

June 14, 2004

Mr. Christopher M. Crane, President
and Chief Executive Officer
AmerGen Energy Company, LLC
4300 Winfield Road
Warrenville, Illinois 60555

SUBJECT: CLINTON POWER STATION, UNIT 1 - CORRECTION LETTER TO ISSUANCE
OF AMENDMENT (TAC NO. MC1888)

Dear Mr. Crane:

By letter dated May 27, 2004, the Nuclear Regulatory Commission issued license amendments for Clinton Power Station, Unit 1, Oyster Creek Nuclear Generating Station, and Three Mile Island Nuclear Station, Unit 1, that conform the Operating Licenses to reflect the current ownership structure of AmerGen. This action was taken in response to your application dated January 30, 2004.

Your staff recently informed us that we misnumbered the license amendment for the Clinton Power Station. Rather than use the next sequential number (i.e., Amendment No. 161), the staff inadvertently issued the above action as Amendment No. 160.

A corrected copy of the license amendment is enclosed. We apologize for any inconvenience that this may have caused.

Sincerely,

/RA/

Douglas V. Pickett, Senior Project Manager, Section 2
Project Directorate III
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No.: 50-461

Enclosures: 1. Amendment No. 161 to NPF-62
2. Safety Evaluation

cc w/encls: See next page

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ADAMS Accession Number: ML041600030 (Letter)

ADAMS Accession Number: ML041600627 (Technical Specifications)

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NAME	DPickett	PCoates	AMendiola
DATE	06/10/04	06/09/04	06/14/04

OFFICIAL RECORD COPY

Clinton Power Station, Unit 1

cc:

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Clinton Power Station, Unit 1

- 2 -

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AMERGEN ENERGY COMPANY, LLC

DOCKET NO. 50-461

CLINTON POWER STATION, UNIT 1

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 161

License No. NPF-62

1. The U.S. Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by AmerGen Energy Company, LLC (the licensee), dated January 30, 2004, 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 amended to delete license conditions 2.C.(10), (11), (12), and (13). License Conditions 2.C.(16) and (21) shall be revised to read:
 - (16) With respect to the decommissioning trust fund, investments in the securities or other obligations of Exelon Corporation, AmerGen Energy Company, LLC or affiliates thereof, or their successors or assigns shall be prohibited. Except for investments tied to market indexes or other nonnuclear sector mutual funds, investments in any entity owning one or more nuclear power plants are prohibited.
 - (21) AmerGen Energy Company, LLC shall take no action to cause Exelon Generation Company, LLC (or successors or assigns of Exelon Generation Company, LLC approved by the NRC) to void, cancel, or diminish the \$200 million contingency commitment from Exelon Generation Company, LLC (or successors or assigns of Exelon Generation Company, LLC approved by the

NRC) dated December 22, 2003, or cause it to fail to perform or impair its performance under the commitment, or remove or interfere with AmerGen's ability to draw upon the commitment. Also, AmerGen Energy Company, LLC shall inform the NRC in writing at any time that it draws upon the \$200 million commitment.

3. This license amendment is effective as of its date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Anthony J. Mendiola, Chief, Section 2
Project Directorate III
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the Operating License

Date of Issuance: June 14, 2004

ATTACHMENT TO LICENSE AMENDMENT NO. 161

FACILITY OPERATING LICENSE NO. NPF-62

DOCKET NO. 50-461

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

Remove Pages

5
6
7

Insert Pages

5
6
7

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

RELATED TO AMERGEN ENERGY COMPANY, LLC

AMENDMENT NO. 161 TO FACILITY OPERATING LICENSE NO. NPF-62

CLINTON POWER STATION, UNIT 1, DOCKET NO. 50-461

AMENDMENT NO. 243 TO FACILITY OPERATING LICENSE NO. DPR-16

OYSTER CREEK NUCLEAR GENERATING STATION, DOCKET NO. 50-219

AMENDMENT NO. 249 TO FACILITY OPERATING LICENSE NO. DPR-50

THREE MILE ISLAND NUCLEAR STATION, UNIT 1, DOCKET NO. 50-289

1.0 INTRODUCTION

By application dated January 30, 2004 (Accession No. ML040420581), AmerGen Energy Company, LLC (the licensee), applied to the Nuclear Regulatory Commission (NRC) for conforming administrative amendments to the operating licenses of Clinton Power Station (Clinton), Oyster Creek Nuclear Generating Station (OCNGS), and Three Mile Island Nuclear Station, Unit No. 1 (TMI-1).

The proposed amendments would revise the Operating Licenses of these three nuclear plants to reflect the current ownership structure of AmerGen. Exelon Generation Company currently owns 100% of AmerGen both directly and indirectly as a result of the purchase on December 22, 2003, of the stock of British Energy US Holdings, Inc. More information on this transaction is available in letter, D. Skay of NRC to J. A. Benjamin, December 15, 2003 (Accession No. ML033300473). Specifically, the proposed conforming amendments would remove British Energy's name, delete License Conditions relating to foreign ownership that were imposed when AmerGen acquired its interests in Clinton, OCNGS, and TMI-1, and to reflect the new contingency funding commitment by Exelon Generation Company, in the amount of \$200 million.

2.0 REGULATORY EVALUATION

When AmerGen acquired its interests in Clinton, OCNGS, and TMI-1, the predecessor to BE Holdings, British Energy, Inc. was a wholly owned subsidiary of British Energy plc, a Scottish corporation. In accordance with 10 CFR 50.38, "Ineligibility of certain applicants," the NRC will not issue a reactor license to any entity that the NRC knows, or has reason to believe, is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government. In approving the transfers of the Clinton, OCNGS, and TMI-1 licenses to AmerGen, the NRC imposed License Conditions to assure that certain negation measures would remain in effect

and to provide for a special notice requirement that would identify potential increases in the percentage of indirect foreign ownership interests in AmerGen.

3.0 TECHNICAL EVALUATION

On December 22, 2003, Exelon Generation Company, LLC (Exelon), purchased 100% of the stock of British Energy US Holdings, Inc. (BE Holdings) which indirectly owned 50% of AmerGen. BE Holdings was formerly owned by British Energy, plc, a foreign corporation. As a result, Exelon now owns 100% of AmerGen both directly (50%) through its previous ownership, and indirectly (50%) through its ownership of BE Holdings (will be renamed Nuclear US Holdings, Inc.). The purchase of BE Holdings by Exelon ended all foreign ownership issues that were previously addressed by conditions incorporated into the three Operating Licenses.

Given that Exelon, through its rights under the AmerGen Limited Liability Company Agreement, already effectively controlled AmerGen prior to its acquisition of BE Holdings, the NRC staff found that the acquisition did not result in any transfer of control of the license under 10 CFR 50.80. Therefore, no further safety evaluation was needed to determine whether the acquisition affected AmerGen's qualifications to hold the licenses prior to Exelon purchasing the other 50% of AmerGen through Exelon's purchase of BE Holdings.

In a letter dated October 31, 2003, British Energy and Exelon proposed to eliminate their agreement to provide up to \$100 million each in standby funds to AmerGen, and to replace it with a new commitment by Exelon alone to provide up to \$200 million in standby funds to AmerGen for operational uses. The NRC staff found the proposed change to the commitment acceptable because the full commitment of \$200 million reflects Exelon's 100% ownership of AmerGen, with all the associated rights and revenue (letter, D. Skay of NRC to J. A. Benjamin, December 15, 2003).

In the January 30, 2004, application for amendment, AmerGen requested that certain License Conditions be eliminated because they were previously imposed to address foreign ownership issues that originally arose because BE Holdings was a subsidiary of a foreign corporation. These were identified as License Conditions 2.C.(10), (11), (12), and (13) for Clinton, 3.A, B, C, D for OCNGS, and 2.c.(10), (11), (12) and (13) for TMI-1. The NRC staff reviewed the licensee's application and finds that since Exelon is a domestic company which owns 100% of AmerGen through direct and indirect means, the referenced License Conditions for Clinton, OCNGS and TMI-1, are no longer needed, and may be eliminated.

The January 30, 2004, application also proposed to revise other License Conditions to reflect Exelon's purchase of British Energy plc's ownership interest in AmerGen, Exelon's commitment to provide up to \$200 million in standby funds to AmerGen for operational uses, and the elimination of the original standby fund commitments. These were identified as License Conditions 2.C.(16) and (21) for Clinton, 3.G and L for OCNGS, and 2.c.(16) for TMI-1. These changes would conform the wording of these License Conditions to what the NRC staff had previously approved by its December 15, 2003, letter. These conforming changes are acceptable.

In summary, the NRC staff found the licensee's proposed revision to the three Operating Licenses acceptable, as set forth above. The NRC staff also determined that all the changes depicted by the revised wording have already taken place; all the implementation actions, in the

normal sense of the word "implementation" as it applies to amendments, had already been completed. Thus, there is no need to impose a target date for implementation in the conforming amendments.

4.0 STATE CONSULTATION

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

5.0 ENVIRONMENTAL CONSIDERATION

The amendments are needed to conform the Operating Licenses for Clinton, OCNGS, and TMI-1 to reflect a recent indirect transfer. Accordingly, the amendments meet the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(21). Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with the issuance of the amendments.

6.0 CONCLUSION

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

Principal Contributor: M. A. Dusaniwskyj

Date: June 14, 2004