

March 5, 2001

Mr. Charles H. Cruse
Vice President - Nuclear Energy
Calvert Cliffs Nuclear Plant, Inc.
Calvert Cliffs Nuclear Power Plant
1650 Calvert Cliffs Parkway
Lusby, MD 20657-4702

SUBJECT: NOTICE OF CONSIDERATION OF APPROVAL OF TRANSFER OF RENEWED FACILITY OPERATING LICENSES AND MATERIALS LICENSE AND CONFORMING AMENDMENTS, AND OPPORTUNITY FOR A HEARING CALVERT CLIFFS NUCLEAR POWER PLANT, UNIT NOS. 1 AND 2, AND CALVERT CLIFFS INDEPENDENT SPENT FUEL STORAGE INSTALLATION (TAC NOS. MB0890 AND MB0891)

Dear Mr. Cruse:

Enclosed is a copy of a "Notice of Consideration of Approval of Direct and Indirect Transfer of Renewed Facility Operating Licenses and Materials License and Conforming Amendments, and Opportunity for a Hearing" related to the application dated December 20, 2000, from Calvert Cliffs Nuclear Power Plant, Inc. (CCNPPI). This application seeks approval under Title 10 of the *Code of Federal Regulations* (10 CFR) Sections 50.80 and 72.50 of the direct transfer of the Renewed Facility Operating Licenses Nos. DPR-53 and DPR-69 for Calvert Cliffs Nuclear Power Plant, Unit Nos. 1 and 2, and Materials License No. SNM-2505 for the Calvert Cliffs Independent Spent Fuel Storage Installation. The direct transfer would be to a new company, Calvert Cliffs Nuclear Power Plant, LLC, which will be one of several new limited liability companies formed as part of a corporate realignment of CCNPPI's ultimate parent, Constellation Energy Group, Inc. The indirect transfers pertain to the associated corporate structure changes proposed. The application also seeks approval of conforming amendments, pursuant to 10 CFR 50.90 and 72.56, to reflect the direct transfer.

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

Sincerely,

/RA/ P. Tam for

Donna M. Skay, Project Manager, Section 1
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-317, 50-318 and 72-8

Enclosure: Notice

cc w/encl: See next page

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*See previous concurrence

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UNITED STATES NUCLEAR REGULATORY COMMISSION

CALVERT CLIFFS NUCLEAR POWER PLANT, INC.

CALVERT CLIFFS NUCLEAR POWER PLANT, UNIT NOS. 1 AND 2

DOCKET NOS. 50-317 AND 50-318

CALVERT CLIFFS INDEPENDENT SPENT FUEL STORAGE INSTALLATION

DOCKET NO. 72-8

NOTICE OF CONSIDERATION OF APPROVAL OF DIRECT AND INDIRECT TRANSFER OF
RENEWED FACILITY OPERATING LICENSES AND MATERIALS LICENSE 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 and 72.50 approving the direct transfer of Renewed Facility Operating Licenses Nos. DPR-53 and DPR-69 for Calvert Cliffs Nuclear Power Plant (Calvert Cliffs), Unit Nos. 1 and 2, and Materials License No. SNM-2505 for the Calvert Cliffs Independent Spent Fuel Storage Installation (ISFSI) currently held by Calvert Cliffs Nuclear Power Plant, Inc. (CCNPPI), as the owner and licensed operator. The direct transfer would be to a new limited liability company, Calvert Cliffs Nuclear Power Plant, LLC (CCNPP LLC). CCNPP LLC will be an indirect subsidiary of a new holding company, currently referred to as New Controlled, which will be formed as a result of a corporate realignment of CCNPPI's ultimate parent, Constellation Energy Group, Inc. (CEG). The Commission is also considering approving associated indirect license transfers to the extent such would be effected by the realignment, or by Virgo Holdings, Inc. (Virgo), an indirect wholly owned subsidiary of The Goldman Sachs Group, Inc., acquiring a certain voting interest in New Controlled. The Commission is further considering amending the licenses for administrative purposes to reflect the proposed direct transfer. The facility and ISFSI are located in Calvert County, Maryland.

According to an application for approval filed by CCNPPI, CCNPP LLC would assume the assets and associated liabilities of CCNPPI, including the facility and ISFSI, following approval of the proposed transfer of the licenses, and would become the owner and operator of Calvert Cliffs and the ISFSI. No physical changes to the facility or ISFSI or operational changes are being proposed in the application. In addition, a new holding company, New Controlled, will be formed over CCNPP LLC, and Virgo may acquire up to a 17.5% voting interest in that company. The Commission is not considering at this time approving any indirect license transfers that may be associated with Virgo acquiring an additional voting interest beyond 17.5% in New Controlled.

The proposed amendments would replace references to CCNPPI in the licenses with references to CCNPP LLC.

Pursuant to 10 CFR 50.80 and 72.50, no license shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission gives its consent in writing. The Commission will approve an application for the direct transfer of a license if the Commission determines that the proposed transferee is qualified to hold the license, and will approve an application for an indirect transfer if the Commission determines the underlying transaction effectuating the indirect transfer will not affect the qualifications of the holder of the license, and in both cases if 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 or the license of an ISFSI which does no more than conform the

license to reflect the transfer action involves respectively no significant hazards consideration or no genuine issue as to whether the health and safety of the public will be significantly affected. 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 April 2, 2001, any person whose interest may be affected by the Commission's action on the application may request a hearing and, if not the applicant, 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: Jay E. Silberg, Esquire, Shaw, Pittman, Potts, and Trowbridge, 2300 N Street, NW, Washington, DC 20037; 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 April 11, 2001, 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 December 20, 2000, available for public inspection at the Commission's Public Document Room, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland, 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 5th day of March 2001.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Peter S. Tam, Acting Section Chief, Section 1
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Calvert Cliffs Nuclear Power Plant
Unit Nos. 1 and 2

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