

December 29, 2000

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

SUBJECT: SALEM NUCLEAR GENERATING STATION, UNIT NOS. 1 AND 2, ISSUANCE OF CONFORMING AMENDMENT RE: TRANSFER OF LICENSES FOR SALEM NUCLEAR GENERATING STATION, UNIT NOS. 1 AND 2, TO THE EXTENT HELD BY DELMARVA POWER AND LIGHT COMPANY (DP&L), TO PSEG NUCLEAR LLC (TAC NOS. MB0830 AND MB0831)

Dear Mr. Keiser:

By Order dated April 21, 2000, the U.S. Nuclear Regulatory Commission (NRC) approved the transfer of the licenses for the Salem Nuclear Generating Station (Salem), Unit Nos. 1 and 2, to the extent held by Atlantic City Electric Company (ACE) and Delmarva Power And Light Company (DP&L), to PSEG Nuclear Limited Liability Company (PSEG Nuclear), and approved the conforming amendments pursuant to Sections 50.80 and 50.90 of Title 10 of the *Code of Federal Regulations*. The April 21, 2000, Order was based in part on the premise that the DP&L and ACE interests would be transferred concurrently as a combined interest.

In a supplemental application dated October 10, 2000, DP&L and ACE indicated that, due to certain delays in receiving other necessary regulatory approvals, their interests in the Salem licenses needed to be transferred independently in two phases to PSEG Nuclear. Specifically, the DP&L interest would be transferred first, followed by the transfer of the ACE interest. DP&L and ACE asked that the effectiveness of the Order approving the license transfers be extended until December 31, 2001, due to delays in receiving other regulatory approvals, and that any necessary actions be taken to allow the transfers to occur in two phases. PSEG Nuclear also requested approval of conforming license amendments, modified from the amendments previously approved to reflect the transfers as they may occur in two phases.

By Order dated December 21, 2000, the NRC supplemented the April 21, 2000, Order, and expressly approved the transfer of the Salem licenses, to the extent they are held by DP&L and ACE, to PSEG Nuclear to occur in two phases. In the December 21, 2000, safety evaluation, the NRC staff concluded that PSEG Nuclear was financially qualified to hold the DP&L interest without holding the ACE interest at the same time. In addition, the NRC staff determined that there would be adequate decommissioning funding should the transfers occur in two phases. Thus, the staff has determined that the transfer of the DP&L interest and ACE interest in two phases is acceptable.

In a letter dated December 27, 2000, DP&L notified the NRC that the closing of the license transfer is anticipated to occur on December 29, 2000, and that all regulatory approvals have been obtained to the extent necessary to proceed.

H. Keiser

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Accordingly, the Commission has issued the enclosed Amendment Nos. 240 and 221 to Facility Operating License Nos. DPR-70 and DPR-75 for Salem, Unit Nos. 1 and 2. The conforming amendments reflect the transfer of DP&L's ownership of Salem, Unit Nos. 1 and 2, to PSEG Nuclear. The safety evaluation supporting the conforming amendment was enclosed with the Order issued on December 21, 2000.

Five copies of Indemnity Agreement No. B-74, Amendment No. 16, required in connection with the transfer of the licenses, are enclosed. Please sign the agreements, as appropriate, and return one copy to me. The remaining four copies are for your records.

A Notice of Issuance will be included in the Commission's biweekly *Federal Register* notice.

Sincerely,

**/RA/**

Robert J. Fretz, Project Manager, Section 2  
Project Directorate I  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Docket Nos. 50-272 and 50-311

Enclosures: 1. Amendment No. 240 to  
License No. DPR-70  
2. Amendment No. 221 to  
License No. DPR-75  
3. Indemnity Agreements

cc w/encls: See next page

PSEG Nuclear LLC

Salem Nuclear Generating Station,  
Unit Nos. 1 and 2

cc:

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Senior Vice President &  
Chief Administrative Officer  
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Senior Resident Inspector  
Salem Nuclear Generating Station  
U.S. Nuclear Regulatory Commission  
Drawer 0509  
Hancocks Bridge, NJ 08038

H. Keiser

-2-

December 29, 2000

Accordingly, the Commission has issued the enclosed Amendment Nos. 240 and 221 to Facility Operating License Nos. DPR-70 and DPR-75 for Salem, Unit Nos. 1 and 2. The conforming amendments reflect the transfer of DP&L's ownership of Salem, Unit Nos. 1 and 2, to PSEG Nuclear. The safety evaluation supporting the conforming amendment was enclosed with the Order issued on December 21, 2000.

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Sincerely,

**/RA/**

Robert J. Fretz, Project Manager, Section 2  
Project Directorate I  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Docket Nos. 50-272 and 50-311

- Enclosures: 1. Amendment No. 240 to License No. DPR-70
- 2. Amendment No. 221 to License No. DPR-75
- 3. Indemnity Agreements

cc w/encls: See next page

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ACCESSION NUMBER: ML003781257

TEMPLATE = NRR-058

OFFICE	PDI-2/PM	PDI-2/LA	OGC	PDI-2/SC
NAME	RFretz	MO'Brien for TLClark		JClifford
DATE	12/20/00	12/28/00	12/29/00	12/29/00

OFFICIAL RECORD COPY

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

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 240  
License No. DPR-70

1. The Nuclear Regulatory Commission (the Commission or the NRC) has found that:
  - A. The application for amendment filed by the Public Service Electric & Gas Company, PSEG Nuclear LLC, Philadelphia Electric Company, Delmarva Power and Light Company, and Atlantic City Electric Company, dated December 20, 1999, as supplemented February 11, February 25, and October 10, 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 set forth in 10 CFR Chapter I;
  - 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, the license 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 30 days from the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

***/RA/***

Samuel J. Collins, Director  
Office of Nuclear Reactor Regulation

Attachment: Changes to License DPR-70 and  
Appendix C to the License

Date of Issuance: December 29, 2000

ATTACHMENT TO LICENSE AMENDMENT NO. 240

FACILITY OPERATING LICENSE NO. DPR-70

DOCKET NO. 50-272

Replace the following pages of the Facility Operating License and the Appendix C Additional Conditions with the following attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

Remove Pages

License, page 1

License, page 2

License, page 3

Appendix C, page 1

Insert Pages

License, page 1

License, page 2

License, page 3

Appendix C, page 1

PSEG NUCLEAR LLC  
PHILADELPHIA ELECTRIC COMPANY  
DELMARVA POWER AND LIGHT COMPANY  
ATLANTIC CITY ELECTRIC COMPANY  
DOCKET NO. 50-311  
SALEM NUCLEAR GENERATING STATION, UNIT NO. 2  
AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 221  
License No. DPR-75

1. The Nuclear Regulatory Commission (the Commission or the NRC) has found that:
  - A. The application for amendment filed by the Public Service Electric & Gas Company, PSEG Nuclear LLC, Philadelphia Electric Company, Delmarva Power and Light Company, and Atlantic City Electric Company, dated December 20, 1999, as supplemented February 11, February 25, and October 10, 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 set forth in 10 CFR Chapter I;
  - 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, the license 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 30 days from the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

***/RA/***

Samuel J. Collins, Director  
Office of Nuclear Reactor Regulation

Attachment: Changes to License DPR-75 and  
Appendix C to the License

Date of Issuance: December 29, 2000

ATTACHMENT TO LICENSE AMENDMENT NO. 221

FACILITY OPERATING LICENSE NO. DPR-75

DOCKET NO. 50-311

Replace the following pages of the Facility Operating License and the Appendix C Additional Conditions with the following attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

Remove Pages

License, page 1

License, page 2

Appendix C, page 1

Insert Pages

License, page 1

License, page 2

Appendix C, page 1

December 29, 2000

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

AMENDMENT TO INDEMNITY AGREEMENT NO. B-74  
AMENDMENT NO. 16

Effective December 29, 2000, Indemnity Agreement No. B-74, between PSEG Nuclear, LLC, PECO Energy Company, Delmarva Power and Light Company, and Atlantic City Electric Company and the Nuclear Regulatory Commission, dated November 5, 1974, as amended, is hereby further amended as follows:

Delete the name "Delmarva Power and Light Company" wherever it appears in the indemnity agreement.

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

***/RA/***

\_\_\_\_\_  
Cynthia A. Carpenter, Chief  
Generic Issues, Environmental, Financial  
and Rulemaking Branch  
Division of Regulatory Improvement Programs  
Office of Nuclear Reactor Regulation

Accepted \_\_\_\_\_,

Accepted \_\_\_\_\_,

By \_\_\_\_\_  
PSEG Nuclear, LLC

By \_\_\_\_\_,  
PECO Energy Company

Accepted \_\_\_\_\_,

Accepted \_\_\_\_\_,

By \_\_\_\_\_  
Delmarva Power and Light  
Company

By \_\_\_\_\_  
Atlantic City Electric Company