



~~OFFICIAL USE ONLY – PROPRIETARY INFORMATION~~

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

December 23, 2008

Mr. Charles G. Pardee
Chief Nuclear Officer
AmerGen Energy Company, LLC
4300 Winfield Road
Warrenville, IL 60555

SUBJECT: OYSTER CREEK NUCLEAR GENERATING STATION - ORDER APPROVING
TRANSFER OF THE OPERATING LICENSE AND CONFORMING
AMENDMENT (TAC NO. MD9013)

Dear Mr. Pardee:

The enclosed Order is in response to your application dated June 20, 2008, as supplemented by letter dated July 17, 2008, requesting approval of the transfer of the license for Oyster Creek Nuclear Generating Station (Oyster Creek), held by AmerGen Energy Company, LLC, to Exelon Generation Company, LLC (EGC), and approval of conforming amendments, pursuant to Sections 50.80 and 50.90 of Title 10 of the *Code of Federal Regulations* (10 CFR). The transfer of the license would also authorize EGC, pursuant to the general license provision in 10 CFR 72.210, to store spent fuel at the Oyster Creek Independent Spent Fuel Storage Installation. The enclosed Order provides consent to the proposed license transfer. It also approves conforming amendments to be issued at the time the transfers are completed, with the changes as indicated in Enclosure 2.

Enclosures 3 and 4 are the non-proprietary and proprietary versions, respectively, of the Nuclear Regulatory Commission (NRC) staff's safety evaluation (SE) related to the preceding action. Proprietary information is contained on page 4 of Enclosure 4. The non-proprietary version of the SE will be placed in the NRC's Public Document Room and added to the Agencywide Documents Access and Management System's Publicly Available Records System Library.

**Enclosure 4 transmitted herewith
contains Official Use Only – Proprietary
Information. When separated from the
Enclosure, this document is decontrolled.**

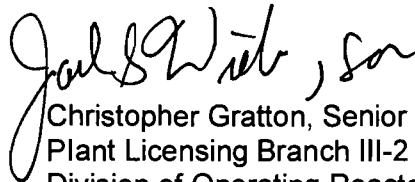
~~OFFICIAL USE ONLY – PROPRIETARY INFORMATION~~

C. Pardee

- 2 -

The Order has been forwarded to the Office of Federal Register for publication.

Sincerely,



Christopher Gratton, Senior Project Manager
Plant Licensing Branch III-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-219 and 72-15

Enclosures:

1. Order
2. Conforming Amendment
to DPR-16
3. Safety Evaluation (non-proprietary)
4. Safety Evaluation (proprietary)

cc w/o Enclosure 4: See next page

C. Pardee

- 2 -

The Order has been forwarded to the Office of Federal Register for publication.

Sincerely,

/RA/ by JWiebe for

Christopher Gratton, Senior Project Manager
Plant Licensing Branch III-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-219 and 72-15

Enclosures:

- 1. Order
- 2. Conforming Amendment to DPR-16
- 3. Safety Evaluation (non-proprietary)
- 4. Safety Evaluation (proprietary)

cc w/o Enclosure 4: See next page

DISTRIBUTION:

PUBLIC	S. Burnell, OPA	RidsNrrDprPfpb Resource
LPL1-2Reading File	RidsRgn1MailCenter Resouce	RidsNrrDirslolb Resource
RidsNrrOd Resource	RidsOgcRp Resource	JSimpson, NRR
RidsNrrAdro Resource	RidsAcrsAcnw_MailCTRResource	ASzabo, NRR
RidsNrrDorLp1-2 Resource	RidsSecyMailCenterResource	KMartin, NRR
RidsNrrPMGMiller Resource	RidsOpaMailCenterResource	NMSS_DSFT_LB
RidsNrrLAABaxter Resource	SWilliams, EDO R-I	
RidsNrrAdes Resource		

Package No.:ML082770024

Letter: ML082750228

Order:ML082750240

Draft Conforming Amendment: ML082750253

Draft OL Pages:

Safety evaluation: ML082750072

OFFICE	LPL3-2/PM	LPL1-2/LA	PFPB/BC(A)*	DIRS/IOLB/BC**	Tech Editor***
NAME	CGratton	ABaxter	RDudley	NSalgado	KAzariah-Kribbs
DATE	12/19/08	12/19/08	09/12/2008	10/08/2008	10/28/2008
OFFICE	OGC	LPL1-2/BC	DORL/D	NRR/D	
NAME	SUttal	HChernoff	JGiitter	ELeeds	
DATE	12/19/08	12/17/08	12/18/08	12/23/2008	

*SE transmitted by memo of

**SE transmitted by memo of

***Concurrence via email

OFFICIAL RECORD COPY

Oyster Creek Nuclear Generating Station

cc:

Vice President - Licensing and
Regulatory Affairs
AmerGen Energy Company, LLC
4300 Winfield Road
Warrenville, IL 60555

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

Kent Tosch, Chief
Bureau of Nuclear Engineering
New Jersey Department of Environmental
Protection
25 Arctic Parkway
Ewing, NJ 08638

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

Site Vice President - Oyster Creek
Nuclear Generating Station
AmerGen Energy Company, LLC
P.O. Box 388
Forked River, NJ 08731

Mayor of Lacey Township
818 West Lacey Road
Forked River, NJ 08731

Senior Resident Inspector
U.S. Nuclear Regulatory Commission
P.O. Box 445
Forked River, NJ 08731

ENCLOSURE 1

**ORDER APPROVING TRANSFER OF LICENSE
AND CONFORMING AMENDMENT**

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
AMERGEN ENERGY COMPANY, LLC)	Docket Nos. 50-219 and 72-15
)	License No. DPR-16
EXELON GENERATION COMPANY, LLC)	
)	
(Oyster Creek Nuclear Generating Station))	
)	

ORDER APPROVING TRANSFER OF LICENSE
AND CONFORMING AMENDMENT

I.

AmerGen Energy Company, LLC (AmerGen or licensee) is the holder of Facility Operating License No. DPR-16, which authorizes the possession, use, and operation of the Oyster Creek Nuclear Generating Station (Oyster Creek, or the facility). AmerGen is also authorized to store spent fuel at the Oyster Creek Independent Spent Fuel Storage Installation pursuant to the general license provision in Section 72.210 of Title 10 of the *Code of Federal Regulations* (10 CFR). AmerGen is a wholly owned subsidiary of Exelon Generation Company, LLC (EGC). The facility is located at the licensee’s site in Ocean County, New Jersey.

II.

By letter dated June 20, 2008, as supplemented on July 17, 2008 (together, the application), AmerGen and EGC submitted an application requesting approval of the transfer of the operating license for Oyster Creek to the extent held by AmerGen, to EGC. There will be no physical changes to the facility, nor changes in officers, personnel, or day-to-day operations as a result of the transfer. There will be no changes in the ownership of EGC, which is a wholly owned subsidiary of Exelon Ventures Company, LLC, which, in turn is a wholly owned subsidiary of Exelon Corporation. The transfer to EGC will eliminate AmerGen as owner and

operator of TMI-1. After the transfer, EGC will be the sole licensed owner and operator of Oyster Creek.

The applicants also requested approval of a conforming license amendment that would replace references to AmerGen in the license with references to EGC to reflect the transfer of ownership and operating authority, specifically, to possess, use and operate Oyster Creek and to receive, possess, or use related licensed materials under the applicable conditions and authorizations included in the Oyster Creek license.

Approval of the transfer of the license and the conforming license amendment is requested by the applicants pursuant to Sections 50.80 and 50.90 of 10 CFR. Notice of the request for approval and opportunity for a hearing was published in the *Federal Register* on August 26, 2008 (73 FR 50371). No hearing requests or petitions to intervene were received. The Nuclear Regulatory Commission (NRC, the Commission) received comments from a member of the public in Florham Park, New Jersey, in an e-mail dated August 27, 2008. The comments did not provide any information additional to that in the application, nor did they provide any information contradictory to that provided in the application.

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. Upon review of the information in the application and other information before the Commission, and relying upon the representations and agreements contained in the application, the NRC staff has determined that EGC is qualified to acquire and hold the ownership interest and operating authority previously held by AmerGen, and that the transfer of the license to EGC described in the application is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission, subject to the conditions set forth below. The NRC staff has further found that the application for the proposed license amendment 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; the facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission; there is reasonable assurance that the activities authorized by the proposed license amendment can be conducted without endangering the health and safety of the public and that such activities will be conducted in compliance with the Commission's regulations; the issuance of the proposed license amendment will not be inimical to the common defense and security or to the health and safety of the public; and the issuance of the proposed amendments will be in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

The findings set forth above are supported by the NRC staff's safety evaluation dated the same day as this Order.

III.

Accordingly, pursuant to Sections 161b, 161i, and 184 of the Act, 42 U.S.C. Sections 2201(b), 2201(i), and 2234; and 10 CFR 50.80 and 10 CFR 72.50, IT IS HEREBY ORDERED that the transfer of the license from AmerGen to EGC, as described herein, is approved, subject to the following conditions:

- (1) Before completion of the transfer of Oyster Creek, EGC shall provide the Director of the Office of Nuclear Reactor Regulation satisfactory documentary evidence that EGC has obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations.
- (2) At the time of the closing of the transfer of Oyster Creek and the respective license from AmerGen Energy Company, LLC (AmerGen) to Exelon Generation Company, AmerGen shall transfer to Exelon Generation Company ownership and control of AmerGen Oyster Creek NQF, LLC; and AmerGen Consolidation, LLC shall be merged into Exelon Generation Consolidation, LLC. Also at the

time of the closing, decommissioning funding assurance provided by Exelon Generation Company, using an additional method allowed under 10 CFR 50.75 if necessary, must be equal to or greater than the minimum amount calculated on that date pursuant to, and required by 10 CFR 50.75 for Oyster Creek.

Furthermore, funds dedicated for Oyster Creek prior to closing shall remain dedicated to Oyster Creek following the closing. The name of AmerGen Oyster Creek NQF, LLC shall be changed to Exelon Generation Oyster Creek NQF, LLC at the time of the closing.

IT IS FURTHER ORDERED that, consistent with 10 CFR 2.1315(b), the license amendment that makes changes, as indicated in Enclosure 2 to the cover letter forwarding this Order, to conform the license to reflect the subject direct license transfer is approved. The amendment shall be issued and made effective at the time the proposed direct license transfer is completed.

IT IS FURTHER ORDERED that AmerGen and EGC shall inform the Director of the Office of Nuclear Reactor Regulation, in writing, of the date of closing of the transfer of AmerGen's ownership and operating interests in Oyster Creek at least 1 business day before the closing. Should the transfer of the license not be completed within 1 year of this Order's date of issuance, this Order shall become null and void, provided, however, that upon written application and for good cause shown, such date may be extended by order.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated June 20, 2008, and the safety evaluation with the same date as this Order, which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, 11555 Rockville Pike, Room O-1 F21 (First Floor), Rockville, Maryland, and accessible electronically from the Agencywide Documents Access and Management System (ADAMS)

Public Electronic Reading Room on the Internet at the NRC Web site,

<http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS, or

who encounter problems in accessing the documents located in ADAMS, should contact the

NRC PDR Reference staff by telephone at 1-800-397-4209 or 301-415-4737, or by e-mail at

pdr.resource@nrc.gov.

Dated at Rockville, Maryland, this 23rd day of December, 2008

FOR THE NUCLEAR REGULATORY COMMISSION

A handwritten signature in black ink, appearing to read "Eric J. Leeds". The signature is written in a cursive style with a large, stylized initial "E".

Eric J. Leeds, Director
Office of Nuclear Reactor Regulation