

UNITED STATES NUCLEAR REGULATORY COMMISSION

MISSISSIPPI POWER AND LIGHT COMPANY

MIDDLE SOUTH ENERGY, INC.

SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION

DOCKET NO. 50-417

ENVIRONMENTAL ASSESSMENT AND FINDING OF NO SIGNIFICANT IMPACT

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an amendment to the construction permit no. CPPR-119 and issuance of its consent to transfer control of licensed activities for the Grand Gulf Nuclear Station (GGNS) Unit 2, located in Claiborne County, Mississippi. Mississippi Power and Light Company (MP&L), Middle South Energy, Inc. (MSE) and the South Mississippi Electric Power Association (SMEPA) are the current joint licensees for the GGNS. MP&L has heretofore been authorized to construct the GGNS Unit 2 pursuant to construction permit no. CPPF-119. MP&L has acted as an agent for MSE and SMEPA in the construction of GGNS Unit 2. MSE and SMEPA own 90% and 10%, respectively, of the GGNS. The name of the company Middle South Energy Inc. has recently been changed to System Energy Resources, Inc. (SERI). The proposed amendment and transfer of control would transfer responsibility and authority for construction of GGNS Unit 2 from MP&L to MSE (now SERI).

ENVIRONMENTAL ASSESSMENT Identification of Proposed Action

The proposed action would amend the Unit 2 construction permit CPPR-119 to reflect a change in the name of one of the joint licensees, Middle South Energy, Inc. to System Energy Resources, Inc. (SERI), and to authorize a

transfer of control of licensed activities for GGNS Unit 2 from MP&L to SERI. The ownership of the GGNS and SMEPA's role as a joint licensee are not changed by the proposed action.

The proposed action is being reviewed by the Commission in several parts: a technical and financial review of the transfer of control and an amendment to reflect the transfer of authority for control of construction of Unit 2 from MP&L to SERI and to reflect a change in the name of one of the joint licensees, Middle South Energy, Inc. to System Energy Resources Inc. (SERI) and an additional review dealing with the antitrust conditions currently included in the construction permit. The Commission's initial review and this assessment deal only with the amendment, the transfer of control and non-antitrust related issues; a later review will deal with the antitrust aspects. Pending the completion of this later review the amended construction permit will hold MP&L and SERI to the terms of the existing antitrust conditions.

Consistent with the above, the revised joint licensees will be MP&L, SERI and SMEPA with authority for control of licensed activities concerning the construction of Unit 2 transferred from MP&L to SERI. The transfer of control and amendments herein reviewed are in accordance with the joint licensees' request dated September 2, 1986 as amended on October 4, 13 and 24, and as supplemented on November 20, 21, and December 2 and 3, 1986.

#### The Need for the Proposed Action

The transfer of operational authority and responsibility to SERI is necessary to allow the nuclear activities now performed by MP&L to be shifted to SERI (formerly MSE) which heretofore was limited to owning 90% of the GGNS but will now also be the operating entity for the GGNS.

The joint licensees indicate that the organizational changes which would be authorized by the proposed transfer of control and accompanying amendment will (1) enable management to focus its full attention on the GGNS versus also having responsibility for certain non-nuclear activities in the present organizational structure, (2) permit management to focus on the development of human resources needed for nuclear plant operations and construction, (3) enable certain corporate support functions to be more effectively focussed on the requirements of a nuclear generating company, and (4) will enable a consolidation of the responsibility for control of licensed activities to be brought within the organization which is also the principal owner of the GGNS rather than within a contracted agent.

#### Environmental Impacts of the Proposed Action

The joint licensees state that the MP&L nuclear organization (plant and headquarters) currently responsible for the GGNS will be transferred virtually intact to SERI. No change in the design or construction of the GGNS is involved in this proposed action. Except for the antitrust provisions, changes to the construction permit are limited to those which reflect a change in the name of the constructing organization from MP&L to SERI. Two of the joint licensees, MP&L and SERI, will be held to the terms of the existing antitrust conditions pending completion of the review of the antitrust considerations of the amendment application. Since the proposed changes will not directly affect the principal architectural and the engineering criteria and environmental protection commitments set forth in the construction permit application, as amended, or change the construction impacts associated with the GGNS but will only result in transfer of the performance by essentially the same people of the same functions, the staff has concluded that there is no significant environmental impact associated with the proposed action.

#### Alternative to the Proposed Action

Because the staff has concluded that there is no measurable environmental impact associated with the proposed action any alternative to this proposed action will have either no environmental impact or greater environmental impact. The principal alternative would be to deny the requested changes. This would not accomplish any reduction in environmental impacts of plant operation and would deny the benefits discussed above to those responsible for the control of licensed activities at the GGNS, Unit 2.

#### Alternative Use of Resources

The proposed action does not involve the use of resources not previously considered in connection with the Final Environmental Statement -- Construction Permit dated August 1973 or the "Final Environmental Statement related to the Operation of the Grand Gulf Nuclear Station, Units 1 and 2," dated September 1981.

#### Agencies and Persons Contacted

The NRC staff reviewed the joint licensees' requests and did not consult other agencies or persons.

#### Finding of No Significant Impact

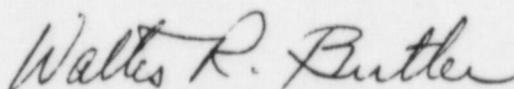
The staff has reviewed the proposed action relative to the requirements set forth in 10 CFR Part 51. Based on this assessment, the staff concludes that there are no significant environmental impacts associated with the proposed action and that the issuance of the proposed amendment to the construction permit will have no significant impact on the quality of the human environment. Therefore, pursuant to 10 CFR 51.31, an environmental impact statement need not be prepared for this action.

For further details with respect to this action, see the request for amendment of the Unit 2 construction permit dated September 2, as amended on

October 4, 13 and 24, and as supplemented on November 20, 21, and December 2 and 3, 1986, which is available for public inspection at the Commission's Public Document Room, 1717 H St., N.W., Washington, D.C. 20555 and at the Hinds Junior College, McLendon Library, Raymond, Mississippi 39154.

Dated at Bethesda, Maryland this 5<sup>th</sup> day of December, 1986.

FOR THE NUCLEAR REGULATORY COMMISSION

A handwritten signature in cursive script that reads "Walter R. Butler".

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