not receive any comments on the application.

Because a hearing request is pending on the application, the Order approving the transfers will be conditioned as follows:

The NRC staff's approval of these license transfers is subject to the Commission's authority to rescind, modify, or condition the approved transfers based on the outcome of any post-effectiveness hearing on the license transfer application.

11.0 SUMMARY – TECHNICAL EVALUATION

Based on its review of the information provided in the license transfer application and supplemental letters, the NRC staff finds that OwnerCo and OpCo, with respect to their proposed owning and operating, respectively, of the Facilities, have satisfied the NRC's financial qualifications; decommissioning funding assurance; antitrust; FOCD; and nuclear insurance and indemnity requirements. The NRC staff also finds that no physical changes will be made to the Facilities; there will be no changes in the day-to-day operation of the Facilities; there will be no changes to the management and technical support personnel or organization; the Facilities'

programs and procedures existing at the time of the consummation of the transaction will be implemented post-license transfer; and there will be no changes (other than administrative changes) to the current operating organization. Therefore, the NRC staff concludes that, with the above license transfer and license conditions, OwnerCo and OpCo are qualified to own and operate, respectively, the Facilities and that the transfer of the licenses is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto. Additionally, the indirect transfer of ownership of the Facilities to New HoldCo will not affect the qualifications of OwnerCo and OpCo to own and operate the Facilities, respectively.

12.0 CONFORMING AMENDMENTS

12.1 Proposed Amendments

In the application, as supplemented, the Applicants requested the NRC's issuance of administrative license amendments necessary to reflect the approved license transfers by updating the entity names on the licenses for the Facilities and the license conditions regarding the \$400 million support agreement.

12.2 Discussion

The conforming amendments to be made to the respective licenses are indicated in Enclosures 2, 3, 4, and 5 to the letter transmitting the NRC's Orders regarding the subject transfers (ADAMS Accession No. ML19326A759). The amendments replace references to "FENGen," "FENOC," and "FES" or "FE" with "OwnerCo," "OpCo," and "New HoldCo," respectively.

Entity names in the application, as supplemented, are placeholders. When final names for OwnerCo, OpCo, and New HoldCo are selected, the Applicants will inform the NRC of the final legal entity names and submit updated proposed license revision pages. The proposed changes in the conforming amendments do no more than reflect the approved license transfer actions and distinguish the roles of OwnerCo, as owner, and OpCo, as operator. The amendments involve no safety questions and are administrative in nature. Accordingly, the proposed amendments are acceptable.

As stated above, the NRC staff concludes that the Applicants have provided sufficient information to address the applicable regulatory requirements of 10 CFR 50.33 and 10 CFR 50.80. Therefore, in accordance with 10 CFR 50.80, the NRC staff concludes that the proposed license transfers are acceptable.

12.3 Conclusion with Respect to Conforming Amendments

The conforming amendments requested by the Applicants do not affect technical specifications. Further, the Applicants requested no physical or operational changes to the Facilities. The conforming amendments only reflect the approved license transfer actions. The conforming amendments involve no safety questions and are administrative in nature. Accordingly, the proposed amendments are acceptable.

The NRC staff concludes that the license amendments as indicated in Enclosures 2, 3, 4, and 5 to the letter transmitting the NRC's Order regarding the subject transfers (ADAMS Accession No. ML19326A759) are administrative license amendments necessary to reflect the approved

license transfers. Therefore, the amendments shall be issued and made effective at the time of the completion of the proposed transaction.

13.0 STATE CONSULTATION

In accordance with the Commission's regulations, the NRC staff notified the Commonwealth of Pennsylvania and the Ohio State officials of the proposed license transfers and issuance of the conforming amendments on October 31, 2019. The officials had no comments.

14.0 ENVIRONMENTAL CONSIDERATION AND NO SIGNIFICANT HAZARDS CONSIDERATION

The subject application is for approval of the transfers of licenses issued by the NRC and for approval of associated amendments of licenses required to reflect the approval of the transfers. Accordingly, the actions involved meet the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(21). Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with the approval of the transfer application and conforming license amendments.

As provided in 10 CFR 2.1315, unless otherwise determined by the Commission with regard to a specific application, the Commission has determined that any amendment to the license of a utilization facility or to the license of an ISFSI, which does no more than conform the license to reflect the transfer action involves no significant hazards consideration. No contrary determination has been made by the Commission with regard to this specific application.

15.0 CONCLUSION

The Commission has concluded, based on the considerations discussed above, that (1) the proposed transferees are qualified to be the holders of the licenses and (2) transfers of the licenses are otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

The Commission 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, (2) there is reasonable assurance that such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendments will not be inimical to the common defense and security or to the health and safety of the public.

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