

SAFEGUARDS INFORMATION

October 28, 2004

Mr. Christopher M. Crane
President and Chief Nuclear Officer
Exelon Generation Company, LLC
AmerGen Energy Company, LLC
4300 Winfield Road
Warrenville, IL 60555

SUBJECT: LIMERICK GENERATING STATION, UNITS 1 AND 2 - ADMINISTRATIVE CHANGE TO FACILITY OPERATING LICENSES IN CONJUNCTION WITH THE COMMISSION ORDER EA-03-086 REGARDING REVISED DESIGN BASIS THREAT (DBT); AND REVISIONS TO PHYSICAL SECURITY PLAN, TRAINING AND QUALIFICATION PLAN, AND SAFEGUARDS CONTINGENCY PLAN (TAC NOS. MC2934 AND MC2935)

Dear Mr. Crane:

By letter dated April 29, 2004, Exelon Generation Company and AmerGen Energy Company submitted a supplemental response in accordance with Order EA-03-086, the Order requiring compliance with the revised design basis threat, dated April 29, 2003, (DBT Order) for the Limerick Generating Station, Units 1 and 2 (Limerick). Section III.A of the DBT Order required licensees to revise physical security plans (PSPs), training and qualification plans (T&Q Plans), and safeguards contingency plans (SCPs) to provide protection against the revised DBT set forth in Attachment 2 to the DBT Order. These revised plans, along with an implementation schedule, were required to be submitted to the Nuclear Regulatory Commission (NRC or the Commission) for review and approval no later than April 29, 2004.

The NRC staff's review of the Limerick PSP, SCP, T&Q Plan submitted in your letter dated April 28, 2004, as supplemented on July 6, July 9, July 23, August 4, August 12, September 9, October 14, and October 21, 2004, has focused on ensuring the necessary programmatic elements are contained in these plans in order to provide high assurance that activities involving special nuclear material are not inimical to the common defense and security and do not constitute an unreasonable risk to the public health and safety.

<p>NOTICE: Enclosure 2 contains Safeguards Information. Upon separation from Enclosure 2, this letter and Enclosure 1 are DECONTROLLED.</p>
--

SAFEGUARDS INFORMATION

The NRC staff has determined that, subject to subsequent inspection and evaluation, these plans contain the necessary programmatic elements that, when effectively implemented, will provide the required high assurance that Limerick will be protected against the revised DBT. The NRC staff, therefore, approves the PSP, SCP, and T&Q Plan for Limerick. However, ultimately the effectiveness of these plans will be judged on your ability to meet regulatory requirements through facility implementing procedures and site practices. As such your facility implementing procedures and practices will continue to be subject to future NRC review and inspection, including NRC-conducted force-on-force exercises.

In addition, the NRC staff noted that your PSP included alternatives to certain requirements of Title 10 of the *Code of Federal Regulations* (10 CFR) Section 73.55. In each case, the NRC staff found that the alternative measures provide an equivalent level of protection to that of the associated requirement and meet the high assurance objective of 10 CFR 73.55(a). The NRC staff, therefore, approves the alternatives shown in the table below. The NRC staff's evaluation is discussed further in the enclosed Safety Evaluation (SE).

Approved Alternatives to NRC Regulations			
SE Section	PSP Section	Alternative to 10 CFR	Description
3.6.2	6.2	73.55(c)(2)	Protected Area (PA)/Vital Area (VA) barrier separation requirements
3.6.2	6.2	73.55(c)(3)	Isolation Zones
3.9.4.3	9.4.3	73.55(d)(4)	PA vehicle search requirements
3.9.4.4	9.4.4	73.55(d)(1)	PA personnel search requirements
3.9.5.2	9.5	73.55(d)(1) 73.55(d)(4)	PA access control requirements
3.9.6	9.6	73.55(d)(7)(i)(D)	VA access control requirements
3.10.1	10.1	73.55(c)(5)	PA illumination requirements
3.13.1	14.1	73.55(c)(1) 73.55(d)(7)(i)(B)	Temporary reclassification of VAs to PA status (devitalization)

Finally, consistent with the DBT Order, conforming administrative changes to Facility Operating Licenses (FOLs) are required to ensure implementation of DBT Order requirements.

Therefore, administrative license changes to FOL Nos. NPF-39 and NPF-85 are being made to incorporate the reference to the revised PSP, SCP, and T&Q Plan required by the DBT Order. These changes comply with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I.

Please replace the enclosed pages to your FOLs as indicated in Enclosure 1.

C. Crane

- 3 -

A copy of our SE with regard to your security plans (designated as Safeguards Information) is provided in Enclosure 2.

Sincerely,

/RA/

John A. Nakoski, Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-352 and 50-353

Enclosures: 1. Administrative Change to FOL Nos. NPF-39 and NPF-85
2. SE Regarding the Security Plans (**Safeguards Information**)

cc w/encl 1 only: See mailing list 1

cc w/encls 1 and 2: Peter Supplee, Site Security Manager

C. Crane

- 3 -

A copy of our SE with regard to your security plans (designated as Safeguards Information) is provided in Enclosure 2.

Sincerely,

/RA/

John A. Nakoski, Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-352 and 50-353

- Enclosures: 1. Administrative Change to FOL Nos. NPF-39 and NPF-85
 2. SE Regarding the Security Plans (**Safeguards Information**)

cc w/encl 1 only: See mailing list 1
cc w/encls 1 and 2: Peter Supplee, Site Security Manager

DISTRIBUTION (w/o Enclosure 2):

PUBLIC	SPRT R/F	OGC	ACRS	MO'Brien	TTate
DCollins (A)	CHolden	DLPM DPR	GHill (4)	TBoyce	GMatakas, RI

Accession No.: ML043120006

*See previous concurrence

OFFICE	SPRT/TL	SPRT/PM	SPRT/LA	SPRT/PL	OGC*	NSIR/ SC	NRR/SC
NAME	DHuyck	RFretz	CRaynor	JPeralta	RBaum	SMorris	JNakoski
DATE	10/22/04	10/22/04	10/22/04	10/22/04	10/22/04	10/28/04	10/28/04

OFFICIAL RECORD COPY

Limerick Generating Station, Unit Nos. 1 and 2

cc:

Site Vice President
Limerick Generating Station
Exelon Generation Company, LLC
P.O. Box 2300
Sanatoga, PA 19464

Plant Manager
Limerick Generating Station
Exelon Generation Company, LLC
P.O. Box 2300
Sanatoga, PA 19464

Regulatory Assurance Manager - Limerick
Exelon Generation Company, LLC
P.O. Box 2300
Sanatoga, PA 19464

Senior Vice President - Nuclear Services
Exelon Generation Company, LLC
4300 Winfield Road
Warrenville, IL 60555

Vice President - Operations, Mid-Atlantic
Exelon Generation Company, LLC
200 Exelon Way, KSA 3-N
Kennett Square, PA 19348

Vice President
Licensing and Regulatory Affairs
Exelon Generation Company, LLC
4300 Winfield Road
Warrenville, IL 60555

Director
Licensing and Regulatory Affairs
Exelon Generation Company, LLC
200 Exelon Way, KSA 3-E
Kennett Square, PA 19348

Manager Licensing
Limerick Generating Station
Exelon Generation Company, LLC
200 Exelon Way, KSA 3-E
Kennett Square, PA 19348

Associate General Counsel
Exelon Generation Company, LLC
4300 Winfield Road
Warrenville, IL 60555

Correspondence Control Desk
Exelon Generation Company, LLC
P.O. Box 160
Kennett Square, PA 19348

Regional Administrator, Region I
U.S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

Senior Resident Inspector
U.S. Nuclear Regulatory Commission
Limerick Generating Station
P.O. Box 596
Pottstown, PA 19464

Library
U.S. Nuclear Regulatory Commission
Region I
475 Allendale Road
King of Prussia, PA 19406

Chief-Division of Nuclear Safety
PA Dept. of Environmental Resources
P.O. Box 8469
Harrisburg, PA 17105-8469

Chairman
Board of Supervisors of Limerick Township
646 West Ridge Pike
Linfield, PA 19468

Dr. Judith Johnsrud
National Energy Committee
Sierra Club
433 Orlando Avenue
State College, PA 16803

EXELON GENERATION COMPANY, LLC

LIMERICK GENERATING STATION, UNIT 1

DOCKET NO. 50-352

ADMINISTRATIVE LICENSE CHANGE TO FACILITY OPERATING LICENSE

License No. NPF-39

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. Consistent with Order EA-03-086, the Order requiring compliance with the revised design basis threat, (DBT Order) issued on April 29, 2003, conforming administrative changes to Facility Operating Licenses (FOLs) are required to ensure implementation of DBT Order requirements. Therefore, an administrative license change to FOL No. NPF-39 is being made to incorporate the reference to the revised Physical Security Plan, Safeguards Contingency Plan, and Training and Qualification Plan required by the DBT Order. These changes comply with the standards and requirements of the Atomic Energy Act (the Act) of 1954, as amended and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - 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 administrative license change 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 administrative license change 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 administrative license change is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

Enclosure 1

2. Accordingly, the FOL is changed as indicated in the Attachment.
3. This administrative license change is effective as of its date of issuance and shall be implemented on or before October 29, 2004.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

John A. Nakoski, Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the FOL

Date of Issuance: October 28, 2004

CHANGES TO FACILITY OPERATING LICENSE NO. NPF-39

DOCKET NO. 50-352

Replace the following page of Facility Operating License NPF-39 with the attached revised page as indicated. The revised page is identified by revision date and contains marginal lines indicating the area of change.

Remove Page

8

Insert Page

8

These exemptions are authorized by law and will not endanger life or property or the common defense and security and are otherwise in the public interest. Therefore these exemptions are herel pursuant to 10 CFR 50.12 and 50.47(c). With the granting of exemptions the facility will operate, to the extent authorize herein, in conformity with the application, as amended, the provision of the Act, and the rules and regulations of the Commission.

- E. Exelon Generation Company shall fully implement and maintain in effect all provisions of the Commission-approved physical security, 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 the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The combined set of plans¹, which contains Safeguards Information protected under 10 CFR 73.21, is entitled: "Limerick Generating Station Security Plan, Training and Qualification Plan, and Safeguards Contingency Plan, Revision 0," submitted by letter dated October 21, 2004.
- F. Except as otherwise provided in the Technical Specifications or Environmental Protection Plan, the licensee 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 thirty days in accordance with the procedures described in 10 CFR 50.73(b), (c), and (e).
- G. The licensee 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 The Training and Qualification Plan and Safeguards Contingency Plan are Appendices to the Security Plan.

EXELON GENERATION COMPANY, LLC

LIMERICK GENERATING STATION, UNIT 2

DOCKET NO. 50-353

ADMINISTRATIVE LICENSE CHANGE TO FACILITY OPERATING LICENSE

License No. NPF-85

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. Consistent with Order EA-03-086, the Order requiring compliance with the revised design basis threat, (DBT Order) issued on April 29, 2003, conforming administrative changes to Facility Operating Licenses (FOLs) are required to ensure implementation of DBT Order requirements. Therefore, an administrative license change to FOL No. NPF-85 is being made to incorporate the reference to the revised Physical Security Plan, Safeguards Contingency Plan, and Training and Qualification Plan required by the DBT Order. These changes comply 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 administrative license change 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 administrative license change 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 administrative license change is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, the FOL is changed, as indicated in the attachment.
3. This administrative license change is effective as of its date of issuance and shall be implemented on or before October 29, 2004.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

John A. Nakoski, Section Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the FOL

Date of Issuance: October 28, 2004

CHANGES TO FACILITY OPERATING LICENSE NO. NPF-85

DOCKET NO. 50-353

Replace the following page of Facility Operating License NPF-85 with the attached revised page as indicated. The revised page is identified by revision date and contains marginal lines indicating the area of change.

Remove Page

4

Insert Page

4

(4) Physical Security and Safeguards

Exelon Generation Company shall fully implement and maintain in effect all provisions of the Commission-approved physical security, 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 the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The combined set of plans¹, which contains Safeguards Information protected under 10 CFR 73.21, is entitled: "Limerick Generating Station Security Plan, Training and Qualification Plan, and Safeguards Contingency Plan, Revision 0," submitted by letter dated October 21, 2004.

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

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

Limerick, Unit 2	\$59,687,081
------------------	--------------

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

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

(b) With respect to the decommissioning trust fund, investments in the securities or other obligations of Exelon Corporation or affiliates thereof, or their successors or assigns are prohibited. Except for investments tied to market indexes or other non-nuclear sector mutual funds, investments in any entity owning one or more nuclear power plants are prohibited.

¹ The Training and Qualification Plan and Safeguards Contingency Plan are Appendices to the Security Plan.