

November 7, 2001

Mr. John H. Mueller
Chief Nuclear Officer
Niagara Mohawk Power Corporation
Nine Mile Point Nuclear Station
Operations Building, Second Floor
Lycoming, NY 13093

SUBJECT: NINE MILE POINT NUCLEAR STATION, UNIT NOS. 1 AND 2 - ISSUANCE OF CONFORMING AMENDMENTS TO REFLECT DIRECT TRANSFER OF LICENSES TO NINE MILE POINT NUCLEAR STATION, LLC (TAC NO. MB2472 AND MB2473)

Dear Mr. Mueller:

By Order dated June 22, 2001, the U.S. Nuclear Regulatory Commission (NRC) approved the transfer of the licenses for Nine Mile Point Nuclear Station, Unit Nos. 1 and 2 (NMP-1 and NMP-2) to Nine Mile Point Nuclear Station, LLC (NMP LLC), an indirect subsidiary of Constellation Nuclear, LLC, and approved the conforming amendments pursuant to Sections 50.80 and 50.90 of Title 10 of the *Code of Federal Regulations*. By Supplemental Order dated October 30, 2001, NRC revised its approval to permit the same transfers to take place in two steps.

By letter dated November 2, 2001, Niagara Mohawk Power Corporation (NMPC) informed the NRC that the direct transfers of all interests can be completed on November 7, 2001. That letter satisfied Condition (6) of the Order and the Supplemental Order.

Accordingly, the NRC staff has issued the enclosed Amendment No. 172 (Enclosure 1) to Facility Operating License No. DPR-63 for NMP-1, and Amendment No. 100 (Enclosure 2) to Facility Operating License No. NPF-69 for NMP-2. These conforming amendments were previously approved by the Order and revised by the Supplemental Order. They reflect the transfer of the selling owners' interests in NMP-1 and NMP-2 to NMP LLC, and transfer of NMPC's operating authority under the licenses to NMP LLC. On June 22, 2001, the NRC staff issued proprietary and non-proprietary versions of a safety evaluation (SE) to support the Order and conforming amendments. The wording of these conforming amendments was slightly modified by the Supplemental Order as is described in detail in the associated SE. The non-proprietary version of the June 22, 2001, SE and the October 30, 2001, SE may be found at Accession No. ML011520030 and ML012920056, respectively, of the NRC's Agencywide Document Access and Management System (ADAMS).

J. H. Mueller

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Enclosure 3 contains 7 copies of Indemnity Agreement No. B-36 for NMP-1 and NMP-2, which are required in connection with the transfer of the licenses. Please sign and return one copy; remaining copies are for the records of all current and former licensees.

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

Sincerely,

/RA/

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

Docket Nos. 50-220 and 50-410

Enclosures: 1. Amendment No. 172 to DPR-63
2. Amendment No. 100 to NPF-69
3. 7 copies of indemnity agreement

cc w/encls: See next page

**Nine Mile Point Nuclear Station
Unit Nos. 1 and 2**

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Baltimore MD 21201

J. H. Mueller

- 2 -

Enclosure 3 contains 7 copies of Indemnity Agreement No. B-36 for NMP-1 and NMP-2, which are required in connection with the transfer of the licenses. Please sign and return one copy; remaining copies are for the records of all current and former licensees.

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

Sincerely,
/RA/

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

Docket Nos. 50-220 and 50-410

- Enclosures:
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 2. Amendment No. 100 to NPF-69
 3. 7 copies of indemnity agreement

cc w/encls: See next page

DISTRIBUTION:

PUBLIC	PDI Reading
LRaghavan	SLittle
PTam	OGC
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Accession No. **ML011780405**

OFFICE	PDI-1/PM	PDI-1/LA	PDI-1/SC(A)
NAME	PTam	SLittle*	LRaghavan
DATE	11/6/01	11/6/01	11/6/01

OFFICIAL RECORD COPY

Note: The NMP-1 amendment was approved and signed on 6/22/01 by J. Johnson with the OL transfer Order. The NMP-2 amendment was approved and signed on 10/30/01 by S. Collins with the OL transfer Supplemental Order.

*M. O'Brien concurred for S. Little

NIAGARA MOHAWK POWER CORPORATION

DOCKET NO. 50-220

NINE MILE POINT NUCLEAR STATION UNIT NO. 1

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 172
License No. DPR-63

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by Niagara Mohawk Power Corporation, and Constellation Nuclear, LLC, dated February 1, 2001, as supplemented by letters dated March 1, March 16, March 29, April 5, April 27, May 30, June 7, September 10, September 26, September 28, and November 2, 2001, 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;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, the license is hereby 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 60 days.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Jon R. Johnson, Acting Director
Office of Nuclear Reactor Regulation

Attachment:
Changes to the Operating License
and Technical Specifications

Date of Issuance: November 7, 2001

ATTACHMENT TO LICENSE AMENDMENT NO. 172

TO FACILITY OPERATING LICENSE NO. DPR-63

DOCKET NO. 50-220

Replace the following pages of Operating License DPR-63 with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

<u>Remove Pages</u>	<u>Insert Pages</u>
1	1
2	2
3	3
4	4
4A*	5
5	6
--	7
--	8

Replace the following pages of Technical Specifications with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

<u>Remove Pages</u>	<u>Insert Pages</u>
Cover page	Cover page
"Foreword" page	"Foreword" page
6	6
7	7
98	98
107	107
343	343

U. S. ATOMIC ENERGY COMMISSION

NINE MILE POINT NUCLEAR STATION, LLC (NMP LLC)

DOCKET NO. 50-220

FACILITY OPERATING LICENSE

License No. DPR-63

1. The Atomic Energy Commission (the Commission) has found that:
 - A. The application for license, as amended, originally filed by the Niagara Mohawk Power Corporation as supplemented by Nine Mile Point Nuclear Station, LLC (NMP LLC, the licensee) complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations as set forth in 10 CFR Chapter I and all required notifications to other agencies or bodies have been duly made;
 - B. Construction of the Nine Mile Point Nuclear Station Unit No. 1 has been substantially completed in conformity with Construction Permit No. CPPR-16 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: (i) that the activities authorized by this operating license can be conducted without endangering the health and the safety of the public, and (ii) that such activities will be conducted in compliance with the rules and regulations of the Commission;
 - E. The licensee is technically and financially qualified to engage in the activities authorized by this operating license in accordance with the rules and regulations of the Commission;
 - 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 full-term operating license will not be inimical to the common defense and security or to the health and safety of the public;

Amendment No. 172

- 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 the full-term Facility Operating License No. DPR-63 (subject to the conditions for protection of the environment set forth herein) is in accordance with Appendix D, 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 license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40 and 70 including Section 30.33, 40.32, 70.23 and 70.31.
2. Facility Operating License No. DPR-63 is hereby issued to Nine Mile Point Nuclear Station, LLC to read as follows:
- A. This license applies to the Nine Mile Point Nuclear Station Unit No. 1, a single cycle, force circulation, boiling light water reactor, and associated equipment (the facility), owned by Nine Mile Point Nuclear Station, LLC. The facility is located on the Nine Mile Point site on the southeast shore of Lake Ontario in Oswego County, New York and is described in the "Final Safety Analysis Report" (with its Amendments Nos. 3 through 13 and its Supplements Nos. 1 through 10) and the "Environmental Report" (with its Supplements Nos. 1 through 3).
 - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses Nine Mile Point Nuclear Station, LLC:
 - (1) 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 at the designated location in Oswego County, New York, 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 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 as of February 4, 1976;
 - (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 and equipment calibration or associated with radioactive apparatus or components.
- (5) 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 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; Section 50.54 and 50.59 of Part 50; and Section 70.32 of Part 70. The license 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 also subject to the additional conditions specified or incorporated below:

(1) Maximum Power Level

The licensee is authorized to operate the facility at steady state reactor core power levels not in excess of 1850 megawatts (thermal).

(2) Technical Specifications

The Technical Specifications contained in Appendix A, which is attached hereto, as revised through Amendment No. 172 is hereby incorporated into this license. Nine Mile Point Nuclear Station, LLC shall operate the facility in accordance with the Technical Specifications.

- (4) The licensee shall submit an application for license amendment, including supporting analyses and evaluations by December 18, 1998. This amendment application shall contain the proposed methods for compliance with GDC 19 dose guidelines under accident conditions based upon system design and without reliance upon the use of potassium iodide.

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

- (1) The licensee will complete construction of a new radwaste facility in conformance with the design defined and evaluated in the FES, to be operational no later than June 1976.
- (2) Deleted by License Amendment No. 51
- (3) Deleted by License Amendment No. 51
- (4) Security Plan, Guard Training and Safeguards Contingency Plans

The licensee 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 the 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, entitled "Nine Mile Point Nuclear Station Physical Security Plan" with revisions submitted through June 9, 1994; "Nine Mile Point Nuclear Station Guard Training and Qualification Plan," with revisions submitted through September 30, 1993; and "Nine Mile Point Nuclear Station Safeguards Contingency Plan," with revisions submitted through October 1, 1992. Changes made in accordance with 10 CFR 73.55 shall be implemented in accordance with the schedule set forth therein.

Paragraph 2.D(5) of the license has been combined with paragraph 2.D(4) as amended above into a single paragraph.

(6) Recirculation System Safe-end Replacement

The recirculation system and safe-end replacement program including the cutting and welding of the replacement components and the dose mitigation program (ALARA) is approved, subject to the following conditions:

- a. The licensee shall complete the recirculation piping stress reanalysis prior to restart of Nine Mile Point Nuclear Power Station, Unit No. 1. The results of this analysis for selected representative portions of the recirculation system shall be submitted to the NRC prior to restart of the facility.
- b. All fuel and control rods shall be removed from the reactor pressure vessel and stored in the spent fuel pool during the period that work on the safe-end and recirculation system replacement program is in progress.
- c. The licensee shall update the collective occupational dose estimate weekly. If the updated estimate exceeds the 1908 person-rem estimate by more than 10%, the licensee shall provide a revised estimate, including the reasons for such changes, to the NRC within 15 days of determination.
- d. Progress reports shall be provided at 90-day intervals from June 30, 1982 and due 30 days after close of the interval, with a final report within 60 days after completion of the repair. These reports will conclude:
 - (1) a summary of this occupational dose received to date by major task, and
 - (2) a comparison of estimated doses with the doses actually received.

(7) Fire Protection

Nine Mile Point Nuclear Station, LLC shall implement and maintain in effect all provisions of the approved Fire Protection Program as described in the Final Safety Analysis Report (Updated) for the facility and as approved in the Fire Protection Safety Evaluation Report dated July 26, 1979, and in the fire protection Exemption issued March 21, 1983, subject to the following provision:

Nine Mile Point Nuclear Station, LLC 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.

(8) Hot Process Pipe Penetrations

Hot Process Pipe Penetrations in the Emergency Condenser Steam Supply (2 each), Main Steam (2 each), Feedwater (2 each), Cleanup Suction (1 each), and Cleanup Return (1 each) piping systems have been identified as not fully in conformance with FSAR design criteria. This anomaly in design condition from the original design is approved for the duration of Cycle 8 or until March 31, 1986, whichever occurs first, subject to the following conditions:

- (a) An unidentified leakage limit of a change of 1 gallon per minute in 24 hours to permit operation will be imposed by administrative control (Standing Order) at the facility for the interim period.
- (b) The licensee shall restore the facility to a condition consistent with the FSAR or provide a change to the FSAR criteria for staff review and approval prior to restart from the forthcoming Cycle 8 outage.

(9) On the closing date of the transfer of Nine Mile Point Nuclear Station, Unit No. 1 (NMP-1) to it, NMP LLC shall: (1) obtain from the transferor all of its accumulated decommissioning trust funds for NMP-1, and (2) receive a parent company guarantee pursuant to 10 CFR 50.75(e)(1)(iii)(B) (to be updated annually) in a form acceptable to the NRC and in an amount which, when combined with the decommissioning trust funds for NMP-1, equals or exceeds the total amount required for NMP-1 pursuant to 10 CFR 50.75(b) and (c).

(10) The decommissioning trust agreement for NMP-1, at the time any subject direct transfer 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 funds, investments in the securities or other obligations of Constellation Energy Group, Inc., New Controlled, or their affiliates, successors, or assigns, are and 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 are and shall be prohibited.
- c. The decommissioning trust agreement must provide that no disbursements or payments from the trusts, other than for ordinary administrative expenses, shall be made by the trustee unless the trustee has first given the NRC 30 days prior written

notice of the payment. The decommissioning trust agreement 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 Director of the Office of Nuclear Reactor Regulation.

- 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 trusts shall adhere to a "prudent investor" standard, as specified in 18 CFR 35.32(a)(3) of the Federal Energy Regulatory Commission's regulations.
- (11) NMP LLC 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 NMP-1 license to NMP LLC (Application), the requirements of the Order approving the transfer, and the related safety evaluation.
- (12) At the time of the transfer of NMP-1 to NMP LLC, NMP LLC shall enter or shall have entered into an intercompany credit agreement with Constellation Energy Group (CEG), Inc. or New Controlled, whichever entity is the ultimate parent of NMP LLC at that time, in the form and on the terms represented in the Application for license transfer. Should New Controlled become the ultimate parent of NMP LLC following the direct transfer of the license to NMP LLC, NMP LLC shall enter or shall have entered into a substantially identical intercompany credit agreement with New Controlled at the time New Controlled becomes the ultimate parent; in such case, any existing intercompany credit agreement with CEG, Inc. may be canceled once the intercompany credit agreement with New Controlled is established. Except as otherwise provided above, NMP LLC shall take no action to void, cancel, or modify any intercompany credit agreement referenced above, without the prior written consent of the Director of the Office of Nuclear Reactor Regulation.

- E. This license is effective as of the date of issuance and shall expire on August 22, 2009.

FOR THE ATOMIC ENERGY COMMISSION

Original Signed by

A. Giambusso, Deputy Director
for Reactor Projects
Directorate of Licensing

Attachment:

Appendix A - Technical Specifications

Date of Issuance: December 26, 1974

NIAGARA MOHAWK POWER CORPORATION

DOCKET NO. 50-410

NINE MILE POINT NUCLEAR STATION UNIT NO. 2

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 100
License No. NPF-69

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by Niagara Mohawk Power Corporation, New York State Electric & Gas Corporation, Rochester Gas and Electric Corporation, Central Hudson Gas & Electric Corporation, and Constellation Nuclear, LLC, dated February 1, 2001, as supplemented by letters dated March 1, March 16, March 29, April 5, April 27, May 30, June 7, September 10, September 26, September 28, and November 2, 2001, 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;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, the license is hereby 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 60 days.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Attachment:
Changes to the Operating License,
Technical Specifications and
Environmental Protection Plan

Date of Issuance: November 7, 2001

ATTACHMENT TO LICENSE AMENDMENT NO. 100

TO FACILITY OPERATING LICENSE NO. NPF-69

DOCKET NO. 50-410

Replace the following pages of the Operating License with the attached pages. The revised pages are identified by amendment number and contain vertical lines indicating the areas of change.

<u>Remove</u>	<u>Insert</u>
1	1
2	2
3	3
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6	6
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Replace the following page of the Technical Specifications with the attached page. The revised page is identified by amendment number.

<u>Remove</u>	<u>Insert</u>
4.0-3	4.0-3

Replace the following page of the Environmental Protection Plan with the attached page. The revised page is identified by amendment number and contains vertical lines indicating the areas of change.

<u>Remove</u>	<u>Insert</u>
Cover page	Cover page

NINE MILE POINT NUCLEAR STATION, LLC (NMP LLC)

LONG ISLAND LIGHTING COMPANY

DOCKET NO. 50-410

NINE MILE POINT NUCLEAR STATION, UNIT 2

FACILITY OPERATING LICENSE

License No. NPF-69

1. The Nuclear Regulatory Commission (the Commission or the NRC) has found that:
 - A. The application for a license 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 Nine Mile Point Nuclear Station, Unit 2 (the facility) has been substantially completed in conformity with Construction Permit No. CPPR-112 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. Nine Mile Point Nuclear Station, LLC 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. Nine Mile Point Nuclear Station, LLC and Long Island Lighting Company 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 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 Facility Operating License No. NPF-69, 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 regarding this facility, and pursuant to approval by the Nuclear Regulatory Commission at a meeting on July 1, 1987, Facility Operating License No. NPF-69, which supersedes the license for fuel loading and low power testing, License No. NPF-54, issued on October 31, 1986, is hereby issued to Nine Mile Point Nuclear Station, LLC and Long Island Lighting Company (the licensees*) to read as follows:
- A. This license applies to the Nine Mile Point Nuclear Station, Unit 2, a boiling water nuclear reactor, and associated equipment (the facility) owned by Nine Mile Point Nuclear Station, LLC and Long Island Lighting Company. The facility is located on the licensees' site on the southeast shore of Lake Ontario in the town of Scriba, Oswego County, New York and is described in the Nine Mile Point Nuclear Station - Unit 2 "Final Safety Analysis Report," as supplemented and amended, and in the "Environmental Report," as supplemented and amended.
 - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
 - 1) Nine Mile Point Nuclear Station, LLC, pursuant to Section 103 of the Act and 10 CFR Part 50, to possess, use and operate the facility at the

* Nine Mile Point Nuclear Station, LLC is authorized to act as agent for Long Island Lighting Company and has exclusive responsibility and control over the physical construction, operation, and maintenance of the facility.

above designated location in Oswego County, New York, in accordance with the procedures and limitations set forth in this license;

- (2) Long Island Lighting Company, pursuant to Section 103 of the Act and 10 CFR Part 50, to possess the facility at the designated location in Oswego County, New York, in accordance with the procedures and limitations set forth in this license;
- (3) Nine Mile Point Nuclear Station, LLC, 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) Nine Mile Point Nuclear Station, LLC, 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) Nine Mile Point Nuclear Station, LLC, 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) Nine Mile Point Nuclear Station, LLC, 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.

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 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

Nine Mile Point Nuclear Station, LLC is authorized to operate the facility at reactor core power levels not in excess of 3467 megawatts thermal (100 percent rated power) in accordance with the conditions specified herein.

(2) Technical Specifications and Environmental Protection Plan

The Technical Specifications contained in Appendix A and the Environmental Protection Plan contained in Appendix B, both of which are attached hereto, as revised through Amendment No. 100 are hereby incorporated into this license. Nine Mile Point Nuclear Station, LLC shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

(3) Fuel Storage and Handling (Section 9.1, SSER 4)*

- a. Fuel assemblies, when stored in their shipping containers, shall be stacked no more than three containers high.
- b. When not in the reactor vessel, no more than three fuel assemblies shall be allowed outside of their shipping containers or storage racks in the New Fuel Vault or Spent Fuel Storage Facility.
- c. The above three fuel assemblies shall maintain a minimum edge-to-edge spacing of twelve (12) inches from the shipping container array and approved storage rack locations.
- d. The New Fuel Storage Vault shall have no more than ten fresh fuel assemblies uncovered at any one time.

(4) Turbine System Maintenance Program (Section 3.5.1.3.10, SER)

The operating licensee shall submit for NRC approval by October 31, 1989, a turbine system maintenance program based on the manufacturer's calculations of missile generation probabilities. (Submitted by NMPC letter dated October 30, 1989 from C. D. Terry and approved by NRC letter dated March 15, 1990 from Robert Martin to Mr. Lawrence Burkhardt, III).

(5) Inservice Inspection (Sections 5.2.4.3 and 6.6.3, SSER 5)

The operating licensee shall submit an inservice inspection program in accordance with 10 CFR § 50.55a(g)(4) for staff review by July 31, 1987.

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

(6) Initial Startup Test Program (Section 14, SER, SSERs 4 and 5)

Any changes to the Initial Test Program described in Section 14 of the Final Safety Analysis Report made in accordance with the provisions of 10 CFR 50.59 shall be reported in accordance with 50.59(b) within one month of such change.

(7) Operation with Reduced Feedwater Temperature (Section 15.1, SSER 4)

Nine Mile Point Nuclear Station, LLC shall not operate the facility with reduced feedwater temperature for the purpose of extending the normal fuel cycle. The facility shall not be operated with a feedwater heating capacity less than that required to produce a feedwater temperature of 405°F at rated steady-state conditions unless analyses supporting such operations are submitted by Nine Mile Point Nuclear Station, LLC and approved by the staff.

(8) Safety Parameter Display System (SPDS) (Section 18.2, SSERs 3 and 5)

Prior to startup following the first refueling outage, the operating licensee shall have operational an SPDS that includes the revisions described in their letter of November 19, 1985. Before declaring the SPDS operational, the operating licensee shall complete testing adequate to ensure that no safety concerns exist regarding the operation of the Nine Mile Point Nuclear Station, Unit No. 2 SPDS.

(9) Detailed Control Room Design Review (Section 18.1, SSERs 5 and 6)

(a) Deleted per Amendment No. 24 (12-18-90)

(b) Prior to startup following the first refueling outage, the operating licensee shall provide the results of the reevaluation of normally lit and nuisance alarms for NRC review in accordance with its August 21, 1986 letter.

(c) Prior to startup following the first refueling outage, the operating licensee shall complete permanent zone banding of meters in accordance with its August 4, 1986 letter.

(10) Additional Condition 1

The operating licensee is authorized by Amendment No. 91 to relocate certain Technical Specification requirements previously included in Appendix A to licensee-controlled documents, as described in Table R, Relocated Specifications and Removal of Details Matrix, attached to the NRC Staff's safety evaluation dated February 15, 2000, enclosed with the amendment. Implementation of Amendment No. 91 shall include the relocation of these requirements to the appropriate documents, which shall be completed no later than December 31, 2000. The relocations to the Updated Safety Analysis Report shall be reflected in updates completed in accordance with 10 CFR 50.71(e).

(11) Additional Condition 2

The schedule for performing Surveillance Requirements (SRs) that are new or revised in Amendment No. 91 shall be as follows:

For SRs that are new in this amendment, the first performance is due at the end of the first surveillance interval that begins on the date of implementation of this amendment.

For SRs that existed prior to this amendment whose intervals of performance are being reduced, the first reduced surveillance interval begins upon completion of the first surveillance performed after implementation of this amendment.

For SRs that existed prior to this amendment that have modified acceptance criteria, the first performance is due at the end of the first surveillance interval that began on the date the surveillance was last performed prior to the implementation of this amendment.

For SRs that existed prior to this amendment whose intervals of performance are being extended, the first extended surveillance interval begins upon completion of the last surveillance performed prior to the implementation of this amendment.

- (12) On the closing date(s) of the transfer of the NMPC, RG&E, CHGEC, and NYSEG interests in NMP-2 to it, Nine Mile Point Nuclear Station, LLC shall: (1) obtain from the transferors then transferring their interests all of their accumulated decommissioning trust funds for NMP-2, and (2) receive a parent company guarantee pursuant to 10 CFR 50.75(e)(1)(iii)(B) (to be updated annually) in a form acceptable to the NRC and in an amount which, when combined with the decommissioning trust funds for NMP-2 that have been transferred, equals or exceeds the total amounts for NMP LLC's then resulting total ownership share of NMP-2, respectively, pursuant to 10 CFR 50.75(b) and (c).

- (13) The decommissioning trust agreement for NMP-2, at the time any subject direct transfer 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 funds, investments in the securities or other obligations of Constellation Energy Group, Inc., New Controlled, or their affiliates, successors, or assigns, are and 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 are and shall be prohibited.

- c. The decommissioning trust agreement must provide that no disbursements of payments from the trusts, other than for ordinary administrative expenses, shall be made by the trustee unless the trustee has given the NRC 30 days prior written notice of the payment. The decommissioning trust agreement 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 Director of the Office of Nuclear Reactor Regulation.
 - 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 trusts 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) NMP LLC 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 Unit 2 license to NMP LLC (Application), the requirements of the Order approving the transfer, and the related safety evaluation.
 - (15) At the time any subject direct transfer is effected, NMP LLC shall enter or shall have entered into an intercompany credit agreement with Constellation Energy Group (CEG), Inc., or New Controlled, whichever entity is the ultimate parent of NMP LLC at that time, in the form and on the terms represented in the Application for license transfer. Should New Controlled become the ultimate parent of NMP LLC following the direct transfer of the license to NMP LLC, NMP LLC shall enter or shall have entered into a substantially identical intercompany credit agreement with New Controlled at the time New Controlled becomes the ultimate parent; in such case, any existing intercompany credit agreement with CEG, Inc. may be canceled once the intercompany credit agreement with New Controlled is established. Except as otherwise provided above, NMP LLC shall take no action to void, cancel, or modify any intercompany credit agreement referenced above, without the prior written consent of the Director of the Office of Nuclear Reactor Regulation.
- D. The facility requires exemptions from certain requirements of 10 CFR Part 50 and 10 CFR Part 70.
- i) An exemption from the criticality alarm requirements of 10 CFR Part 70.24 was granted in the Special Nuclear Materials License No. SNM-1895 dated November 27, 1985. This exemption is described in Section 9.1 of Supplement 4 to the SER. This previously granted exemption is continued in this operating license.

- ii) Exemptions to certain requirements of Appendix J to 10 CFR Part 50 are described in Supplements 3, 4, and 5 to the SER. These include (a) (this item left intentionally blank); (b) an exemption from the requirement of Option B of Appendix J, exempting main steam isolation valve measured leakage from the combined leakage rate limit of 0.6 La. (Section 6.2.6 of SSER 5)*; (c) an exemption from Option B of Appendix J, exempting the hydraulic control system for the reactor recirculation flow control valves from Type A and Type C leak testing (Section 6.2.6 of SSER 3); (d) an exemption from Option B of Appendix J, exempting Type C testing on traversing incore probe system shear valves. (Section 6.2.6 SSER 4)
- iii) An exemption to Appendix A to 10 CFR Part 50 exempting the Control Rod Drive (CRD) hydraulic lines to the reactor recirculation pump seal purge equipment from General Design Criterion (GDC) 55. The CRD hydraulic lines to the reactor recirculation pump seal purge equipment use two simple check valves for the isolation outside containment (one side). (Section 6.2.4, SSER 3)
- iv) A schedular exemption to GDC 2, Appendix A to 10 CFR Part 50, until the first refueling outage, to demonstrate the adequacy of the downcomer design under the plant faulted condition. This exemption permits additional analysis and/or modifications, as necessary, to be completed by the end of the first refueling outage. (Section 6.2.1.7.4, SSER 3)
- v) A schedular exemption to GDC 50, Appendix A to 10 CFR Part 50 to allow the operating licensee until start-up following the "mini-outage," which is to occur within 12 months of commencing power operation (entering Operational Condition 1), to install redundant fuses in circuits that use transformers for redundant penetration protection in accordance with their letter of August 29, 1986 (NMP2L 0860). (Section 8.4.2, SSER 5)
- vi) A schedular exemption to 10 CFR 50.55a(h) for the Neutron Monitoring System until completion of the first refueling outage to allow the operating licensee to provide qualified isolation devices for Class 1E/non-1E interfaces described in their letters of June 23, 1987 (NMP2L 1057) and June 25, 1987 (NMP2L 1058). (Section 7.2.2.10, SSER 6).

For the schedular exemptions in iv), v), and vi), above, the operating licensee, in accordance with its letter of October 31, 1986, shall certify that all systems, components, and modifications have been completed to meet the requirements of the regulations for which the exemptions have been granted and shall provide a summary description of actions taken to ensure that the regulations have been met. This certification and summary shall be provided 10 days prior to the expiration of each exemption period as described above.

* The parenthetical notation following the discussion of each exemption denotes the section of the Safety Evaluation Report (SER) and/or its supplements wherein the safety evaluation of the exemption is discussed.

The exemptions set forth in this Section 2.D are authorized by law, will not present an undue risk to public health and safety, and are consistent with the common defense and security. These exemptions are hereby granted. The special circumstances regarding each exemption are identified in the referenced section of the Safety Evaluation Report and the supplements thereto. The exemptions in ii) through vi) are granted pursuant to 10 CFR 50.12. With these exemptions, the facility will operate to the extent authorized herein, in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission.

- E. Nine Mile Point Nuclear Station, LLC 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, entitled "Nine Mile Point Nuclear Station Physical Security Plan" with revisions submitted through June 9, 1994; "Nine Mile Point Nuclear Station Guard Training and Qualification Plan," with revisions submitted through September 30, 1993; and "Nine Mile Point Nuclear Station Safeguards Contingency Plan," with revisions submitted through October 1, 1992. Changes made in accordance with 10 CFR 73.55 shall be implemented in accordance with the schedule set forth therein. |

- F. Except as otherwise provided in the Technical Specifications or Environmental Protection Plan, Nine Mile Point Nuclear Station, LLC shall report any violations of the requirements contained in Section 2.C of this license in the following manner: initial notification shall be made within 24 hours to the NRC Operations Center via the Emergency Notification System, with written followup within 30 days in accordance with the procedures described in 10 CFR 50.73(b), (c), and (e). |

- G. Nine Mile Point Nuclear Station, LLC shall implement and maintain in effect all provisions of the approved fire protection program as described in the Final Safety Analysis Report for the facility through Amendment No. 27 and as described in submittals dated March 25, May 7 and 9, June 10 and 25, July 11 and 16, August 19 and 22, September 5, 12, and 23, October 10, 21, and 22, and December 9, 1986, and April 10 and May 20, 1987, and as approved in the SER dated February 1985 (and Supplements 1 through 6) subject to the following provision: |
 - Nine Mile Point Nuclear Station, LLC 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. |

- H. The licensees shall have and maintain financial protection of such type and in such amounts as the Commission shall require in accordance with Section 170 of the Atomic Energy Act of 1954, as amended, to cover public liability claims.

- I. This license is effective as of the date of issuance and shall expire at midnight on October 31, 2026.

FOR THE NUCLEAR REGULATORY COMMISSION

Original signed by:

Thomas E. Murley, Director
Office of Nuclear Reactor Regulation

Enclosures:

1. Appendix A - Technical Specifications (NUREG-1253)
2. Appendix B - Environmental Protection Plan

Date of Issuance: July 2, 1987

APPENDIX B

**TO FACILITY OPERATING LICENSE NO. NPF-69
NINE MILE POINT NUCLEAR STATION UNIT 2**

DOCKET NO. 50-410

**ENVIRONMENTAL PROTECTION PLAN
(NONRADIOLOGICAL)**

