

**EXELON GENERATION COMPANY, LLC**  
**DOCKET NO. 50-278**  
**PEACH BOTTOM ATOMIC POWER STATION, UNIT 3**  
**RENEWED FACILITY OPERATING LICENSE**

Renewed License No. DPR-56

1. The U.S. Nuclear Regulatory Commission (the Commission) having previously made the findings set forth in License No. DPR-56 issued July 2, 1974, has now found that:
  - A. The application to renew License No. DPR-56 complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I, and all required notifications to other agencies or bodies have been duly made;
  - B. Actions have been identified and have been or will be taken with respect to (1) managing the effects of aging during the period of extended operation on the functionality of structures and components that have been identified to require review under 10 CFR 54.21(a)(1), and (2) time-limited aging analyses that have been identified to require review under 10 CFR 54.21(c), such that there is reasonable assurance that the activities authorized by this renewed license will continue to be conducted in accordance with the current licensing basis, as defined in 10 CFR 54.3, for Peach Bottom Atomic Power Station, Unit No. 3, and that any changes made to the plant's current licensing basis in order to comply with 10 CFR 54.29(a) are in accord with the Act and the Commission's regulations;
  - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
  - D. There is reasonable assurance: (1) that the activities authorized by this renewed license can be conducted without endangering the health and safety of the public, and (2) that such activities will be conducted in compliance with the rules and regulations of the Commission;
  - E. Exelon Generation Company, LLC (Exelon Generation Company) (the licensee) is technically qualified and the licensee is financially qualified to engage in the activities authorized by this renewed license in accordance with the rules and regulations of the Commission;
  - F. The licensee has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;
  - G. The issuance of this renewed license will not be inimical to the common defense and security or to the health and safety of the public;

- H. After weighing the environmental, economic, technical, and other benefits of the facility against environmental costs and considering available alternatives, the Commission concludes that the issuance of Renewed Operating License No. DPR-56 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 the renewed license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40, and 70, including 10 CFR Sections 30.33, 40.32, and 70.23 and 70.31.
2. On the basis of the forgoing findings regarding this facility, Facility Operating License No. DPR-56, issued July 2, 1974, is superseded by Renewed Facility Operating License No. DPR-56, which is hereby issued to the Exelon Generation Company (the licensee), to read as follows:
- A. This renewed license applies to the Peach Bottom Atomic Power Station, Unit 3, a single-cycle, forced-circulation boiling water nuclear reactor and associated equipment (the facility), owned and operated by Exelon Generation Company. The facility is located partly in Peach Bottom Township, York County, partly in Drumore Township, Lancaster County, and partly in Fulton Township, Lancaster County in southeastern Pennsylvania, and is described in the Final Safety Analysis Report as supplemented and amended and the Environmental Report as supplemented and amended.
  - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
    - (1) Exelon Generation Company, pursuant to Section 104b of the Act and 10 CFR Part 50, "Licensing of Production and Utilization Facilities," to possess, use, and operate the facility at the designated location in Peach Bottom, York County, Pennsylvania in accordance with the procedures and limitations set forth in this license;
    - (2) Exelon Generation Company, pursuant to the Act and 10 CFR Part 70, to receive, possess, and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended;
    - (3) Exelon Generation Company, pursuant to the Act and 10 CFR Parts 30, 40, and 70, to receive, possess, and use at any time any byproduct, source, and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;
    - (4) Exelon Generation Company, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess, and use in amounts as required any byproduct, source, or special nuclear material without restriction to chemical or physical form for sample analysis or instrument calibration or when associated with radioactive apparatus or components;

the NRC Safety Evaluation Report (SER) dated May 23, 1979, and Supplements dated August 14, September 15, October 10 and November 24, 1980, and in the NRC SERs dated September 16, 1993, and August 24, 1994, subject to the following provision:

The Exelon Generation Company may make changes to the approved fire protection program without prior approval of the Commission only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.

(5) DELETED

- (6) Exelon Generation Company shall provide to the Director of the Office of Nuclear Reactor Regulation a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens) from Exelon Generation Company to its direct or indirect parent, or to any other affiliated company, facilities for the production, transmission, or distribution of electric energy having a depreciated book value exceeding ten percent (10%) of Exelon Generation Company's consolidated net utility plant, as recorded on Exelon Generation Company's books of account.
- (7) At the time of the closing of the transfer of this license from PSEG Nuclear LLC, to Exelon Generation Company, PSEG Nuclear LLC shall transfer to Exelon Generation Company all of PSEG Nuclear LLC's decommissioning funds for Peach Bottom Atomic Power Station Unit No. 3 accumulated as of such time, and Exelon Generation Company shall deposit such funds in an external decommissioning trust established by Exelon Generation Company for Peach Bottom Atomic Power Station Unit No. 3.
- (8) DELETED

(9) DELETED

(10) Additional Conditions of the Renewed License

(1) Updated Final Safety Analysis Report

The Updated Final Safety Analysis Report supplement, as revised on January 31, 2003, shall be included in the next scheduled update to the Updated Final Safety Analysis Report required by 10 CFR 50.71(e)(4) following the issuance of this renewed license. Until that update is complete, the Exelon Generation Company may make changes to the programs described in the supplement without prior Commission approval, provided that the Exelon Generation Company evaluates each such change pursuant to the criteria set forth in 10 CFR 50.59 and otherwise complies with the requirements in that section.

(2) Future Inspection Activities

The Exelon Generation Company Updated Final Safety Analysis Report supplement submitted pursuant to 10 CFR 54.21(d), as revised on January 31, 2003, describes certain future inspection activities to be completed before the period of extended operation. The Exelon Generation Company shall complete these activities no later than July 2, 2014, and shall notify the NRC in writing when implementation of these activities is complete and can be verified by NRC inspection.

(c) Integrated Surveillance Program

The Exelon Generation Company shall implement an NRC staff-approved reactor vessel integrated surveillance program for the extended period of operation which satisfies the requirements of 10 CFR Part 54. Such a program will be implemented through a staff-approved Boiling Water Reactor Vessel and Internals Project program or through a staff-approved plant-specific program. Before July 2, 2014, the licensee will notify the NRC of its decision to implement the integrated surveillance program or a plant-specific program, and provide the appropriate revisions to the Updated Final Safety Analysis Report Supplement summary descriptions of the vessel surveillance material testing program.

(d) Core Shroud Inspection and Evaluation Guidelines Program

The Exelon Generation Company shall implement an NRC staff-approved core shroud inspection and evaluation guidelines program for the extended period of operation which satisfies the requirements of 10 CFR Part 54. Such a program will be implemented through a staff-approved Boiling Water Reactor Vessel and Internals Project program or through a staff-approved