

staff at 1-800-397-4209, or 301-415-4737, or by e-mail at pdr@nrc.gov.

Dated at Rockville, Maryland, this 23rd day of August 2001.

For the Nuclear Regulatory Commission.

Robert E. Martin,

Senior Project Manager, Section 1, Project Directorate II, Division of Licensing Project Management, Office of Nuclear Reactor Regulation.

[FR Doc. 01-21937 Filed 8-29-01; 8:45 am]

BILLING CODE 7590-01-P

NUCLEAR REGULATORY COMMISSION

[Docket No. 50-237]

Exelon Generation Company, LLC; Dresden Nuclear Power Station, Unit 2; Environmental Assessment and Finding of No Significant Impact

The U.S. Nuclear Regulatory Commission (NRC) is considering issuance of an exemption from certain requirements of 10 CFR 50.55a(g)(6)(ii)(B), "Expedited Examination of Containment," for Facility Operating License No. DPR-19, issued to Exelon Generation Company, LLC (Exelon, or the licensee) for operation of the Dresden Nuclear Power Station, Unit 2, located in Grundy County, Illinois. Therefore, as required by 10 CFR 51.21, the NRC is issuing this environmental assessment and finding of no significant impact.

Environmental Assessment

Identification of the Proposed Action

The licensee has requested a schedular exemption for Dresden Nuclear Power Station (DNPS), Unit 2, for implementation of inservice examinations of the containment prior to September 9, 2001, as required by 10 CFR 50.55a(g)(6)(ii)(B), "Expedited Examination of Containment." This schedular exemption is requested to extend the implementation date by a maximum of 90 days to allow completion of first period examinations during the next refueling outage for Unit 2, D2R17, currently scheduled to begin in October 2001.

The proposed action is in accordance with the licensee's application dated December 8, 2000, as supplemented by letter dated February 2, 2001.

The Need for the Proposed Action

The proposed schedular exemption is needed to prevent a forced shutdown of Dresden Nuclear Power Station, Unit 2. 10 CFR 50.55a(g)(6)(ii)(B) requires that licensees of all operating nuclear power plants shall implement the inservice

examinations for the first period of the first inspection interval specified in ASME Subsection IWE of the 1992 Edition with the 1992 Addenda in conjunction with the modifications specified in 10 CFR 50.55a(b)(2)(ix) by September 9, 2001. The last opportunity to complete the first period containment examinations was during the last refueling outage, D2R16, completed on October 27, 1999. During that outage, the licensee made good faith efforts to complete the necessary inservice examinations. However, the licensee has subsequently determined that a number of examinations must be re-performed. Without the requested schedular exemption, the licensee would be forced to shut down the facility in order to complete the inservice examinations required by regulation.

Areas accessible for inspection during normal operation will be completed by September 9, 2001. However, the next available opportunity to perform all the remaining containment examinations is the next refueling outage, which is scheduled to begin in October 2001. Previous Unit 2 containment inspections have not identified any areas of containment degradation that could impact the structural integrity of containment. A general visual examination of accessible surface areas was performed during the D2R16 refueling outage. The general visual examination was performed in accordance with the ASME B&PV Code Section XI, 1992 Edition with 1992 Addenda and included accessible surface areas of the containment structure and containment penetrations. The requested 90-day extension is of relatively short duration that would not permit a significant increase in any degradation that has developed since the previous general visual examination performed during D2R16.

If a separate outage were required to perform containment inspections in accordance with the current inspection implementation date, DNPS, Unit 2, would be subject to undue hardships or other costs that result from lost generation. Therefore, an extension of the September 9, 2001, implementation date is requested.

10 CFR 50.12 permits the Nuclear Regulatory Commission to grant exemptions which are authorized by law, will not present undue risk to the health and safety of the public, and are consistent with the common defense and security, provided that special circumstances are present. Pursuant to 10 CFR 51.12 (a)(2), the Commission believes that special circumstances exist in that the requested schedular extension is required to prevent the

forced shutdown of DNPS, Unit 2. Preparations for a refueling outage are proceeding based on a scheduled shutdown in October 2001. A separate outage would present undue hardship and costs due to lost generation and increased radiological exposure to DNPS personnel. The requested exemption will only provide temporary relief from the applicable regulation and does not jeopardize the health and safety of the public.

Environmental Impacts of the Proposed Action

The Commission has completed its evaluation of the proposed action and concludes that there are no significant adverse environmental impacts associated with the proposed action.

The proposed action will not significantly increase the probability or consequences of accidents, no changes are being made in the types of any effluents that may be released offsite, and there is no significant increase in occupational or public radiation exposure. Therefore, there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential non-radiological environmental impacts, the proposed action does not involve any historic sites. It does not affect non-radiological plant effluents and has no other environmental impact. Therefore, there are no significant non-radiological impacts associated with the proposed action.

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

Environmental Impacts of the Alternatives to the Proposed Action

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

Alternative Use of Resources

The action does not involve the use of any different resource than those previously considered in the Final Environmental Statement for the Dresden Nuclear Power Station, Units 2 and 3, dated November 1973.

Agencies and Persons Consulted

On July 24, 2001, the staff consulted with the Illinois State official, Frank Niziolek, of the Illinois Department of

Nuclear Safety, regarding the environmental impact of the proposed action. The State official had no comments.

Finding of No Significant Impact

On the basis of the environmental assessment, the NRC concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the Commission has determined not to prepare an environmental impact statement for the proposed action.

For further details with respect to the proposed action, see the licensee's letter dated December 8, 2000, as supplemented by letter dated February 2, 2001. 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. Publicly available records will be accessible electronically from the ADAMS Public Library component on the NRC Web site, <http://www.nrc.gov> (the Public Electronic Reading Room). If you do not have access to ADAMS or if there are problems in accessing the documents located in ADAMS, contact the NRC Public Document Room (PDR) Reference staff at 1-800-397-4209, or 301-415-4737, or by e-mail at pdr@nrc.gov.

Dated at Rockville, Maryland, this 22nd day of August 2001.

For the Nuclear Regulatory Commission.

S. Singh Bajwa,

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

[FR Doc. 01-21936 Filed 8-29-01; 8:45 am]

BILLING CODE 7590-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27433]

Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

August 24, 2001.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments(s) is/are available for public inspection through the

Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by September 18, 2001, to the Secretary, Securities and Exchange Commission, Washington, DC 20549-0609, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After September 18, 2001, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Energy East Corporation, et al. (70-9875)

Energy East Corporation ("Energy East"), a registered holding company, and its public utility subsidiary, New York State Electric & Gas Company ("NYSEG"), both located in Albany, New York 12212-2904 (together, "Applicants"), have filed a declaration under section 12(d) and rules 44 and 54 of the Act.

Applicants propose that NYSEG sell its eighteen percent interest in the Nine Mile Point Unit No. 2 nuclear generating station ("NMP2") ("Assets"),¹ located in Scriba, New York, to Constellation Nuclear, LLC ("CNLLC"), a subsidiary of Constellation Energy Group, Inc. ("CEG"), a nonaffiliate. Upon closing, CNLLC will transfer the Assets to Nine Mile Point Nuclear Station, LLC ("NMPNS"), a wholly owned subsidiary company of CNLLC.² NYSEG is

¹ Assets include: (a) Real property, buildings and improvements; (b) all spent nuclear fuel, high-level waste, low-level waste, source and by product material at the site, and fuel-related inventory; (c) all machinery, equipment, such as computer hardware and software and communications equipment, vehicles, tools, spare parts, fixtures, furniture and furnishings and other personal property relating to or used in the ordinary course of business to operate the facilities, other than property used primarily as part of the transmission assets, or that is otherwise excluded from the sale; (d) the material agreements, listed on schedules to the APA and other non-material contracts; (e) all transferable permits; (f) all books, operating records and other documents relating to the facilities (subject to the right of NYSEG to retain copies of same for its use) other than general ledger accounting records; and (g) all unexpired, transferable warranties and guarantees from third parties with respect to any item of real property or personal property constituting part of the purchased assets.

² NMPNS was formed by CNLLC to hold the Assets.

divesting all of its generating assets in accordance with the New York state electric restructuring law.

NYSEG is a regulated public utility company engaged in transmitting and distributing electricity and transporting, storing and distributing natural gas. NYSEG generates electricity from its eighteen percent share of NMP2 and from its several hydroelectric stations. NYSEG provides delivery services to approximately 824,000 electricity customers and 248,000 natural gas customers. NYSEG's service territory is in the central, eastern and western parts of New York, has an area of approximately 20,000 square miles and a population of 2,500,000.

CEGI is a diversified energy company and an exempt holding company under section 3(a)(1) of the act by rule 2 of the Act. CNLLC is a direct, wholly owned subsidiary of CEGI. CNLLC, which is the parent of NMPNS, is the party to each of the other transaction documents. CNLLC will transfer its rights and obligations under some or all of the transaction documents to NMPNS prior to purchasing the Assets. NMPNS will own the Assets upon closing.

NYSEG's interest in NMP2 will be sold for a total of approximately \$128 million under an asset purchase agreement ("APA") entered into by NYSEG and CNLLC on December 11, 2000. Under the APA, CNLLC will pay fifty percent of the purchase price to NYSEG at closing and the remaining balance annually for five years in equal installments. The sale price and the purchaser of the Assets were determined by an auction process managed by J.P. Morgan and Navigant Consulting, Inc. As part of the APA, NYSEG and CNLLC also entered into a power purchase agreement ("PPA") and a revenue sharing agreement ("RSA") on December 11, 2000.

The PPA provides that NYSEG will purchase 16.2 percent of the capacity and energy from NMP2 at certain prices set forth in the PPA. The PPA's terms take effect on the closing date of the transaction and continue for ten years. After completion of the PPA's ten-year term, NMPNS, as CNLLC's assignee, will pay NYSEG eighty percent of the amount by which actual market prices exceed a schedule of floor prices as set forth in the RSA. To the extent floor prices exceed actual prices, eighty percent of the negative differences will be credited against future payment obligations under the RSA. Under no circumstances will NYSEG be required to make payments under the RSA.