

March 3, 2000

Mr. Harold W. Keiser
Chief Nuclear Officer & President-
Nuclear Business Unit
Public Service Electric & Gas
Company
Post Office Box 236
Hancocks Bridge, NJ 08038

Gerald R. Rainey
Chief Nuclear Officer & President
PECO Energy Company
965 Chesterbrook Blvd., 63C-3
Wayne, PA 19087-5691

SUBJECT: NOTICE OF CONSIDERATION OF APPROVAL OF TRANSFER OF FACILITY
OPERATING LICENSES AND ISSUANCE OF CONFORMING AMENDMENTS,
AND OPPORTUNITY FOR A HEARING - SALEM NUCLEAR GENERATING
STATION, UNIT NOS. 1 AND 2 (TAC NOS. MA7719 AND MA7720)

Dear Messrs. Keiser and Rainey:

Enclosed is a copy of a notice entitled, "Notice of Consideration of Approval of Transfer of Facility Operating Licenses and Issuance of Conforming Amendments, and Opportunity for a Hearing," related to the application dated December 20, 1999, as supplemented by a letter from Commonwealth Edison Company (ComEd), dated January 14, 2000, filed by PECO Energy Company (PECO). The application (pursuant to 10 CFR 50.80) seeks approval of the proposed transfer of the Facility Operating Licenses Nos. DPR-70 and DPR-75, for the Salem Nuclear Generating Station, Unit Nos. 1 and 2, to the extent currently held by PECO. The transfer would be to a new generating company, currently referred to as GENCO, which will be a subsidiary of a new holding company, Exelon Corporation, formed as a result of a merger between PECO and Unicom Corporation, the parent of ComEd. The application also seeks (pursuant to 10 CFR 50.90) the issuance of conforming amendments to the licenses to reflect the transfers.

The notice is being forwarded to the Office of the Federal Register for publication.

Sincerely,

/RA/

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

Docket Nos. 50-272 and 50-311

Enclosure: Notice

cc w/encl: See next page

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UNITED STATES NUCLEAR REGULATORY COMMISSION

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

SALEM GENERATING STATION, UNIT NOS. 1 AND 2

DOCKET NOS. 50-272 AND 50-311

NOTICE OF CONSIDERATION OF APPROVAL OF TRANSFER OF
FACILITY OPERATING LICENSES AND CONFORMING AMENDMENTS,
AND OPPORTUNITY FOR A HEARING

The U.S. Nuclear Regulatory Commission (the Commission) is considering the issuance of an order under 10 CFR 50.80 approving the transfer of Facility Operating Licenses DPR-70 for Salem Nuclear Generating Station, Unit No. 1, and DPR-75 for Salem Nuclear Generating Station, Unit No. 2, to the extent held by PECO Energy Corporation (PECO). PECO holds a 42.59-percent ownership interest in both Salem units, which are operated by Public Service Electric and Gas Company (PSE&G). The remaining interests in Salem, Unit Nos. 1 and 2, are owned by Delmarva Power & Light Company and Atlantic City Electric Company. The transfer would be to a new generating company, currently referred to as GENCO. GENCO will be a subsidiary of a new holding company, Exelon Corporation, which will be formed as a result of a merger of Unicom Corporation (the parent company of Commonwealth Edison Company) and PECO. The Commission is also considering amending the licenses for administrative purposes to reflect the proposed transfer.

According to an application for approval filed by PECO, GENCO would become the owner of PECO's ownership interests in each of the Salem units following approval of the proposed transfer of the licenses. After this transfer, PSE&G would continue to be exclusively

responsible for the operation, maintenance, and eventual decommissioning of Salem Nuclear Generating Station. No physical changes to the facilities or operational changes are being proposed in the application. The proposed transfer does not involve any change with respect to the non-operating ownership interests held by Delmarva Power & Light and Atlantic City Electric Company, or the ownership interest of PSE&G.

The proposed amendments would replace references to PECO in the licenses with references to GENCO and make other changes for administrative purposes to reflect the proposed transfer.

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. The Commission will approve an application for the transfer of a license if the Commission determines that the proposed transferee is qualified to hold the license, and that the transfer is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

Before issuance of the proposed conforming license amendments, the Commission will have made findings required by the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations.

As provided in 10 CFR 2.1315, unless otherwise determined by the Commission with regard to a specific application, the Commission has determined that any amendment to the license of a utilization facility which does no more than conform the license to reflect the transfer action involves no significant hazards consideration. No contrary determination has been made with respect to this specific license amendment application. In light of the generic determination reflected in 10 CFR 2.1315, no public comments with respect to significant

hazards considerations are being solicited, notwithstanding the general comment procedures contained in 10 CFR 50.91.

The filing of requests for hearing and petitions for leave to intervene, and written comments with regard to the license transfer application, are discussed below.

By March 29, 2000, any person whose interest may be affected by the Commission's action on the application may request a hearing, and, if not the applicants, may petition for leave to intervene in a hearing proceeding on the Commission's action. Requests for a hearing and petitions for leave to intervene should be filed in accordance with the Commission's rules of practice set forth in Subpart M, "Public Notification, Availability of Documents and Records, Hearing Requests and Procedures for Hearings on License Transfer Applications," of 10 CFR Part 2. In particular, such requests and petitions must comply with the requirements set forth in 10 CFR 2.1306, and should address the considerations contained in 10 CFR 2.1308(a). Untimely requests and petitions may be denied, as provided in 10 CFR 2.1308(b), unless good cause for failure to file on time is established. In addition, an untimely request or petition should address the factors that the Commission will also consider, in reviewing untimely requests or petitions, set forth in 10 CFR 2.1308(b)(1)-(2).

Requests for a hearing and petitions for leave to intervene should be served upon: the counsel for PSE&G, Jeffrie J. Keenan, Esquire, Public Service Electric and Gas Company, Nuclear Business Unit - N21, P.O. Box 236, Hancocks Bridge, NJ 08038 (tel: 856-339-5429, fax: 856-339-1234, and e-mail: jeffrie.keenan@pseg.com); the counsel for PECO, William E. Baer, Jr., Esquire, Morgan, Lewis and Bockius LLP, 1800 M Street, NW., Washington, DC 20036-5869 (tel: 202-467-7454, e-mail: webaer@mlb.com); the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555 (e-mail address for filings regarding license transfer cases only: ogclt@nrc.gov); and the Secretary of the Commission, U.S.

Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, in accordance with 10 CFR 2.1313.

The Commission will issue a notice or order granting or denying a hearing request or intervention petition, designating the issues for any hearing that will be held and designating the Presiding Officer. A notice granting a hearing will be published in the FEDERAL REGISTER and served on the parties to the hearing.

As an alternative to requests for hearing and petitions to intervene, by April 10, 2000, persons may submit written comments regarding the license transfer application, as provided for in 10 CFR 2.1305. The Commission will consider and, if appropriate, respond to these comments, but such comments will not otherwise constitute part of the decisional record. Comments should be submitted to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, and should cite the publication date and page number of this FEDERAL REGISTER notice.

For further details with respect to this action, see the application dated December 20, 1999, and supplement from ComEd dated January 14, 2000, 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 3rd day of March 2000.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

William Gleaves, Project Manager
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Salem Nuclear Generating Station,
Units 1 and 2

cc:

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