

July 7, 2000

Mr. Gerald R. Rainey
Chief Executive Officer
AmerGen Vermont, LLC
965 Chesterbrook Boulevard
Wayne, PA 19087

Mr. Ross P. Barkhurst
President and Chief Executive Officer
Vermont Yankee Nuclear Power
Corporation
185 Old Ferry Road
Brattleboro, VT 05301

SUBJECT: ORDER APPROVING TRANSFER OF LICENSE FOR VERMONT YANKEE NUCLEAR POWER STATION FROM VERMONT YANKEE NUCLEAR POWER CORPORATION TO AMERGEN VERMONT, LLC, AND APPROVING CONFORMING AMENDMENT (TAC NO. MA7875)

Dear Messrs. Rainey and Barkhurst:

The enclosed Order is in response to your application dated January 6, 2000, as supplemented by submittals dated January 13, February 18, March 13, March 30, and April 6, 2000, requesting approval of the transfer of the license for the Vermont Yankee Nuclear Power Station held by Vermont Yankee Nuclear Power Corporation to AmerGen Vermont, LLC, and approval of a conforming amendment pursuant to Sections 50.80 and 50.90 of Title 10 of the Code of Federal Regulations. The enclosed Order consents to the proposed transfer, subject to the conditions described therein. The Order also approves a conforming license amendment to be issued at the time the transfer is completed, with the changes as indicated in Enclosure 2.

Enclosures 3 and 4 contain the nonproprietary and proprietary versions, respectively, of the staff's safety evaluation related to the preceding action. The nonproprietary version of the safety evaluation will be placed in the NRC Public Document Room and added to the Agency-wide Documents Access and Management System's Publicly Available Records System (ADAMS PARS) Library. The Order has been forwarded to the Office of the Federal Register for publication.

Sincerely,

/RA/

Richard P. Croteau, Project Manager, Section 2
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-271

Enclosures: 1. Order
2. Conforming Amendment
3. Safety Evaluation (nonproprietary)
4. Safety Evaluation (proprietary)

cc w/encls: See next page

NOTE: THIS DOCUMENT CONTAINS PROPRIETARY INFORMATION. THIS DOCUMENT BECOMES NONPROPRIETARY UPON REMOVAL OF ENCLOSURE 4.

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
VERMONT YANKEE NUCLEAR POWER CORPORATION)	Docket No. 50-271
)	
(Vermont Yankee Nuclear Power Station))	

ORDER APPROVING TRANSFER OF LICENSE AND CONFORMING AMENDMENT

I.

Vermont Yankee Nuclear Power Corporation (VYNPC or the licensee) is the holder of Facility Operating License No. DPR-28, which authorizes the operation of Vermont Yankee Nuclear Power Station (Vermont Yankee or the facility) at steady-state power levels not in excess of 1593 megawatts thermal. The facility is located at the licensee's site in the Town of Vernon, Windham County, Vermont. The license authorizes VYNPC to possess, use, and operate the facility.

II.

Under cover of a letter dated January 6, 2000, AmerGen Vermont, Limited Liability Company (LLC), (AmerGen Vermont) and VYNPC, jointly submitted an application requesting approval of the transfer of Facility Operating License No. DRP-28 for Vermont Yankee from VYNPC to AmerGen Vermont. The licensee and AmerGen Vermont also jointly requested approval of a conforming amendment to reflect the transfer. The application was supplemented

by submittals dated January 13, February 18, March 13, March 30, and April 6, 2000, collectively referred to as the “application” herein unless otherwise indicated.

AmerGen Vermont is a Vermont limited liability company established by AmerGen Energy Company, LLC (AmerGen), to own and operate Vermont Yankee. AmerGen Vermont is a wholly owned subsidiary of AmerGen. AmerGen is a Delaware limited liability company formed to acquire and operate nuclear power plants in the United States. PECO Energy Company (PECO) and British Energy, Inc., (BE, Inc.), each own a 50-percent interest in AmerGen. BE, Inc., is a wholly owned subsidiary of British Energy, plc. The conforming license amendment would remove references to VYNPC from the license and add references to AmerGen Vermont in respective places, and make other administrative changes of a similar nature to reflect the proposed transfer.

Approval of the transfer of the facility operating license and a conforming license amendment was requested by VYNPC and AmerGen Vermont pursuant to 10 CFR 50.80 and 50.90. Notice of the requests for approval and for an opportunity for a hearing was published in the *Federal Register* on February 3, 2000 (65 FR 5376). Pursuant to such notice, the Commission received two requests for hearing. One hearing request was from the State of Vermont Department of Public Service, dated February 23, 2000. A second hearing request was filed by the Citizens Awareness Network, dated February 22, 2000. Commission review of these hearing requests is pending.

Pursuant to 10 CFR §2.1316, during the pendency of a hearing, the staff is expected to promptly proceed with the approval or denial of license transfer requests consistent with the NRC staff’s findings in its Safety Evaluation Report (SER). Notice of the action shall be promptly transmitted to the Presiding Officer and parties to the proceeding. Commission action on the pending hearing requests is being handled independently of this action.

Under 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. After reviewing the information submitted in the application and other information before the Commission, and relying upon the representations and agreements contained in the application, the Nuclear Regulatory Commission (NRC) staff has determined that AmerGen Vermont is qualified to be the holder of the license, and that the transfer of the license to AmerGen Vermont 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; that the facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission; that 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; that the issuance of the proposed license amendment will not be inimical to the common defense and security or to the health and safety of the public; and that the issuance of the proposed license amendment will be in accordance with 10 CFR Part 51 of the Commission's regulations, and that all applicable requirements have been satisfied. These findings are supported by a safety evaluation dated July 7, 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 the license as described herein to AmerGen Vermont is approved, subject to the following conditions:

- (1) AmerGen Vermont shall take no action to cause PECO or BE, Inc., or their affiliates, successors or assigns, to void, cancel, or diminish their \$200 million contingency commitment to provide funding for AmerGen's nuclear power plants, including but not limited to any plant owned by any subsidiary of AmerGen, the existence of which is represented in the application, or cause them to fail to perform or impair their performance under the commitment, or remove or interfere with AmerGen or AmerGen Vermont's ability to draw upon the commitment. Also, AmerGen Vermont shall inform the NRC in writing at any time that it or AmerGen, for the benefit of AmerGen Vermont, draws upon the \$200 million commitment.
- (2) AmerGen Vermont shall provide decommissioning funding assurance of no less than \$280 million, after payment of any taxes, deposited in the decommissioning trust fund for Vermont Yankee when Vermont Yankee is transferred to AmerGen Vermont.
- (3) The decommissioning trust agreement must be in a form acceptable to the NRC.
- (4) With respect to the decommissioning trust fund, investments in the securities or other obligations of PECO, BE, Inc., AmerGen, AmerGen Vermont, or their affiliates, successors, or assigns shall be prohibited. Except for investments tied to market indexes or other nonnuclear sector mutual funds, investments in any entity owning one or more nuclear power plants are prohibited.
- (5) The decommissioning trust agreement must provide that no disbursements or payments from the trust shall be made by the trustee until the trustee has first given the NRC 30 days' prior written notice of payment. The decommissioning

trust agreement shall further contain a provision that no disbursements or payments from the trust shall be made if the trustee receives prior written notice of objection from the Director, Office of Nuclear Reactor Regulation.

- (6) The decommissioning trust agreement must provide that the agreement cannot be amended in any material respect without 30 days' prior written notification to the Director, Office of Nuclear Reactor Regulation.
- (7) The appropriate section of the trust agreement shall state that 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(a)(3) of the Federal Energy Regulatory Commission's regulations.
- (8) AmerGen Vermont shall take all necessary steps to ensure that the decommissioning trust is maintained in accordance with the application for approval of the transfer of the Vermont Yankee license to it, the requirements of this Order approving the transfer, and the safety evaluation supporting this Order.
- (9) The AmerGen Vermont Limited Liability Company Agreement dated January 1, 2000, and any subsequent amendments thereto as of the date of this Order, may not be modified in any material respect concerning decision-making authority over "safety issues" as defined therein without the prior written consent of the Director, Office of Nuclear Reactor Regulation.
- (10) At least half of the members of the Management Committee of AmerGen Vermont shall be appointed by a non-foreign member group of AmerGen, all of which appointees shall be U.S. citizens.
- (11) The Chief Executive Officer (CEO), Chief Nuclear Officer (if someone other than the CEO), and Chairman of the Management Committee of AmerGen Vermont shall be U.S. citizens. These individuals shall have the responsibility and exclusive

authority to ensure, and shall ensure, that the business and activities of AmerGen Vermont with respect to the Vermont Yankee operating license are at all times conducted in a manner consistent with the protection of the public health and safety and the common defense and security of the United States.

- (12) AmerGen Vermont shall cause to be transmitted to the Director, Office of Nuclear Reactor Regulation, within 30 days of filing with the U.S. Securities and Exchange Commission, any Schedules 13D or 13G filed pursuant to the Securities Exchange Act of 1934 that disclose beneficial ownership of any registered class of stock of PECO or of any affiliate, successor, or assignee of PECO to which PECO's ownership interest in AmerGen may be subsequently assigned with the prior written consent of the NRC, [or of the parent or owner of such affiliate, successor, or assignee, whichever entity is the issuer of such stock.]
- (13) Before the completion of the sale and transfer of Vermont Yankee to it, AmerGen Vermont shall provide the Director, Office of Nuclear Reactor Regulation, satisfactory documentary evidence that AmerGen Vermont has obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations.
- (14) After receipt of all required regulatory approvals of the transfer of Vermont Yankee, AmerGen Vermont and VYNPC shall inform the Director, Office of Nuclear Reactor Regulation, in writing of such receipt within 5 business days, and of the closing date of the sale and transfer of Vermont Yankee no later than 7 business days prior to the date of closing. If the transfer of the license is not completed by July 1, 2001, this Order shall become null and void, provided, however, on written application and for good cause shown, this date may, in writing, be extended.

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 license transfer is approved. The amendment shall be issued and made effective at the time the proposed license transfer is completed.

This Order is effective upon issuance.

For further details with respect to this order, see the initial application dated January 6, 2000, supplemental letters dated January 13, February 18, March 13, March 30, and April 6, 2000, and the safety evaluation dated July 7, 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 7th day of July 2000.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Roy P. Zimmerman, Acting Director
Office of Nuclear Reactor Regulation

VERMONT YANKEE NUCLEAR POWER CORPORATION

DOCKET NO. 50-271

VERMONT YANKEE NUCLEAR POWER STATION

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No.
License No. DPR-28

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment filed by the Vermont Yankee Nuclear Power Corporation (the licensee) dated January 6, 2000, as supplemented on January 13, February 18, March 13, March 30, and April 6, 2000, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance: (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, Facility Operating License No. DPR-28 is amended as indicated in the attachment to this license amendment.
3. This license amendment is effective as of its date of issuance and shall be implemented within 60 days.

FOR THE NUCLEAR REGULATORY COMMISSION

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Attachment: Amended Operating License Pages 1 through 8 and Amended Technical Specifications

Date of Issuance:

ATTACHMENT TO LICENSE AMENDMENT NO. _____

FACILITY OPERATING LICENSE NO. DPR-28

DOCKET NO. 50-271

Replace the following pages of the Facility Operating License and Appendix A Technical Specifications with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the area of change.

Remove

Insert

Facility Operating License Pages 1 through 8

Facility Operating License Pages 1 through 8

253

253

AmerGen Vermont, LLC

(Vermont Yankee Nuclear Power Station)

Docket No. 50-271

Facility Operating License

License No. DPR-28
Amendment No. 5,

The Atomic Energy Commission (the Commission) having found that:

- a. Construction of the Vermont Yankee Nuclear Power Station (the facility) has been substantially completed in conformity with the application, as amended, the Provisional Construction Permit No. CPPR-36, the provisions of the Atomic Energy Act of 1954, as amended (the Act), and the rules and regulations of the Commission as set forth in Title 10, Chapter 1, CFR; and
- b. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission; and
- c. There is reasonable assurance (1) that the activities authorized by this amended operating license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the rules and regulations of the Commission; and
- d. AmerGen Vermont, LLC, is technically and financially qualified to engage in the activities authorized by this amended operating license, in accordance with the rules and regulations of the Commission; and
- e. AmerGen Vermont, LLC, has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements" of the Commission's regulations; and
- f. The issuance of this amended operating license will not be inimical to the common defense and security or to the health and safety of the public; and
- g. After weighing the environmental, economic, technical and other benefits of the facility against environmental costs and considering available alternatives, the issuance of this amended operating license (subject to the conditions for protection of the environment set forth herein) is in accordance with 10 CFR Part 50, Appendix D, of the Commission's regulations and all applicable requirements of said Appendix D have been satisfied.

Accordingly, Facility Operating License No. DPR-28, as amended, issued to AmerGen Vermont, LLC (the licensee), is hereby amended in its entirety to read:

1. This license applies to the Vermont Yankee Nuclear Power Station (the facility), a single cycle, boiling water, light water moderated and cooled reactor, and associated electric generating equipment. The facility is located on the licensee's site, in the Town of Vernon, Windham County, Vermont, and is described in the application as amended.
2. Subject to the Conditions and requirements incorporated herein, the Commission hereby licenses the applicant:
 - A. Pursuant to Sections 104b of the Atomic Energy Act of 1954, as amended (the Act), and 10 CFR Part 50, "Licensing of Production and Utilization Facilities," to possess, use, and operate the facility as a utilization facility at the designated location on the licensee's site.
 - B. Pursuant to the Act and 10 CFR Part 70, to receive, possess, and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation as described in the Final Safety Analysis Report, as supplemented and amended.
 - C. Pursuant to the Act and 10 CFR Parts 30, 40 and 70 to receive, possess, and use at any time any byproduct, source, and special nuclear material as sealed neutron sources for reactor startup, sealed sources for calibration of reactor instrumentation and radiation monitoring equipment, and as fission detectors in amounts as required.
 - D. Pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess, and use in amounts as required any byproduct, source, or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components.
 - E. Pursuant to the Act and 10 CFR Parts 30 and 70, to possess, but not to separate, such byproduct and special nuclear material as may be produced by operation of the facility.
3. This license shall be deemed to contain and is subject to the conditions specified in the following Commission regulations: 10 CFR Part 20, Section 30.34 of 10 CFR Part 30, Section 40.41 of 10 CFR Part 40, Section 50.54 and 50.59 of 10 CFR Part 50, and Section 70.32 of 10 CFR Part 70; and is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified below:

Amendment No.

A. Maximum Power Level

The licensee is authorized to operate the facility at reactor core power levels not to exceed 1593 megawatts thermal in accordance with the Technical Specifications (Appendices A and B) appended hereto.

B. Technical Specifications

The Technical Specifications contained in Appendix A, as revised through Amendment No. 188, are hereby incorporated in the license. The licensee shall operate the facility in accordance with the Technical Specifications.

C. Reports

The licensee shall make reports in accordance with the requirements of the Technical Specifications.

D. Records

The licensee shall keep facility operating records in accordance with the requirements of the Technical Specifications.

E. Environmental Conditions

Pursuant to the Initial Decision of the presiding Atomic Safety and Licensing Board issued February 27, 1973, the following conditions for the protection of the environment are incorporated herein:

- 1) If, during power operation, an unexpected failure results in a complete loss of coolant tower system, the above closed cycle restriction may be modified to permit an orderly shutdown using the main condenser as a heat sink in the open cycle mode. In this event, the plant shall be reduced below 25 percent power operation as rapidly as possible and shutdown within twenty-four hours.
- 2) This paragraph deleted, Amendment 131, 10/07/91.
- 3) The licensee will define a comprehensive environmental (chemical, biological, and thermal) monitoring program for inclusion in the Technical Specifications, which is acceptable to the Commission for determining changes which may occur in land and water ecosystems as a result of plant operation.
- 4) If harmful effects or evidence of irreversible damage in land or water ecosystems as a result of facility operation are detected by the monitoring program, the

Amendment No.

licensee shall provide an analysis of the problem to the Commission and to the advisory group for the Technical Specifications, and the licensee thereafter will provide, subject to the review by the aforesaid advisory group, a course of action to be taken immediately to alleviate the problem.

- 5) The licensee will grant authorized representatives of the Massachusetts Department of Public Health (MDPH) and Metropolitan District Commission (MDC) access to records and charts related to discharge of radioactive materials to the Connecticut River.
- 6) Prior to discharge of each tank (batch) of liquid radioactive effluents, a representative sample thereof shall be collected and held for independent analysis by the Commonwealth of Massachusetts. Authorized representatives of the Commonwealth shall pick up such samples at the plant site.
- 7) The licensee will furnish advance notification of each scheduled calibration of liquid effluent monitors to MDPH and MDC and, upon request, will permit authorized representatives of the Commonwealth of Massachusetts to be present during such calibrations.
- 8) The licensee will permit authorized representatives of the MDPH and MDC to examine the chemical and radioactivity analyses performed by the licensee.
- 9) The licensee shall immediately notify MDPH, or an agency designated by MDPH, in the event concentrations of radioactive materials in liquid effluents, measured at the point of release from the facility, exceed the limit set forth in the facility Technical Specifications, Appendix A, paragraph 3.8.A.1. The licensee will also notify MDPH in writing within 30 days following the release of radioactive materials in liquid effluents in excess of 10 percent of the limit set forth in the facility Technical Specifications, Appendix A, paragraph 3.8.A.1.
- 10) A report shall be submitted to MDPH and MDC within sixty days of January 1st and July 1st of each year of plant operation, specifying the total quantities of radioactive materials released to the Connecticut River during the previous six months. The report shall contain the following information:
 - (a) Total curie activity discharged other than tritium and dissolved gases.
 - (b) Total curie alpha activity discharged.
 - (c) Total curies of tritium discharged.
 - (d) Total curies of dissolved radio-gases discharged.
 - (e) Total volume (in gallons) of liquid waste discharged.

- (f) Total volume (in gallons) of dilution water.
 - (g) Average concentration at discharge outfall.
 - (h) Time, date and duration of maximum concentration released (average over the period of release).
 - (i) Total radioactivity (in curies) released by nuclide including dissolved radio-gases.
 - (j) Percent of technical specification limit for total activity released.
- 11) Upon notification by MDPH or MDC that all plans and construction for the diversion of water from the Connecticut River to recharge Quabbin Reservoir have been completed, the licensee shall establish a system of communication and notification, satisfactory to MDPH and MDC, to give adequate warning to the appropriate agency or agencies of the Commonwealth of Massachusetts of any accidental discharge of radioactive materials into the Connecticut River from the facility.
- 12) Upon notification in writing by MDPH or MDC that water from the Connecticut River is being diverted to recharge Quabbin Reservoir, the licensee shall submit to both MDPH and MDC, until receipt of notification that such diversion has been terminated, monthly reports of liquid radioactive releases.
- 13) The licensee shall establish and maintain a system of emergency notification to the states of Vermont and New Hampshire, and the Commonwealth of Massachusetts, satisfactory to the appropriate public health and public safety officials of those states and the Commonwealth, which provides for:
- a. Notice of site emergencies as well as general emergencies.
 - b. Direct microwave communication with the state police headquarters of the respective states and the Commonwealth when the transmission facilities of the respective states and the Commonwealth so permit, at the expense of the licensee.
 - c. A verification or coding system for emergency messages between the licensee and the state police headquarters of the respective states and the Commonwealth.

Amendment No.

- 14) The licensee shall furnish advance notification to MDPH, or to another Commonwealth agency designated by MDPH, of the time, method and proposed route through the Commonwealth of any shipments of nuclear fuel and wastes to and from the facility which will utilize railways or roadways in the Commonwealth.
- F. The licensee shall implement and maintain in effect all provisions of the approved Fire Protection Program as described in the Final Safety Analysis Report for the facility and as approved in the SER dated January 13, 1978, and supplemental SERs, dated 2/20/80, 10/24/80, 1/13/83, 3/25/86, 12/8/89, 6/9/97, 8/12/97, 9/2/98, and 2/24/99, subject to the following provisions:

The licensee may make changes to the approved Fire Protection Program without prior approval of the Commission only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.

3.G Security Plan

The licensee shall fully implement and maintain in effect all provisions of the Commission-approved physical security, guard training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10CFR73.55 (51FR27817 and 27822) and to the authority of 10CFR50.90 and 10CFR50.54(p). The plans, which contain Safeguards Information protected under 10CFR73.21, are entitled: "Vermont Yankee Nuclear Power Station Physical Security Plan," with revisions submitted through March 16, 1988; "Vermont Yankee Nuclear Power Station Training and Qualification Plan," with revisions submitted through November 10, 1982; and "Vermont Yankee Nuclear Power Station Safeguards Contingency Plan," with revisions submitted through December 30, 1985. Changes made in accordance with 10CFR73.55 shall be implemented in accordance with the schedule set forth therein.

3.H This paragraph deleted, Amendment 107, 8/25/88.

3.I This paragraph deleted, Amendment 131, 10/7/91.

3.J License Transfer Conditions

- (1) AmerGen Vermont shall take no action to cause PECO or British Energy, Inc., or their affiliates, successors or assigns, to void, cancel, or diminish their \$200 million contingency commitment to provide funding for AmerGen's nuclear power plants, including but not limited to any plant owned by any subsidiary of AmerGen, the existence of which is represented in the application, or cause them to fail to perform or impair their performance under the commitment, or remove or interfere with AmerGen or AmerGen Vermont's ability to draw upon the commitment. Also, AmerGen Vermont shall inform the NRC in writing at any time that it or AmerGen, for the benefit of AmerGen Vermont, draws upon the \$200 million commitment.

- (2) AmerGen Vermont shall provide decommissioning funding assurance of no less than \$280 million, after payment of any taxes, deposited in the decommissioning trust fund for Vermont Yankee when Vermont Yankee is transferred to AmerGen Vermont.
- (3) The decommissioning trust agreement must be in a form acceptable to the NRC.
- (4) With respect to the decommissioning trust fund, investments in the securities or other obligations of PECO, British Energy, Inc., AmerGen, AmerGen Vermont, or their affiliates, successors, or assigns shall be prohibited. Except for investments tied to market indexes or other nonnuclear sector mutual funds, investments in any entity owning one or more nuclear power plants are prohibited.
- (5) The decommissioning trust agreement must provide that no disbursements or payments from the trust shall be made by the trustee until the trustee has first given the NRC 30 days' prior written notice of payment. The decommissioning trust agreement shall further contain a provision that no disbursements or payments from the trust shall be made if the trustee receives prior written notice of objection from the Director, Office of Nuclear Reactor Regulation.
- (6) The decommissioning trust agreement must provide that the agreement cannot be amended in any material respect without 30 days' prior written notification to the Director, Office of Nuclear Reactor Regulation.
- (7) The appropriate section of the trust agreement shall state that 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(a)(3) of the Federal Energy Regulatory Commission's regulations.
- (8) AmerGen Vermont shall take all necessary steps to ensure that the decommissioning trust is maintained in accordance with the application for approval of the transfer of the Vermont Yankee license to it, the requirements of the Order approving the transfer, and consistent with the safety evaluation supporting such Order.
- (9) The AmerGen Vermont Limited Liability Company Agreement dated January 1, 2000, and any subsequent amendments thereto may not be modified in any material respect concerning decision-making authority over "safety issues" as defined therein without the prior written consent of the Director, Office of Nuclear Reactor Regulation.
- (10) At least half of the members of the Management Committee of AmerGen Vermont shall be appointed by a non-foreign member group of AmerGen, all of which appointees shall be U.S. citizens.
- (11) The Chief Executive Officer (CEO), Chief Nuclear Officer (if someone other than the CEO), and Chairman of the Management Committee of AmerGen Vermont shall be

U.S. citizens. These individuals shall have the responsibility and exclusive authority to ensure, and shall ensure, that the business and activities of AmerGen Vermont with respect to the Vermont Yankee operating license are at all times conducted in a manner consistent with the protection of the public health and safety and the common defense and security of the United States.

- (12) AmerGen Vermont shall cause to be transmitted to the Director, Office of Nuclear Reactor Regulation, within 30 days of filing with the U.S. Securities and Exchange Commission, any Schedules 13D or 13G filed pursuant to the Securities Exchange Act of 1934 that disclose beneficial ownership of any registered class of stock of PECO or of any affiliate, successor, or assignee of PECO to which PECO's ownership interest in AmerGen may be subsequently assigned with the prior written consent of the NRC, [or of the parent or owner of such affiliate, successor, or assignee, whichever entity is the issuer of such stock.]
4. This license is effective as of the date of issuance and shall expire at midnight on March 21, 2012.

FOR THE ATOMIC ENERGY COMMISSION

Original signed by Roger S. Boyd for:

A. Giambusso, Deputy Director
for Reactor Projects
Directorate of Licensing

Enclosures:
Appendix A Technical Specifications

Date of Issuance:
Feb. 28, 1973

Amendment No.

Vermont Yankee Nuclear Power Station

cc:

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