

II.

By application dated November 24, 1999, the Commission was informed that IES Utilities Inc., entered into operating service agreements with Nuclear Management Company, LLC (NMC). The application was supplemented by submittals dated February 4 and March 17, 2000. The initial application and the supplements are hereinafter referred to as "the application" unless otherwise indicated. Under the proposed transaction, NMC will be designated as the exclusive licensee authorized to use and operate DAEC in accordance with the terms and conditions of the license. The transaction involves no change in plant ownership. The licensee requested approval of the proposed transfer of operating authority under the DAEC facility operating license to NMC. The application also requested a conforming amendment to reflect the transfer. The proposed amendment would add NMC to the license as the licensee authorized to use and operate DAEC, and delete references to IES Utilities Inc. as the operator.

According to the application for approval filed by IES Utilities Inc., NMC would become the licensee authorized to use and operate DAEC following approval of the proposed license transfer. NMC will assume exclusive responsibility for the operation and maintenance of DAEC. Ownership of DAEC will not be affected by the proposed transfer of operating authority. The plant owners will retain their current ownership interests. NMC will not own any portion of DAEC. Likewise, the plant owners' entitlement to capacity and energy from DAEC will not be affected by the transfer of operating authority. No physical changes to the DAEC facility were proposed in the application.

Approval of the transfer of operating authority under the facility operating license and conforming license amendment was requested by IES Utilities Inc., pursuant to 10 CFR 50.80 and 50.90. Notice of the application for approval and an opportunity for a hearing was published in the **Federal Register** on February 4, 2000 (65 FR 5703). 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. Upon review of the information in the application by IES Utilities Inc., and other information before the Commission, and relying

upon the representations and agreements contained in the application, the NRC staff has determined that NMC is qualified to hold the operating authority under the license, and that the transfer of the operating authority under the license to NMC is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission, subject to the conditions set forth below. The NRC staff has further found that the application for the proposed license amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter 1; the facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission; there is reasonable assurance that the activities authorized by the proposed license amendment can be conducted without endangering the health and safety of the public and that such activities will be conducted in compliance with the Commission's regulations; the issuance of the proposed license amendment will not be inimical to the common defense and security or the health and safety of the public; and the issuance of the proposed amendment will be in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied. The foregoing findings are supported by a Safety Evaluation dated May 15, 2000.

III.

Accordingly, pursuant to Sections 161b, 161i, and 184 of the Atomic Energy Act of 1954, as amended, 42 U.S.C 2201(b), 2201(i), and 2234, and 10 CFR 50.80, *It is hereby ordered* that the transfer of operating authority under the license as described herein to NMC is approved, subject to the following conditions:

(1) After receipt of all required regulatory approvals of the transfer of operating authority to NMC, IES Utilities Inc., and NMC shall inform the Director of the Office of Nuclear Reactor Regulation, in writing of such receipt within 5 business days and of the date of the closing of the transfer no later than 7 business days before the date of closing. If the transfer is not completed by April 1, 2001, this Order shall become null and void, provided, however, upon written application and for good cause shown, such date may in writing be extended.

(2) NMC shall, prior to completion of the transfer of operating authority for DAEC, provide the Director of the Office

of Nuclear Reactor Regulation satisfactory documentary evidence that NMC has obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations.

It is further ordered that consistent with 10 CFR 2.1315(b), a license amendment that makes changes, as indicated in Enclosure 2 to the cover letter forwarding this Order, to conform the license to reflect the subject transfer of operating authority is approved. The amendment shall be issued and made effective when the proposed transfer is completed.

This Order is effective upon issuance.

For further details with respect to this action, see the initial application dated November 24, 1999, and supplements dated February 4 and March 17, 2000, and the safety evaluation dated May 15, 2000, which are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, 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 15th day of May 2000.

Brian W. Sheron,

Acting Director, Office of Nuclear Reactor Regulation.

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NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-282, 50-306, 72-10; License No. DPR-42, License No. DPR-60, License No. SNM-2506]

Northern States Power Company (Prairie Island Nuclear Generating Plant, Units 1 and 2, and Prairie Island Independent Spent Fuel Storage Installation); Order Approving Transfers of Operating Authority and Conforming Amendments

I.

Northern States Power Company (NSP or the licensee) is the holder of Facility Operating Licenses Nos. DPR-42 and DPR-60, which authorize operation of Prairie Island Nuclear Generating Plant, Units 1 and 2 (Prairie Island or the facility), and Materials License No. SNM-2506, which authorizes operation of the Prairie Island Independent Spent Fuel Storage Installation (Prairie Island ISFSI). The facility and the Prairie Island ISFSI are located at the licensee's site in Goodhue County, Minnesota. The operating licenses authorize NSP to

possess, use, and operate Prairie Island. The materials license authorizes NSP to receive, acquire, and possess power reactor spent fuel at the Prairie Island ISFSI.

II.

By application dated November 24, 1999, as supplemented February 2, 2000, NSP informed the Commission that NSP entered into operating service agreements with Nuclear Management Company, LLC (NMC). The initial application and the supplement are hereinafter collectively referred to as "the application," unless otherwise indicated. Under the proposed transaction, NMC will be designated as the exclusive licensee authorized to use and operate Prairie Island and the Prairie Island ISFSI in accordance with the terms and conditions of the licenses. The transaction involves no change in ownership. The licensee requested approval of the proposed transfer of operating authority under the Prairie Island facility operating licenses and materials license to NMC. The application also requested conforming amendments to reflect the transfer. The proposed amendments would add NMC to the licenses as the licensee authorized to use and operate Prairie Island and the Prairie Island ISFSI and delete references to NSP as the operator.

According to the application for approval filed by NSP, NMC would become the licensee authorized to use and operate Prairie Island and the Prairie Island ISFSI following approval of the proposed license transfers. NMC will assume exclusive responsibility for the operation and maintenance of Prairie Island and the Prairie Island ISFSI. Ownership of Prairie Island and the Prairie Island ISFSI will not be affected by the proposed transfers of operating authority. NSP will retain ownership of the facility and the Prairie Island ISFSI. NMC will not own any portion of Prairie Island or the Prairie Island ISFSI. Likewise, NSP's entitlement to capacity and energy from Prairie Island will not be affected by the transfer of operating authority. No physical changes to Prairie Island or the Prairie Island ISFSI were proposed in the application.

Approval of the transfer of operating authority under the facility operating licenses and conforming license amendments was requested by NSP pursuant to 10 CFR 50.80 and 50.90, and approval of the transfer of the materials license and conforming amendment was requested by NSP pursuant to 10 CFR 72.50 and 72.56. Notice of the application for approval and an opportunity for a hearing was

published in the **Federal Register** on February 15, 2000 (65 FR 7574). Pursuant to such notice, Carol Overland, an individual, North American Water Office, an environmental organization, and the Prairie Island Indian Community filed hearing requests. The Commission presently has the matter under consideration.

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. Pursuant to 10 CFR 72.50, no license shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission gives its consent in writing. Upon review of the information in the application by NSP, and other information before the Commission, and relying upon the representations and agreements contained in the application, the NRC staff has determined that NMC is qualified to hold the operating authority under the licenses, and that the transfer of the operating authority under the licenses to NMC is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission, subject to the conditions set forth below. The NRC staff has further found that the application for the proposed license amendments complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter 1; the facility and the Prairie Island ISFSI will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission; there is reasonable assurance that the activities authorized by the proposed license amendments can be conducted without endangering the health and safety of the public and that such activities will be conducted in compliance with the Commission's regulations; the issuance of the proposed license amendments will not be inimical to the common defense and security or the health and safety of the public; and the issuance of the proposed amendments will be in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied. The foregoing findings are supported by a safety evaluation dated May 15, 2000.

Accordingly, pursuant to Sections 161b, 161i, and 184 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. §§ 2201(b), 2201(i), and 2234, and 10 CFR 50.80 and 10 CFR 72.50, *it is hereby ordered* that the transfer of

operating authority under the licenses, as described herein, to NMC is approved, subject to the following conditions:

(1) After receipt of all required regulatory approvals of the transfer of operating authority to NMC, NSP and NMC shall inform the Director of the Office of Nuclear Reactor Regulation and the Director of the Office of Nuclear Material Safety and Safeguards, in writing of such receipt within 5 business days, and of the date of the closing of the transfers no later than 7 business days prior to the date of closing. If the transfers are not completed by April 1, 2001, this Order shall become null and void, provided, however, upon written application and for good cause shown, such date may in writing be extended.

(2) NMC shall, prior to completion of the transfers of operating authority for Prairie Island, provide the Director of the Office of Nuclear Reactor Regulation satisfactory documentary evidence that NMC has obtained the appropriate amount of insurance required of licensees under 10 CFR 140 of the Commission's regulations.

It is further ordered that, consistent with 10 CFR 2.1315(b), license amendments that make changes, as indicated in Enclosure 2 to the cover letter forwarding this Order, to conform the licenses to reflect the subject transfer of operating authority are approved. The amendments shall be issued and made effective at the time the proposed transfers are completed.

This Order is effective upon issuance.

For further details with respect to this action, see the initial application dated November 24, 1999, and supplement dated February 2, 2000, and the safety evaluation dated May 15, 2000, which are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, 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 15th day of May 2000.

Brian W. Sheron,

Acting Director, Office of Nuclear Reactor Regulation.

William F. Kane,

Director, Office of Nuclear Material Safety and Safeguards.

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