

October 18, 2000

Mr. Harold W. Keiser  
Chief Nuclear Officer & President  
PSEG Nuclear LLC-X04  
Post Office Box 236  
Hancocks Bridge, NJ 08038

SUBJECT: HOPE CREEK GENERATING STATION AND SALEM NUCLEAR GENERATING STATION UNIT NOS. 1 AND 2 - CORRECTIONS TO LICENSES AND INDEMNITY AGREEMENTS FOR CONFORMING AMENDMENTS 129, 233, AND 214 TO FACILITY OPERATING LICENSES NPF-57, DPR-70, and DPR-75 (TAC. NOS. MA9769, MA9770, AND MA9771)

Dear Mr. Keiser:

On August 21, 2000, the Nuclear Regulatory Commission (NRC) issued Amendment No. 129 to Facility Operating License No. NPF-57 for the Hope Creek Generating Station (HCGS), and Amendment Nos. 233 and 214 to Facility Operating Licenses Nos. DPR-70 and DPR-75, respectively, for the Salem Nuclear Generating Station (SNGS), Unit Nos. 1 and 2.

These amendments reflected the transfer of the licenses for HCGS and SNGS to the extent held by Public Service Electric and Gas Company to PSEG Nuclear, LLC and included the revised license pages. A revised indemnity agreement was also enclosed with the transmittal of the amendments to reflect the new licensee. Subsequent to the issuance of the subject conforming amendments, your staff notified the NRC that the indemnity agreement contained errors and that information was missing in the HCGS license. Similar omissions apply to the SNGS licenses. More specifically, page 6 of the revised license for Hope Creek was missing the date of the Order that approved the license transfer and the date of the Safety Evaluation. Pages 1 and 4 of the revised license for Salem Unit 1 was missing the amendment number, and page 4b was missing the amendment number and the date of the Order and Safety Evaluation. Page 1 of the revised license for Salem Unit 2 was missing the amendment number, and page 21 was missing the date of the Order, and the date of the Safety Evaluation. In addition, the Hope Creek Indemnity Agreement inadvertently contained the Agreement Number, Amendment Number, and docket numbers applicable to the Peach Bottom Atomic Power Station, the licenses for which were also transferred to PSEG Nuclear, LLC.

Accordingly, corrected documents are attached to replace the documents previously transmitted. Please replace page 6 of License NPF-57, pages 1, 4, and 4b of License DPR-70, and pages 1 and 21 of License DPR-75. Also, please discard the six copies of the indemnity

H. Keiser

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agreement transmitted to you on August 21, 2000, and replace them with the six copies enclosed with this letter. Please keep five copies for your records and sign and return the other copy.

Sincerely,

***/RA/***

John T. Harrison, Project Manager, Section 2  
Project Directorate I  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Docket Nos. 50-354, 50-272 and 50-311

Enclosures: 1. Corrected License Pages  
2. Corrected Indemnity Agreement

cc w/encl: See next page

Salem Nuclear Generating Station, Units 1 and 2, and Hope Creek Generating Station

cc:

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General Manager - Salem Operations  
Salem Nuclear Generating Station  
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Hancocks Bridge, NJ 08038

Mr. Louis Storz  
Sr. Vice President - Nuclear Operations  
Nuclear Department  
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Senior Resident Inspector  
Salem Nuclear Generating Station  
U.S. Nuclear Regulatory Commission  
Drawer 0509  
Hancocks Bridge, NJ 08038

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Radiation Protection Programs  
NJ Department of Environmental  
Protection and Energy  
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Trenton, NJ 08625-0415

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Ms. R. A. Kankus  
Joint Owner Affairs  
PECO Energy Company  
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Wayne, PA 19087

Mr. Elbert Simpson  
Senior Vice President-  
Nuclear Engineering  
Nuclear Department  
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Hope Creek Resident Inspector  
U.S. Nuclear Regulatory Commission  
Drawer 0509  
Hancocks Bridge, NJ 08038

Richard Hartung  
Electric Service Evaluation  
Board of Regulatory Commissioners  
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Newark, NJ 07102

Regional Administrator, Region I  
U.S. Nuclear Regulatory Commission  
475 Allendale Road  
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Lower Alloways Creek Township  
c/o Mary O. Henderson, Clerk  
Municipal Building, P.O. Box 157  
Hancocks Bridge, NJ 08038

Director - Licensing Regulation & Fuels  
Nuclear Business Unit - N21  
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General Manager - Hope Creek Operations  
Hope Creek Generating Station  
P.O. Box 236  
Hancocks Bridge, NJ 08038

agreement transmitted to you on August 21, 2000, and replace them with the six copies enclosed with this letter. Please keep five copies for your records and sign and return the other copy.

Sincerely,

**/RA/**

John T. Harrison, Project Manager, Section 2  
Project Directorate I  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Docket Nos. 50-354, 50-272 and 50-311

Enclosures: 1. Corrected License Pages  
2. Corrected Indemnity Agreement

cc w/encl: See next page

DISTRIBUTION

PUBLIC	JClifford	TClark	OGC	ACRS	WBeckner	RFretz
PDI-2 Reading	JHarrison	EAdensam	GHill(6)	OPA	GMeyer, RI	

Accession No: ML003751854

\*see previous concurrence

OFFICE	PDI-2/PM	PDI-2/PM	PDI-2/LA	PDI-2/SC	OGC*
NAME	JHarrison	RFretz	TClark	JClifford	SHom
DATE	10/10/00	10/10/00	10/10/00	10/13/00	10/5/00

OFFICIAL RECORD COPY

(13) Safety Parameter Display System (Section 18.2, SSER No. 5)

Prior to the earlier of 90 days after restart from the first refueling outage or July 12, 1988, PSE&G shall add the following parameters to the SPDS and have them operational:

- a. Primary containment radiation
- b. Primary containment isolation status
- c. Combustible gas concentration in primary containment
- d. Source range neutron flux

(14) Additional Conditions

The Additional Conditions contained in Appendix C, as revised through Amendment No. 129, are hereby incorporated into this license. PSEG Nuclear LLC shall operate the facility in accordance with the Additional Conditions.

(15) PSE&G to PSEG Nuclear LLC License Transfer Conditions

- a. PSEG Nuclear LLC shall take all necessary steps to ensure that the decommissioning trust is maintained in accordance with the application, the requirements of the Order Approving Transfer of License and Conforming Amendment, dated February 16, 2000, and the related Safety Evaluation dated February 16, 2000.
- b. The decommissioning trust agreement shall provide that:
  - 1) 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.
  - 2) Investments in the securities or other obligations of PSE&G 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.
  - 3) No disbursements or payments from the trust shall be made by the trustee until the trustee has first given the NRC 30 days notice of the payment. In addition, 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.

PSEG NUCLEAR LLC  
PHILADELPHIA ELECTRIC COMPANY  
DELMARVA POWER AND LIGHT COMPANY  
ATLANTIC CITY ELECTRIC COMPANY

DOCKET NO. 50-272

SALEM NUCLEAR GENERATING STATION, UNIT NO. 1

FACILITY OPERATING LICENSE

Amendment No. 233  
License No. DPR-70

1. The Nuclear Regulatory Commission (the Commission) having found that:
  - A. The application for license filed by the Public Service Electric and Gas Company, Philadelphia Electric Company, Delmarva Power and Light Company, and Atlantic City Electric Company (the licensees) and the application for license amendment dated November 8, 1976, filed by Public Service Electric and Gas Company comply with the standards and requirements of the Atomic Energy Act (the Act) of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I and all required notifications to other agencies or bodies have been duly made;
  - B. Construction of the Salem Nuclear Generating Station, Unit No. 1 (facility) has been substantially completed in conformity with Provisional Construction Permit No. CPPR-52 and the application, as amended, the provisions of the Act and the rules and regulations of the Commission;
  - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
  - D. There is reasonable assurance: (i) 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;
  - E. PSEG Nuclear LLC is technically qualified and the licensees are financially qualified to engage in the activities authorized by this amended operating license in accordance with the rules and regulations of the Commission;

(1) Maximum Power Level

PSEG Nuclear LLC is authorized to operate the facility at a steady state reactor core power level not in excess of 3411 megawatts (one hundred percent of rated core power). Prior to attaining the one hundred percent power level, Public Service Electric and Gas Company shall complete the preoperational tests, startup tests and other items identified in Attachment 1 to this amended license in the sequence specified. Attachment 1 is an integral part of this amended license.

(2) Technical Specifications

The Technical Specifications contained in Appendices A and B, as revised through Amendment No. 233 are hereby incorporated in the license. The licensee shall operate the facility in accordance with the Technical Specifications.

(3) Deleted Per Amendment 22, 11-20-79

(4) Less than Four Loop Operation

PSEG Nuclear LLC shall not operate the reactor at power levels above P-7 (as defined in Table 3.3-1 of Specification 3.3.1.1 of Appendix A to this license) with less than four (4) reactor coolant loops in operation until safety analyses for less than four loop operation have been submitted by the licensees and approval for less than four loop operation at power levels above P-7 has been granted by the Commission by Amendment of this license.

(5) PSEG Nuclear LLC shall implement and maintain in effect all provisions of the approved fire protection program as described in the Updated Final Safety Analysis Report, and as approved in the NRC Safety Evaluation Report dated November 20, 1979, and in its supplements, subject to the following provision:

PSEG Nuclear LLC 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.

(10) Additional Conditions

The Additional Conditions contained in Appendix C, as revised through Amendment No. 233, are hereby incorporated into this license. PSEG Nuclear LLC shall operate the facility in accordance with the Additional Conditions.

(11) PSE&G to PSEG Nuclear LLC License Transfer Conditions

- a. PSEG Nuclear LLC shall take all necessary steps to ensure that the decommissioning trust is maintained in accordance with the application, the requirements of the Order Approving Transfer of License and Conforming Amendment, dated February 16, 2000, and the related Safety Evaluation dated February 16, 2000.
- b. The decommissioning trust agreement shall provide that:
  - 1) 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.
  - 2) Investments in the securities or other obligations of PSE&G 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.
  - 3) No disbursements or payments from the trust shall be made by the trustee until the trustee has first given the NRC 30 days notice of the payment. In addition, 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.
  - 4) The trust agreement shall not be modified in any material respect without prior written notification to the Director, Office of Nuclear Reactor Regulation.
  - 5) 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.
- c. PSEG Nuclear LLC shall not take any action that would cause PSEG Power LLC or its parent companies to void, cancel, or diminish the commitment to fund an extended plant shutdown as represented in the application for approval of the transfer of this license from PSE&G to PSEG Nuclear LLC.



PSEG NUCLEAR LCC  
PHILADELPHIA ELECTRIC COMPANY  
DELMARVA POWER AND LIGHT COMPANY  
ATLANTIC CITY ELECTRIC COMPANY

DOCKET NO. 50-311

SALEM NUCLEAR GENERATING STATION, UNIT NO. 2

FACILITY OPERATING LICENSE

Amendment No. 214  
License No. DPR-75

1. The Nuclear Regulatory Commission (the Commission) having found that:
  - A. The application for license filed by Public Service Electric and Gas Company for itself and the Philadelphia Electric Company, Delmarva Power and Light Company and Atlantic City Electric Company (hereinafter referred to as the licensees) complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations set forth in 10 CFR Chapter I and all required notifications to other agencies or bodies have been duly made;
  - B. Construction of the Salem Nuclear Generating Station. Unit No. 2 (facility) has been substantially completed in conformity with Construction Permit No. CPPR-53 and the application, as amended, the provisions of the Act and the regulations of the Commission;
  - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the regulations of the Commission;
  - D. There is reasonable assurance: (i) that the activities authorized by this 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 Commission's regulations set forth in 10 CFR Chapter I;
  - E. PSEG Nuclear LLC is technically qualified to engage in the activities authorized by this operating license in accordance with the Commission's regulations set forth in 10 CFR Chapter I;

- (n) Revised Small-Break Loss-of-Coolant-Accident Methods  
(Section 22.3, II.K.3.30)

PSE&G shall comply with the requirements of this position as specified in NUREG-0737, "Clarification of TMI Action Plan Requirements."

- (o) Compliance With 10 CFR Part 50.46 (Section 22.3, II.K.3.31)

PSE&G shall perform plant-specific calculations using NRC-approved models for small-break loss-of-coolant accidents (LOCAs) to show compliance with 10 CFR Part 50.46. PSE&G shall submit these calculations by January 1, 1983, or one year after NRC approval of LOCA analysis models, whichever is later, only if model changes have been made.

- (p) Emergency Support Facilities (Section 22.3, III.A.1.2)

PSE&G shall maintain in effect an interim Technical Support Center and an interim Emergency Operations Facility until such time as the final facilities are complete.

- (26) Additional Conditions

The Additional Conditions contained in Appendix C, as revised through Amendment No. 214, are hereby incorporated into this license. PSEG Nuclear LLC shall operate the facility in accordance with the Additional Conditions.

- (27) PSE&G to PSEG Nuclear LLC License Transfer Conditions

- a. PSEG Nuclear LLC shall take all necessary steps to ensure that the decommissioning trust is maintained in accordance with the application, the requirements of the Order Approving Transfer of License and Conforming Amendment, dated February 16, 2000, and the related Safety Evaluation dated February 16, 2000.
- b. The decommissioning trust agreement shall provide that:
  - 1) 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.