

September 10, 2001
NMPIL 1611

U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Attention: Document Control Desk

Re: Nine Mile Point Unit Nos. 1 & 2
Docket Nos. 50-220 & 50-410
Facility Operating License Nos. DPR-63 & NPF-69
TAC Nos. MB 2860 and MB 2861

Application for a Supplemental Order and
Conforming Administrative License Amendments

Ladies and Gentlemen:

Introduction

On June 22, 2001, the U.S. Nuclear Regulatory Commission ("NRC") issued an Order approving the transfer of certain interests in Nine Mile Point Nuclear Station, Units 1 and 2, to Nine Mile Point Nuclear Station, LLC ("NMP LLC"), an indirect subsidiary of Constellation Nuclear LLC.¹ The NRC also approved conforming changes to the Nine Mile Point Nuclear Station Unit 1 ("NMP 1") and Nine Mile Point Nuclear Station Unit 2 ("NMP 2") Operating Licenses and Technical Specifications to reflect the transfers. At present, Niagara Mohawk Power Corporation ("NMPC") is the exclusive owner and operator of NMP 1 and in regard thereto holds Facility Operating License No. DPR-63. NMPC is also part-owner (41%) and exclusive operator of NMP 2 and in connection therewith is a holder of Facility Operating License No. NPF-69. The other co-owners and licensees of NMP 2 are: New York State Electric & Gas Company (18%) ("NYSEG"), Rochester Gas and Electric Corporation (14%) ("RG&E"), Central Hudson Gas & Electric Corporation (9%) ("CHGEC"), and Long Island Lighting Company (18%) ("LILCO," which is doing business as Long Island Power Authority).

1 A correction to the June 22 Order was issued on June 28, 2001. See Letter, P.S. Tam, NRC, to R.E. Denton, et al., "Nine Mile Point Nuclear Station, Unit Nos. 1 and 2 - Correction of Error in Order and Associated Documents Approving Transfers of Licenses (TAC Nos. MB0878 and MB0879) (June 28, 2001). The June 22 Order, without the correction, was published in the Federal Register on June 29, 2001 (66 Fed. Reg. 34,723). Subsequent references are to the Order, as corrected ("Order").

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By Application dated February 1, 2001, as supplemented ("Application"), Constellation Nuclear LLC on behalf of its indirect subsidiary NMP LLC, and NMPC, NYSEG, RG&E, and CHGEC, had requested the consent of the NRC to a proposed direct transfer of the licenses for NMP 1 and NMP 2 to the extent held by such applicants to NMP LLC. The Application also requested the approval of conforming license amendments to reflect the direct transfer of the licenses. LILCO is not involved in the direct transfer of NMP 2 and will remain a licensee with respect to its 18% ownership interest. In response to that request, the NRC published on April 2, 2001, a notice of the license transfer application, the related conforming license amendment request included in the Application, and an opportunity for hearing in the Federal Register.² No hearing requests or written comments on the Application were filed.

At the time of the filing of the Application, it was contemplated that all of the selling owners would transfer their interests simultaneously although that was not a prerequisite of the transaction. As explained below, it is now expected that the transfer of the ownership interest in NMP 2 held by one of the selling owners, NYSEG, may be delayed. Accordingly, Applicants herein, NMPC, RG&E, CHGEC, and NMP LLC, hereby request a Supplemental Order from the NRC to permit the transfer to occur in two phases if necessary, namely, the transfer of the interests of NMPC, RG&E and CHGEC first, and the transfer of NYSEG's interest second.³

Potential Phased Transfer of NMP 2 Ownership Interests to NMP LLC

While the Asset Purchase Agreement ("APA") for NMP 2 (Exh. 4 to the Application) contemplated that the transfers associated with this transaction could occur in several stages, the Application itself focused on a concurrent transfer. As a result, the Order and amendments to the license for NMP 2 accompanying the Order reflected that the selling owners would be removed from the license and the new owner and operator, NMP LLC, substituted in a single step. There is a potential that one of the selling minority, non-operating owners of NMP 2, NYSEG, may not be in a position to close on the transfers on the same schedule as the other selling owners, *i.e.*, NMPC, RG&E, and CHGEC. The purpose of this request is to seek a Supplemental Order from the NRC granting contingent, alternative authorization to proceed to a phased closing of the transaction. Pursuant to the requested authority, in the event that NYSEG is unable to close on the same schedule as the other sellers, the remaining parties, NMPC, RG&E and CHGEC, will close on the transfer of their interests in NMP 2 to NMP LLC and the transfer of the NYSEG

2 Niagara Mohawk Power Corporation Nine Mile Point Nuclear Station, Unit Nos. 1 and 2; Notice of Consideration of Approval of Direct and Indirect Transfer of Facility Operating Licenses and Conforming Amendments, and Opportunity for a Hearing, 66 Fed. Reg. 17584 (April 2, 2001).

3 NYSEG has been provided with a near-final draft of this filing and is being sent a copy of the document as filed.

ownership interest in NMP 2 to NMP LLC will be deferred. The request that the NRC address this contingency is being made now so as to avoid delaying the transaction and to permit NMP LLC to assume operation of the facility at the earliest possible date.

The transfer of the NMP 1 license will be unaffected by the manner in which the NMP 2 transfers are implemented. The NMP 1 transaction will close whenever the NMPC interest in Unit 2 is transferred. When that transfer occurs, NMP LLC will become the sole owner and operator of NMP 1 and will be responsible for all financial and decommissioning funding for that unit in accordance with the Application, the Order and accompanying License and Technical Specifications.

With respect to Unit 2, in the event of a phased closing, the interests of NMPC, RG&E, and CHGEC, representing a majority ownership interest in NMP 2 (64%), would be transferred to NMP LLC at the first closing, and at the same time the operating authority under the Unit 2 license would be transferred from NMPC to NMP LLC as is approved in the Order. In accordance with the Application and the APA, the funds in the decommissioning trusts of NMPC, RG&E, and CHGEC for NMP 2 would be transferred at this closing to NMP LLC. Subsequent to closing, NMP LLC would be responsible for funding its proportionate share of the estimated costs of decommissioning of Unit 2 (64%) (as represented by its then ownership interest in NMP 2), pursuant to 10 CFR § 50.75(b) and (c) utilizing the funds transferred by NMPC, RG&E, and CHGEC deposited in the NMP LLC decommissioning trust and the parental guarantee method approved by the NRC in its Order.

The potential reduction in the interest in NMP 2 to be acquired by NMP LLC (from 82% to 64%) would not affect any aspect of the analysis conducted by the NRC in the Order and the supporting Safety Evaluation. The technical qualifications of NMP LLC to operate NMP 2 would not be affected by the change in ownership interest, since NMP LLC would still become the operator and majority owner of the facility.

The financial qualifications of NMP LLC to safely operate NMP 1 and NMP 2 would also be unaffected. As demonstrated in the Application and as concluded in the Order, NMP LLC will have substantial net income after operating expenses, interest and taxes every year during the five year period 2002-2006. During the period that NYSEG retained its ownership share of NMP 2, it would remain liable for its share of the operating costs for the unit and would retain its proportional share of the plant output. The proportional reductions in both revenues and expenses resulting from NMP LLC's smaller ownership interest in the plant would leave NMP LLC with adequate financial resources to cover the estimated operating costs for the period of the licenses.⁴ In addition, the financial support arrangements between Constellation Energy

4 Inasmuch as the NRC Staff has already reviewed the ability of NMP LLC to meet the Commission's financial qualifications requirements for an 82% ownership interest in
(Footnote continued)

Group, Inc. ("CEG") and NMP LLC described in the Application would remain in effect and would not be affected by the reduction in the ownership interest in NMP 2 to be acquired by NMP LLC.

Likewise, the parent company guarantee to be provided under 10 CFR 50.75(e)(1)(iii)(B) would remain in effect in an amount which, when combined with the decommissioning funds transferred for NMP 1 and those transferred by the closing sellers of NMP 2, equals or exceeds the total amounts required to satisfy NMP LLC's decommissioning funding obligations for NMP 1 and NMP 2, respectively, pursuant to 10 CFR 50.75 (b) and (c). Thus, the financial assurances for the decommissioning of NMP 1 and NMP 2 would be unaffected by the change in NMP LLC's ownership interest in NMP 2.

Pursuant to the Supplemental Order sought by Applicants herein, subsequent to this first transfer, LILCO and NYSEG would remain as NRC licensees and would continue to meet requirements relating to financial qualifications and decommissioning funding as they have done in the past. RG&E, NMPC, and CHGEC would no longer be NRC licensees with respect to NMP 2 and NMPC with respect to NMP 1 and would have no responsibility for licensed activities at NMP 2 (or NMP 1).

Under the Supplemental Order, NYSEG would be able to transfer its ownership interest to NMP LLC in a second closing phase.⁵ Once the last minority selling owner, NYSEG, had closed, the end state would be that approved by the NRC in its Order, *i.e.*, NMP LLC would be the operator of both units, the sole owner of Unit 1 and owner of an 82% interest in Unit 2.

While the NRC's Order has already approved the transfer of the interests of NMPC, RG&E, CHGEC, and NYSEG to NMP LLC, the potential implementation of these transfers in two steps (first the transfer by NMPC, RG&E and CHGEC and second by NYSEG) would require modification of the previously approved conforming license amendments for NMP 2 to reflect that, until completion of the NYSEG transfer, NYSEG will remain on the license for NMP 2 as a minority, non-operating owner. A Supplemental Order by the NRC modifying the NMP 2 License in this manner would be required. On the other hand, should there be a concurrent transfer of all the selling owners' interests in NMP 2, such transfer would remain subject to the terms and conditions of the Order and no modification to the License would be necessary.

Unit 2 (along with a 100% ownership interest in Unit 1), any lesser ownership interest is subsumed by such review.

5 While it is contemplated that the second closing would occur expeditiously, the interval to the second closing (or even the possibility that such closing would never occur) has no regulatory impact because NYSEG as an electric utility would continue to fulfill its financial and decommissioning obligations as it presently does.

The instant Application for a Supplemental Order thus relates only to contingent schedular matters and does not involve any material changes to the underlying basis for the Order approving the transfer of the NMP licenses. Therefore, it is within the scope of the April 2, 2001 Federal Register Notice and does not require renoticing or a new opportunity for a hearing. The previous findings set forth in the Order remain valid notwithstanding the transfers occurring in more than one phase, namely, NMP LLC is qualified to hold the NMP 2 license to the same extent the licenses are now held by NMPC, RG&E, NYSEG and CHGEC.

Requested NRC Actions

It is therefore requested that the NRC issue a Supplemental Order which would authorize the phased transfers described herein to take place if NYSEG is not able to transfer its ownership interest in NMP 2 to NMP LLC on the same schedule as the other sellers. The appendix to this application contains the requested modifications to the Operating License for NMP 2 in the form of a hand mark-up and a final version to address the first phase of the transfer of the ownership interests in NMP 2 to NMP LLC.⁶ It is requested that this revision be issued with the Supplemental Order to reflect the first phase of the potential phased closing. It will denote the transfer of the operating authority of NMPC and the ownership interests of NMPC, RG&E, and CHGEC and the new ownership and operating interests of NMP LLC and recognize the continued ownership interest of NYSEG (and LILCO). The Operating License for Unit 2, as appended to the Order, already reflects the end state condition. It would become effective upon the transfer of NYSEG's interest in NMP 2 to NMP LLC.⁷

Applicants herein view the above changes as an administrative clarification to the already approved conforming license amendments. Applicants herein have also concluded that the information contained in this Supplemental Application and its attachments do not alter the basis for the conclusions reached in the 10 CFR § 50.92 no significant hazards consideration analysis, previously submitted with the original Application dated February 1, 2001. To accommodate the anticipated early transfers in a potential phased set of closings, it is respectfully requested that the Supplemental Order requested herein be issued expeditiously.

6 No changes to Appendices A and B to the Unit 2 (or Unit 1) Operating License beyond those approved in the Order and attached thereto are necessary to permit a phased transfer.

7 The Operating License for Unit 2, as appended to the Order, would also reflect the condition after a concurrent transfer of all sellers' interests.

U.S. Nuclear Regulatory Commission
September 10, 2001
Page 6

Should the NRC require additional information concerning this letter, please contact Stephen A. Mormann, Vice President and Treasurer, Constellation Nuclear, LLC, 39 W. Lexington Street, Baltimore, MD 21201 or Carl D. Terry, Vice President Quality Assurance Nuclear, Niagara Mohawk Power Corporation, Nine Mile Point Nuclear Station, P.O. Box 63, Lycoming, NY 13093-0063.

Very truly yours,



Robert E. Denton
President and Chief Executive Officer
Constellation Nuclear, LLC

John H. Mueller
Senior Vice President and Chief Nuclear Officer
Niagara Mohawk Power Corporation

Paul Wilkens
Senior Vice President - Generation
Rochester Gas and Electric Corporation

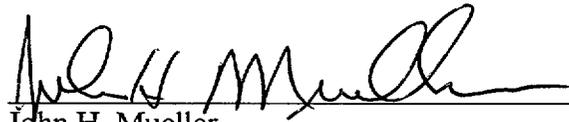
Arthur R. Upright
Senior Vice President
Central Hudson Gas & Electric Corporation

U.S. Nuclear Regulatory Commission
September 10, 2001
Page 6

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September 10, 2001
Page 6

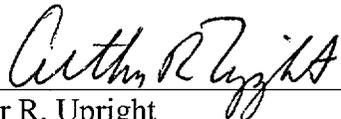
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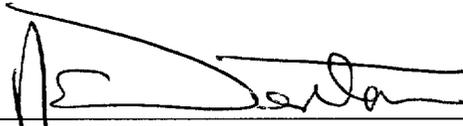


Arthur R. Upright
Senior Vice President
Central Hudson Gas & Electric Corporation

AFFIRMATION

I, Robert E. Denton, being duly sworn, state that I am President and Chief Executive Officer of Constellation Nuclear, LLC, that I am authorized to sign and file the enclosed Application for a Supplemental Order and Conforming Administrative License Amendments with the Nuclear Regulatory Commission on behalf of Constellation Nuclear, LLC, and that the statements made and the matters set forth therein pertaining to Constellation Nuclear, LLC, NMP LLC and related entities are true and correct to the best of my knowledge, information, and belief.

Constellation Nuclear, LLC



Robert E. Denton
President and Chief Executive Officer

STATE OF Maryland
City
COUNTY OF Baltimore

Subscribed and sworn to me, a Notary Public, in and for the County and State above named, this 10th day of September, 2001.



My Commission Expires: July 1, 2002

AFFIRMATION

I, John H. Mueller, being duly sworn, state that I am Senior Vice President and Chief Nuclear Officer of Niagara Mohawk Power Corporation (NMPC), that I am authorized to sign and file the enclosed Application with the Nuclear Regulatory Commission on behalf of NMPC, and that the statements made and the matters set forth therein pertaining to NMPC are true and correct to the best of my knowledge, information, and belief.

Niagara Mohawk Power Corporation



John H. Mueller
Senior Vice President and
Chief Nuclear Officer

STATE OF New York

COUNTY OF Oswego

Subscribed and sworn to me, a Notary Public, in and for the County and State above named, this 10th day of September, 2001.

SANDRA A. OSWALD
Notary Public, State of New York
No. 01OS6032276
Qualified in Oswego County
Commission Expires 10/25/01



My Commission Expires: 10/25/01

AFFIRMATION

I, Paul Wilkens, being duly sworn, state that I am Senior Vice President of Rochester Gas and Electric Corporation (RG&E), that I am authorized to sign and file the enclosed Application with the Nuclear Regulatory Commission on behalf of RG&E, and that the statements made and the matters set forth therein pertaining to RG&E are true and correct to the best of my knowledge, information, and belief.

Rochester Gas and Electric Gas Corporation

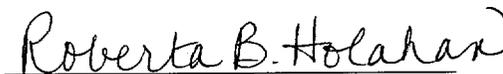


Paul Wilkens
Senior Vice President

STATE OF New York

COUNTY OF Monroe

Subscribed and sworn to me, a Notary Public, in and for the County and State above named, this 10th day of September, 2001.



My Commission Expires: 4-17-02

ROBERTA B. HOLAHAN
Notary Public, State of New York
No. 01HO6040322
Qualified in Monroe County
Commission Expires April 17, 2002

AFFIRMATION

I, Arthur R. Upright, being duly sworn, state that I am Senior Vice President of the Central Hudson Gas & Electric Corporation (CHGEC), that I am authorized to sign and file the enclosed Application with the Nuclear Regulatory Commission on behalf of CHGEC, and that the statements made and the matters set forth therein pertaining to CHGEC are true and correct to the best of my knowledge, information, and belief.

Central Hudson Gas & Electric Corporation



Arthur R. Upright
Senior Vice President

STATE OF New York

COUNTY OF Dutchess

Subscribed and sworn to me, a Notary Public, in and for the County and State above named, this 7th day of September, 2001.



My Commission Expires: 1/19/03

BETH ALLEN
Notary Public, State of New York
No. 5007120
Qualified in Dutchess County
Commission Expires Jan 19, 20 03

**PROPOSED CHANGES
TO
NMP 2 LICENSE**

NINE MILE POINT NUCLEAR STATION, LLC (NMP LLC)

NEW YORK STATE ELECTRIC & GAS CORPORATION

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);

Amendment No.

- 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, New York State Electric & Gas Corporation 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, New York State Electric & Gas Corporation, 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, New York State Electric & Gas Corporation 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 New York State Electric & Gas Corporation and 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) New York State Electric & Gas Corporation and 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. 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.

(b) 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 each of the closing dates of the transfers of interests in Nine Mile Point Nuclear Station, Unit No. 2 (Unit 2) to it, NMP LLC shall: (1) obtain from the transferors then transferring their interests on that closing date all of their accumulated decommissioning trust funds for Unit 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 Unit 2 that have been transferred, equals or exceeds the total amount required for its ownership share of Unit 2 pursuant to 10 CFR 50.75(b) and (c).
- (13) The decommissioning trust agreement for Unit 2, at the time the first and subsequent transfers of interests in Unit 2 to NMP 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 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 of the direct transfers of interests in Unit 2 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. Should New Controlled become the ultimate parent of NMP LLC following the transfer, 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 cancelled 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 critically 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

**HAND MARK-UP
OF
NMP 2 LICENSE**



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

APPENDIX
(PEN & INK CHANGES)

NEW YORK STATE
ELECTRIC &
GAS CORPORATION

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);

Amendment No.

- 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 ^{New York State Electric & Gas Corporation} 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

* ^{New York State Electric & Gas Corporation and} 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) ^{New York State Electric & Gas Corporation and} 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. 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) ^{each of} On the closing date ^{interests in} of the transfer ^{then transferring their} of Nine Mile Point Nuclear Station, ^{interests on that closing} Unit No. 2 (Unit 2) to it, NMP LLC shall: (1) obtain from the transferors ^{date} all of their accumulated decommissioning trust funds for Unit 2, and (2) receive a parent company guarantee pursuant to 10 CFR 50.75(e)(1)(iii)(B) (to be updated ^{corrected} annually as required under ~~10 CFR 50.75(f)(1)~~, unless otherwise approved by the NRC) in a form acceptable to the NRC and in an amount which, when combined with the decommissioning trust funds for Unit 2, equals or exceeds the total amount required for Unit 2 pursuant to ^{that have been transferred} 10 CFR 50.75(b) and (c).
- (13) ^{its ownership share of} The decommissioning trust agreement for Unit 2, at the time the transfer ^{of interests} in ^{first and subsequent} of Unit 2 to NMP 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 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 Amendment No. 91,

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 of the transfer of Unit 2 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. Should New Controlled become the ultimate parent of NMP LLC following the transfer, 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.

Amendment No.

- 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.

1. 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
