

November 20, 2000

Mr. James A. Hutton
Director-Licensing
PECO Energy Company
Nuclear Group Headquarters
Correspondence Control
P.O. Box 160
Kennett Square, PA 19348

SUBJECT: NOTICE OF CONSIDERATION OF APPROVAL OF TRANSFER OF FACILITY
OPERATING LICENSES AND CONFORMING AMENDMENTS, AND
OPPORTUNITY FOR A HEARING - PEACH BOTTOM ATOMIC POWER
STATION, UNITS 2 AND 3 (TAC NOS. MB0266 AND MB0267)

Dear Mr. Hutton:

Enclosed is a copy of a notice entitled, "Notice of Consideration of Approval of Transfer of Facility Operating Licenses and Conforming Amendments, and Opportunity for a Hearing," related to the application dated October 10, 2000, filed by PECO Energy Company. The application (pursuant to 10 CFR 50.80) seeks approval of changes related to the sequence in which the Peach Bottom Atomic Power Station, Units 2 and 3, license transfers previously approved by a U.S. Nuclear Regulatory Commission order dated April 21, 2000, are expected to transpire, and approval of the ultimate transfer of the respective licenses to Exelon Generation Company, LLC. The applicant also seeks a one-year extension to the order dated April 21, 2000. The application further seeks (pursuant to 10 CFR 50.90) the approval of proposed conforming amendments to reflect the subject license transfers.

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

Sincerely,

/RA/

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

Docket Nos. 50-277 and 50-278

Enclosure: Notice for Peach Bottom License Transfer

cc w/encl: See next page

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PDI-2 r/f JClifford ACRS SHom, OGC
CCowgill, RI

ACCESSION NUMBER: ML003765752

OFFICE	PDI-2/PM	E	PDI-2/LA	OGC	PDI-2/SC
NAME	JBoska		MO'Brien	SHom*	JClifford
DATE	11/20/00		11/20/00	11/20/00	11/20/00

*See Previous Concurrence

OFFICIAL RECORD COPY

UNITED STATES NUCLEAR REGULATORY COMMISSION

PECO ENERGY COMPANY

PSEG NUCLEAR LLC

DELMARVA POWER AND LIGHT COMPANY

ATLANTIC CITY ELECTRIC COMPANY

PEACH BOTTOM ATOMIC POWER STATION, UNITS 2 AND 3

DOCKET NOS. 50-277 AND 50-278

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 License No. DPR-44 for the Peach Bottom Atomic Power Station (PBAPS), Unit 2, and Facility Operating License No. DPR-56 for PBAPS, Unit 3, to the extent currently held by the Delmarva Power & Light Company (DP&L) and the Atlantic City Electric Company (ACE) in connection with each of their 7.51 percent undivided ownership interests in each of the two Peach Bottom units. The transfer would be to PSEG Nuclear LLC, and to either the PECO Energy Company (PECO) as a subsidiary of Exelon Corporation, or to Exelon Generation Company, LLC (EGC) as an indirect subsidiary of Exelon Corporation, depending on the timing of the transfers. The Commission is also considering amending the licenses for administrative purposes to reflect the proposed transfer.

The Commission previously issued an order on April 21, 2000, approving the transfer of half of the ownership interests of DP&L and ACE in PBAPS Units 2 and 3 to PSEG Nuclear

LLC and the other half to PECO. One of the bases of that order was that the interests of DP&L and ACE would be transferred collectively and simultaneously. On the other hand, it was not necessarily assumed that PECO would be a subsidiary of Exelon Corporation. PECO became a subsidiary of Exelon Corporation on October 20, 2000.

According to an application for approval dated October 10, 2000, filed by PECO on behalf of itself, PSEG Nuclear LLC, DP&L, and ACE, the transfer of each of the half-interests of DP&L and ACE may not occur at the same time; the transfer of the ACE interests may be delayed until after the transfer of the DP&L interests. If the DP&L and ACE interests are not transferred simultaneously and collectively, decommissioning funding arrangements would be changed from what had been previously approved by the April 21, 2000 order. In particular, a contractual guarantee by ACE would be utilized to provide, in part, decommissioning funding assurance with respect to any DP&L transfer occurring first. Furthermore, those DP&L and ACE interests originally proposed and approved to be transferred to PECO are now explicitly being proposed to be transferred directly from DP&L and ACE, or ultimately and indirectly through PECO, to EGC. Although the transfer of PECO's current 42.49 percent ownership interest in PBAPS, Units 2 and 3, to EGC has been approved by an order dated August 3, 2000, approving certain license transfers, the transfer of half of the current DP&L and ACE ownership interests to EGC has not been expressly approved by the NRC. By the October 10, 2000, application filed, PECO is seeking all NRC approvals that would be necessary to permit the implementation of any of the foregoing scenarios. PECO is also requesting that the effectiveness of the April 21, 2000 NRC order be extended for one additional year.

PECO is the licensed operator of PBAPS, and would continue to be responsible for the operation, maintenance, and eventual decommissioning of PBAPS until all PECO interests in

PBAPS are transferred to EGC. No physical changes to PBAPS or operational changes are being proposed in the application.

The proposed conforming amendments would remove references in the licenses to ACE and DP&L as appropriate to the timing of the requisite license transfers, and reflect the appropriate transferees.

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 December 18, 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 counsel for PECO Energy Company, Paul J. Zaffuts, Esquire, Morgan, Lewis & Bockius, LLP, 1800 M Street, NW, Washington, DC 20036-5869 (tel: 202-467-7537 and e-mail: pjzaffuts@mlb.com); counsel for PSEG Nuclear LLC, David A. Repka, Esquire, Winston & Strawn, 1400 L Street, NW, Washington, DC 20005-3502 (tel: 202-371-5726 and e-mail: drepka@winston.com); counsel for Atlantic City Electric Company and Delmarva Power & Light Company, John H. O'Neill, Jr., Esquire, and Matias F. Travieso-Diaz, Esquire, Shaw Pittman, 2300 N. Street, NW, Washington, DC 20037-1128 (tel: 202-663-8148 e-mail: john.o'neill@shawpittman.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 December 28, 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 October 10, 2000, which 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, MD, and is accessible electronically through the ADAMS Public Electronic Reading Room link at the NRC Web site: <http://www.nrc.gov>.

Dated at Rockville, Maryland this 20th day of November 2000.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

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

Peach Bottom Atomic Power Station,
Units 2 and 3

cc:

J. W. Durham, Sr., Esquire
Sr. V.P. & General Counsel
PECO Energy Company
2301 Market Street, S26-1
Philadelphia, PA 19101

PECO Energy Company
ATTN: Mr. J. Doering, Vice President
Peach Bottom Atomic Power Station
1848 Lay Road
Delta, PA 17314

PECO Energy Company
ATTN: Regulatory Engineer, A4-5S
Peach Bottom Atomic Power Station
1848 Lay Road
Delta, PA 17314

Resident Inspector
U.S. Nuclear Regulatory Commission
Peach Bottom Atomic Power Station
P.O. Box 399
Delta, PA 17314

Regional Administrator, Region I
U.S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

Mr. Roland Fletcher
Department of Environment
Radiological Health Program
2400 Broening Highway
Baltimore, MD 21224

A. F. Kirby, III
External Operations - Nuclear
Delmarva Power & Light Company
P.O. Box 231
Wilmington, DE 19899

PECO Energy Company
Plant Manager
Peach Bottom Atomic Power Station
1848 Lay Road
Delta, PA 17314

Chief-Division of Nuclear Safety
PA Dept. of
Environmental Resources
P.O. Box 8469
Harrisburg, PA 17105-8469

Board of Supervisors
Peach Bottom Township
R. D. #1
Delta, PA 17314

Public Service Commission of Maryland
Engineering Division
Chief Engineer
6 St. Paul Center
Baltimore, MD 21202-6806

Mr. Richard McLean
Power Plant and Environmental
Review Division
Department of Natural Resources
B-3, Tawes State Office Building
Annapolis, MD 21401

Dr. Judith Johnsrud
National Energy Committee
Sierra Club
433 Orlando Avenue
State College, PA 16803

Manager-Financial Control & Co-Owner
Affairs
Public Service Electric and Gas Company
P.O. Box 236
Hancocks Bridge, NJ 08038-0236

Manager-Peach Bottom Licensing
PECO Energy Company
Nuclear Group Headquarters
Correspondence Control
P.O. Box 160
Kennett Square, PA 19348

Mr. Jeffrey A. Benjamin
Licensing - Vice President
Exelon Corporation
1400 Opus Place, Suite 900
Downers Grove, IL 60521