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

August 3, 2000

Mr. Gerald R. Rainey
PECO Energy Company
965 Chesterbrook Blvd.
Wayne, Pennsylvania 19087

Mr. Harold W. Keiser
Chief Nuclear Officer & President Nuclear Business Unit
Public Service Electric & Gas Company
Post Office Box 236
Hancocks Bridge, NJ 08038

SUBJECT: LIMERICK, PEACH BOTTOM AND SALEM STATIONS - ORDERS APPROVING TRANSFER OF LICENSES FROM PECO ENERGY TO EXELON GENERATION COMPANY, LLC AND APPROVING CONFORMING AMENDMENTS (TAC NOS. MA7733, MA7731, MA7734, MA7732, MA7974, MA7719 AND MA7720)

PB 1/2/3

Dear Mr. Rainey:

The staff has completed its review of PECO Energy Company's (PECO's) application dated December 20, 1999, as supplemented January 3, February 14, March 10, March 23, March 30, and June 15, 2000, requesting approval of the transfer of PECO's interests in the Title 10 Code of Federal Regulations Part 50 Facility Operating Licenses for Peach Bottom, Units 1, 2 and 3; Limerick, Units 1 and 2; and Salem, Units 1 and 2, to a new generating company, Exelon Generation Company, LLC (Exelon Generation Company) pursuant to Section 50.80 of Title 10 of the Code of Federal Regulations. PECO requested the NRC's consent to authorize Exelon Generation Company to possess, use, and operate the Peach Bottom and Limerick facilities, and possess an ownership interest in the Salem facility. The enclosed Orders approve the proposed transfers, subject to the conditions described therein. PECO also requested approval of conforming amendments pursuant to Section 50.90 of Title 10 of the Code of Federal Regulations for the Limerick and Peach Bottom licenses, and Public Service Electric and Gas Company (PSE&G) submitted an application dated December 22, 1999, requesting approval of changes to the facility operating license for Salem, Units 1 and 2. The Orders also approve these conforming license amendments that will be issued and made effective at the time the transfers are completed.

The application also states that Exelon Generation Company will also acquire PECO's ownership interest in AmerGen Energy Company, LLC (AmerGen). The NRC is separately reviewing the license transfers for the nuclear power plants owned and operated by AmerGen, in response to the application dated February 28, 2000, from G. Rainey, AmerGen.

Note: This document contains proprietary information.
This document becomes non-proprietary upon removal of enclosure 8.

Enclosures 7 and 8 contain the nonproprietary and proprietary versions, respectively, of the staff's safety evaluation related to the preceding action. The nonproprietary version of the safety evaluation will be placed in the NRC public document room and added to the Agency-wide Documents Access and Management System's Publicly Available Records System (ADAMS PARS) Library.

The Orders have been forwarded to the Office of the Federal Register for publication.

Sincerely,

Bartholomew C. Buckley

Bartholomew Buckley, Project Manager, Section 2
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-171, 50-277, 50-278, 50-352,
50-353, 50-272, 50-311

Enclosures:
1. Order for Peach Bottom, Units 1, 2 and 3
2. Order for Limerick, Units 1 and 2
3. Order for Salem, Units 1 and 2
4. Conforming Amendments for Peach Bottom, Units 1, 2 and 3
5. Conforming Amendments for Limerick, Units 1 and 2
6. Conforming Amendments for Salem, Units 1 and 2
7. Safety Evaluation (non-proprietary)
8. Safety Evaluation (proprietary)

cc w/encls: See next page

Note: This document contains proprietary information.
This document becomes non-proprietary upon removal of enclosure 8.

Peach Bottom Atomic Power Station,
Units 1, 2, and 3

cc w/encls 1-7:

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Limerick Generating Station, Units 1 & 2

cc w/encls 1-7:

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Salem Nuclear Generating Station,
Units 1 and 2

cc w/encls 1-7:

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Post Office Box 236
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UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

In the Matter of	)	
	)	
PECO ENERGY COMPANY	)	Docket Nos. 50-171,
	)	50-277,
(Peach Bottom Atomic Power Station	)	50-278
Units 1, 2 and 3)	)	

ORDER APPROVING TRANSFER OF LICENSES
AND CONFORMING AMENDMENTS

I.

PECO Energy Company (PECO, the licensee) is the holder of Facility Operating License No. DPR-12, which authorizes possession and maintenance but not operation of Peach Bottom Atomic Power Station, Unit 1, and is a co-holder of Facility Operating Licenses Nos. DPR-44, and DPR-56, which authorize the possession, use, and operation of the Peach Bottom Atomic Power Station, Units 2 and 3. PECO is the licensed operator of Units 2 and 3. All three units (the facility) are located at the licensee's site in York County, Pennsylvania.

II.

Under cover of a letter dated December 20, 1999, PECO submitted an application requesting, inter alia, approval of the proposed transfer of the facility operating licenses to the extent now held by PECO to a new generating company, Exelon Generation Company, LLC (Exelon Generation Company), to be formed in connection with the proposed merger of Unicom Corporation (Unicom), the parent of Commonwealth Edison Company, and PECO. PECO also requested approval of conforming license amendments to reflect the transfer. Supplemental information was provided by submittals dated January 3, February 14, March 10, March 23,

March 30, and June 15, 2000. Hereinafter, the December 20, 1999, application and supplemental information will be referred to collectively as the "application." The conforming amendments would remove PECO from the facility operating licenses and would add Exelon Generation Company in its place. After completion of the proposed transfer, Exelon Generation Company will be the sole owner of, and be authorized to maintain Peach Bottom, Unit 1, will hold a 42.49 percent ownership interest in Peach Bottom, Units 2 and 3, and will be the sole operator of Peach Bottom, Units 2 and 3.

By a separate application dated December 20, 1999, Commonwealth Edison requested approval of the transfer of the facility operating licenses that it holds to Exelon Generation Company. That application is being addressed separately.

Approval of the transfer of the facility operating licenses and conforming license amendments was requested by PECO pursuant to 10 CFR 50.80 and 10 CFR 50.90. Notice of the request for approval and an opportunity for a hearing was published in the Federal Register on March 9, 2000 (65 FR 12588). The Commission received no comments or requests for hearing pursuant to such notice.

Under 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. Upon review of the information in the application by PECO, and other information before the Commission, and relying upon the representation and agreements contained in the application, the NRC staff has determined that Exelon Generation Company is qualified to hold the licenses to the extent proposed in the applications, and that the transfer of the licenses to Exelon Generation Company is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission, subject to the conditions set forth

below. The NRC staff has further found that the application for the proposed license amendments complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I; the facility will operate in conformity with the application, the provisions of the Act and the rules and regulations of the Commission; there is reasonable assurance that the activities authorized by the proposed license amendments can be conducted without endangering the health and safety of the public and that such activities will be conducted in compliance with the Commission's regulations; the issuance of the proposed license amendments will not be inimical to the common defense and security or to the health and safety of the public; and the issuance of the proposed amendments will be in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

The findings set forth above are supported by a safety evaluation dated August 3, 2000.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended, 42 USC §§ 2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80, IT IS HEREBY ORDERED that the transfer of the licenses as described herein to Exelon Generation Company is approved, subject to the following conditions:

(1) Exelon Generation Company shall provide to the Director of the Office of Nuclear Material Safety and Safeguards and to the Director of the Office of Nuclear Reactor Regulation a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens) from Exelon Generation Company to its direct or indirect parent, or to any other affiliated company, facilities for the production, transmission, or distribution of electric energy having a depreciated book value exceeding ten percent

(10%) of Exelon Generation Company's consolidated net utility plant, as recorded on Exelon Generation Company's books of account.

(2) PECO shall transfer to Exelon Generation Company the decommissioning trust funds for Peach Bottom, Units 1, 2, and 3, in the following minimum amounts, when Peach Bottom, Units 1, 2, and 3, are transferred to Exelon Generation Company:

Peach Bottom, Unit 1	$16,621,647
Peach Bottom, Unit 2	$71,250,231
Peach Bottom, Unit 3	$73,497,654

(3) The decommissioning trust agreements for Peach Bottom, Units 1, 2 and 3 at the time the transfer of the units to Exelon Generation Company is effected and thereafter, are subject to the following:

(a) The decommissioning trust agreements must be in a form acceptable to the NRC.

(b) With respect to the decommissioning trust funds, investments in the securities or other obligations of Exelon Corporation or affiliates thereof, or their successors or assigns are prohibited. 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 are prohibited.

(c) The decommissioning trust agreements for Peach Bottom, Units 1, 2, and 3, must provide that no disbursements or payments from the trusts shall be made by the trustee unless the trustee has first given the Director of the Office of Nuclear Material Safety and Safeguards in the case of Peach Bottom, Unit 1, or the Director of the Office of Nuclear Reactor Regulation, in the case of Peach Bottom, Units 2 and 3, 30 days prior written notice of payment. The decommissioning trust agreements 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 NRC.

(d) The decommissioning trust agreements must provide that the agreement can not be amended in any material respect without prior written consent of the Director of the Office of Nuclear Material Safety and Safeguards in the case of Peach Bottom, Unit 1, or the Director of the Office of Nuclear Reactor Regulation in the case of Peach Bottom, Units 2 and 3.

(e) The appropriate section of the decommissioning trust agreements shall state 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.

(4) Exelon Generation Company shall take all necessary steps to ensure that the decommissioning trusts are maintained in accordance with the application for approval of the transfer of the Peach Bottom, Units 1, 2, and 3, licenses and the requirements of this Order approving the transfer, and consistent with the safety evaluation supporting this Order.

(5) Before the completion of the transfer of Peach Bottom, Units 1, 2, and 3, to it, Exelon Generation Company shall provide the Director of the Office of Nuclear Reactor Regulation, satisfactory documentary evidence that Exelon Generation Company has obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations.

(6) After receipt of all required regulatory approvals of the transfer of Peach Bottom, Units 1, 2 and 3, PECO shall inform the Director of the Office of Nuclear Reactor Regulation, in writing, of such receipt within 5 business days, and of the date of the closing of the

transfer no later than 7 business days prior to the date of the closing. Should the transfer of the licenses not be completed by July 31, 2001, this Order shall become null and void, provided, however, upon written application and for good cause shown, such date may in writing be extended.

(7) Approval of the transfer of the licenses for Peach Bottom, Units 1, 2, and 3 is conditioned upon all of the PECO and Commonwealth Edison Company nuclear units described in the application to be transferred to Exelon Generation Company becoming owned by Exelon Generation Company contemporaneously.

IT IS FURTHER ORDERED that, consistent with 10 CFR 2.1315(b), license amendments that make changes, as indicated in Enclosure 4 to the cover letter forwarding this Order, to conform the licenses to reflect the subject license transfers are approved. The amendments shall be issued and made effective at the time the proposed license transfers are completed.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated December 20, 1999, and supplemental submittals dated January 3, February 14, March 10, March 23, March 30, and June 15, 2000, and the safety evaluation dated August 3 , 2000, which are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, 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 3rd day of August 2000.

FOR THE NUCLEAR REGULATORY COMMISSION

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

In the Matter of	)	
	)	
PECO ENERGY COMPANY	)	Docket Nos. 50-352,
	)	50-353
(Limerick Generating Station,	)	
Units 1 and 2)	)	

ORDER APPROVING TRANSFER OF LICENSES
AND CONFORMING AMENDMENTS

I.

PECO Energy Company (PECO, the licensee) is the holder of Facility Operating Licenses Nos. NPF-39 and NPF-85, which authorize the possession, use, and operation of the Limerick Generating Station (Limerick), Units 1 and 2 (the facility). The facility is located at the licensee's site in Montgomery County, Pennsylvania.

II.

Under cover of a letter dated December 20, 1999, PECO submitted an application requesting approval of the proposed transfer of the facility operating licenses to a new generating company, Exelon Generation Company, LLC (Exelon Generation Company) to be formed in connection with the proposed merger of Unicom Corporation (Unicom), the parent of Commonwealth Edison Company, and PECO. PECO also requested approval of conforming license amendments to reflect the transfer. Supplemental information was provided by submittals dated January 3, February 14, March 10, March 23, March 30, and June 15, 2000. Hereinafter, the December 20, 1999, application and supplemental information will be referred to collectively as the "application." The conforming amendments would remove PECO from the

facility operating licenses and would add Exelon Generation Company in its place. After completion of the proposed transfer, Exelon Generation Company will be the sole owner and operator of Limerick.

By a separate application dated December 20, 1999, Commonwealth Edison requested approval of the transfer of the facility operating licenses that it holds to Exelon Generation Company. That application is being addressed separately.

Approval of the transfer of the facility operating licenses and conforming license amendments was requested by PECO pursuant to 10 CFR 50.80 and 10 CFR 50.90. Notice of the request for approval and an opportunity for a hearing was published in the Federal Register on March 9, 2000 (65 FR 12587). The Commission received no comments or requests for hearing pursuant to such notice.

Under 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. Upon review of the information in the application by PECO, and other information before the Commission, and relying upon the representation and agreements contained in the application, the NRC staff has determined that Exelon Generation Company is qualified to hold the licenses, and that the transfer of the licenses to Exelon Generation Company is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission, subject to the conditions set forth below. The NRC staff has further found that the application for the proposed license amendments complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I; the facility will operate in conformity with the application, the provisions of the Act and the rules and regulation of the Commission; there is reasonable assurance that the activities authorized by the proposed license amendments can

be conducted without endangering the health and safety of the public and that such activities will be conducted in compliance with the Commission's regulations; the issuance of the proposed license amendments will not be inimical to the common defense and security or to the health and safety of the public; and the issuance of the proposed amendments will be in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

The findings set forth above are supported by a safety evaluation dated August 3, 2000.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended, 42 USC §§2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80, IT IS HEREBY ORDERED that the transfer of the licenses as described herein to Exelon Generation Company is approved, subject to the following conditions:

(1) Exelon Generation Company shall provide to the Director of the Office of Nuclear Reactor Regulation a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens) from Exelon Generation Company to its direct or indirect parent, or to any other affiliated company, facilities for the production, transmission, or distribution of electric energy having a depreciated book value exceeding ten percent (10%) of Exelon Generation Company's consolidated net utility plant, as recorded on Exelon Generation Company's books of account.

(2) PECO shall transfer to Exelon Generation Company the decommissioning trust funds for Limerick, Units 1 and 2, in the following minimum amounts, when Limerick, Units 1 and 2, are transferred to Exelon Generation Company:

Limerick, Unit 1	$94,127,446
Limerick, Unit 2	$59,687,081

(3) The decommissioning trust agreements for Limerick, Units 1 and 2, at the time the transfer of the units to Exelon Generation Company is effected and thereafter, are subject to the following:

(a) The decommissioning trust agreements must be in a form acceptable to the NRC.

(b) With respect to the decommissioning trust funds, investments in the securities or other obligations of Exelon Corporation or affiliates thereof, or their successors or assigns are prohibited. 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 are prohibited.

(c) The decommissioning trust agreements for Limerick, Units 1 and 2, must provide that no disbursements or payments from the trusts shall be made by the trustee unless the trustee has first given the Director of the Office of Nuclear Reactor Regulation 30 days prior written notice of payment. The decommissioning trust agreements shall further contain a provision that no disbursements or payments from the trusts shall be made if the trustee receives prior written notice of objection from the NRC.

(d) The decommissioning trust agreements must provide that the agreement can not be amended in any material respect without 30 days prior written notification to the Director of the Office of Nuclear Reactor Regulation.

(e) The appropriate section of the decommissioning trust agreements shall state 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.

(4) Exelon Generation Company shall take all necessary steps to ensure that the decommissioning trusts are maintained in accordance with the application for approval of the transfer of Limerick, Units 1 and 2, licenses and the requirements of this Order approving the transfer, and consistent with the safety evaluation supporting this Order.

(5) Before the completion of the transfer of Limerick, Units 1 and 2, to it, Exelon Generation Company shall provide the Director of the Office of Nuclear Reactor Regulation satisfactory documentary evidence that Exelon Generation Company has obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations.

(6) After receipt of all required regulatory approvals of the transfer of Limerick, Units 1 and 2, PECO shall inform the Director of the Office of Nuclear Reactor Regulation in writing, of such receipt within 5 business days, and of the date of the closing of the transfer no later than 7 business days prior to the date of the closing. Should the transfer of the licenses not be completed by July 31, 2001, this Order shall become null and void, provided, however, upon written application and for good cause shown, such date may in writing be extended.

(7) Approval of the transfer of the licenses for Limerick, Units 1 and 2 is conditioned upon all of the PECO and Commonwealth Edison Company nuclear units described in the application to be transferred to Exelon Generation Company becoming owned by Exelon Generation Company contemporaneously

IT IS FURTHER ORDERED that, consistent with 10 CFR 2.1315(b), a license amendment that makes changes, as indicated in Enclosure 5 to the cover letter forwarding this Order, to conform the licenses to reflect the subject license transfers is approved. The

amendments shall be issued and made effective at the time the proposed license transfers are completed.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated December 20, 1999, and supplemental submittals dated January 3, February 14, March 10, March 23, March 30, and June 15, 2000, and the safety evaluation dated August 3, 2000, which are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, 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 3rd day of August 2000.

FOR THE NUCLEAR REGULATORY COMMISSION

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

In the Matter of	)	
	)	
PECO ENERGY COMPANY	)	
	)	Docket Nos. 50-272,
	)	50-311
(Salem Generating Station	)	
Units 1and 2)	)	

ORDER APPROVING TRANSFER OF LICENSES
AND CONFORMING AMENDMENTS

I.

PECO Energy Company (PECO) owns 42.59 percent of Salem Generating Station, Units 1 and 2 (the facility) and in connection therewith is a co-holder of Facility Operating Licenses Nos. DPR-70 and DPR-75, which authorize possession, use, and operation of the facility. Public Service Gas and Electric Company (PSE&G) another co-owner of the facility, is the licensed operator. The facility is located at the licensee's site in Salem County, New Jersey.

II.

Under cover of a letter dated December 20, 1999, PECO submitted an application requesting approval of the transfer of the licenses for the facility, to the extent held by PECO, in connection with the proposed transfer of its ownership interest in Salem, Units 1 and 2, to a new generating company, Exelon Generation Company, LLC (Exelon Generation Company), to be formed in connection with the proposed merger of Unicom Corporation (Unicom), parent of Commonwealth Edison Company (ComEd), and PECO. Supplemental information was provided by submittals dated January 3, February 14, March 10, March 23, March 30, and June

15, 2000. Hereinafter, the December 20, 1999, application and supplemental information will be referred to collectively as the "application." Pursuant to 10 CFR 50.90, PSE&G submitted an application dated December 22, 1999, for conforming license amendments to reflect the proposed license transfer. This application was supplemented by the PECO submittal dated June 15, 2000. The conforming amendments would remove PECO from the facility operating licenses and would add Exelon Generation Company in its place. After completion of the proposed transfer, Exelon Generation Company will be the owner of PECO's 42.59 percent interest in Salem, Units 1 and 2. PSE&G will continue to be the sole operator of the facility.

By a separate application dated December 20, 1999, ComEd requested approval of the transfer of the facility operating licenses that it holds to Exelon Generation Company. That application is being addressed separately.

Approval of the transfer of the facility operating licenses was requested by PECO pursuant to 10 CFR 50.80. Notice of the request for approval and consideration of approval of the conforming amendments, and an opportunity for a hearing was published in the Federal Register on March 9, 2000 (65 FR 12591). The Commission received no comments or requests for hearing pursuant to such notice.

Under 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. Upon review of the information in the application by PECO, and other information before the Commission, and relying upon the representation and agreements contained in the application, the NRC staff has determined that Exelon Generation Company is qualified to hold the licenses to the extent proposed in the application, and that the transfer of the licenses to Exelon Generation Company is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission, subject to the conditions set forth

below. The NRC staff has further found that the application for the proposed license amendments complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I; the facility will operate in conformity with the application, the provisions of the Act and the rules and regulation of the Commission; there is reasonable assurance that the activities authorized by the proposed license amendments can be conducted without endangering the health and safety of the public and that such activities will be conducted in compliance with the Commission's regulations; the issuance of the proposed license amendments will not be inimical to the common defense and security or to the health and safety of the public; and the issuance of the proposed amendments will be in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

The findings set forth above are supported by a safety evaluation dated August 3, 2000.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended, 42 USC §§2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80, IT IS HEREBY ORDERED that the transfer of the licenses as described herein to Exelon Generation Company is approved, subject to the following conditions:

(1) Exelon Generation Company shall provide to the Director of the Office of Nuclear Reactor Regulation a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens) from Exelon Generation Company to its direct or indirect parent, or to any other affiliated company, facilities for the production, transmission, or distribution of electric energy having a depreciated book value

exceeding ten percent (10%) of Exelon Generation Company's consolidated net utility plant, as recorded on Exelon Generation Company's book of accounts.

(2) PECO shall transfer to Exelon Generation Company the decommissioning trust funds for Salem, Units 1 and 2, in the following minimum amounts, when Salem, Units 1 and 2, are transferred to Exelon Generation Company:

Salem, Unit 1	$53,780,652
Salem, Unit 2	$45,059,302

(3) At the time the transfer of the units to Exelon Generation Company is effected and thereafter, the decommissioning trust agreements for Salem, Units 1 and 2 shall be subject to the following:

(a) The decommissioning trust agreements must be in a form acceptable to the NRC.

(b) With respect to the decommissioning trust funds, investments in the securities or other obligations of Exelon Corporation or affiliates thereof, or their successors or assigns are prohibited. 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 are prohibited.

(c) The decommissioning trust agreements for Salem, Units 1 and 2, must provide that no disbursements or payments from the trust shall be made by the trustee unless the trustee has first given the Director of the Office of Nuclear Reactor Regulation 30 days prior written notice of payment. The decommissioning trust agreements shall further contain a provision that no disbursements or payments from the trusts shall be made if the trustee receives prior written notice of objection from the NRC.

(d) The decommissioning trust agreements must provide that the agreements can not be amended in any material respect without 30 days prior written notification to the Director of the Office of Nuclear Reactor Regulation.

(e) The appropriate section of the decommissioning trust agreements shall state 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.

(4) Exelon Generation Company shall take all necessary steps to ensure that the decommissioning trusts are maintained in accordance with the application for approval of the transfer of the Salem, Units 1 and 2, licenses and the requirements of this Order approving the transfer, and consistent with the safety evaluation supporting this Order.

(5) Before the completion of the transfer of the subject ownership interest in Salem, Units 1 and 2, to it, Exelon Generation Company shall provide the Director of the Office of Nuclear Reactor Regulation satisfactory documentary evidence that Exelon Generation Company has obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations.

(6) After receipt of all required regulatory approvals of the transfer of its ownership interest in Salem, Units 1 and 2, PECO shall inform the Director of the Office of Nuclear Reactor Regulation in writing, of such receipt within 5 business days, and of the date of the closing of the transfer no later than 7 business days prior to the date of the closing. Should the transfer of the licenses not be completed by July 31, 2001, this Order shall become null and void, provided, however, upon written application and for good cause shown, such date may in writing be extended.

(7) Approval of the transfer of the licenses for Salem, Units 1 and 2 is conditioned upon all of the PECO and Commonwealth Edison Company nuclear units described in the application to be transferred to Exelon Generation Company becoming owned by Exelon Generation Company contemporaneously

IT IS FURTHER ORDERED that, consistent with 10 CFR 2.1315(b), a license amendment that makes changes, as indicated in Enclosure 6 to the letter forwarding this Order, to conform the licenses to reflect the subject license transfers is approved. The amendments shall be issued and made effective at the time the proposed license transfers are completed.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial transfer application dated December 20, 1999, and amendment application dated December 22, 1999, and supplemental submittals dated January 3, February 14, March 10, March 23, March 30, and June 15, 2000, and safety evaluation dated August 3, 2000, which are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, 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 3rd day of August 2000.

FOR THE NUCLEAR REGULATORY COMMISSION

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

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

PECO ENERGY COMPANY

DOCKET NO. 50-171

PEACH BOTTOM ATOMIC POWER STATION, UNIT 1

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No.
License No. DPR-12

1. The Nuclear Regulatory Commission (the Commission) has found that:

   A. The application for amendment filed by PECO Energy Company (the licensee), dated December 20, 1999, as supplemented January 3, February 14, March 10, March 23, March 30 and June 15, 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. DPR-12 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:

ATTACHMENT TO LICENSE AMENDMENT NO. _____

FACILITY OPERATING LICENSE NO. DPR-12

DOCKET NO. 50-171

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 Page	Insert Pages
1	1
2	2
3	3
Appendix A, page 1	Appendix A, page 1

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

EXELON GENERATION COMPANY, LLC

DOCKET NO. 50-171

PEACH BOTTOM ATOMIC POWER STATION, UNIT 1

AMENDMENT TO FACILITY OPERATING LICENSE

License No. DPR-12

1. The U.S. Nuclear Regulatory Commission (NRC) has found that:

   A. The application for amendment dated March 2, 1998, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and NRC regulations set forth in 10 CFR Chapter I;

   B. The facility will be maintained in conformity with the application, the provisions of the Act, and regulations of the NRC;

   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 NRC's regulations set forth in 10 CFR Chapter I;

   D. Exelon Generation Company, LLC is technically and financially qualified to engage in the activities authorized by this amended license in accordance with the rules and regulations of the NRC;

   E. Exelon Generation Company, LLC has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements" of NRC's regulations;

   F. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public;

   G. The issuance of this amendment is in accordance with 10 CFR Part 51 of NRC's regulations and all applicable requirements have been satisfied; and

   H. The possession and storage of byproduct material as authorized by this amended license will be in accordance with NRC regulations in 10 CFR Part 30, including 10 CFR Section 30.33.

2. Accordingly, the license is amended by changes to License No. DPR-12 and the Technical Specifications as indicated in the attachment to this license amendment and Facility Operating License No. DPR-12 is hereby amended to read as follows:

   A. This amended license applies to the Peach Bottom Atomic Power Station, Unit 1, a permanently shutdown, high temperature, gas cooled, demonstration power reactor, and associated equipment (the facility) owned by Exelon Generation Company, LLC (the licensee or Exelon Generation Company). The facility is located at the licensee's site in York County, Pennsylvania, and is described in the application for renewal dated

November 24, 1975, as revised March 4, 1987, December 16, 1988, July 12, 1989, and August 23, 1989.

B. Subject to the conditions and the requirements incorporated herein, the NRC hereby licenses Exelon Generation Company:

(1) Pursuant to Section 104(b) of the Act and 10 CFR Part 50, "Domestic Licensing of Production and Utilization Facilities" to possess but not operate the facility.

(2) Pursuant to the Act and 10 CFR Part 30, "Rules of General Applicability to Domestic Licensing of Byproduct Material" to possess, but not to separate, such byproduct material as may have been produced by operation of the facility.

C. This license shall be deemed to contain and be subject to the conditions specified in Part 20, Section 30.34 of Part 30, Section 50.59 of Part 50, 10 CFR Chapter I, and to all applicable provisions of the Act and to the rules, regulations, and orders of the NRC now or hereafter in effect and is subject to the additional conditions specified below:

(1) Exelon Generation Company shall not dismantle or dispose of the facility without prior approval of the NRC.

(2) Technical Specifications

The Technical Specifications contained in Appendix A as revised through Amendment No. , are hereby incorporated in the license. The licensee shall maintain the facility in accordance with the Technical Specifications.

(3) Exelon Generation Company shall provide to the Director of the Office of Nuclear Material Safety and Safeguards, a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens) from Exelon Generation Company to its direct or indirect parent, or to any other affiliated company, facilities for the production, transmission, or distribution of electric energy having a depreciated book value exceeding ten percent (10%) of Exelon Generation Company's consolidated net utility plant, as recorded on Exelon Generation Company's books of account.

(4) Exelon Generation Company shall have decommissioning trust funds for Peach Bottom, Unit 1, in the following minimum amount, when Peach Bottom, Unit 1, is transferred to Exelon Generation Company:

Peach Bottom, Unit 1	$16,621,647

(5) The decommissioning trust agreement for Peach Bottom, Unit 1at the time the transfer of the unit to Exelon Generation Company, LLC is effected and, thereafter, is subject to the following:

(a) The decommissioning trust agreement must be in a form acceptable to the NRC.

(b) With respect to the decommissioning trust fund, investments in the securities or other obligations of Exelon Corporation or affiliates thereof, or their successors or assigns are prohibited. 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 are prohibited.

(c) The decommissioning trust agreement for Peach Bottom, Unit 1, must provide that no disbursements or payments from the trust shall be made by the trustee unless the trustee has first given the Director of the Office of Nuclear Material Safety and Safeguards 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 NRC.

(d) The decommissioning trust agreement must provide that the agreement can not be amended in any material respect without 30 days prior written notification to the Director of the Office of Nuclear Material Safety and Safeguards.

(e) The appropriate section of the decommissioning trust agreement shall state 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.

(5) Exelon Generation Company 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 Peach Bottom, Unit 1, license and the requirements of the Order approving the transfer, and consistent with the safety evaluation supporting the Order.

D. This license amendment is effective as of the date of its issuance and must be fully implemented no later than 30 days from the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

Original signed by:

John W. N. Hickey, Chief
Low-Level Waste and Decommissioning
Projects Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Attachment: Changes to the Technical Specifications

Date of Issuance: September 14, 1998

Amendment No.

APPENDIX A
to
License No. DPR-12

TECHNICAL SPECIFICATIONS
for
Peach Bottom Atomic Power Station
Unit No. 1

1.0 LOCATION AND SITE

The Peach Bottom Atomic Power Station (PBAPS) Unit No. 1 is located in Peach Bottom Township, Pennsylvania, in the western shore of the Conowingo Pond at the mouth of Rock Run Creek on a site owned by Exelon Generation Company. These Technical Specifications apply to the PBAPS Unit No. 1 Exclusion Area. The Exclusion Area shall consist of an area within the PBAPS which is enclosed within locked barriers, and contains the Containment Vessel, Spent Fuel Pool Building and Radwaste Building. The only activity carried on within the Exclusion Area shall be routine and emergency inspections and maintenance associated with the possession of the decommissioned PBAPS Unit No. 1. Peach Bottom Atomic Power Station, Units 2 and 3 are also located on the site.

2.0 ADMINISTRATIVE AND PROCEDURAL SAFEGUARDS

2.1 Administrative Organizations and Controls

(a) Plant Manager

The Peach Bottom Plant Manager shall have the responsibility for administration of all Unit No. 1 functions.

(b) Controls

1. Except when opened to provide egress for inspections, surveys and repairs, the following exclusion area barriers shall be maintained locked:

   i. The gate in the Exclusion Area fence located outside the containment personnel access lock at Elevation 116' -0".

   ii. The gate in the Exclusion Area fence located outside the Spent Fuel Pool Area personnel access door at Elevation 116' -0".

   iii. The gate in the Exclusion Area fence located outside the containment personnel access lock on Elevation 176' -6".

   iv. Containment personnel access lock at Elevation 116' -0".

UNITED STATES
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WASHINGTON, D.C. 20555-0001

PECO ENERGY COMPANY

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

DELMARVA POWER AND LIGHT COMPANY

ATLANTIC CITY ELECTRIC COMPANY

DOCKET NO. 50-277

PEACH BOTTOM ATOMIC POWER STATION, UNIT 2

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No.
License No. DPR-44

1. The Nuclear Regulatory Commission (the Commission) has found that:

   A. The application for amendment filed by PECO Energy Company (the licensee), dated December 20, 1999, as supplemented January 3, February 14, March 10, March 23, March 30 and June 15, 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. DPR-44 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:

ATTACHMENT TO LICENSE AMENDMENT NO. ____

FACILITY OPERATING LICENSE NO. DPR-44

DOCKET NO. 50-277

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	Insert Pages
1	1
2	2
3	3
4	4
--	4a

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

EXELON GENERATION COMPANY, LLC
PUBLIC SERVICE ELECTRIC AND GAS COMPANY
DELMARVA POWER AND LIGHT COMPANY
ATLANTIC CITY ELECTRIC COMPANY
DOCKET NO. 50-277
PEACH BOTTOM ATOMIC POWER STATION, UNIT 2
FACILITY OPERATING LICENSE

License No. DPR-44

1. The Atomic Energy Commission (the Commission) having found that:

A. The application for license filed by Exelon Generation Company, LLC (Exelon Generation Company), Public Service Electric and Gas Company, Delmarva Power and Light Company, and Atlantic City Electric Company (the licensees) 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 and all required notifications to other agencies or bodies have been duly made;

B. Construction of the Peach Bottom Atomic Power Station, Unit 2 (the facility) has been substantially completed in conformity with Construction Permit No. CPPR-37 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: (1) that the activities authorized by this amended operating license can be conducted without endangering the health and safety of the public, and (2) that such activities will be conducted in compliance with the rules and regulations of the Commission;

E. Exelon Generation Company 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;

F. The licensees have satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;

G. The issuance of this amended operating license will not be inimical to the common defense and security or to the health and safety of the public;

H. After weighing the environmental, economic, technical, and other benefits of the facility against environmental costs and considering available alternatives, the issuance of Amendment No. 1 to Facility Operating License No. DPR-44 is in accordance with 10 CFR Part 50, Appendix D, of the Commission's regulations and all applicable requirements of said Appendix D have been satisfied; and

I. The receipt, possession, and use of source, by-product and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40, and 70, including 10 CFR Section 30.33, 40.32, and 70.23 and 70.31.

2. Amendment No. 1 to Facility Operating License No. DPR-44 issued to the Exelon Generation Company, Public Service Electric and Gas Company (PSE&G), Delmarva Power and Light Company (DP&LC), and Atlantic City Electric Company (ACEC), is hereby amended in its entirety to read as follows:

A. This amended license applies to the Peach Bottom Atomic Power Station, Unit 2, a single cycle, forced circulation, boiling water nuclear reactor and associated equipment (the facility), owned by the licensees and operated by Exelon Generation Company. The facility is located in Peach Bottom, York County, Pennsylvania and is described in the "Final Safety Analysis Report" as supplemented and amended and the Environmental Report as supplemented and amended.

B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:

(1) Exelon Generation Company, pursuant to Section 104b of the Act and 10 CFR Part 50, "Licensing of Production and Utilization Facilities," to possess, use, and operate the facility and PSE&G, DP&LC, and ACEC to possess the facility at the designated location in Peach Bottom, York County, Pennsylvania in accordance with the procedures and limitations set forth in this license;

(2) Exelon Generation Company, pursuant to the Act and 10 CFR Part 70, to receive, possess and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended;

(3) Exelon Generation Company, pursuant to the Act and 10 CFR Parts 30, 40, and 70 to receive, possess and use at any time any byproduct, source and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;

(4) Exelon Generation Company, pursuant to the Act and 10 CFR Parts 30, 40 and 70 to receive, possess and use in amounts as required any byproduct, source, or special nuclear material without restriction to

chemical or physical form for sample analysis or instrument calibration or when associated with radioactive apparatus or components;

(5) Exelon Generation Company, pursuant to the Act and 10 CFR Parts 30 and 70, to possess, but not to separate, such byproduct and special nuclear material as may be produced by operation of the facility.

C. This amended license shall be deemed to contain and is subject to the conditions specified in the following Commission regulations in 10 CFR Chapter I: Part 20, Section 30.34 of Part 30, Section 40.41 of Part 40, Sections 50.54 and 50.59 of Part 50, and Section 70.32 of Part 70: is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified below:

(1) Maximum Power Level

Exelon Generation Company is authorized to operate the Peach Bottom Atomic Power Station, Unit 2, at steady state reactor core power levels not in excess of 3458 megawatts thermal.

(2) Technical Specifications

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

The Surveillance Requirements (SRs) listed in the licensee's letter dated August 4, 1995 are not required to be performed immediately upon implementation of Amendment No. 210. The SRs listed in the licensee's letter dated August 4, 1995 shall be successfully demonstrated prior to the time and condition specified below for each:

a) Those SRs listed as Category A SRs in the licensee's August 4, 1995 letter shall be completed within a period consistent with the implementation date for Amendment 210, the specified frequency for each SR and the allowance of SR 3.0.2;

b) Those SRs listed as Category B SRs in the licensee's August 4, 1995 letter shall be completed within a period consistent with the last completion date for the related existing SRs, the specified frequency for each SR and the allowance of SR 3.0.2.

(3) Physical Protection

The licensee shall fully implement and maintain in effect all provisions of the Commission-approved physical security, guard training and qualification, and safe guards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The plans, which contain Safeguards Information protected under 10 CFR 73.21, are entitled: "Peach Bottom Atomic Power Station, Units 2 and 3, Physical Security Plan," with revisions submitted through December 16, 1987; "Peach Bottom Atomic Power Station, Units 2 and 3 Plant Security Personnel Training and Qualification Plan," with revisions submitted through July 9, 1986; and "Peach Bottom Atomic Power Station, Units 2 and 3 Safeguards Contingency Plan," with revisions submitted through March 10, 1981. Changes made in accordance with 10 CFR 73.55 shall be implemented in accordance with the schedule set forth therein.

(4) The licensee shall implement and maintain in effect all provisions of the approved fire protection program as described in the Updated Final Safety Analysis Report for the facility, and as approved in the NRC SER dated May 23, 1979 and Supplements dated August 14, September 15. October 10 and November 24, 1980, and in the NRC SERs dated September 16, 1993 and August 24, 1994, subject to the following provision:

The licensee 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.

(5) Exelon Generation Company shall provide to the Director of the Office of Nuclear Reactor Regulation a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens) from Exelon Generation Company to its direct or indirect parent, or to any other affiliated company, facilities for the production, transmission, or distribution of electric energy having a depreciated book value exceeding ten percent (10%) of Exelon Generation Company's consolidated net utility plant, as recorded on Exelon Generation Company's books of account.

(6) Exelon Generation Company shall have decommissioning trust funds for Peach Bottom, Unit 2, in the following minimum amount, when Peach Bottom, Unit 2, is transferred to Exelon Generation Company:

Peach Bottom, Unit 2	$71,250,231

(7) The decommissioning trust agreement for Peach Bottom, Unit 2, at the time the transfer of the unit to Exelon Generation Company is effected and thereafter, is subject to the following:

(a) The decommissioning trust agreement must be in a form acceptable to the NRC.

(b) With respect to the decommissioning trust fund, investments in the securities or other obligations of Exelon Corporation or affiliates thereof, or their successors or assigns shall be prohibited. 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.

(c) The decommissioning trust agreement for Peach Bottom, Unit 2, must provide that no disbursements or payments from the trust shall be made by the trustee unless the trustee has first given the Director, Office of Nuclear Reactor Regulation, 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 NRC.

(d) The decommissioning trust agreement must provide that the agreement cannot be amended in any material respect without 30 days prior written notification to the Director of the Office of Nuclear Reactor Regulation.

(e) The appropriate section of the decommissioning trust agreement shall state 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.

(8) Exelon Generation Company 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 Peach Bottom, Unit 2, license and the requirements of the Order approving the transfer, and consistent with the safety evaluation supporting the Order.

3. This amended license is subject to the following conditions for the protection of the environment;

A. To the extent matters related to thermal discharges are treated therein, operation of Peach Bottom Atomic Power Station Unit No. 2 will be governed by NPDES Permit No. PA 0009733, as now in effect and as hereafter amended. Questions pertaining to conformance thereto shall be referred to and shall be determined by the NPDES Permit issuing or enforcement authority, as appropriate.

B. In the event of any modification of the NPDES Permit related to thermal discharges or the establishment (or amendment) of alternative effluent limitations established pursuant to Section 316 of the Federal Water Pollution Control Act, the licensees shall inform the NRC and analyze any associated changes in or to the Station, its components, its operation or in the discharge of effluents therefrom. If such change would entail any modification to this license, or any

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PECO ENERGY COMPANY

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

DELMARVA POWER AND LIGHT COMPANY

ATLANTIC CITY ELECTRIC COMPANY

DOCKET NO. 50-278

PEACH BOTTOM ATOMIC POWER STATION, UNIT 3

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No.
License No. DPR-56

1. The Nuclear Regulatory Commission (the Commission) has found that:

   A. The application for amendment filed by PECO Energy Company (the licensee), dated December 20, 1999, as supplemented January 3, February 14, March 10, March 23, March 30 and June 15, 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. DPR-56 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:

ATTACHMENT TO LICENSE AMENDMENT NO. ____

FACILITY OPERATING LICENSE NO. DPR-56

DOCKET NO. 50-278

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	Insert Pages
1	1
2	2
3	3
3a	4
4	4a
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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

EXELON GENERATION COMPANY, LLC
PUBLIC SERVICE ELECTRIC AND GAS COMPANY
DELMARVA POWER AND LIGHT COMPANY
ATLANTIC CITY ELECTRIC COMPANY
DOCKET NO. 50-278
PEACH BOTTOM ATOMIC POWER STATION, UNIT 3
FACILITY OPERATING LICENSE

License No. DPR-56

1. The Atomic Energy Commission (the Commission) having found that:

   A. The application for license filed by Exelon Generation Company, LLC (Exelon Generation Company), Public Service Electric and Gas Company, Delmarva Power and Light Company, and Atlantic City Electric Company (the licensees) 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 and all required notifications to other agencies or bodies have been duly made;

   B. Construction of the Peach Bottom Atomic Power Station, Unit 3 (the facility) has been substantially completed in conformity with Construction Permit No. CPPR-38 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: (1) that the activities authorized by this operating license can be conducted without endangering the health and safety of the public, and (2) that such activities will be conducted in compliance with the rules and regulations of the Commission;

   E. Exelon Generation Company 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;

   F. The licensees have satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;

   G. The issuance of this operating license will not be inimical to the common defense and security or to the health and safety of the public;

H. After weighing the environmental, economic, technical, and other benefits of the facility against environmental costs and considering available alternatives, the issuance of Facility Operating License No. DPR-56 is in accordance with 10 CFR Part 50, Appendix D, of the Commission's regulations and all applicable requirements of said Appendix D have been satisfied; and

I. The receipt, possession, and use of source, by-product and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40, and 70, including 10 CFR Section 30.33, 40.32, and 70.23 and 70.31.

2. Facility Operating License No. DPR-56 is hereby issued to Exelon Generation Company, Public Service Electric and Gas Company (PSE&G), Delmarva Power and Light Company (DP&LC), and Atlantic City Electric Company (ACEC), is hereby amended in its entirety to read as follows:

A. This license applies to the Peach Bottom Atomic Power Station, Unit 3, a single cycle, forced circulation, boiling water nuclear reactor and associated equipment (the facility), owned by the licensees and operated by Exelon Generation Company. The facility is located in Peach Bottom, York County, Pennsylvania and is described in the "Final Safety Analysis Report" as supplemented and amended and the Environmental Report as supplemented and amended.

B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:

(1) Exelon Generation Company, pursuant to Section 104b of the Act and 10 CFR Part 50, "Licensing of Production and Utilization Facilities," to possess, use, and operate the facility and PSE&G, DP&LC, and ACEC to possess the facility at the designated location in Peach Bottom, York County, Pennsylvania in accordance with the procedures and limitations set forth in this license;

(2) Exelon Generation Company, pursuant to the Act and 10 CFR Part 70, to receive, possess and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended;

(3) Exelon Generation Company, pursuant to the Act and 10 CFR Parts 30, 40, and 70 to receive, possess and use at any time any byproduct, source and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;

(4) Exelon Generation Company, pursuant to the Act and 10 CFR Parts 30, 40 and 70 to receive, possess and use in amounts as required any byproduct, source, or special nuclear material without restriction to

chemical or physical form for sample analysis or instrument calibration or when associated with radioactive apparatus or components;

(5) Exelon Generation Company, pursuant to the Act and 10 CFR Parts 30 and 70, to possess, but not to separate, such byproduct and special nuclear material as may be produced by operation of the facility.

C. This license shall be deemed to contain and is subject to the conditions specified in the following Commission regulations in 10 CFR Chapter I: Part 20, Section 30.34 of Part 30, Section 40.41 of Part 40, Sections 50.54 and 50.59 of Part 50, and Section 70.32 of Part 70; is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified below:

(1) Maximum Power Level

Exelon Generation Company is authorized to operate the Peach Bottom Atomic Power Station, Unit 3, at steady state reactor core power levels not in excess of 3458 megawatts thermal.

(2) Technical Specifications

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

The Surveillance Requirements (SRs) listed in the licensee's letter dated August 4, 1995 are not required to be performed immediately upon implementation of Amendment No. 214. The SRs listed in the licensee's letter dated August 4, 1995 shall be successfully demonstrated prior to the time and condition specified below for each:

a) Those SRs listed as Category A SRs in the licensee's August 4, 1995 letter shall be completed within a period consistent with the implementation date for Amendment 214, the specified frequency for each SR and the allowance of SR 3.0.2;

b) Those SRs listed as Category B SRs in the licensee's August 4, 1995 letter shall be completed within a period consistent with the last completion date for the related existing SRs, the specified frequency for each SR and the allowance of SR 3.0.2.

(3) Physical Protection

The license shall fully implement and maintain in effect all provisions of the Commission-approved physical security, guard training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The plans, which contain Safeguards Information protected under 10 CFR 73.21, are entitled: "Peach Bottom Atomic Power Station, Units 2 and 3, Physical Security Plan," with revisions submitted through December 16, 1987; "Peach Bottom Atomic Power Station, Units 2 and 3 Plant Security Personnel Training and Qualification Plan," with revisions submitted through July 9, 1986; and "Peach Bottom Atomic Power Station, Units 2 and 3 Safeguards Contingency Plan," with revisions submitted through March 10, 1981. Changes made in accordance with 10 CFR 73.55 shall be implemented in accordance with the schedule set forth therein.

(4) The licensee shall implement and maintain in effect all provisions of the approved fire protection program as described in the Updated Final Safety Analysis Report for the facility, and as approved in the NRC SER dated May 23, 1979 and Supplements dated August 14, September 15, October 10 and November 24, 1980, and in the NRC SERs dated September 16, 1993 and August 24, 1994, subject to the following provision:

The licensee 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.

(5) Exelon Generation Company shall provide to the Director of the Office of Nuclear Reactor Regulation a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens) from Exelon Generation Company to its direct or indirect parent, or to any other affiliated company, facilities for the production, transmission, or distribution of electric energy having a depreciated book value exceeding ten percent (10%) of Exelon Generation Company's consolidated net utility plant, as recorded on Exelon Generation Company's books of account.

(6) Exelon Generation Company shall have decommissioning trust funds for Peach Bottom, Unit 3, in the following minimum amount, when Peach Bottom, Unit 3, is transferred to Exelon Generation Company:

Peach Bottom, Unit 3	$73,497,654

(7) The decommissioning trust agreement for Peach Bottom, Unit 3, at the time the transfer of the unit to Exelon Generation Company is effected and thereafter, is subject to the following:

(a) The decommissioning trust agreement must be in a form acceptable to the NRC.

(b) With respect to the decommissioning trust fund, investments in the securities or other obligations of Exelon Corporation or affiliates thereof, or their successors or assigns shall be prohibited. 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.

(c) The decommissioning trust agreement for Peach Bottom, Unit 3, must provide that no disbursements or payments from the trust shall be made by the trustee unless the trustee has first given the Director of the Office of Nuclear Reactor Regulation 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 NRC.

(d) The decommissioning trust agreement must provide that the agreement can not be amended in any material respect without 30 days prior written notification to the Director of the Office of Nuclear Reactor Regulation.

(e) The appropriate section of the decommissioning trust agreement shall state 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.

(8) Exelon Generation Company 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 Peach Bottom, Unit 3, license and the requirements of the Order approving the transfer, and consistent with the safety evaluation supporting the Order.

3. This license is subject to the following conditions for the protection of the environment:

A. To the extent matters related to thermal discharges are treated therein, operation of Peach Bottom Atomic Power Station Unit 3 will be governed by NODES Permit No. PA 0009733, as now in effect and as hereafter amended. Questions pertaining to conformance thereto shall be referred to and shall be determined by the NODES Permit issuing or enforcement authority, as appropriate.

B. In the event of any modification of the NODES Permit related to thermal discharges or the establishment (or amendment) of alternative effluent limitations established pursuant to Section 316 of the Federal Water Pollution Control Act, the licensees shall inform the NRC and analyze any associated changes in or to the Station, its components, its operation or in the discharge of effluents therefrom. If such change would entail any modification to this license, or any Technical Specifications which are part of this license, or present an unreviewed

safety question or involve an environmental impact different than analyzed in the Final Environmental Statement, the licensees shall file with the NRC, as applicable, an appropriate analysis of any such change on facility safety, and/or an analysis of any such change on the environmental impacts and on the overall cost-benefit balance for facility operation set forth in the Final Environmental Statement and a request for an amendment to the operating license, if required by the Commission's regulations. As used in this Condition 3.B, Final Environmental Statement means the NRC staff Final Environmental Statement related to Operation of Peach Bottom Atomic Power Station Units Nos. 2 and 3 dated April 1973, as modified by (1) the Initial Decision of the Atomic Safety and Licensing Board dated September 14, 1973, (2) the Supplemental Initial Decision of the Atomic Safety and Licensing Board dated June 14, 1974, (3) the Decision of the Atomic Safety and Licensing Appeal Board dated July 5, 1974, (4) the Memorandum and Order of the Commission dated August 8, 1974, (5) any further modification resulting from further review by the Appeal Board and by the Commission, if any, and (6) any Environmental Impact Appraisal which has been or may be issued by the NRC since the FES was published in April 1973.

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

PECO ENERGY COMPANY

DOCKET NO. 50-352

LIMERICK GENERATING STATION, UNIT 1

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No.
License No. NPF-39

1. The Nuclear Regulatory Commission (the Commission) has found that:

   A. The application for amendment filed by PECO Energy Company (the licensee), dated December 20, 1999, as supplemented January 3, February 14, March 10, March 23, March 30 and June 15, 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-39 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:

ATTACHMENT TO LICENSE AMENDMENT NO. ____

FACILITY OPERATING LICENSE NO. DPR-39

DOCKET NO. 50-352

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	Insert Pages
1	1
2	2
3	3
4	4
7	7
---	7a
Appendix B cover page	Appendix B cover page
Appendix B page 4-4	Appendix B page 4-4
Appendix C page 1	Appendix C page 1

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

EXELON GENERATION COMPANY, LLC
DOCKET NO. 50-352
LIMERICK GENERATING STATION, UNIT 1
FACILITY OPERATING LICENSE

License No. NPF-39

1. The Nuclear Regulatory Commission (the Commission or the NRC) has found that:

   A. The application for license filed by Exelon Generation Company, LLC (Exelon Generation Company or the licensee) 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 Limerick Generating Station, Unit 1 (the facility) has been substantially completed in conformity with Construction Permit No. CPPR-106 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 (except as exempted from compliance in Section 2.D. below);

   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 (except as exempted from compliance in Section 2.D. below);

   E. The licensee is technically qualified to engage in the activities authorized by this license in accordance with the Commission's regulations set forth in 10 CFR Chapter I;

   F. The licensee has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;

   G. The issuance of this license will not be inimical to the common defense and security or the health and safety of the public;

H. After weighing the environmental, economic, technical, and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of this Facility Operating License No. NPF-39, subject to the conditions for protection of the environment set forth in the Environmental Protection Plan attached as Appendix B, is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied; and

I. The receipt, possession, and use of source, byproduct and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40 and 70.

2. Based on the foregoing findings, the Partial Initial Decisions issued by the Atomic Safety and Licensing Board dated March 8, 1983, August 29, 1984, May 2, 1985 and July 22, 1985, and the Decision of the Appeal Board dated September 26, 1984, regarding this facility, and approval by the Nuclear Regulatory Commission in its Memorandum and Order dated August 8, 1985, the license for Fuel Loading and Low Power Testing, License No. NPF-27, issued on October 26, 1984, is superseded by Facility Operating License NPF-39 hereby issued to the Exelon Generation Company (the licensee), to read as follows:

A. This license applies to the Limerick Generating Station, Unit 1, a boiling water nuclear reactor and associated equipment, owned by Exelon Generation Company. The facility is located on the licensee's site in Montgomery and Chester Counties, Pennsylvania on the banks of the Schuylkill River approximately 1.7 miles southeast of the city limits of Pottstown, Pennsylvania and 21 miles northwest of the city limits of Philadelphia, Pennsylvania, and is described in the licensee's Final Safety Analysis Report, as supplemented and amended, and in the licensee's Environmental Report-Operating License Stage, as supplemented and amended.

B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses Exelon Generation Company:

(1) Pursuant to Section 103 of the Act and 10 CFR Part 50, to possess, use, and operate the facility at the designated location in Montgomery and Chester Counties, Pennsylvania, in accordance with the procedures and limitations set forth in this license;

(2) Pursuant to the Act and 10 CFR Part 70, to receive, possess and to use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended;

(3) Pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess and use at any time any byproduct, source and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;

(4) Pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess, and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and

(5) Pursuant to the Act and 10 CFR Parts 30, 40 and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility, and to receive and possess, but not separate, such source, byproduct, and special nuclear materials as contained in the fuel assemblies and fuel channels from the Shoreham Nuclear Power Station.

C. This license shall be deemed to contain and is subject to the conditions specified in the Commission's regulations set forth in 10 CFR Chapter I (except as exempted from compliance in Section 2.D. below) and is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:

(1) Maximum Power Level

Exelon Generation Company is authorized to operate the facility at reactor core power levels not in excess of 3458 megawatts thermal (100% rated power) in accordance with the conditions specified herein and in Attachment 1 to this license. The items identified in Attachment 1 to this license shall be completed as specified. Attachment 1 is hereby incorporated into this license.

(2) Technical Specifications

The Technical Specifications contained in Appendix A and the Environmental Protection Plan contained in Appendix B, as revised through Amendment No. , are hereby incorporated in the license. Exelon Generation Company shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

(3) Fire Protection (Section 9.5, SSER-2, -4)*

Exelon Generation Company shall implement and maintain in effect all provisions of the approved Fire Protection Program as described in the Updated Final Safety Analysis Report for the facility, and as approved in the NRC Safety Evaluation Report dated August 1983 through Supplement 9, dated August 1989, and Safety Evaluation dated November 20, 1995, subject to the following provision:

The licensee 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.

*The parenthetical notation following the title of many license conditions denotes the section of the Safety Evaluation Report and/or its supplements wherein the license condition is discussed.

(16) Additional Conditions

The Additional Conditions contained in Appendix C, as revised through Amendment No. 128, are hereby incorporated into this license. Exelon Generation Company shall operate the facility in accordance with the Additional Conditions.

(17) Exelon Generation Company shall provide to the Director of the Office of Nuclear Reactor Regulation a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens) from Exelon Generation Company to its direct or indirect parent, or to any other affiliated company, facilities for the production, transmission, or distribution of electric energy having a depreciated book value exceeding ten percent (10%) of Exelon Generation Company's consolidated net utility plant, as recorded on Exelon Generation Company's books of account.

(18) Exelon Generation Company shall have decommissioning trust funds for Limerick, Unit 1, in the following minimum amount, when Limerick, Unit 1, is transferred to Exelon Generation Company:

Limerick, Unit 1	$94,127,446

(19) The decommissioning trust agreement for Limerick, Unit 1, at the time the transfer of the unit to Exelon Generation Company is effected and thereafter, is subject to the following:

(a) The decommissioning trust agreement must be in a form acceptable to the NRC.

(b) With respect to the decommissioning trust fund, investments in the securities or other obligations of Exelon Corporation or affiliates thereof, or their successors or assigns are prohibited. 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 are prohibited.

(c) The decommissioning trust agreement for Limerick, Unit 1, must provide that no disbursements or payments from the trust shall be made by the trustee unless the trustee has first given the Director of the Office of Nuclear Reactor Regulation 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 NRC.

(d) The decommissioning trust agreement must provide that the agreement can not be amended in any material respect without 30 days prior written notification to the Director of the Office of Nuclear Reactor Regulation.

(e) The appropriate section of the decommissioning trust agreement shall state 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) Exelon Generation Company shall take all necessary steps to ensure that the decommissioning trust is maintained in accordance with the application for approval of the transfer of Limerick, Unit 1, license and the requirements of the Order approving the transfer, and consistent with the safety evaluation supporting the Order.

D. The facility requires exemptions from certain requirements of 10 CFR Part 50. These include (a) exemption from the requirement of Appendix J, the testing of containment air locks at times when the containment integrity is not required (Section 6.2.6.1 of the SER and SSER-3), (b) exemption from the requirements of Appendix J, the leak rate testing of the Main Steam Isolation Valves (MSIVs) at the peak calculated containment pressure, Pa, and exemption from the requirements of Appendix J that the measured MSIV leak rates be included in the summation for the local leak rate test (Section 6.2.6 of SSER-3), (c) exemption from the requirement of Appendix J, the local leak rate testing of the Traversing Incore Probe Shear Valves (Section 6.2.6 of the SER and SSER-3).

APPENDIX B

TO FACILITY OPERATING LICENSE NO. NPF-39

LIMERICK GENERATING STATION

UNITS 1 AND 2

EXELON GENERATION COMPANY, LLC

DOCKET NOS. 50-352, 50-353

ENVIRONMENTAL PROTECTION PLAN

(NONRADIOLOGICAL)

sensitive land uses in the site vicinity (e.g., residences, schools, churches, cemeteries, hospitals, parks); and (3) previously conducted noise surveys in the site vicinity.

The selection, calibration and use of equipment, conduct of the surveys, and the analysis and reporting of data shall conform to the provisions of the applicable American National Standards Institute Standards.

The results of the surveys conducted under this program shall be summarized, interpreted and reported in accordance with Section 5.4.1 of this EPP.

The final report of this program shall present a brief assessment by the licensee of the environmental impact of plant and supplemental cooling water system operation on the various offsite acoustic environments, and shall describe the mitigative measures, if any, that have been, or are to be taken to reduce the impact of plant or supplemental cooling water system noise levels on the offsite environments. This report shall also contain a list of noise-related complaints or inquiries received by Exelon Generation Company, LLC concerning the Limerick Generating Station or its supplemental cooling water system subsequent to issuance of the operating license along with a description of the action taken by Exelon Generation Company, LLC to resolve these complaints or inquiries.

This program shall terminate upon completion of the collection of the specified sound level data for each phase and submission of an acceptable final report.

APPENDIX C

ADDITIONAL CONDITIONS
OPERATING LICENSE NO. NPF-39

Exelon Generation Company, LLC shall comply with the following conditions on the schedules noted below:

Amendment Number	Additional Conditions	Implementation Date
128	This amendment authorizes the licensees to incorporate in the Updated Final Safety Analysis Report (UFSAR) certain changes to the description of the facility. Implementation of this amendment is the incorporation of these changes as described in the licensee's application dated October 6, 1997, as supplemented by letter dated February 2, 1998, and evaluated in the safety evaluation dated May 14, 1998.	30 days from May 14, 1998
128	The suppression pool floor and the low pressure ECCS (RHR and Core Spray) suction strainers shall be visually inspected for sludge accumulation and foreign material. The visual inspection allows use of a remote camera in lieu of divers. The interval of these inspections shall be every other refueling outage. The inspection interval may be increased based on findings of two consecutive inspections. Should the licensee choose to increase the inspection interval, data supporting this increase shall be submitted to the NRC for review.	30 days from May 14, 1998

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

PECO ENERGY COMPANY

DOCKET NO. 50-353

LIMERICK GENERATING STATION, UNIT 2

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No.
License No. NPF-85

1. The Nuclear Regulatory Commission (the Commission) has found that:

   A. The application for amendment filed by PECO Energy Company (the licensee), dated December 20, 1999, as supplemented January 3, February 14, March 10, March 23, March 30 and June 15, 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-85 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:

ATTACHMENT TO LICENSE AMENDMENT NO. ____

FACILITY OPERATING LICENSE NO. DPR-85

DOCKET NO. 50-353

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	Insert Pages
1	1
2	2
3	3
4	4
---	4a
Appendix B cover page	Appendix B cover page
Appendix B page 4-3	Appendix B page 4-3

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

EXELON GENERATION COMPANY, LLC

DOCKET NO. 50-353

LIMERICK GENERATING STATION, UNIT 2

FACILITY OPERATING LICENSE

License No. NPF-85

1. The Nuclear Regulatory Commission (the Commission or the NRC) has found that:

   A. The application for license filed by Exelon Generation Company, LLC (Exelon Generation Company or the licensee) 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 Limerick Generating Station, Unit 2 (the facility) has been substantially completed in conformity with Construction Permit No. CPPR-107 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 (except as exempted from compliance in Section 2.D. below);

   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 (except as exempted from compliance in Section 2.D. below);

   E. The licensee is technically qualified to engage in the activities authorized by this license in accordance with the Commission's regulations set forth in 10 CFR Chapter I;

   F. The licensee has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;

   G. The issuance of this license will not be inimical to the common defense and security or to the health and safety of the public;

H. After weighing the environmental, economic, technical, and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of this Facility Operating License No. NPF-85, subject to the conditions for protection of the environment set forth in the Environmental Protection Plan attached as Appendix B, is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied; and

I. The receipt, possession, and use of source, byproduct and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40 and 70.

2. Based on the foregoing findings and the Decision of the Atomic Safety and Licensing Board, LBP-85-25, dated July 22, 1985, the Commission's Order dated July 7, 1989, and the Commission's Memorandum and Order dated August 25, 1989, regarding this facility, Facility Operating License NPF-85 is hereby issued to the Exelon Generation Company (the licensee), to read as follows:

A. This license applies to the Limerick Generating Station, Unit 2, a boiling water nuclear reactor and associated equipment, owned by Exelon Generation Company. The facility is located on the licensee's site in Montgomery and Chester Counties, Pennsylvania on the banks of the Schuylkill River approximately 1.7 miles southeast of the city limits of Pottstown, Pennsylvania and 21 miles northwest of the city limits of Philadelphia, Pennsylvania, and is described in the licensee's Final Safety Analysis Report, as supplemented and amended, and in the licensee's Environmental Report-Operating License Stage, as supplemented and amended.

B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses Exelon Generation Company:

(1) Pursuant to Section 103 of the Act and 10 CFR Part 50, to possess, use, and operate the facility at the designated location in Montgomery and Chester Counties, Pennsylvania, in accordance with the procedures and limitations set forth in this license;

(2) Pursuant to the Act and 10 CFR Part 70, to receive, possess and to use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended;

(3) Pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess and use at any time any byproduct, source and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;

(4) Pursuant to the Act and 10 CFR Parts 30, 40, 70, to receive, possess, and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and

(5) Pursuant to the Act and 10 CFR Parts 30, 40 and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility, and to receive and possess, but not separate, such source, byproduct, and special nuclear materials as contained in the fuel assemblies and fuel channels from the Shoreham Nuclear Power Station.

C. This license shall be deemed to contain and is subject to the conditions specified in the Commission's regulations set forth in 10 CFR Chapter I (except as exempted from compliance in Section 2.D. below) and is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:

(1) Maximum Power Level

Exelon Generation Company is authorized to operate the facility at reactor core power levels of 3458 megawatts thermal (100 percent rated power) in accordance with the conditions specified herein.

(2) Technical Specifications

The Technical Specifications contained in Appendix A and the Environmental Protection Plan contained in Appendix B, as revised through Amendment No. , are hereby incorporated into this license. Exelon Generation Company shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

(3) Fire Protection (Section 9.5, SSER-2, -4)*

Exelon Generation Company shall implement and maintain in effect all provisions of the approved Fire Protection Program as described in the Updated Final Safety Analysis Report for the facility, and as approved in the NRC Safety Evaluation Report dated August 1983 through Supplement 9, dated August 1989, and Safety Evaluation dated November 20, 1995, subject to the following provisions:

The licensee 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.

*The parenthetical notation following the title of license conditions denotes the section of the Safety Evaluation Report and/or its supplements wherein the license condition is discussed.

(4) Physical Security and Safeguards

The licensee shall fully implement and maintain in effect all provisions of the physical security, guard training and qualifications and safeguards contingency plans previously approved by the Commission and all amendments and revisions to such plans made pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The plans, which contain Safeguards Information protected under 10 CFR 73.21, are entitled: "Limerick Generating Station, Units 1 & 2, Physical Security Plan," with revisions submitted through October 31, 1988; "Limerick Generating Station, Units 1 & 2, Plant Security Personnel Training and Qualification Plan," with revisions submitted through October 1, 1985; and "Limerick Generating Station, Units 1 & 2, Safeguards Contingency Plan," with revisions submitted through November 15, 1986.

(5) Exelon Generation Company shall provide to the Director of the Office of Nuclear Reactor Regulation a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens) from Exelon Generation Company to its direct or indirect parent, or to any other affiliated company, facilities for the production, transmission, or distribution of electric energy having a depreciated book value exceeding ten percent (10%) of Exelon Generation Company's consolidated net utility plant, as recorded on Exelon Generation Company's book of accounts.

(6) Exelon Generation Company shall have decommissioning trust funds for Limerick, Unit 2, in the following minimum amount, when Limerick, Unit 2, is transferred to Exelon Generating Company:

Limerick, Unit 2	$59,687,081

(7) The decommissioning trust agreement for Limerick, Unit 2, at the time the transfer of the unit to Exelon Generation Company is effected and thereafter, is subject to the following:

(a) The decommissioning trust agreement must be in a form acceptable to the NRC.

(b) With respect to the decommissioning trust fund, investments in the securities or other obligations of Exelon Corporation or affiliates thereof, or their successors or assigns are prohibited. 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 are prohibited.

(c) The decommissioning trust agreement for Limerick, Unit 2, must provide that no disbursements or payments from the trust shall be made by the trustee unless the trustee has first given the Director of the Office of Nuclear Reactor Regulation 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 NRC.

(d) The decommissioning trust agreement must provide that the agreement can not be amended in any material respect without 30 days prior written notification to the Director of the Office of Nuclear Reactor Regulation.

(e) The appropriate section of the decommissioning trust agreement shall state 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.

(8) Exelon Generation Company shall take all necessary steps to ensure that the decommissioning trust is maintained in accordance with the application for approval of the transfer of Limerick, Unit 2, license and the requirements of the Order approving the transfer, and consistent with the safety evaluation supporting the Order.

D. The facility requires exemptions from certain requirements of 10 CFR Part 50 and 10 CFR Part 70. These include (a) exemption from the requirement of Appendix J, the testing of containment air locks at times when the containment integrity is not required (Section 6.2.6.1 of the SER and SSER-3), (b) exemption from the requirements of Appendix J, the leak rate testing of the Main Steam Isolation Valves (MSIVs) at the peak calculated containment pressure, Pa, and exemption from the requirements of Appendix J that the measured MSIV leak rates be included in the summation for the local leak rate test (Section 6.2.6.1 of SSER-3), (c) exemption from the requirement of Appendix J,

APPENDIX B

TO FACILITY OPERATING LICENSE NO. NPF-85

LIMERICK GENERATING STATION

UNITS 1 AND 2

EXELON GENERATION COMPANY, LLC

DOCKET NOS. 50-352 and 50-353

ENVIRONMENTAL PROTECTION PLAN

(NON-RADIOLOGICAL)

August 25, 1989

The selection, calibration and use of equipment, conduct of the surveys, and the analysis and reporting of data shall conform to the provisions of the applicable American National Standards Institute Standards.

The results of the surveys conducted under this program shall be summarized, interpreted and reported in accordance with Section 5.4.1 of this EPP.

The final report of this program shall present a brief assessment by the licensee of the environmental impact and supplemental cooling water system operation on the various offsite acoustic environments, and shall describe the mitigative measures, if any, that have been, or are to be taken to reduce the impact of plant or supplemental cooling water system noise levels on the offsite environments. This report shall also contain a list of noise-related complaints or inquiries received by Exelon Generation Company, LLC concerning the Limerick Generating Station or its supplemental cooling water system subsequent to issuance of the operating license along with a description of the action taken by Exelon Generation Company, LLC to resolve these complaints or inquiries.

This program shall terminate upon completion of the collection of the specified sound level data for each phase and submission of an acceptable final report.

4.2.4.2 Point Pleasant Pumphouse

An ASLB ruling (LBP-83-11; March 8, 1983) requires that the licensee conduct a one-time field study after the transformers are placed in operation at Point Pleasant. The noise from operation of the transformers shall be reduced to a level so that the transformer core tones will be inaudible (i.e., not above the masking level, as defined below) at the site boundary.

The licensee shall determine, based on onsite measurements, the delta L(ex) (i.e., the noise level in excess of the masking level) for each tone. The masking level is defined as "N" dB above the ambient spectrum level, where "N" is defined as follows:

UNITED STATES
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WASHINGTON, D.C. 20555-0001

PUBLIC SERVICE ELECTRIC & GAS COMPANY

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.
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, Philadelphia Electric Company (PECO Energy Company), Delmarva Power and Light Company and Atlantic City Electric Company (the licensees) dated December 22, 1999, in conjunction with the application filed by PECO Energy Company dated December 20, 1999, as supplemented June 15, 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 Facility Operating License No. DPR-70 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.

FOR THE NUCLEAR REGULATORY COMMISSION

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Attachment: Changes to the License

Date of Issuance:

ATTACHMENT TO LICENSE AMENDMENT NO. ____

FACILITY OPERATING LICENSE NO. DPR-70

DOCKET NO. 50-272

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	Insert Pages
1	1
2	2
3	3
4b	4b
4c	4c
Appendix C	Appendix C

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

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
EXELON GENERATION COMPANY, LLC
DELMARVA POWER AND LIGHT COMPANY
ATLANTIC CITY ELECTRIC COMPANY

DOCKET NO. 50-272

SALEM NUCLEAR GENERATING STATION, UNIT NO. 1

FACILITY OPERATING LICENSE

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, Exelon Generation Company, LLC (Exelon Generation 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 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. Public Service Electric and Gas Company 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;

F. The licensees have satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;

G. The issuance of this amended operating license will not be inimical to the common defense and security or to the health and safety of the public;

H. After weighing the environmental, economic, technical, and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of Amendment No. 3 to Facility Operating License No. DPR-70, subject to the conditions for protection of the environment set forth in the Technical Specifications, Appendix B is in accordance with 10 CFR Part 51 (and with former Appendix D to 10 CFR Part 50) of the Commission's regulations and all applicable requirements have been satisfied; and

I. The receipt, possession, and use of source, byproduct and special nuclear material as authorized by this amended license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40, and 70 including 10 CFR Sections 30.33, 40.32, and 70.23 and 70.31.

2. Facility Operating License No. DPR-70, issued to the Public Service Electric and Gas Company, Exelon Generation Company, Delmarva Power and Light Company, and Atlantic City Electric Company, is hereby amended in its entirety, to read as follows:

A. This amended license applies to the Salem Nuclear Generating Station, Unit No. 1, a pressurized water nuclear reactor and associated equipment (the facility), owned by the Public Service Electric and Gas Company, Exelon Generation Company, Delmarva Power and Light Company, and Atlantic City Electric Company and operated by Public Service Electric and Gas Company. The facility is located on the applicants' site in Salem County, New Jersey, on the southern end of Artificial Island on the east bank of the Delaware River in Lower Alloways Creek Township, and is described in the "Final Safety Analysis Report" as supplemented and amended (Amendments 10 through 39) and the Environmental Report as supplemented and amended (Amendments 1 through 3).

B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses

(1) Public Service Electric and Gas Company, Exelon Generation Company, Delmarva Power and Light Company, and Atlantic City Electric Company to possess the facility at the designated location in Salem County, New Jersey, in accordance with the procedures and limitations set forth in this amended license;

(2) Public Service Electric and Gas Company, pursuant to Section 104b of the Act and 10 CFR Part 50, "Licensing of Production and Utilization Facilities," to possess, use and operate the facility;

(3) Public Service Electric and Gas Company, pursuant to the Act and 10 CFR Part 70, to receive, possess and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended;

(4) Public Service Electric and Gas Company, pursuant to the Act and 10 CFR Parts 30, 40 and 70 to receive, possess and use at any time any byproduct, source and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;

(5) Public Service Electric and Gas Company, pursuant to the Act and 10 CFR Parts 30, 40 and 70 to receive, possess and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and

(6) Public Service Electric and Gas Company, pursuant to the Act and 10 CFR Parts 30 and 70, to possess but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility.

C. This amended license shall be deemed to contain and is subject to the conditions specified in the following Commission regulations in 10 CFR Chapter I: Part 20, Section 30.34 of Part 30, Section 40.41 of Part 40, Sections 50.54 and 50.59 of Part 50, and Section 70.32 of Part 70; and is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:

(10) Additional Conditions

The Additional Conditions contained in Appendix C, as revised through Amendment No. 198, are hereby incorporated into this license. Public Service Electric and Gas Company shall operate the facility in accordance with the Additional Conditions.

(11) Exelon Generation Company shall provide to the Director of the Office of Nuclear Reactor Regulation a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens) from Exelon Generation Company to its direct or indirect parent, or to any other affiliated company, facilities for the production, transmission, or distribution of electric energy having a depreciated book value exceeding ten percent (10%) of Exelon Generation Company's consolidated net utility plant, as recorded on Exelon Generation Company's books of account.

(12) Exelon Generation Company shall have decommissioning trust funds for Salem, Unit 1, in the following minimum amount on the closing date of the license transfer:

Salem, Unit 1	$53,780,652

(13) The decommissioning trust agreement for Salem, Unit 1, shall be subject to the following:

(a) The decommissioning trust agreement must be in a form acceptable to the NRC.

(b) With respect to the decommissioning trust fund, investments in the securities or other obligations of Exelon Corporation or affiliates thereof, or their successors or assigns are prohibited. 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 are prohibited.

(c) The decommissioning trust agreement for Salem, Unit 1, must provide that no disbursements or payments from the trust shall be made by the trustee unless the trustee has first given the Director of the Office of Nuclear Reactor Regulation 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 NRC.

(d) The decommissioning trust agreement must provide that the agreement can not be amended in any material respect without 30 days prior written notification to the Director of the Office of Nuclear Reactor Regulation.

(e) The appropriate section of the decommissioning trust agreement shall state 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.

(14) Exelon Generation Company 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 Salem, Unit 1, license to it and the requirements of the Order approving the transfer, and consistent with the safety evaluation supporting the Order.

APPENDIX C

ADDITIONAL CONDITIONS
OPERATING LICENSE NO. DPR-70

Public Service Electric and Gas Company, Exelon Generation Company, LLC, Delmarva Power and Light Company, and Atlantic City Electric Company shall comply with the following conditions on the schedules noted below:

Amendment Number	Additional Condition	Implementation Date
192	The licensee is authorized to relocate certain Technical Specification requirements to licensee-controlled documents. Implementation of this amendment shall include the relocation of these technical specification requirements to the appropriate documents, as described in the licensee's application dated January 11, 1996, as supplemented by letters dated February 26, May 22, June 27, July 12, December 23, 1996, and March 17, 1997, and evaluated in the staff's safety evaluation attached to this amendment.	The amendment shall be implemented within 60 days from March 21, 1997.
194	The licensee is authorized to upgrade the initiation circuitry for the power operated relief valves, as described in the licensee's application dated January 31, 1997, as supplemented by letters dated March 14, April 8, and April 28, 1997, and evaluated in the staff's safety evaluation attached to this amendment.	The amendment shall be implemented prior to entry into Mode 3 from the current outage for Salem, Unit 1.
196	Containment Fan Cooler Units The licensee shall complete all modifications associated with the amendment request concerning Containment Fan Cooler Unit (CFCU) response time dated October 25, 1996, as described in the letters supplementing the amendment request dated December 11, 1996, January 28, March 27, April 24, June 3, and June 12, 1997, prior to entry into Mode 3 following refueling outage 12. All modifications made in support of this amendment request and described in the referenced submittals shall be in conformance with the existing design basis for Salem Unit 1, and programmatic controls for tank monitoring instrumentation shall be as described in the letter dated April 24, 1997. Post modification testing and confirmatory analyses shall be as described in the letter dated March 27, 1997. Future changes to the design described in these submittals may be made in accordance with the provisions of 10 CFR 50.59. Further, the administrative controls associated with CFCU operability and containment integrity described in the letters dated March 27 and April 24, 1997, shall not be relaxed or changed without prior staff review until such time as the license has been amended to include the administrative controls as technical specification requirements.	The amendment shall be implemented prior to entry into Mode 3 from the current outage for Salem, Unit 1.
198	The licensee shall perform an evaluation of the containment liner anchorage by November 30, 1997, for the loading induced on the containment liner during a Main Steam Line Break event to confirm the assumptions provided in the Preliminary Safety Analysis Report and Updated Final Safety Analysis Report.	The amendment shall be implemented within 30 days from July 17, 1997.

UNITED STATES
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WASHINGTON, D.C. 20555-0001

PUBLIC SERVICE ELECTRIC & GAS COMPANY

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.
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, Philadelphia Electric Company (PECO Energy Company), Delmarva Power and Light Company and Atlantic City Electric Company (the licensees) dated December 22, 1999, in conjunction with the application filed by PECO Energy Company dated December 20, 1999, as supplemented June 15, 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 Facility Operating License No. DPR-75 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.

FOR THE NUCLEAR REGULATORY COMMISSION

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Attachment: Changes to the License

Date of Issuance:

ATTACHMENT TO LICENSE AMENDMENT NO. ____

FACILITY OPERATING LICENSE NO. DPR-75

DOCKET NO. 50-311

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	Insert Pages
1	1
2	2
21	21
21a	21a
Appendix C	Appendix C

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

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
EXELON GENERATION COMPANY, LLC
DELMARVA POWER AND LIGHT COMPANY
ATLANTIC CITY ELECTRIC COMPANY

DOCKET NO. 50-311

SALEM NUCLEAR GENERATING STATION, UNIT NO. 2

FACILITY OPERATING LICENSE

License No. DPR-75

1. The Nuclear Regulatory Commission (the Commission) having found that:

   A. The application for license filed by the Public Service Electric and Gas Company for itself and Exelon Generation Company, LLC (Exelon Generation Company), Delmarva Power and Light Company and Atlantic City Electric Company (herein after 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. Public Service Electric and Gas Company 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;

F. The licensees are financially qualified to engage in the activities authorized by this license in accordance with the Commission's regulations set forth in 10 CFR Chapter I;

G. The licensees have satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;

H. The issuance of this operating license will not be inimical to the common defense and security or to the health and safety of the public;

I. After weighing the environmental, economic, technical and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of Facility Operating License No. DPR-75 subject to the conditions for protection of the environment set forth herein is in accordance with 10 CFR Part 50 Appendix D of the Commission's regulations and all applicable requirements have been satisfied; and

J. The receipt, possession, and use of source, byproduct and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40 and 70.

2. Pursuant to approval by the Nuclear Regulatory Commission at meetings on January 14, 1981, April 28, 1981, and May 19, 1981, the License for Fuel-Loading and Low-Power Testing issued on April 18, 1980 is superseded by Facility Operating License No. DPR-75 hereby issued to Public Service Electric and Gas Company, Exelon Generation Company, Delmarva Power and Light Company and Atlantic City Electric Company (licensees) to read as follows:

A. This license applies to the Salem Nuclear Generating Station, Unit No. 2, a pressurized water nuclear reactor and associated equipment (the facility), owned by the licensees. The facility is located on the southern end of Artificial Island on the east bank of the Delaware River in Lower Alloways Creek Township in Salem County, New Jersey and is described in the Final Safety Analysis Report as supplemented and amended and the Environmental Report as supplemented and amended.

B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:

(1) Public Service Electric and Gas Company, Exelon Generation Company, Delmarva Power and Light Company and Atlantic City Electric Company to possess the facility at the designated location in Salem County, New Jersey, in accordance with the procedures and limitations set forth in this license;

(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. 181, are hereby incorporated into this license. Public Service Electric and Gas Company shall operate the facility in accordance with the Additional Conditions.

(27) Exelon Generation Company shall provide to the Director of the Office of Nuclear Reactor Regulation a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens) from Exelon Generation Company to its direct or indirect parent, or to any other affiliated company, facilities for the production, transmission, or distribution of electric energy having a depreciated book value exceeding ten percent (10%) of Exelon Generation Company's consolidated net utility plant, as recorded on Exelon Generation Company's books of account.

(28) Exelon Generation Company shall have decommissioning trust funds for Salem, Unit 2, in the following minimum amount on the closing date of the license transfer to it:

Salem, Unit 2	$45,059,302

(29) The decommissioning trust agreement for Salem, Unit 2, shall be subject to the following:

(a) The decommissioning trust agreement must be in a form acceptable to the NRC.

(b) With respect to the decommissioning trust fund, investments in the securities or other obligations of Exelon Corporation or affiliates thereof, or their successors or assigns are prohibited. 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 are prohibited.

(c) The decommissioning trust agreement for Salem, Unit 2, must provide that no disbursements or payments from the trust shall be made by the trustee unless the trustee has first given the Director, Office of Nuclear Reactor Regulation, 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 NRC.

(d) The decommissioning trust agreement must provide that the agreement can not be amended in any material respect without prior written consent of the Director, Office of Nuclear Reactor Regulation.

(e) The appropriate section of the decommissioning trust agreement shall state 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.

(30) Exelon Generation Company shall take all necessary steps to ensure that the decommissioning trust is maintained in accordance with the application for approval of the transfer of its ownership interest in Salem, Unit 2, license and the requirements of the Order approving the transfer, and consistent with the safety evaluation supporting the Order.

D. An exemption from certain requirements of Appendix J to 10 CFR Part 50 is described in the Office of Nuclear Reactor Regulation's Safety Evaluation Report, Supplement No. 4. This exemption was authorized by law and will not endanger life or property or the common defense and security and is otherwise in the public interest. The exemption, therefore, remains in effect. The granting of the exemption was authorized with the issuance of the License for Fuel-Loading and Low-Power Testing, dated April 18, 1980. The facility will operate, to the extent authorized herein, in conformity with the application as amended, the provisions of the Act, and the regulations of the Commission.

APPENDIX C

ADDITIONAL CONDITIONS
OPERATING LICENSE NO. DPR-75

Public Service Electric and Gas Company, Exelon Generation Company, LLC, Delmarva Power and Light Company, and Atlantic City Electric Company shall comply with the following conditions on the schedules noted below:

Amendment Number	Additional Condition	Implementation Date
175	The licensee is authorized to relocate certain Technical Specification requirements to licensee-controlled documents. Implementation of this amendment shall include the relocation of these technical specification requirements to the appropriate documents, as described in the licensee's application dated January 11, 1996, as supplemented by letters dated February 26, May 22, June 27, July 12, December 23, 1996, and March 17, 1997, and evaluated in the staff's safety evaluation attached to this amendment.	The amendment shall be implemented within 60 days from March 21, 1997.
177	The licensee is authorized to upgrade the initiation circuitry for the power operated relief valves, as described in the licensee's application dated January 31, 1997, as supplemented by letters dated March 14, April 8, and April 28 1997, and evaluated in the staff's safety evaluation attached to this amendment.	The amendment shall be implemented prior to entry into Mode 3 from the current outage for Salem, Unit 2.
179	Containment Fan Cooler Units All modifications made in support of the amendment request concerning Containment Fan Cooler Unit (CFCU) response time dated October 25, 1996, as described in the letters supplementing the amendment request dated December 11, 1996, January 28, March 27,April 24, June 3, and June 12, 1997, shall be in conformance with the existing design basis for Salem Unit 2, and programmatic controls for tank monitoring instrumentation shall be as described in the letter dated April 24, 1997. Post modification testing and confirmatory analyses shall be as described in the letter dated March 27, 1997. Future changes to the design described in these submittals may be made in accordance with the provisions of 10 CFR 50.59. Further, the administrative controls associated with CFCU operability and containment integrity described in the letters dated March 27 and April 24, 1997, shall not be relaxed or changed without prior staff review until such time as the license has been amended to include the administrative controls as technical specification requirements.	The amendment shall be implemented prior to entry into Mode 3 from the current outage for Salem, Unit 2.
181	The licensee shall perform an evaluation of the containment liner anchorage by November 30, 1997, for the loading induced on the containment liner during a Main Steam Line Break event to confirm the assumptions provided in the Preliminary Safety Analysis Report and Updated Final Safety Analysis Report.	The amendment shall be implemented within 30 days from July 17, 1997.

UNITED STATES
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SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

PROPOSED TRANSFER OF OPERATING LICENSES FOR

LIMERICK GENERATING STATION, UNIT 1, DOCKET NO. 50-352

LIMERICK GENERATING STATION, UNIT 2, DOCKET NO. 50-353

PEACH BOTTOM ATOMIC POWER STATION, UNIT 1, DOCKET NO. 50-171

PEACH BOTTOM ATOMIC POWER STATION, UNIT 2, DOCKET NO. 50-277

PEACH BOTTOM ATOMIC POWER STATION, UNIT 3, DOCKET NO. 50-278

SALEM NUCLEAR GENERATING STATION, UNIT 1, DOCKET NO. 50-272

SALEM NUCLEAR GENERATING STATION, UNIT 2, DOCKET NO. 50-311

FROM PECO ENERGY COMPANY

TO EXELON GENERATION COMPANY, LLC

AND CONFORMING AMENDMENTS

1.0 INTRODUCTION

By application dated December 20, 1999, as supplemented on January 3, February 14, March 10, March 23, March 30, and June 15, 2000 (hereafter referred to as the application), PECO Energy Company (PECO, the licensee) requested that the Nuclear Regulatory Commission (NRC) consent to the transfer of PECO's interests in its Facility Operating Licenses to a newly formed entity, pursuant to 10 CFR 50.80. PECO and the Public Service Electric and Gas Company (PSE&G) (the licensed operator of the Salem Nuclear Generating Station, Units 1 and 2), in the application and in a PSE&G submittal dated December 22, 1999, also requested approval of conforming license amendments to reflect the transfer of the licenses.

PECO proposes to transfer the operating licenses the extend held by PECO for the following plants:

Limerick Generating Station, Unit 1, License No. NPF-39
Limerick Generating Station, Unit 2, License No. NPF-85
Peach Bottom Atomic Power Station, Unit 1, License No. DPR-12

Peach Bottom Atomic Power Station, Unit 2, License No. DPR-44
Peach Bottom Atomic Power Station, Unit 3, License No. DPR-56
Salem Nuclear Generating Station, Unit 1, License No. DPR-70
Salem Nuclear Generating Station, Unit 2, License No. DPR-75

PECO requested that the NRC consent to the transfer of the Limerick, Peach Bottom, and Salem licenses, to the extent held by PECO, to Exelon Generation Company, LLC (Exelon Generation Company) to be formed in connection with the merger of PECO and Unicom Corporation (Unicom), the parent company of Commonwealth Edison Company (ComEd). As a result of these transfers, Exelon Generation Company would be authorized to possess, use and operate Limerick, Units 1 and 2, and Peach Bottom, Units 2 and 3 under essentially the same conditions and authorizations included in the existing licenses. Exelon Generation Company would be authorized to possess and maintain, but not operate Peach Bottom, Unit 1 and to possess the Salem units (along with the Salem co-licensees).

On September 22, 1999, PECO and Unicom entered into a merger agreement. This merger will result in the formation of a new holding company, Exelon Corporation (Exelon), which will be registered under the Public Utility Holding Company Act of 1935. As a result of the merger, the existing utility and non-utility businesses of PECO and Unicom will be organized into subsidiaries of Exelon.

In its initial December 20, 1999, application, PECO requested that the licenses be transferred to GENCO, an unnamed, wholly-owned direct generation subsidiary of Exelon. In the June 15, 2000, letter from PECO the actual name of GENCO was disclosed to be Exelon Generation Company, LLC. The June 15, 2000, letter stated that the proposed corporate structure of Exelon is being revised to include an intermediate holding company over the generation subsidiary and certain other businesses. For a variety of business, tax, and regulatory reasons, PECO and ComEd have determined that it would be advantageous to establish a separate, wholly-owned subsidiary, Exelon Ventures Company (EVC), to serve as the direct parent company of Exelon Generation Company, such that EVC will be an intermediary holding company between Exelon Generation Company and Exelon.

Exelon Generation Company will be a Pennsylvania limited liability company, which will own, operate, and market power from nuclear, fossil-fueled and hydroelectric generating units currently owned and operated by PECO and ComEd. PECO will exist as a distributor of electricity in the same franchise area it currently occupies after the proposed merger. ComEd will exist as a distributor of electricity in its same franchise area it currently occupies, following the proposed merger. A nuclear group (Exelon Generation Company-NG) will be created within Exelon Generation Company to operate the nuclear units that Exelon Generation Company will own. Exelon Generation Company-NG will not be a separate corporation, but will be a business unit within Exelon Generation Company.

Exelon Generation Company will sell electricity to electric utility affiliates (PECO and ComEd) and will market electricity pursuant to rate tariffs accepted by the Federal Energy Regulatory Commission (FERC).

The application was filed pursuant to Section 184 of the Atomic Energy Act of 1954, as amended (AEA), and Sections 50.80 and 50.90 of Title 10 of the Code of Federal Regulations. The supplemental submittals not specifically referenced in the Federal Register notices of the proposed license transfers and conforming amendments did not expand the scope of the application as noticed in the Federal Register.

2.0 BACKGROUND

PECO

PECO is the sole owner of Peach Bottom Atomic Power Station Unit 1, a 115 Mwt experimental unit currently in SAFSTOR since 1974. (SAFSTOR is a method of decommissioning by which the nuclear facility is placed and maintained in such condition that the nuclear facility can be safely stored and subsequently decontaminated to levels that permit release for unrestricted use.) PECO is the sole owner of Peach Bottom, Unit 1, and is licensed to own and maintain the unit. PECO holds a 42.49 percent ownership interest in and is the licensed operator of Peach Bottom Atomic Power Station, Units 2 and 3. However, PECO may acquire an additional 7.5 percent ownership interest in each of Units 2 and 3 through a pending purchase from Conectiv, Inc.

PECO is the sole owner and operator of Limerick Generating Station, Units 1 and 2.

PECO owns 42.59 percent of Salem Generating Station, Units 1 and 2; the units are operated by PSE&G.

ComEd

ComEd is the sole owner and operator of Braidwood Station, Units 1 and 2; Byron Station, Units 1 and 2; Dresden Nuclear Power Station, Units 2 and 3; and LaSalle County Station, Units 1 and 2. ComEd is a 75 percent owner and is the operator of Quad Cities, Units 1 and 2. ComEd has three units in decommissioning status: Dresden Nuclear Power Station, Unit 1; and Zion Nuclear Power Station, Units 1 and 2. These three units are solely owned by ComEd, which is responsible for maintaining and decommissioning these units.

According to the application, all of the nuclear units currently owned (to the extent of their ownership shares) by PECO and ComEd will be transferred to Exelon Generation Company. [1] This safety evaluation addresses the PECO units. The nuclear units owned by ComEd are addressed in a separate safety evaluation.

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[1] The application also states that Exelon Generation Company will also acquire PECO's ownership interest in AmerGen Energy Company LLC (AmerGen). The NRC is separately reviewing the license transfers for the nuclear power plants owned and operated by AmerGen. See application dated February 28, 2000, from G. Rainey, AmerGen

3.0 FINANCIAL QUALIFICATIONS ANALYSIS

Pursuant to 10 CFR 50.33(f), an electric utility is not required to demonstrate its financial qualifications. Section 50.2 of 10 CFR states that an electric utility is "any entity that generates or distributes electricity and which recovers the cost of this electricity, either directly or indirectly, through rates established by the entity itself or by a separate regulatory authority." Exelon Generation Company will sell electricity to its utility affiliates and will market electricity pursuant to rate tariffs accepted by (but not established by) the Federal Energy Regulatory Commission. However, the application has not established that Exelon Generation Company will meet the definition of an electric utility as defined in 10 CFR 50.2.

While the NRC staff does not find that Exelon Generation Company qualifies as an "electric utility" under 10 CFR 50.2 , the NRC staff finds, as discussed below, that Exelon Generation Company meets the financial qualifications requirements to hold the above PECO licenses for a non-electric utility pursuant to 10 CFR 50.33(f).

Exelon Generation Company, as both a newly formed entity and non-electric utility applying to own and to operate nuclear power plants, is subject to a more detailed financial qualifications review by the NRC than an established electric utility. Specifically, Exelon Generation Company must meet the requirements of 10 CFR 50.33(f) by providing information that shows the following:

(1) As a non-electric utility applicant for multiple operating licenses, it possesses or has reasonable assurance of obtaining the funds necessary to cover estimated operating costs for the period of the licenses. Also, it must submit estimated total annual operating costs for the first five years of facility operations and indicate the source of funds to cover these costs.

(2) As a newly formed entity organized primarily for the purpose of operating nuclear power plants, it must show: (a) the legal and financial relationships it has or proposes to have with its stockholders or owners; (b) its financial ability to meet any contractual obligation to the entity which they have incurred or propose to incur; and (c) any information considered necessary by the Commission to enable it to determine the applicant's financial qualification.

Also, 10 CFR 50.33(k)(1) requires that Exelon Generation Company must provide information as described in 10 CFR 50.75 indicating there is reasonable assurance that funds will be available to decommission the facilities. Exelon Generation Company's proposals for decommissioning funding assurances are discussed in Section 4.0 of this Safety Evaluation.

PECO submitted a Projected Income Statement for Exelon Generation Company operations from January 1, 2001, through December 31, 2005, which is included in Enclosures 7 and 7P of the December 20, 1999, submittal. Enclosure 7P is separately bound in a proprietary Addendum to the December 20, 1999, submittal. PECO has requested that Enclosure 7P be

withheld from public disclosure pursuant to 10 CFR 2.790, since the Enclosure 7P contains confidential commercial and financial information. The following projected prices and capacity factors represent nuclear operations only.

Exelon Generation Company
PROJECTED MARKET PRICES FOR MWhr
and
CAPACITY FACTORS

Mid-Atlantic Region (PECO)

	2001	2002	2003	2004	2005
$/MWhr	[ ]	[ ]	[ ]	[ ]	[ ]
Capacity Factor	[ ]	[ ]	[ ]	[ ]	[ ]

Mid-West Region (ComEd)

	2001	2002	2003	2004	2005
$/MWhr	[ ]	[ ]	[ ]	[ ]	[ ]
Capacity Factor	[ ]	[ ]	[ ]	[ ]	[ ]

Exelon Generation Company
PROJECTED INCOME STATEMENT
($000's)

	2001	2002	2003	2004	2005
Revenues:					
Operations	[ ]	[ ]	[ ]	[ ]	[ ]
Decommissioning	[ ]	[ ]	[ ]	[ ]	[ ]
Other Income	[ ]	[ ]	[ ]	[ ]	[ ]
Total:	[ ]	[ ]	[ ]	[ ]	[ ]

Exelon Generation Company
PROJECTED INCOME STATEMENT
($000's)

	2001	2002	2003	2004	2005
Expenses:					
Purchased Power	[ ]	[ ]	[ ]	[ ]	[ ]
Fuel	[ ]	[ ]	[ ]	[ ]	[ ]
O & M	[ ]	[ ]	[ ]	[ ]	[ ]
D & A	[ ]	[ ]	[ ]	[ ]	[ ]
Administrative	[ ]	[ ]	[ ]	[ ]	[ ]
Decommissioning	[ ]	[ ]	[ ]	[ ]	[ ]
Total:	[ ]	[ ]	[ ]	[ ]	[ ]
Income before Taxes:	[ ]	[ ]	[ ]	[ ]	[ ]
Income Taxes:	[ ]	[ ]	[ ]	[ ]	[ ]
Net Income (Loss):	[ ]	[ ]	[ ]	[ ]	[ ]

The Exelon Generation Company Projected Income Statement provides the estimated total annual operating costs for the facilities to be owned by Exelon Generation Company in a manner consistent with the NRC Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance (NUREG-1557, Revision 1). In addition to the nuclear plants, the Statement includes about 5,000 megawatts of capacity from non-nuclear plants. The source of funds to cover the operating expenses will be the operating revenues. The Statement shows that the anticipated revenues from sales of capacity and energy by Exelon Generation Company provide reasonable assurance of adequate funds to meet Exelon Generation Company's ongoing operating expenses. The projected revenues from the sale of electricity from the nuclear units alone are expected to provide sufficient income to cover the total operating costs of Exelon Generation Company's nuclear units.

The staff found that Exelon Generation Company's projections of operating expenses are consistent with the aggregate history of the units involved in the merger. However, the staff believes that one line item required more extensive review: projected revenues from 2001 to 2005 of the Statement. Projected revenues are the product of expected megawatt-hour sales and of Exelon Generation Company's market price assumptions as stated in the supporting schedules of the Statement. Projected revenues and net income are adequate to cover expected expenses and provide Exelon Generation Company's parent company with favorable returns on its expected investment in Exelon Generation Company. However, in a competitive market, prices, revenue and net income levels could be significantly lower than anticipated by Exelon Generation Company during some portion(s) of the 5-year projection period and could result in less funding available for nuclear operations.

The staff's independent analysis focused on the sensitivity of the Exelon Generation Company revenue forecasts to lower market prices for the purpose of establishing a projected market price "floor" below which Exelon Generation Company would begin to have difficulty covering its nuclear operating expenses by relying on revenues. This was analyzed to determine the

average annual simple growth rate for the market price which would produce virtually zero net income (or break even level) over the period from 2001 to 2005, and the growth rate was compared to the higher average annual growth rate in the market prices in Exelon Generation Company's forecast. If Exelon Generation Company was to experience this lower (or floor) level of prices for an extended period, Exelon Generation Company or its owner might decide to continue operating without profits or, at a certain point, to cease some or all nuclear operations permanently.

The base market price in the Exelon Generation Company forecast is approximately[ ] per megawatt-hour in the year 2001, which increases at a simple 5-year growth rate averaging about [ ] percent in the Mid-Atlantic Region (PECO territory). The base market price in the Exelon Generation Company forecast is approximately [ ] per megawatt-hour in the year 2001, which increases at a simple 5-year growth rate averaging about [ ] percent in the Mid-West Region (ComEd territory). [

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The staff assessed the likelihood that these various growth rates may be for the forecast period 2001-2005. Forecasts of electric rates in competitive markets are subject to many factors that make such predictions speculative; however, the reasonableness of various growth rates may be assessed by considering various factors that would provide an indication of future electricity prices. For example, recent trends in electricity prices can provide inferences on price performance in the more competitive environment expected in the electric power industry.

Exelon Generation Company expects to be selling power primarily at market-based prices starting in the year 2001, and these prices will be a mix of competitively determined retail and wholesale prices. Also, trends in retail and wholesale electric prices vary from one region to another, so Exelon Generation Company's prices within its two market areas may not follow national trends. The North American Electric Reliability Council (NERC) projects that capacity margins will somewhat increase in the Mid-American Interconnected Network, Inc. (MAIN) from 1998 to 2007, the region where Exelon Generation Company's Mid-West operations will take place. (From NERC's Reliability Assessment 1998-2007, October 1998, page 11.) This has been incorporated into the decreasing forecast prices projected by Exelon Generation Company. However, capacity margins from 1998 to 2007 will be declining in the areas surrounding MAIN [such as the East Central Area Reliability Coordination Agreement (ECAR), the Southeast Electric Reliability Council (SERC), and the Mid-Continent Area Power Pool (MAPP)], such that there would be a potential for sales from MAIN to adjoining regions.

NERC projects that capacity margins will decrease in the Mid-Atlantic Area Council (MAAC) area from 17.1 percent to 5.1 percent during the 1998-2007 time frame. This would bolster Exelon Generation Company's forecasted market price for electricity in the MAAC region.

After reviewing several forecasts of United States electricity prices and other relative information (such as forecasts of regional capacity margins), the staff concludes that attempting to forecast the growth rate, or even the direction of change, for market-based prices in the two Exelon Generation Company market areas is too speculative to be useful for contingency analyses. Nevertheless, the staff concludes from its independent analysis that, even if prices for Exelon Generation Company power were to increase at an average annual rate lower than

that anticipated by Exelon Generation Company, Exelon Generation Company would not be precluded from operating and maintaining its nuclear fleet in a manner that would protect the public health and safety.

As stated above, the projected revenues from the sale of electricity from the nuclear units alone are expected to provide sufficient income to cover the total operating costs of Exelon Generation Company's nuclear units. In addition, there will be additional net income available from sales of electricity from 5000 MWe of capacity in the fossil-fueled and hydroelectric generating stations to be operated by Exelon Generation Company, as well as net income from power marketing and other business operations.

The staff notes that Exelon Generation Company's projected assets and revenues are sufficient to cover its share of costs that might be associated with simultaneous six-month shutdowns of several of the nuclear units it will own, based on the Exelon Generation Company Projected Income Statement and Projected Opening Balance Sheet, provided in Enclosure 7P (proprietary version), which shows that Exelon Generation Company will have total assets exceeding [ ], and annual revenues of approximately [ ].

The staff further notes that, according to the application, Exelon Generation Company is expected to have an investment-grade bond rating, which will enable it to raise additional funds as necessary.

The staff has concluded that the projected income statement shows that the anticipated revenues from sales of capacity and energy from Exelon Generation Company's fleet provide reasonable assurance of an adequate source of funds to meet Exelon Generation Company's ongoing operating expenses for all of the facilities. This evaluation is based on the assumption, made by the applicant, that all of the PECO and ComEd licenses will be transferred to Exelon Generation Company simultaneously. The staff has not reviewed Exelon Generation Company's financial qualifications to own and operate a subset of the group of reactors or any single reactor proposed in the application to be transferred to Exelon Generation Company since revenue projections are based on projected revenues from the group as a whole and have not been broken down by unit. Therefore, the staff will condition transfer orders upon all of the units described in the application to be transferred to Exelon Generation Company (which description includes both PECO and ComEd) becoming owned by Exelon Generation Company contemporaneously such that the Projected Income Statement discussed earlier remains valid.

Based on the foregoing, Exelon Generation Company has shown that it will possess, or will have reasonable assurance of obtaining, the funds necessary to cover the estimated operating costs for the period of the facility licenses in accordance with 10 CFR 50.33(f)(2). However, in view of the NRC's concern that holding company structures can lead to a diminution of assets necessary for the safe operation and decommissioning of a licensee's nuclear power plant, the NRC practice has been to condition license transfer approvals involving holding company structures upon a requirement that the licensee not transfer significant assets from the licensee to an affiliate without first notifying the NRC. This requirement assists the NRC in assuring that a licensee will continue to maintain adequate resources to contribute to the safe operation and decommissioning of its facility. Thus, the following is to be made a condition of approval in the relevant transfer orders as well as a conforming license condition:

> Exelon Generation Company shall provide to the Director of the Office of Nuclear Reactor Regulation [and the Director of the Office of Nuclear Material Safety and Safeguards, in the case of Peach Bottom, Unit 1] a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens) from Exelon Generation Company to its proposed direct or indirect parent, or to any other affiliated company, facilities for the production, transmission, or distribution of electric energy having a depreciated book value exceeding ten percent (10%) of Exelon Generation Company's consolidated net utility plant, as recorded on Exelon Generation Company's books of account.

Based on the above, the NRC finds that Exelon Generation Company is financially qualified to hold the licenses for the reactor units being transferred. As stated above, this finding is conditioned upon all of the PECO and ComEd units being transferred to Exelon Generation Company contemporaneously. This condition shall be included in orders approving the transfers.

4.0 DECOMMISSIONING FUNDING

The NRC has determined that the requirements to provide reasonable assurance of decommissioning funding and provision of an adequate amount of decommissioning funding are necessary to ensure the adequate protection of public health and safety.

10 CFR 50.33(k) requires that an application for an operating license for a utilization facility contain information indicating how reasonable assurance will be provided that funds will be available to decommission the facility.

The use of an external sinking fund is an allowable method to provide financial assurance for decommissioning funding. Specifically, 10 CFR 50.75(e)(1)(ii)(B) provides that an external sinking fund may be the exclusive mechanism relied upon for providing financial assurance for decommissioning for those licensees that are no longer rate regulated, if the licensees' source of revenue for the external sinking fund is a non-bypassable charge, and if the total amount will provide funds estimated to be needed for decommissioning. As set forth in 10 CFR 50.2, non-bypassable charges are defined as:

> . . . those charges imposed over an established time period by a Government authority that affected persons or entities are required to pay to cover costs associated with the decommissioning of a nuclear power plant. Such charges include, but are not limited to, wire charges, stranded cost charges, transition charges, exit fees, other similar charges, or the securitized proceeds of a revenue stream.

In accordance with 10 CFR 50.75(b), Exelon Generation Company will maintain financial assurance for decommissioning funding that meets the requirements of 10 CFR 50.75(e), by maintaining external sinking funds for each of the units. The mechanism for obtaining funds for future contributions to the external sinking funds differs between Exelon Generation Company's Illinois, Pennsylvania, and New Jersey plants, depending upon each state's restructuring

legislation. (The staff notes that, although some of PECO's plants are located in New Jersey, the PECO share of the electricity produced is under the jurisdiction of the Pennsylvania Public Utilities Commission.)

DECOMMISSIONING FUNDING ASSURANCE IN PENNSYLVANIA

PECO, as a rate-regulated electric utility, currently maintains Nuclear Decommissioning Trusts for its share of interests in each of the Peach Bottom, Limerick, and Salem units. The Nuclear Decommissioning Trusts utilize the external sinking fund financial assurance mechanism provided in 10 CFR 50.75(e)(1)(ii). On March 31 and August 4, 1999, PECO Nuclear, a unit of PECO Energy Company, submitted information to the NRC regarding the status of the Nuclear Decommissioning Trusts. These existing Nuclear Decommissioning Trusts will be transferred to Exelon Generation Company, which will continue to utilize the external sinking fund method, with periodic deposits to be made to the funds over the remaining operating life of the units.

Pursuant to the restructuring legislation in Pennsylvania, and the Nuclear Decommissioning Cost Adjustment Clause established by the Pennsylvania Public Utilities Commission (Docket No. R-00973953), PECO has been authorized to recover the decommissioning costs for its interests in the Peach Bottom, Salem, and Limerick units pursuant to non-bypassable charge mechanisms. Following the merger, PECO will continue to recover these costs through these mechanisms and will be contractually obligated to pay these amounts to Exelon Generation Company. Thus, Exelon Generation Company will have a source of dedicated revenues for decommissioning the former PECO units that is a "non-bypassable charge" within the meaning of 10 CFR 50.75(e)(1)(ii)(B). As evaluated in the "Decommissioning Calculation" section below, the staff concludes that this mechanism will provide reasonable assurance of decommissioning funding pursuant to 10 CFR 50.75.

DECOMMISSIONING CALCULATION

The staff verified the calculations provided by the applicant in its submittal dated March 30, 2000, in accordance with 10 CFR 50.75(f)(1), and agrees that the decommissioning trust funds associated with the PECO ownership shares of the units referenced are funded, as of December 31, 1999, to the levels required by NRC regulations. Based on the discussion above describing the transfer of the existing funds to Exelon Generation Company decommissioning trusts, the staff concludes that Exelon Generation Company has complied with the requirements of 10 CFR 50.75(b) with respect to the amount of decommissioning funding that it must provide for the purpose of approval of the subject license transfers. The staff is basing its conclusions on Exelon Generation Company acquiring 100 percent of Peach Bottom, Unit 1, a 42.49 percent ownership interest in Peach Bottom, Units 2 and 3, a 42.59 percent ownership interest in Salem, Units 1 and 2, and a 100 percent interest in Limerick, Units 1 and 2. To ensure that the transfer of decommissioning funds will occur as stated in the application, the staff concludes the orders approving the transfer must contain the following condition which shall also be incorporated as a conforming license condition as appropriate for each license:

> (1) PECO shall transfer to Exelon Generation Company on the closing date of the license transfers the respective PECO decommissioning trust funds in the following minimum amounts:

Limerick Generating Station, Unit 1	$94,127,446
Limerick Generating Station, Unit 2	$59,687,081
Peach Bottom Atomic Power Station, Unit 1	$16,621,647
Peach Bottom Atomic Power Station, Unit 2	$71,250,231
Peach Bottom Atomic Power Station, Unit 3	$73,497,654
Salem Generating Station, Unit 1	$53,780,652
Salem Generating Station, Unit 2	$45,059,302

In addition, in light of Exelon Generation Company being an unregulated entity not subject to traditional state controls on decommissioning funding, the following conditions must also be incorporated as conditions to approving the transfer of the licenses and also be incorporated into the licenses as conforming conditions essentially as follows:

(1) The decommissioning trust agreements for each respective unit being transferred to Exelon Generation Company, at the time the transfers are effected and thereafter, are subject to the following:

(a) The decommissioning trust agreement must be in a form acceptable to the NRC.

(b) With respect to decommissioning trust funds, investments in the securities or other obligations of Exelon Corporation or affiliates thereof, or their successors or assigns, are prohibited. 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 are prohibited.

(c) The decommissioning trust agreements must provide that no disbursements or payments from the trust shall be made by the trustee until the trustee has first given the Director of the Office of Nuclear Reactor Regulation, or the Director of the Office of Nuclear Material Safety and Safeguards, as appropriate to the operating status of the unit, 30 days prior written notice of the payment. The decommissioning trust agreements shall further provide that no disbursements or payments from the trusts shall be made if the trustee receives prior written notice of objection from the NRC.

(d) The decommissioning trust agreements must provide that the agreements cannot be modified in any material respect without 30 days prior written notification to the Director of the Office of Nuclear Reactor Regulation, or the Director of the Office of Nuclear Material Safety and Safeguards, as appropriate.

(e) The appropriate section of the trust agreements shall state 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.

(2) Exelon Generation Company shall take all necessary steps to ensure that the decommissioning trusts are maintained in accordance with the application for approval of the license transfers to Exelon Generation Company and the requirements of the orders approving the transfers, and consistent with the safety evaluation supporting the orders.

In consideration of the foregoing, the staff finds the proposed decommissioning funding arrangements acceptable.

5.0 ANTITRUST REVIEW

The Atomic Energy Act does not require or authorize antitrust reviews of post-operating license transfer applications. Kansas Gas and Electric Co., et al. (Wolf Creek Generating Station, Unit 1), CLI-99-19, 49 NRC 441 (1999). Therefore, since the transfer application postdates the issuance of the operating licenses for Peach Bottom, Units 1, 2, and 3; Limerick, Units 1 and 2; and Salem, Units 1 and 2, no antitrust review is required or authorized.

6.0 TECHNICAL QUALIFICATIONS

6.1 Basis and Guidance for NRC Evaluation

The staff used the following regulations and guidance in making its evaluation: 10 CFR 50.40(b), "Common Standards"; 10 CFR 50.80, "Transfer of licenses"; Standard Review Plan (SRP) NUREG-0800, Section 13.1.1, "Management and Technical Support Organization"; SRP, Sections 13.1.2-13.1.3, "Operating Organizations"; and ANSI N18.1-1971, "Selection and Training of Nuclear Power Plant Personnel"; as endorsed by Regulatory Guide 1.8, Revision 2, "Qualification and Training of Personnel for Nuclear Power Plants," April 1987.

The overall purpose of this review is to ensure that Exelon Generation Company's organization for management, technical support, and operations is sufficient for safe plant operation.

6.2 Evaluation: Management and Technical Support Organization

In its application, PECO stated that a Nuclear Group (NG) (which will not be a separate corporate entity) will be created within Exelon Generation Company to operate the nuclear units. [2] Organization charts provided in the application depict the various reporting and communication relationships among the principal Exelon Generation Company corporate level executive officers and managers involved in the management of the nuclear facilities. Within the NG, individual sites will be managed by site vice presidents who will report through a regional vice president to the head of the NG.

The licensee stated that the Chief Nuclear Officer (CNO) will be head of the NG and will have

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[2] References to "NG" and Exelon Generation Company are used interchangeably in this discussion. However, Exelon Generation Company will be the legal entity responsible for operating the facilities, and the staff's findings herein are based on NG being an integral part of Exelon Generation Company.

the necessary authority and full responsibility for the safe operation of the nuclear facilities operated by Exelon Generation Company. The application indicated that the CNO will not have any non-nuclear ancillary responsibilities. The licensee further stated that the NG management will establish standards and programs, provide support, and exercise oversight to maintain safe and reliable operation of the nuclear units. As described in the application, personnel to be assigned responsibility within the NG corporate management structure exhibit sufficient experience to implement their responsibilities for technical support. Where specific individuals have not yet been named, the licensee has stated that the positions will be filled by individuals who possess senior nuclear management experience.

In the application, the licensee described the organization to be used to provide technical support to the plants under the responsibility of Exelon Generation Company. The licensee stated that the existing technical support organizations for all plants under the responsibility of the NG are located at the plant sites or at nuclear support offices located in Wayne, Pennsylvania, Downers Grove, Illinois, and other locations. In its March 23, 2000, submittal, the licensee identified a corporate-level change to the proposed NG Organizational Structure contained in Enclosure 5 of the initial application. The licensee noted that the position of Corporate Nuclear Support Vice President would be replaced and the responsibilities assigned to two new corporate-level positions not previously identified. The new positions are Nuclear Services Vice President and Nuclear Technical Support Vice President. The reporting relationship of those positions to the NG President and CNO will be the same reporting relationship previously proposed for the position of Corporate Nuclear Support Vice President.

The licensee stated that after the proposed transfer, the on-site support organizations will be transferred to Exelon Generation Company and will continue to perform the technical support functions for their respective stations on behalf of Exelon Generation Company. Further, the licensee has stated that the on-site management and technical support personnel will continue to conform to pertinent provisions of the Updated Final Safety Analysis Report (UFSAR), Technical Specifications, or Defueled Technical Specifications at each plant, as applicable.

The application indicates that the functions, responsibilities, and reporting relationships of the off-site organizations to the sites will remain clear and unambiguous. The licensee has also stated that supplemental support for each site will be available from the corporate level Nuclear Services and Nuclear Technical Support organizations. The corporate level staff will be located at the NG headquarters and also at regional offices to ensure the timeliness of support. Based on the statements made by the licensee, the staff has concluded "Support Functions" identified on the organizational chart, shown in Enclosure 5 of the December 20, 1999, submittal as amended by the information provided in the submittal of March 23, 2000, includes off-site corporate-level technical support. Therefore, the organizational charts supporting the proposed transfer indicate that, in addition to access to support resources through the corporate-level Nuclear Technical Support organization, the regional vice presidents will also have direct control of corporate-level support functions.

The licensee has described the proposed Exelon Generation Company organization for managing and its means for providing technical support to the staff at the nuclear facilities involved in the license transfer. The corporate level management and technical support structure will be free of ambiguous assignments of primary responsibility. The breadth and

level of experience and availability of personnel will be sufficient to implement the responsibility for technical support for operation of the nuclear facilities. The staff has concluded that Exelon Generation Company meets the criteria described in SRP Section 13.1.1, "Management and Technical Support Organization," will have an acceptable organization and adequate resources to provide off-site technical support for the operation of the facilities under both normal and off-normal conditions and, therefore, the management and technical support organizations will be acceptable for all of the facilities covered by the application.

6.3 Operating Organization

In the application, the licensee stated that nuclear employees located on-site at the various nuclear facilities will become employees of Exelon Generation Company and will continue to support nuclear operations at the various sites. The application further stated that the existing on-site organizational structures, assignments of primary responsibilities, and reporting chains are not being changed as a result of the proposed license transfers.

The licensee also stated that the technical qualifications of Exelon Generation Company to carry out its licensed responsibilities will meet or exceed the technical qualifications of the licensee's current organization as described in the UFSAR for each of the facilities involved. The licensee expects that additional experienced personnel may join the site organizations during the period leading up to and after the license transfers. Prior to the license transfers, decisions regarding such changes will be made by the current licensee. Following the license transfers, such decisions will be made by Exelon Generation Company. The licensee has stated that any new personnel will meet all of the existing qualification requirements in accordance with the licenses and technical specifications for the individual facilities.

The initial operating organizations for all of the affected facilities were determined to be acceptable by the initial licensing reviews or any subsequent reviews. Subsequent safety-related changes to the operating organizations were required to have been evaluated with an appropriate methodology. The staff is aware of no deficiencies in any of the subject operating organizations. Based on the retention of the existing on-site nuclear organizations and essentially all existing employees, the staff concludes that the organizational structure at each site will continue to meet the criteria described in SRP Section 13.1.2-13.1.3, "Operating Organization." The operating organizations, therefore, will continue to provide for the integrated management of operation, maintenance, and decommissioning activities at: Peach Bottom, Units 1, 2, and 3; Limerick, Units 1 and 2; and Salem, Units 1 and 2 and, therefore, are acceptable.

6.4 Conclusions

The licensee has described the proposed organization and personnel qualifications for the management of, and means for providing technical support to, the plant staff for the operation of the nuclear facilities under the responsibility of the Exelon Generation Company after the transfer of the Facility Operating Licenses from PECO to Exelon Generation Company. The staff has reviewed Exelon Generation Company's organization for managing and its means for providing technical support to the various facilities after the license transfers and concludes that Exelon Generation Company will have an acceptable organization and adequate resources to

provide off-site technical support for the operation of the Exelon Generation Company nuclear facilities under both normal and off-normal conditions. The licensee has also described the assignment of plant operating responsibilities, the reporting chains, and the qualification requirements for members of the plant staff. The staff concludes that the proposed operating organizations meet the relevant requirements of 10 CFR 50.40(b) and 10 CFR 50.80 and, therefore, are acceptable. Accordingly, the staff finds that Exelon Generation Company will be technically qualified to hold the licenses proposed to be transferred.

7.0 FOREIGN OWNERSHIP, CONTROL, OR DOMINATION

Sections 103d and 104d of the Atomic Energy Act prohibit the Commission from issuing a license for a nuclear power plant to "any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government." The Commission's regulations at 10 CFR 50.38 contain virtually identical language to implement this prohibition.

In its application, PECO stated that Exelon Corporation will be a U.S. corporation formed under the laws of Pennsylvania. Exelon Corporation's headquarters and principal place of business will be located in Chicago, Illinois. Exelon's stock will initially be held by the current shareholders of PECO and Unicom, and will continue to be widely held and traded on the New York Stock Exchange.

In its supplement dated June 15, 2000, PECO stated that Exelon Generation Company will be wholly-owned by Exelon Ventures Company (EVC), a wholly-owned subsidiary of Exelon Corporation. The licensee stated that, "EVC will be a Pennsylvania corporation... The directors and officers of EVC will all be citizens of the United States and will be drawn from the directors and senior officers of Exelon Corporation. EVC will not be owned, dominated, or controlled by foreign interests."

In its application, PECO stated that Exelon Generation Company will be a U.S. corporation that will be organized under the laws of the Commonwealth of Pennsylvania. Exelon Generation Company's principal place of business will be in the Commonwealth of Pennsylvania. As a limited liability company, Exelon Generation Company will have a management committee as opposed to a Board of Directors. The Chairman of the management and the other members of the management committee will be drawn from the current senior management of PECO, ComEd, and Unicom. The application states that Exelon Generation Company will not be owned, dominated, or controlled by foreign interests. The NRC staff does not know or have reason to believe otherwise.

8.0 NUCLEAR INSURANCE AND INDEMNITY

The provisions of the Price-Anderson Act (Section 170 of the AEA) and the Commission's regulations at 10 CFR Part 140 require that Exelon Generation Company be added to the current indemnity agreement for Peach Bottom, Units 1, 2, and 3; Limerick, Units 1 and 2; and Salem, Units 1 and 2. In accordance with the Price-Anderson Act, Exelon Generation Company will also be required to provide primary insurance and participate in the secondary retrospective insurance pool. Exelon Generation Company will also be required to maintain property

insurance as specified in 10 CFR 50.54(w). The information provided in the application concerning financial qualifications demonstrates that Exelon Generation Company will be able to pay a maximum aggregate annual assessment of $10 million per unit annual insurance premium, in accordance with 10 CFR 140.21(e)-(f).

Consistent with NRC practice, the staff will require Exelon Generation Company to provide satisfactory documentary evidence that Exelon Generation Company has obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations, prior to the issuance of the amended licenses reflecting Exelon Generation Company as the operating licensee and possessor of the facilities. Because the issuance of the amended licenses is directly tied to the consummation of the proposed transfers, the orders approving the transfers will be conditioned essentially as follows:

> Before the completion of the transfer of the facilities to it, Exelon Generation Company shall provide the Director of the Office of Nuclear Reactor Regulation satisfactory documentary evidence that it has obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations.

9.0 CONFORMING AMENDMENT

Introduction

PECO has requested approval of proposed conforming amendments to the operating licenses for Limerick and Peach Bottom. PSE&G, as the operating licensee for Salem, requested approval of similar proposed conforming amendments for the Salem licenses. The requested changes simply replace references to PECO in the operating licenses with references to Exelon Generation Company to reflect the proposed license transfers. No physical or operating changes to the facilities are requested. Supplemental information received that was not the subject of the initial Federal Register notice did not affect the applicability of the Commission's generic no significant hazards consideration determination set forth in 10 CFR 2.1315.

Discussion

The changes to be made to the operating licenses and Technical Specifications do no more than accurately reflect the approved transfer actions, which are subject to certain conditions set forth in the orders approving the transfers, and that were identified and discussed earlier in this safety evaluation. The staff slightly modified some proposed changes to improve clarity and accurately reflect historical events. The amendments involve no safety questions and are administrative in nature. Accordingly, the proposed amendments are acceptable.

State Consultation

In accordance with the Commission's regulations, the Pennsylvania and New Jersey State officials were notified of the proposed issuance of the amendments. The State officials had no comments.

Conclusion With Respect to the Conforming Amendments

The Commission has concluded, based on the considerations discussed above, that (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendments will not be inimical to the common defense and security or to the health and safety of the public.

10.0 ENVIRONMENTAL CONSIDERATION

The subject PECO application is for approval of a transfer of operating licenses issued by the NRC and with the PSE&G application is for approval of conforming amendments. Accordingly, the actions involved meet the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(21). Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with approval of the application.

11.0 CONCLUSION

In view of the foregoing discussion, the NRC staff concludes that Exelon Generation Company is financially and technically qualified to own (to the extent now owned by PECO), operate, and decommission Peach Bottom, Units 2 and 3, and Limerick, Units 1 and 2; to hold the ownership interest in Salem, Units 1 and 2, referenced in this safety evaluation; and to own and decommission Peach Bottom, Unit 1. Also, the staff concludes the transfer would involve no problematic antitrust or foreign ownership considerations.

Thus, the staff has determined that Exelon Generation Company is qualified to be the holder of the licenses as now held by PECO for the above plants, and that the transfers of the Licenses to Exelon Generation Company is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto, with the conditions described elsewhere in this safety evaluation.

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