



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 12, 2001

Mr. Gerald R. Rainey, Chief Nuclear Officer
AmerGen Energy Company, LLC
200 Exelon Way
Kennett Square, PA 19348

SUBJECT: CLINTON POWER STATION - ISSUANCE OF CONFORMING AMENDMENT
RE: TRANSFER OF LICENSES TO EXELON GENERATION COMPANY
(TAC NO. MB0809)

Dear Mr. Rainey:

By application dated February 28, 2000, as supplemented by letters dated May 12, May 24, June 1 and June 28, 2000, AmerGen requested approval of the transfer of control of the Clinton Power Station, Unit 1, 10 CFR Part 50 Facility Operating Licenses held by AmerGen Energy Company, LLC (AmerGen) pursuant to Section 50.80 of Title 10 of the Code of Federal Regulations. AmerGen requested the NRC's consent so that Exelon Generation Company, LLC, a new company to be formed as an indirect subsidiary of Exelon Corporation which was created in connection with the recent merger of PECO Energy Company (a co-owner of AmerGen) and Unicom Corporation, may acquire PECO's 50 percent ownership interest in AmerGen. AmerGen would continue to possess, use, and operate the Clinton facility. The application also requested NRC approval of conforming license amendments. On December 21, 2000, the NRC issued an Order approving the transfer. The Order also approved a conforming license amendment to be issued at the time the transfer was completed.

In a letter dated December 21, 2000, PECO notified the NRC that the closing of the license transfers was anticipated to occur as early as January 5, 2001.

Accordingly, the Commission has issued the enclosed Amendment No. 137 to Facility Operating License No. NPF-62 for Clinton Power Station, Unit 1. The conforming amendment reflects the transfer of PECO's ownership interest in this unit to Exelon Generation Company.

Mr. G. Rainey

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The safety evaluation supporting the conforming amendment was enclosed with the Order issued on December 21, 2000.

Notice of Issuance will be included in the Commission's Biweekly *Federal Register* Notice.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Hopkins", is written over the typed name and title.

Jon Hopkins, Project Manager, Section 2
Project Directorate III
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-461

Enclosure: Amendment No. 137 to NPF-62

cc w/encls: See next page

Mr. G. Rainey

- 2 -

The safety evaluation supporting the conforming amendment was enclosed with the Order issued on December 21, 2000.

Notice of Issuance will be included in the Commission's Biweekly *Federal Register* Notice.

Sincerely,
/RA/

Jon Hopkins, Project Manager, Section 2
Project Directorate III
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-461

Enclosure: Amendment No. 137 to NPF-62

cc w/encls: See next page

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Clinton Power Station, Unit 1
AmerGen Energy Company, LLC

cc:

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

AMERGEN ENERGY COMPANY

DOCKET NO. 50-461

CLINTON POWER STATION, UNIT 1


AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 137
License No. NPF-62

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment filed by AmerGen Energy Company (the licensee), dated February 28, 2000, as supplemented by letters dated May 12, May 24, June 1 and June 28, 2000, 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;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the 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 Facility Operating License No. NPF-62 is amended as indicated in the attachment to this license amendment.

3. This license amendment is effective as of the date of its issuance and shall be implemented within 30 days.

FOR THE NUCLEAR REGULATORY COMMISSION


Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Attachment: Changes to the License

Date of Issuance: January 12, 2001

ATTACHMENT TO LICENSE AMENDMENT NO. 137

FACILITY OPERATING LICENSE NO. NPF-62

DOCKET NO. 50-461

Revise the License by removing the pages identified below and inserting the attached pages. The revised pages are identified by the captioned amendment number and contain marginal lines indicating the area of change.

Remove Pages

6
7

Insert Pages

6
7

- (12) The Chief Executive Officer, Chief Nuclear Officer (if someone other than the Chief Executive Officer), and Chairman of the Management Committee of AmerGen Energy Company, LLC 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 Energy Company, LLC with respect to the CPS license are at all times conducted in a manner consistent with the protection of the public health and safety and common defense and security of the United States.
- (13) AmerGen Energy Company, LLC 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 Energy Company, or any affiliate, successor or assignee of PECO Energy Company to which PECO's ownership interest in AmerGen may subsequently be assigned or transferred with prior written consent of the NRC, or the parent or owner of such affiliate, successor, or assignee, whichever entity is the issuer of such stock.
- (14) AmerGen is required to provide decommissioning funding assurance of no less than \$210 million, after payment of any taxes, that will be deposited in the decommissioning trust fund for CPS at the time of CPS's transfer to AmerGen.
- (15) The decommissioning trust agreement for CPS must be in a form acceptable to the NRC.
- (16) With respect to the decommissioning trust fund, investments in the securities or other obligations of PECO Energy Company, British Energy, Inc., AmerGen Energy Company, LLC or affiliates thereof, or their 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.
- (17) The decommissioning trust agreement for CPS 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.
- (18) The decommissioning trust agreement must provide that the agreement cannot be amended in any material respect without the prior written consent of the Director, Office of Nuclear Reactor Regulation.

- (19) The appropriate section of the decommissioning trust agreement shall reflect 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.
- (20) AmerGen Energy Company, LLC 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 Clinton license to it and the requirements of the Order approving the transfer, and consistent with the safety evaluation supporting the Order.
- (21) AmerGen Energy Company, LLC shall take no action to cause PECO Energy Company or British Energy, Inc., (or successors or assigns of PECO Energy Company or British Energy, Inc. approved by the NRC) to void, cancel, or diminish the \$110 million contingency commitment from PECO Energy Company and British Energy, plc, (or successors or assigns of PECO Energy Company or British Energy, plc approved by the NRC) the existence of which is represented in the application for the transfer of the Clinton license to AmerGen Energy Company, LLC, or cause them to fail to perform or impair their performance under the commitment, or remove or interfere with AmerGen's ability to draw upon the commitment. Also, AmerGen Energy Company, LLC shall inform the NRC in writing at any time that it draws upon the \$110 million commitment.

- D. The facility requires exemptions from certain requirements of 10 CFR Part 50 and 10 CFR Part 70. These include: (a) an exemption from the requirements of 10 CFR 70.24 for the criticality alarm monitors around the fuel storage area; (b) an exemption from the requirement of 10 CFR Part 50, Appendix J - Option B, paragraph III.B, exempting the measured leakage rates from the main steam isolation valves from inclusion in the combined leak rate for local leak rate tests (Section 6.2.6 of SSER 6); and (c) an exemption from the requirements of paragraph III.B of Option B of 10 CFR Part 50, Appendix J, exempting leakage from the valve packing and the body-to-bonnet seal of valve 1E51-F374 associated with containment penetration 1MC-44 from inclusion in the combined leakage rate for penetrations and valves subject to Type B and C tests (SER supporting Amendment 62 to Facility Operating License No. NPF-62). The special circumstances regarding each exemption, except for Item (a) above, are identified in the referenced section of the safety evaluation report and the supplements thereto.

An exemption was previously granted pursuant to 10 CFR 70.24. The exemption was granted with NRC Material License No. SNM-1886, issued November 27, 1985, and relieved the licensee from the requirement of having a criticality alarm system. AmerGen Energy Company, LLC is hereby exempted from the criticality alarm system provision of 10 CFR 70.24 so far as this section applies to the storage of fuel assemblies held under this license.