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Dated at Rockville, Maryland, this 11th day of December 2001.

For the Nuclear Regulatory Commission,

Richard B. Ennis,

Project Manager, Section 2, Project Directorate I, Division of Licensing Project Management, Office of Nuclear Reactor Regulation.

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NUCLEAR REGULATORY COMMISSION

[Docket No. 50-244, License No. DPR-18]

Order Approving Application Regarding Proposed Corporate Acquisition

In the Matter of Rochester Gas and Electric Corporation (R.E. Ginna Nuclear Power Plant).

I

Rochester Gas and Electric Corporation (RG&E or the licensee) is licensed by the U.S. Nuclear Regulatory Commission (NRC or Commission) to possess, maintain, and operate the R. E. Ginna Nuclear Power Plant (Ginna) under Facility Operating License No. DPR-18, issued by the Commission on December 10, 1984. The facility is located in Wayne County, New York.

II

By application dated June 22, 2001, RG&E requested that the Commission consent to the indirect transfer of the facility operating license for Ginna. The indirect transfer would result from the planned acquisition of RG&E's parent company, RGS Energy Group, Inc. (RGS), by Energy East Corporation (Energy East).

According to the application, on February 16, 2001, RGS and Energy East entered into an agreement pursuant to which RGS would be merged with and into a wholly owned subsidiary of Energy East. After the planned merger transaction, RG&E will continue to exist

as a wholly owned indirect subsidiary of Energy East. RG&E would continue to own Ginna following approval of the proposed indirect transfer of the license, and would continue to be exclusively responsible for the operation, maintenance, and eventual decommissioning of the facility. No physical changes to the facility or operational changes were proposed in the application.

Approval of the indirect transfer of the operating license was requested by RG&E pursuant to 10 CFR 50.80. Notice of the request for approval and an opportunity for a hearing was published in the **Federal Register** on August 14, 2001 (66 FR 42687). No hearing requests or written comments were received.

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. After reviewing the information in the application from RG&E and other information before the Commission, the NRC staff has determined that the acquisition by Energy East of RGS resulting in the establishment of Energy East as the new ultimate indirect parent of RG&E will not affect the qualifications of RG&E as the holder of the license, and that the indirect transfer of the license, to the extent effected by the foregoing transaction, is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission, subject to the conditions set forth below. The foregoing findings are supported by a safety evaluation dated December 10, 2001.

III

Accordingly, pursuant to sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2201(b), 2201(i), 2201(o), and 2234, and 10 CFR 50.80, *it is hereby ordered* that the application regarding the indirect transfer of the license referenced above is approved, subject to the following conditions:

(1) RG&E shall provide the Director of the Office of Nuclear Reactor Regulation a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens) from RG&E to any direct or indirect parent, or to any other affiliated company, facilities for the production, transmission, or distribution of electric energy having a depreciated book value exceeding ten percent (10%) of RG&E's consolidated net utility plant, as recorded on RG&E's books of account.

(2) Should the planned acquisition by Energy East of RGS not be completed by December 31, 2002, this Order shall become null and void, provided, however, upon written application and for good cause shown, such date may in writing be extended. This Order is effective upon issuance.

IV

For further details with respect to this action, see the application dated June 22, 2001, and the safety evaluation dated December 10, 2001, which are available for public inspection at the Commission's Public Document Room, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland, and accessible from the Agencywide Documents Access and Management Systems (ADAMS) Public Electronic Reading Room on the internet at the NRC Web site, <http://www.nrc.gov/NRC/ADAMS/index.html>.

Dated at Rockville, Maryland, this 10th day of December, 2001.

For the Nuclear Regulatory Commission.

John A. Zwolinski,

Director, Division of Licensing Project Management, Office of Nuclear Reactor Regulation.

[FR Doc. 01-30973 Filed 12-14-01; 8:45 am]

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NUCLEAR REGULATORY COMMISSION

[Docket No. 50-390]

Tennessee Valley Authority; Notice of Consideration of Issuance of Amendment to Facility Operating License, Proposed No Significant Hazards Consideration Determination, and Opportunity for a Hearing

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an amendment to Facility Operating License No. NPF-90 issued to Tennessee Valley Authority (TVA or the licensee) for operation of Watts Bar Nuclear Plant (WBN), Unit 1, located in Rhea County, Tennessee.

The proposed amendment would revise the Final Safety Analysis Report to reflect a change in the spent fuel pool (SFP) cooling analysis methodology. TVA proposes to increase the existing WBN SFP heat load limit from its current value of 32.6 MBTU/HR to 47.4 MBTU/HR. The proposed change would give TVA the capability to off-load the core during outages as early as 100 hours after shutdown. In addition, the change would compensate for the projected increase in SFP decay heat from tritium production activities.

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. As required by 10 CFR 50.91(a), the licensee has provided its analysis of the issue of no significant hazards consideration, which is presented below:

A. The proposed methodology change does not involve a significant increase in the probability or consequences of an accident previously evaluated.

The spent fuel pool cooling and cleanup system (SFPCCS) will see higher heat loading for the spent fuel as a result a 100[-]hour core offload as well as tritium producing burnable rod (TPBAR) irradiation. The analysis methodology change takes advantage of operating data as input into the SFP cooling analysis assumptions. Specifically, by taking credit for actual (lower) fouling of the SFPCCS heat exchangers and using actual component cooling system (CCS) temperatures, higher allowable heat loads can be safely placed within the SFP without exceeding existing design limitations. The increased quantity of heat being rejected to the CCS system is well within the system's design capability. The actual SFP cooling system is not being modified from what was previously evaluated and will continue to provide cooling as previously described. Existing maximum SFP temperatures will not be exceeded. Should loss of all cooling (loss of two trains) occur, ample time and sources for providing makeup water, are available, therefore there is no increased probability for SFP boil-off to uncover the stored spent fuel. Since the stored fuel will remain covered, there is no increase in radiological effects of such an event.

Therefore, the proposed methodology change does not increase the probability or consequences of an accident previously evaluated.

B. The proposed methodology change does not create the possibility of a new or different kind of accident from any accident previously evaluated.

The SFP cooling system will see higher heat loading for the spent fuel as a result a 100 hour core offload as well as TPBAR irradiation, the methodology change takes advantage of operating data as input into the SFP cooling analysis assumptions. The actual SFP cooling system is not being modified

from what was previously evaluated and will continue to provide cooling as previously described. The current UFSAR [Updated Final Safety Analysis Report] recognizes that a complete loss of SFP cooling (loss of two trains) would ultimately result in a SFP boiling condition. However, the revised analysis has shown that even with higher allowable decay heat loads placed in the SFP, adequate sources for makeup exists to allow reasonable time (over three days) to mitigate such an event, without reducing the SFP water level to unacceptable levels (10 feet above fuel storage racks).

Loss of one train of cooling remains within the piping design analysis basis and the pool liner structural analysis since the peak temperatures projected are the same.

An error in the determination of the heat exchanger fouling factor would be detected by comparing trends from past determinations and through measured pool temperature.

Therefore, the proposed methodology change does not create a new or different kind of accident from any accident previously evaluated.

C. The proposed methodology change does not involve a significant reduction in a margin of safety.

This methodology change further refines assumptions made in the SFP cooling analysis based upon operating data. The SFP cooling system is not being modified and will continue to provide cooling as previously described. The current UFSAR recognizes that a complete loss of SFP cooling (loss of two trains) would ultimately result in a SFP boiling condition. However, the revised analysis has shown that even with higher allowable decay heat loads placed in the SFP, adequate sources for makeup exist to allow adequate time (over three days) to mitigate such an event, without reducing the SFP water level to unacceptable levels (10 feet above fuel storage racks). While the revised analysis has shown a decrease in the time to react to a complete loss of SFP cooling, the resulting time available to mitigate such an event is acceptable. Additionally, the analyses for loss of cooling events all considered steady state heat loads from the fuel. Since a loss of two trains must first be postulated, over three days exists to restore cooling, heat load decreases over the three days, and multiple sources of makeup (one qualified) exist, adequate assurance is provided that the proposed change will not involve a significant reduction in any margin of safety related to SFPCCS operation or storage of spent fuel.

The higher heat loads rejected to the CCS system are well within its design basis allowable heat loads experienced in other operating modes, therefore the CCS system can safely remove the increased decay heat from the SFP.

Therefore, this proposed methodology change does not involve a significant reduction in the margin of safety.

The NRC staff has reviewed the licensee's analysis and, based on this review, it appears that the three standards of 10 CFR 50.92(c) are satisfied. Therefore, the NRC staff

proposes to determine that the amendment request involves no 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.

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, for example, 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 in the **Federal Register** 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.

Written comments may be submitted by mail to the Chief, Rules and Directives Branch, Division of Administrative Services, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and should cite the publication date and page number of this **Federal Register** notice. Written comments may also be delivered to Room 6D59, Two White Flint North, 11545 Rockville Pike, Rockville, Maryland, from 7:30 a.m. to 4:15 p.m. Federal workdays. Documents may be examined, and/or copied for a fee, at the NRC's Public Document Room, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland.

The filing of requests for hearing and petitions for leave to intervene is discussed below.

By January 16, 2002, 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 request for a hearing and a petition for leave to intervene. Requests for a hearing and a petition 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. Interested persons should

consult a current copy of 10 CFR 2.714 which is available at the Commission's Public Document Room, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland, and accessible electronically through the ADAMS Public Electronic Reading Room link at the NRC web site (<http://www.nrc.gov>). 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 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 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 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. Each contention must consist of a specific statement of the issue of law or fact to be raised or controverted. In addition, the petitioner shall provide a brief explanation of the bases of the contention and a concise statement of the alleged facts or expert opinion which support the contention and on which the petitioner intends to rely in proving the contention at the hearing. The petitioner must also provide references to those specific sources and documents of which the

petitioner is aware and on which the petitioner intends to rely to establish those facts or expert opinion. Petitioner must provide sufficient information to show that a genuine dispute exists with the applicant on a material issue of law or fact. Contentions shall be limited to matters within the scope of the amendment under consideration. The contention must be one which, if proven, would entitle the petitioner to relief. 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 immediately 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 request involves a significant hazards consideration, any hearing held would take place before the issuance of any amendment.

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, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, or may be delivered to the Commission's Public Document Room, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland, by the above date. A copy of the petition should also be sent to the Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and to the General Counsel, Tennessee Valley Authority, 400 West Summit Hill Drive, ET 10H, Knoxville, Tennessee 37902, 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 the 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 April 20, 2001, which is available for public inspection at the Commission's Public Document Room, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland, and accessible electronically through the ADAMS Public Electronic Reading Room link at the NRC web site (<http://www.nrc.gov>).

Dated at Rockville, Maryland, this 11th day of December 2001.

For the Nuclear Regulatory Commission.

L. Mark Padovan,

Project Manager, Project Directorate II-2, Division of Licensing Project Management, Office of Nuclear Reactor Regulation.

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NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-327 and 50-328]

Tennessee Valley Authority; Notice of Consideration of Issuance of Amendment to Facility Operating License, Proposed No Significant Hazards Consideration Determination, and Opportunity for a Hearing

The U.S. Nuclear Regulatory Commission (NRC or the Commission) is considering issuance of an amendment to Facility Operating License Nos. DRP-77 and DRP-79 issued to the Tennessee Valley Authority (TVA or the licensee) for operation of the Sequoyah Nuclear Plant (SQN), Units 1 and 2, located in Soddy-Daisy, Tennessee.

The proposed amendments would change Technical Specifications (TSs) to allow SQN to provide incore irradiation services for the U.S. Department of Energy (DOE). This change would allow TVA to insert up to 2256 tritium-producing burnable absorber rods (TPBARs) into the reactor cores to support DOE in maintaining its tritium inventory for national defense purposes. Each SQN core contains 193 fuel assemblies and each fuel assembly contains 264 fuel rods. In this amendment request, TVA proposes to insert up to 24 TPBARs in selected fuel assemblies (adjacent to but not in place of the 264 fuel rods). The TPBARs absorb neutrons and are similar to (and would replace) normal burnable neutron absorber rods that serve to shape neutron flux in the core. The TPBARs