

"electric utility" under Commission regulations. According to the application, there will be no effect on the management, or sources of funds for operation, maintenance, or decommissioning, of the PNPS as a result of the corporate restructuring.

Pursuant to 10 CFR 50.80, the Commission may approve the transfer of control of a license after notice to interested persons. Such approval is contingent upon the Commission's determination that the holder of the license following the transfer is qualified to hold the license and that the transfer is otherwise consistent with applicable provisions of law, regulations, and orders of the Commission.

For further details with respect to this proposed action, see the licensee's application dated June 9, 1997. This document is available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, N.W., Washington, DC, and at the local public document room located at the Plymouth Public Library, 11 North Street, Plymouth, Massachusetts.

Dated at Rockville, Maryland this 8th day of December 1997.

For the Nuclear Regulatory Commission.

Alan B. Wang,

*Project Manager, Project Directorate I-3,
Division of Reactor Projects—I/II, Office of
Nuclear Reactor Regulation.*

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NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-003 and 50-247]

Consolidated Edison Company of New York, Inc.; (Indian Point Nuclear Generating Unit Nos. 1 and 2)

I

Consolidated Edison Company of New York, Inc. (Con Edison), is sole owner of Indian Point Nuclear Generating Units Nos. 1 and 2. Con Edison holds Facility Operating License Nos. DPR-5 and DPR-26 issued by the U.S. Atomic Energy Commission pursuant to Part 50 of Title 10 of the Code of Federal Regulations (10 CFR Part 50) on March 26, 1962, and September 28, 1973, respectively. Under these licenses, Con Edison has the authority to possess, but not operate, Indian Point Nuclear Generating Unit No. 1 (IP1), and to operate Indian Point Nuclear Generating Unit No. 2 (IP2). Indian Point Nuclear Generating Units

Nos. 1 and 2 are located in Westchester County, New York.

II

By letter dated December 24, 1996, Con Edison informed the Commission that it was in the process of implementing a corporate restructuring that will result in the creation of a holding company under the temporary name of HoldCo., of which Con Edison would become a wholly owned subsidiary. Under the restructuring, the holders of Con Edison common stock will exchange their shares for common stock of the parent company on a share-for-share basis. By letter dated February 19, 1997, the staff deemed Con Edison's letter as an application for comment, under 10 CFR 50.80, to the indirect transfer of the licenses that would result from the corporate restructuring. Notice of this application for consent was published in the **Federal Register** on July 14, 1997 (62 FR 37627), and an Environmental Assessment and Finding of No Significant Impact was published in the **Federal Register** on October 6, 1997 (62 FR 52159).

Under 10 CFR 50.80, no license 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 submitted in the application dated December 24, 1996, the NRC staff has determined that the restructuring of Con Edison will not affect the qualifications of Con Edison as holder of the licenses, and that the transfer of control of the licenses for IP1 and IP2, to the extent effected by the restructuring of Con Edison, is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission, subject to the conditions set forth herein. These findings are supported by a Safety Evaluation dated December 4, 1997.

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 Commission approves the application regarding the restructuring of Con Edison subject to the following: (1) Con Edison 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 Con Edison 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 10 percent (10%) of Con Edison's consolidated net utility plant, as recorded on Con Edison's books of account, and (2) should the restructuring of Con Edison not be completed by December 31, 1998, this Order shall become null and void, provided, however, on application and for good cause shown, such date may be extended.

IV

By December 31, 1997, any person adversely affected by this Order may file a request for a hearing with respect to issuance of the Order. Any person requesting a hearing shall set forth with particularity how that interest is adversely affected by this Order and shall address the criteria set forth in 10 CFR 2.714(d).

If a hearing is to be held, the Commission will issue an Order designating the time and place of such hearing.

The issue to be considered at any such hearing shall be whether this Order should be sustained.

Any request for a hearing 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 11555 Rockville Pike, Rockville, Maryland, between 7:45 a.m. and 4:15 p.m. Federal workdays, by the above date. Copies should be also sent to the Office of the General Counsel, and to the Director, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and to Brent L. Brandenburg, Consolidated Edison Company of New York, Inc., 4 Irving Place, New York, NY 10003, Assistant General Counsel for Con Edison.

For further details with respect to this Order, see the application for approval regarding the corporate restructuring dated December 24, 1996, and the Safety Evaluation dated December 4, 1997, which is available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at White Plains Public Library, 100 Martine Avenue, White Plains, New York 10610.

Dated at Rockville, Maryland, this 4th day of December 1997.

For the Nuclear Regulatory Commission.
Frank J. Miraglia,
Acting Director, Office of Nuclear Reactor Regulation.
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NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-321 and 50-366]

In the Matter of Southern Nuclear Operating Company, Inc., et al. Edwin I. Hatch Nuclear Plant, Units 1 and 2; Exemption

I

Southern Nuclear Operating Company, Inc., et al. (the licensee) is the holder of Facility Operating License Nos. DPR-57 and NPF-5 for the Edwin I. Hatch Nuclear Plant, Units 1 and 2. The licenses provide, among other things, that the licensee is subject to all rules, regulations, and orders of the Commission in effect now and hereafter.

The facility consists of two 4-loop boiling water reactors located in Appling County, Georgia.

II

Title 10 of the *Code of Federal Regulations* (10 CFR), Section 73.55, "Requirements for Physical Protection of Licensed Activities in Nuclear Power Reactors Against Radiological Sabotage," paragraph (a), in part, states that "The licensee shall establish and maintain an onsite physical protection system and security organization which will have as its objective to provide high assurance that activities involving special nuclear material are not inimical to the common defense and security and do not constitute an unreasonable risk to the public health and safety."

Section 73.55(d), "Access Requirements," paragraph (1), specifies that "The licensee shall control all points of personnel and vehicle access into a protected area." Section 73.55(d)(5) requires that "A numbered picture badge identification system shall be used for all individuals who are authorized access to protected areas without escort." Section 73.55(d)(5) also states that an individual not employed by the licensee, e.g., contractor, but who requires frequent and extended access to protected and vital areas may be authorized access to such areas without escort provided the individual "receives a picture badge upon entrance into the protected area which must be returned upon exit from the protected area

* * *

The licensee has proposed to implement an alternative unescorted

access control system that would eliminate the need to issue, store, and retrieve badges from a central location onsite and would allow all individuals with unescorted access to keep their badges when departing the site.

An exemption from 10 CFR 73.55(d)(5) is required to allow contractors who have unescorted access to take their badges offsite instead of returning them when exiting the site. By letter dated July 2, 1997, the licensee requested an exemption from the requirements of 10 CFR 73.55(d)(5) for this purpose.

III

Pursuant to 10 CFR 73.5, "Specific exemptions," the Commission may, upon application of any interested person or upon its own initiative, grant such exemptions in this part as it determines are authorized by law and will not endanger life or property or the common defense and security, and are otherwise in the public interest. Pursuant to 10 CFR 73.55, the Commission may authorize a licensee to provide alternative measures for protection against radiological sabotage provided the licensee demonstrates that the alternative measures have "the same high assurance objective" and meet "the general performance requirements" of the regulation, and "the overall level of system performance provides protection against radiological sabotage equivalent" to that which would be provided by the regulation.

Currently, unescorted access into the protected areas at the Hatch site is controlled through the use of a photograph on a badge/keycard (hereafter, referred to as "badge"). The security officers use the photograph on the badge to visually identify the individual requesting access. The licensee's employees and contractor personnel who have been granted unescorted access are issued badges upon entrance to the protected area and the badges are returned upon exit. In accordance with 10 CFR 73.55(d)(5), contractors are not allowed to take these badges offsite.

Under the proposed biometric system, individuals who are authorized unescorted entry into protected areas would have the physical characteristics of their hand (i.e., hand geometry) registered, along with their badge number, in the access control system. When registered users enter their badge into the card reader and place their hand onto the measuring surface, the system detects that the hand is properly positioned, and records the image. The unique characteristics of the hand image are then compared with the previously

stored template in the access control computer system corresponding to the badge to verify authorization for entry.

Individuals, including Hatch plant employees and contractors, would be allowed to keep their badges when they depart the site and, thus, eliminate the need to issue, retrieve, and store badges at the entrance stations to the plant. Badges do not carry any information other than a unique identification number. All other access processes, including search function capability, would remain the same. This system would not be used for persons requiring escorted access, e.g., visitors.

On the basis of the Sandia report, "A Performance Evaluation of Biometrics Identification Devices," SAND91-0276/UC-906, Unlimited Release, June 1991, that concluded hand geometry equipment possesses strong performance and high detection characteristics, and on its own experience with the current photo-identification system, the licensee determined that the proposed hand geometry system would provide the same high level of assurance as the current system that access is only granted to authorized individuals. The biometrics system has been in use for a number of years at several sensitive Department of Energy facilities and, recently, at some nuclear power plants.

The licensee will implement a process for testing the proposed system to ensure continued overall level of performance equivalent to that specified in the regulation. When the changes are implemented, the respective Physical Security Plan will be revised to include implementation and testing of the hand geometry access control system and to allow Hatch plant employees and contractors to take their badges offsite.

When implemented, the licensee will control all points of personnel access into a protected area under the observation of security personnel through the use of a badge and a hand geometry verification system. The numbered picture badge identification system will continue to be used for all individuals who are authorized unescorted access to protected areas. Badges will continue to be displayed by all individuals while inside the protected areas.

Since both the badge and hand geometry would be necessary for access into the protected areas, the proposed system would provide a positive verification process. The potential loss of a badge by an individual as a result of taking the badge offsite would not enable an unauthorized entry into protected areas.