

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 to 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. These findings are supported by a Safety Evaluation dated September 29, 2000.

### III

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended, 42 USC 2201(b), 2201(i), 2201(o) and 2234; and 10 CFR 50.80, *it is hereby ordered* That the application regarding the proposed restructuring of PNM and indirect license transfers is approved, subject to the following conditions:

1. Manzano Energy 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 Manzano Energy to its proposed 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 Manzano Energy's consolidated net utility plant, as recorded on Manzano Energy's books of account.

2. Manzano Energy shall continue to provide decommissioning funding assurance, to be held in its decommissioning trusts for Palo Verde Units 1, 2, and 3, from the date of the indirect license transfers, as represented in the respective March 3, 2000, application, as supplemented. In addition, Manzano Energy shall ensure that contractual arrangements with its transmission and distribution affiliate to obtain necessary decommissioning funds for Palo Verde through non-bypassable charges will be established and maintained until the decommissioning trusts are fully funded.

3. Manzano Energy shall enter into an agreement with its transmission and distribution affiliate that shall require the deposit of funds collected for decommissioning funding from wires charges into Manzano Energy's decommissioning trust accounts. A copy of the agreement shall be forwarded to the NRC prior to the completion of the proposed restructuring of PNM.

4. Manzano Energy shall take all necessary steps to ensure that its decommissioning trusts are maintained in accordance with the March 3, 2000, application, as supplemented, and the requirements of this Order approving the respective indirect transfers, and consistent with the safety evaluation supporting this Order.

5. Manzano Energy shall inform the Director of the Office of Nuclear Reactor Regulation within 30 days of approval by the New Mexico Public Regulation Commission of the stranded cost mechanism of recovering decommissioning costs. Within such 30-day period, Manzano Energy shall state the total decommissioning costs subject to stranded cost recovery and the schedule for funding decommissioning costs.

6. Manzano Energy's decommissioning trust agreements for each of the three units shall provide that:

a. The use of assets in both the qualified and non-qualified funds shall be limited to expenses related to decommissioning of the unit as defined by the NRC in its regulations and issuances, and as provided in the unit's license and any amendments thereto. However, upon completion of decommissioning, as defined above, the assets may be used for any purpose authorized by law.

b. Investments in the securities or other obligations of Manzano Energy or affiliates thereof, or their successors or assigns, shall be prohibited. In addition, except for investments tied to market indexes or other non-nuclear sector mutual funds, investments in any entity owning one or more nuclear power plants shall be prohibited.

c. No disbursements or payments from the trust, other than for ordinary administrative expenses, shall be made by the trustee unless the trustee has first given the NRC 30 days prior written notice of the payment. In addition, no such disbursements or payments from the trust shall be made if the trustee receives prior written notice of objection from the Director of the Office of Nuclear Reactor Regulation.

d. The trust agreement shall not be modified in any material respect without 30 days prior written notification to the Director of the Office of Nuclear Reactor Regulation.

e. The trustee, investment advisor, or anyone else directing the investments made in the trust shall adhere to a "prudent investor" standard, as specified in 18 CFR 35.32(3) of the Federal Energy Regulatory Commission's regulations.

*It is further ordered* That, consistent with 10 CFR 2.1315(b), license amendments as indicated in Enclosure 2 to the cover letter forwarding this Order to reflect the subject restructuring action and conditions of this Order are approved. The amendments shall be issued and made effective at the time the proposed restructuring action is completed.

This Order is effective upon issuance.

For further details with respect to this action, see the initial application dated March 3, 2000, supplemental application and submittals dated April 26, August 14, August 17, and September 7, 2000, and the Safety Evaluation dated September 29, 2000, 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 electronically through the ADAMS Public Electronic Reading Room link at the NRC Web site (<http://www.nrc.gov>).

Dated at Rockville, Maryland, this 29th day of September 2000.

For the Nuclear Regulatory Commission.

**Samuel J. Collins,**

*Director, Office of Nuclear Reactor Regulation.*

[FR Doc. 00-25916 Filed 10-6-00; 8:45 am]

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## NUCLEAR REGULATORY COMMISSION

[Docket No. 50-364]

### **Southern Nuclear Operating Company; 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-8, issued to Southern Nuclear Operating Company (the licensee), for operation of the Joseph M. Farley Nuclear Plant, Unit 2, located in Houston County, Alabama.

The proposed amendment would eliminate the requirement to cycle the Unit 2 pressurizer power-operated relief valve (PORV) block valves during the remainder of operating cycle 14 and provides additional compensatory action. Cycle 14 is presently scheduled to end on February 24, 2001. This change is needed because excessive packing leakage from at least one of the Unit 2 PORV block valves occurs during valve surveillance testing (stroking).

Cycling the valves with this packing leakage could result in additional valve packing degradation potentially resulting in a forced unit shutdown. Repairing the valve packing would require shutting down and cooling down the unit to establish conditions for the repair. 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.

Pursuant to 10 CFR 50.91(a)(6) for amendments to be granted under exigent circumstances, the NRC staff must determine 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; (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:

1. The proposed changes do not involve a significant increase in the probability or consequences of an accident previously evaluated.

The proposed change to Surveillance Requirement (SR) 3.4.11.1 suspends the requirement to cycle test the Unit Two pressurizer power operated relief valve (PORV) block valves for the remainder of operating cycle 14. This change will eliminate two scheduled cycle tests for the PORV block valves during the remainder of operating cycle 14. SR 3.4.11.4 is added to provide compensatory measures for verifying power available to the block valves at least every 24 hours. At the end of cycle 14, the proposed changes will no longer be in effect. Suspension of the cycle tests for the PORV block valves may result in a small decrease in assurance that the block valves would cycle if required to isolate a stuck open PORV. However, experience with these valves has shown them to be very reliable and suspension of the remaining tests will not appreciably reduce reliability of the valves. The proposed compensatory measure of verifying block valve power available on a 24 hour basis adds additional assurance that the block valves will close if demanded.

\* \* \* \* \*

The proposed changes do not affect the consequences of a previously analyzed accident since the magnitude and duration of analyzed events are not impacted by this change. The dose consequences of the proposed change are bounded by LOCA analyses. Therefore, the consequences of a

previously evaluated accident are unchanged.

Therefore, the proposed TS changes do not involve a significant increase in the probability or consequences of an accident previously evaluated.

2. The proposed changes do not create the possibility of a new or different kind of accident from any accident previously evaluated.

The proposed changes involve no change to the physical plant. They allow for suspension of the PORV block valve cycle tests for a limited time and provide for compensatory action to verify power to the PORV block valves. These valves provide an isolation function for a postulated stuck open or leaking pressurizer PORV. This condition is an analyzed event since it is bounded by the FNP LOCA analyses. In addition to the isolation function, the block valves are required to remain open to allow the PORVs to function automatically to control reactor coolant system (RCS) pressure. These changes do not impact the open function of the block valves since the normal position is open.

Therefore, the proposed changes do not create the possibility of a new or different kind of accident from any accident previously evaluated.

3. The proposed changes do not involve a significant reduction in a margin of safety.

The physical plant is unaffected by these changes. The proposed changes do not impact accident offsite dose, containment pressure or temperature, emergency core cooling system (ECCS) or reactor protection system (RPS) settings or any other parameter that could affect a margin of safety. The elimination of cycle testing of the PORV block valves for the remainder of the Unit Two operating cycle and the addition of the proposed compensatory action that enhances assurance of valve operation are somewhat offsetting.

Therefore, the proposed changes do not involve a significant reduction in a 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 14 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 14-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 14-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. 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 November 9, 2000, 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 a 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 the amendment is issued before the expiration of the 30-day hearing period, the Commission will make a final determination on the issue of no significant hazards consideration. If a hearing is requested, 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 M. Stanford Blanton, Balch and Bingham, Post Office Box 306, 1710 Sixth Avenue North, Birmingham, Alabama, 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 September 8, 2000, as supplemented by letter dated October 2, 2000, 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 electronically through the ADAMS Public Electronic Reading Room link at the NRC Web site (<http://www.nrc.gov>).

Dated at Rockville, Maryland, this 4th day of October, 2000.

**L. Mark Padovan,**

*Project Manager, Project Directorate II-1, Division of Licensing Project Management, Office of Nuclear Reactor Regulation.*

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## NUCLEAR REGULATORY COMMISSION

[Docket No. 50-391]

### Tennessee Valley Authority; Watts Bar Nuclear Plant, Unit 2, Environmental Assessment and Finding of No Significant Impact

The U.S. Nuclear Regulatory Commission (NRC) is considering issuance of an extension of the latest construction completion dates specified in Construction Permit No. CPPR-92 issued to Tennessee Valley Authority (permittee, TVA) for the Watts Bar Nuclear Plant (WBN), Unit 2. The facility is located at the permittee's site on the west branch of the Tennessee River approximately 50 miles northeast of Chattanooga, Tennessee.

#### Environmental Assessment

##### Identification of Proposed Action

The proposed action would extend the latest construction completion date of Construction Permit No. CPPR-92 to December 31, 2010. The proposed action is in response to the permittee's request dated October 13, 1999, as supplemented by letter dated July 14, 2000.

##### The Need for the Proposed Action

The proposed action is needed to grant the licensee the option of completing construction on WBN Unit 2 in the future. The construction permit expired in December 1999. The permittee requested the extension for Unit 2 due to the delay in the completion of Unit 1 and TVA's decision to maintain Unit 2 in a construction layup status pending TVA's determination of further options to meet future electric power demands.

##### Environmental Impacts of the Proposed Action

The environmental impacts associated with the construction of the facility have been previously discussed and evaluated in TVA's Final Environmental Statement for construction (FES-CP) of WBN, Units 1 and 2, issued on November 9, 1972. NRC staff evaluated the environmental impacts of construction and operation of this plant, issuing comments on TVA's FES-CP as