(5) Exelon Generation Company, pursuant to the Act and 10 CFR Parts 30 and 70, to possess, but not to separate, such byproduct and special nuclear material as may be produced by operation of the facility.

C. This renewed license shall be deemed to contain and is subject to the conditions specified in the following Commission regulations in 10 CFR Chapter I: Part 20, Section 30.34 of Part 30, Section 40.41 of Part 40, Section 50.54 of Part 50, and Section 70.32 of Part 70; all applicable provisions of the Act and the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified below:

(1) Maximum Power Level

Exelon Generation Company is authorized to operate the Peach Bottom Atomic Power Station, Unit No. 3, at steady state reactor core power levels not in excess of 3514 megawatts thermal.

(2) Technical Specifications

The Technical Specifications contained in Appendices A and B, as revised through Amendment No. 264 are hereby incorporated in the license. Exelon Generation Company shall operate the facility in accordance with the Technical Specifications.[1]

(3) Physical Protection

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 plans[2], which contain Safeguards Information protected under 10 CFR 73.21, is entitled: "Peach Bottom Atomic Power Station Security Plan, Training and Qualification Plan, Safeguards Contingency Plan, and Independent Spent Fuel Storage Installation Security Program, Revision 0," submitted by letter dated October 21, 2004.

(4) Fire Protection

The Exelon Generation Company shall implement and maintain in effect all provisions of the approved fire protection program as described in the Updated Final Safety Analysis Report for the facility, and as approved in

[1]Licensed power level was revised by Amendment No. 250, dated November 22, 2002, and will be implemented following the 14th refueling outage currently scheduled for Fall 2003.

[2]The training and Qualification Plan and Safeguards Contingency Plan and Appendices to the Security Plan.

ACTIONS (continued)

CONDITION	REQUIRED ACTION	COMPLETION TIME
D. ---------NOTE--------- Not applicable when THERMAL POWER > 10% RTP. ---------- Two or more inoperable control rods not in compliance with the analyzed rod position sequence and not separated by two or more OPERABLE control rods.	D.1 Restore compliance with the analyzed rod position sequence.	4 hours
	OR	
	D.2 Restore control rod to OPERABLE status.	4 hours
E. Required Action and associated Completion Time of Condition A, C, or D not met. OR Nine or more control rods inoperable.	E.1 Be in MODE 3.	12 hours

3.1 REACTIVITY CONTROL SYSTEMS

3.1.6 Rod Pattern Control

LCO 3.1.6 OPERABLE control rods shall comply with the requirements of the analyzed rod position sequence.

APPLICABILITY: MODES 1 and 2 with THERMAL POWER ≤ 10% RTP.

ACTIONS

CONDITION	REQUIRED ACTION		COMPLETION TIME
A. One or more OPERABLE control rods not in compliance with the analyzed rod position sequence.	A.1	--------NOTE--------- Rod worth minimizer (RWM) may be bypassed as allowed by LCO 3.3.2.1, "Control Rod Block Instrumentation." ----------	
		Move associated control rod(s) to correct position.	8 hours
	OR		
	A.2	Declare associated control rod(s) inoperable.	8 hours

(continued)

ACTIONS (continued)

CONDITION	REQUIRED ACTION	COMPLETION TIME
B. Nine or more OPERABLE control rods not in compliance with the analyzed rod position sequence.	B.1 --------NOTE--------- RWM may be bypassed as allowed by LCO 3.3.2.1. ---------- Suspend withdrawal of control rods.	Immediately
	AND	
	B.2 Place the reactor mode switch in the shutdown position.	1 hour

SURVEILLANCE REQUIREMENTS

SURVEILLANCE		FREQUENCY
SR 3.1.6.1	Verify all OPERABLE control rods comply with the analyzed rod position sequence.	24 hours

ACTIONS

CONDITION	REQUIRED ACTION	COMPLETION TIME
C. (continued)	C.2.1.1 Verify ≥ 12 rods withdrawn. OR C.2.1.2 Verify by administrative methods that startup with RWM inoperable has not been performed in the last calendar year. AND C.2.2 Verify movement of control rods is in compliance with the analyzed rod position sequence by a second licensed operator or other qualified member of the technical staff.	Immediately Immediately During control rod movement
D. RWM inoperable during reactor shutdown.	D.1 Verify movement of control rods is in accordance with the analyzed rod position sequence by a second licensed operator or other qualified member of the technical staff.	During control rod movement

(continued)

SURVEILLANCE REQUIREMENTS (continued)

SURVEILLANCE		FREQUENCY
SR 3.3.2.1.5	----------NOTE---------- Neutron detectors are excluded. ---------- Perform CHANNEL CALIBRATION.	24 months
SR 3.3.2.1.6	Verify the RWM is not bypassed when THERMAL POWER is ≤ 10% RTP.	24 months
SR 3.3.2.1.7	----------NOTE---------- Not required to be performed until 1 hour after reactor mode switch is in the shutdown position. ---------- Perform CHANNEL FUNCTIONAL TEST.	24 months
SR 3.3.2.1.8	Verify control rod sequences input to the RWM are in conformance with the analyzed rod position sequence.	Prior to declaring RWM OPERABLE following loading of sequence into RWM

3.10 SPECIAL OPERATIONS

3.10.7 Control Rod Testing—Operating

LCO 3.10.7 The requirements of LCO 3.1.6, "Rod Pattern Control," may be suspended to allow performance of SDM demonstrations, control rod scram time testing, control rod friction testing, and the Startup Test Program, provided:

a. The analyzed rod position sequence requirements of SR 3.3.2.1.8 are changed to require the control rod sequence to conform to the specified test sequence.

OR

b. The RWM is bypassed; the requirements of LCO 3.3.2.1, "Control Rod Block Instrumentation," Function 2 are suspended; and conformance to the approved control rod sequence for the specified test is verified by a second licensed operator or other qualified member of the technical staff.

APPLICABILITY: MODES 1 and 2 with LCO 3.1.6 not met.

ACTIONS

CONDITION	REQUIRED ACTION	COMPLETION TIME
A. Requirements of the LCO not met.	A.1 Suspend performance of the test and exception to LCO 3.1.6.	Immediately

3.10 SPECIAL OPERATIONS

3.10.8 SHUTDOWN MARGIN (SDM) Test—Refueling

LCO 3.10.8 The reactor mode switch position specified in Table 1.1-1 for MODE 5 may be changed to include the startup/hot standby position, and operation considered not to be in MODE 2, to allow SDM testing, provided the following requirements are met:

a. LCO 3.3.1.1, "Reactor Protection System Instrumentation," MODE 2 requirements for Functions 2.a, 2.d and 2.e of Table 3.3.1.1-1;

b. 1. LCO 3.3.2.1, "Control Rod Block Instrumentation," MODE 2 requirements for Function 2 of Table 3.3.2.1-1, with the analyzed rod position sequence requirements of SR 3.3.2.1.8 changed to require the control rod sequence to conform to the SDM test sequence,

OR

2. Conformance to the approved control rod sequence for the SDM test is verified by a second licensed operator or other qualified member of the technical staff;

c. Each withdrawn control rod shall be coupled to the associated CRD;

d. All control rod withdrawals during out of sequence control rod moves shall be made in notch out mode;

e. No other CORE ALTERATIONS are in progress; and

f. CRD charging water header pressure ≥ 940 psig.

APPLICABILITY: MODE 5 with the reactor mode switch in startup/hot standby position.