



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

October 9, 2009

Mr. Henry B. Barron
President, CEO, and Chief Nuclear Officer
Constellation Energy Nuclear Group, LLC
100 Constellation Way, Suite 200C
Baltimore, MD 21202

SUBJECT: ORDER APPROVING THE TRANSFER OF RENEWED FACILITY OPERATING LICENSE NOS. DPR-53 AND DPR-69 FOR THE CALVERT CLIFFS NUCLEAR POWER PLANT, UNIT NOS. 1 AND 2, AND MATERIALS LICENSE NO. SNM-2505 FOR THE CALVERT CLIFFS INDEPENDENT SPENT FUEL STORAGE INSTALLATION, AND CONFORMING AMENDMENTS (TAC NOS. ME0443 AND ME0444)

Dear Mr. Barron:

The enclosed Order is in response to your application dated January 22, 2009, as supplemented by letters dated February 26, April 8, June 25, and July 27, 2009, requesting consent to, pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.80 and 10 CFR 72.50, the indirect transfer of control of the subject operating licenses and materials license, to the extent such would result from certain proposed restructuring actions in connection with a planned investment by EDF Development whereby it would acquire a 49.99% ownership interest in Constellation Energy Nuclear Group, LLC (CENG). The application also requested consent to, pursuant to 10 CFR 50.90 and 10 CFR 72.56, the transfer of licenses held by Calvert Cliffs Nuclear Power Plant, Inc. to a new legal entity, Calvert Cliffs Nuclear Power Plant, LLC, and approval of conforming license amendments. The enclosed Order provides consent to the proposed license transfer, subject to conditions described therein. It also approves conforming license 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 pages 5, 7, 8, 9, and 10 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.

H. Barron

- 2 -

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

Sincerely,



Richard V. Guzman, Senior Project Manager
Plant Licensing Branch I-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-317, 50-318, and 72-8

Enclosures:

1. Order
2. Draft Conforming Amendments to DPR-53, DPR-69, and SNM-2505
3. Safety Evaluation (non-proprietary)
4. Safety Evaluation (proprietary)

cc w/o Enclosure 4: Distribution via Listserv

ENCLOSURE 1

**ORDER APPROVING APPLICATION REGARDING PROPOSED CORPORATE
RESTRUCTURING AND APPROVING CONFORMING AMENDMENT**

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	Docket Nos. 50-317, 50-318, 72-8
)	
CONSTELLATION ENERGY NUCLEAR)	Renewed License No. DPR-53
GROUP, LLC)	Renewed License No. DPR-69
)	License No. SNM-2505
EDF DEVELOPMENT, INC.)	
)	
CALVERT CLIFFS NUCLEAR POWER)	
PLANT, INC.)	
)	
CALVERT CLIFFS NUCLEAR POWER)	
PLANT, LLC)	
)	
(Calvert Cliffs Nuclear Power Plant,)	
Unit Nos. 1 and 2, and)	
Calvert Cliffs Independent Spent Fuel)	
Storage Installation))	

ORDER APPROVING APPLICATION
REGARDING PROPOSED CORPORATE RESTRUCTURING
AND APPROVING CONFORMING AMENDMENTS

I.

Calvert Cliffs Nuclear Power Plant, Inc. (CCNPP, Inc. or the licensee) is the holder of Renewed Facility Operating License Nos. DPR-53 and DPR-69, which authorize the possession, use, and operation of Calvert Cliffs Nuclear Power Plant, Unit Nos. 1 and 2 (CCNPP 1 and 2), and of Material License No. SNM-2505, which authorizes the possession, use, and operation of the Calvert Cliffs Independent Spent Fuel Storage Installation (Calvert Cliffs ISFSI), and authorizes CCNPP, Inc. to receive, possess, transfer, and store power reactor spent fuel at the Calvert Cliffs ISFSI. The facilities are located at the licensee's site in Calvert County, Maryland.

II.

By letter dated January 22, 2009, as supplemented on February 26, April 8, June 25, and July 27, 2009 (together, the application), Constellation Energy Nuclear Group, LLC (CENG), on behalf of the licensee and EDF Development, Inc. (EDF Development) (together, the applicants), requested that the Nuclear Regulatory Commission (NRC, the Commission), pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) 50.80 and 10 CFR 72.50, consent to the indirect license transfers that would be effected by the indirect transfer of control of CENG's ownership and operating interests in CCNPP 1 and 2. The actions being sought as a result of certain proposed corporate restructuring actions in connection with a planned investment by EDF Development whereby it would acquire a 49.99% ownership interest in CENG from Constellation Energy Group, Inc. (CEG), the current 100% owner of CENG. EDF Development is a U.S. corporation organized under the laws of the State of Delaware and a wholly-owned subsidiary of E.D.F. International S.A., a public limited company organized under the laws of France, which is in turn a wholly-owned subsidiary of Électricité de France S.A., a French limited company. The applicants also requested approval of the proposed direct transfer of licenses held under CCNPP, Inc. to a new legal entity, CCNPP, LLC and approval of conforming license amendments that would replace references to CCNPP, Inc. in the license with references to CCNPP, LLC to reflect the transfer of ownership and operating authority, specifically, to possess, use and operate CCNPP 1 and 2 and to receive, possess, or use related licensed materials under the applicable conditions and authorizations in the CCNPP 1 and 2 license and for the ISFSI license.

Following the proposed transaction, EDF Development will hold a 49.99% ownership interest in CENG; CEG will hold a 50.01% ownership interest in CENG through two new intermediate parent companies, Constellation Nuclear, LLC and CE Nuclear, LLC, formed for non-operational purposes. In addition, Constellation Nuclear Power Plants, Inc., which is

currently an intermediate holding company between CENG and Nine Mile Point Nuclear Station, LLC and R.E. Ginna Nuclear Power Plant, LLC, will convert to a Delaware limited liability company and become Constellation Nuclear Power Plants, LLC, and will exist as an intermediate holding company between CENG and CCNPP, LLC, Nine Mile Point Nuclear Station, LLC, and R.E. Ginna Nuclear Power Plant, LLC. CCNPP, Inc. will convert to CCNPP, LLC.

No physical changes to the facilities or operational changes are being proposed in the application. The proposed conforming license amendment would replace references to CCNPP, Inc. in the license with references to CCNPP, LLC to reflect the proposed direct transfer of the licenses.

Approval of the transfer of the license and the conforming license amendment is requested by the applicants pursuant to 10 CFR 50.80, 10 CFR 50.90, and 10 CFR 72.50. Notice of the request for approval and opportunity for a hearing was published in the *Federal Register* on May 7, 2009 (74 FR 21413). No hearing requests or petitions to intervene were received. The NRC received comments from a member of the public in Seattle, Washington, in an e-mail dated May 22, 2009. 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 and 10 CFR 72.50, 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 the proposed indirect license transfer of control of the subject license held by the licensee to the extent such will result from the proposed corporate restructuring actions in connection with the planned

investment by EDF Development whereby it will acquire a 49.99% ownership interest in CENG, and that the direct transfer of CCNPP, Inc. to CCNPP, LLC, to the extent affected by the proposed transaction as described in the application, is otherwise consistent with applicable provisions of law, regulations, and Orders issued by the NRC, pursuant thereto, 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 amendments 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 (SE) dated the same day as this Order.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Act, 42 U.S.C. Sections 2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80 and 10 CFR 72.50, IT IS HEREBY ORDERED that the application regarding the indirect license transfers and direct license transfers related to the proposed corporate restructuring actions in connection with the planned investment by EDF Development, as described herein, is approved, subject to the following conditions:

- (1) Before completion of the proposed transaction, CENG shall provide the Director of the Office of Nuclear Reactor Regulation satisfactory documentary evidence that CCNPP, LLC has obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations.
- (2) CCNPP, LLC may no longer rely exclusively on an external sinking fund as its decommissioning funding assurance mechanism and will be required to implement an alternate decommissioning funding assurance mechanism, acceptable per NRC requirements outlined in 10 CFR 50.75(e)(1), which will be used to provide decommissioning funding assurance.
- (3) The ownership and governance arrangements as a result of the proposed transaction, are subject to the following:
 - (a) The Operating Agreement included with the application dated January 22, 2009, may not be modified in any material respect concerning decision-making authority over "safety issues" as defined therein without the prior written consent of the Director, Office of Nuclear Reactor Regulation.
 - (b) At least half the members of CENG's Board of Directors must be U.S. citizens.
 - (c) The Chief Executive Officer (CEO), Chief Nuclear Officer (CNO) and Chairman of the Board of Directors of CENG must be U.S. citizens. These individuals shall have the responsibility and exclusive authority to ensure and shall ensure that the business and activities of CENG with respect to the Calvert Cliffs, Unit Nos. 1 and 2, Calvert Cliffs ISFSI, Nine Mile Point, Unit Nos. 1 and 2, and R.E. Ginna licenses are at all times conducted in a manner consistent with the public health and safety and common defense and security of the United States.

- (d) CENG will establish a Nuclear Advisory Committee (NAC) composed of U.S. citizens who are not officers, directors, or employees of CENG, CEG or EDF Development. The NAC will report to and provide transparency to the NRC and other U.S. governmental agencies regarding foreign ownership and control of nuclear operations.
 - (e) CENG shall cause to be transmitted to the Director, Office of Nuclear Reactor Regulation, within 30 days of knowledge of a filing with the U.S. Securities and Exchange Commission, any Schedules 13D or 13G filed pursuant to the Securities and Exchange Act of 1934 that disclose beneficial ownership of any registered classes of CEG stock.
- (4) The financial arrangements resulting from the proposed transaction, are subject to the following:
- (a) The working capital and cash pooling arrangements described in Article IV of the Operating Agreement included with the application dated January 22, 2009, and supplement dated July 27, 2009, shall be effective as of the date of the transfer and shall be consistent with the representations contained in the application. CENG and CCNPP, LLC shall take no action to cause CEG and/or EDF Development, or their successors and assigns, to void, cancel or materially modify the working capital and cash pooling arrangements in the Operating Agreement without the prior written consent of the NRC staff.
 - (b) The Support Agreements described in the supplement to the application dated February 26, 2009 (up to \$290 million) shall be effective as of the date of the transfer and shall be consistent with the representations contained in the application. CENG and CCNPP, LLC shall take no

action to cause CEG and/or EDF Development, or their successors and assigns, to void, cancel or materially modify the Support Agreements as submitted without the prior written consent of the NRC staff. CENG shall inform the Director of the Office of Nuclear Reactor Regulation, in writing, no later than ten days after any funds are provided to CENG or any of the licensees by CEG or EDF Development under any Support Agreement.

- (c) The Master Demand Notes described in the supplement to the application dated July 27, 2009, shall be effective as of the date of the transfer and shall be consistent with the representations contained in the application. CENG and CCNPP, LLC, shall take no action to cause CEG and/or EDF Development, or their successors and assigns, to void, cancel or materially modify the Master Demand Notes without the prior written consent of the NRC staff.

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 CENG shall inform the Director of the Office of Nuclear Reactor Regulation, in writing, of the date of closing of the transfer of EDF Development's ownership and operating interests in CENG 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.

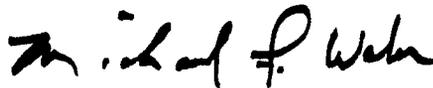
For further details with respect to this Order, see the initial application dated January 22, 2009 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML090290101), as supplemented by letters dated February 26 (ML090630426), April 8 (ML091000665), June 25 (ML091811094), and July 27, 2009 (ML092150712), and the SE 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 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 9th day of October 2009.

FOR THE NUCLEAR REGULATORY COMMISSION



Bruce S. Mallett
Deputy Executive Director for Reactor and
Preparedness Programs



Michael F. Weber, Director
Office of Nuclear Material Safety

ENCLOSURE 2

**DRAFT CONFORMING AMENDMENTS TO
DPR-53
DPR 69
SNM-2505**



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

CALVERT CLIFFS NUCLEAR POWER PLANT, INC.

DOCKET NO. 50-317

CALVERT CLIFFS NUCLEAR POWER PLANT, UNIT NO. 1

AMENDMENT TO RENEWED FACILITY OPERATING LICENSE

Amendment No.
License No. DPR-53

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by Calvert Cliffs Nuclear Power Plant, Inc. (the licensee), dated January 22, 2009, as supplemented by letters dated February 26, April 8, June 25, and July 27, 2009, 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 as indicated in the attachment to this license amendment.

3. This license amendment is effective as of the date of issuance and shall be implemented within 30 days of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

Eric J. Leeds, Director
Office of Nuclear Reactor Regulation

Attachment:
Changes to the License

Date of Issuance:

ATTACHMENT TO LICENSE AMENDMENT NO.
TO RENEWED FACILITY OPERATING LICENSE NO. DPR-53
DOCKET NO. 50-317

Replace the following pages of the Facility Operating License with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

<u>Remove</u>	<u>Insert</u>
Cover page	Cover page
2	2
3	3
4	4
Cover page (Appendix C)	Cover page (Appendix C)
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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

RENEWED FACILITY OPERATING LICENSE

CALVERT CLIFFS NUCLEAR POWER PLANT, UNIT 1

CALVERT CLIFFS NUCLEAR POWER PLANT, LLC

DOCKET NO. 50-317

Renewed License No. DPR-53

1. The U.S. Nuclear Regulatory Commission (Commission), having previously made the findings set forth in License No. DPR-53 issued on July 31, 1974, has now found that:
 - A. The application to Renewed License No. DPR-53 filed by Baltimore Gas and Electric Company* 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 the renewed license will continue to be conducted in accordance with the current licensing basis, as defined in 10 CFR 54.3, for the Calvert Cliffs Nuclear Power Plant, Unit 1 (facility), 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. There is reasonable assurance: (i) that the activities authorized by this renewed license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the applicable regulations set forth in 10 CFR Chapter I, except as exempted from compliance;
 - D. The Calvert Cliffs Nuclear Power Plant, LLC (the licensee) has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements";
 - E. The renewal of this license will not be inimical to the common defense and security or the health and safety of the public; and

*By Order dated October 1, 2009, the transfer of this license to Calvert Cliffs Nuclear Power Plant, LLC, was approved.

Amendment No.

- F. After weighing the environmental, economic, technical, and other benefits of the facility against environmental and other costs, and considering available alternatives, the renewal of this license is in accordance with 10 CFR Part 51 and all applicable requirements have been satisfied.
2. On the basis of the foregoing findings regarding this facility, Facility Operating License No. DPR-53, issued on July 31, 1974, is superseded by Renewed Facility Operating License No. DPR-53, which is hereby issued to Calvert Cliffs Nuclear Power Plant, LLC to read as follows:
- A. This license applies to the Calvert Cliffs Nuclear Power Plant, Unit 1, a pressurized water reactor and associated equipment (the facility), owned by Calvert Cliffs Nuclear Power Plant, LLC. The facility is located in Calvert County, Maryland, and is described in the licensee's Final Safety Analysis Report (FSAR), as supplemented and amended, and the licensee's Environmental Report, as supplemented and amended.
 - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses Calvert Cliffs Nuclear Power Plant, LLC.
 - (1) Pursuant to Section 104b of the Act and 10 CFR Part 50, "Domestic Licensing of Production and Utilization Facilities," to possess, use, and operate the facility at the designated location in Calvert County, Maryland, in accordance with the procedures and limitations set forth in this license;
 - (2) 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, and described in the Final Safety Analysis Report, as supplemented and amended;
 - (3) 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) Pursuant to the Act and 10 CFR Parts 30, 40, and 70, to receive, possess, and use, in amounts as required, any byproduct, source, and special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and
 - (5) Pursuant to the Act and 10 CFR Parts 30 and 70 to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility.
 - C. This license is deemed to contain and is subject to the conditions set forth in 10 CFR Chapter I and is subject to all applicable provisions of the Act, and the

rules, regulations, and orders of the Commission, now or hereafter applicable; and is subject to the additional conditions specified and incorporated below:

(1) Maximum Power Level

The licensee is authorized to operate the facility at steady-state reactor core power levels not in excess of 2737 megawatts-thermal in accordance with the conditions specified herein.

(2) Technical Specifications

The Technical Specifications contained in Appendices A and B, as revised through Amendment No. _____, are hereby incorporated into this license. The licensee shall operate the facility in accordance with the Technical Specifications.

- (a) For Surveillance Requirements (SRs) that are new, in Amendment 227 to Facility Operating License No. DPR-53, the first performance is due at the end of the first surveillance interval that begins at implementation of Amendment 227. For SRs that existed prior to Amendment 227, including SRs with modified acceptance criteria and SRs whose frequency of performance is being extended, the first performance is due at the end of the first surveillance interval that begins on the date the Surveillance was last performed prior to implementation of Amendment 227.

(3) Additional Conditions

The Additional Conditions contained in Appendix C as revised through Amendment No. 267 are hereby incorporated into this license. Calvert Cliffs Nuclear Power Plant, LLC shall operate the facility in accordance with the Additional Conditions.

(4) Secondary Water Chemistry Monitoring Program

The Calvert Cliffs Nuclear Power Plant, LLC, shall implement a secondary water chemistry monitoring program to inhibit steam generator tube degradation. This program shall include:

- a. Identification of a sampling schedule for the critical parameters and control points for these parameters;
- b. Identification of the procedures used to quantify parameters that are critical to control points;

- c. Identification of process sampling points;
- d. Procedure for recording and management of data;
- e. Procedures defining corrective actions for off control point chemistry conditions; and
- f. A procedure identifying the authority responsible for the interpretation of the data and the sequence and timing of administrative events required to initiate corrective action.

(5) Mitigation Strategy

The Calvert Cliffs Nuclear Power Plant, LLC, shall develop and maintain strategies for addressing large fires and explosions that include the following key areas:

(a) Fire fighting response strategy with the following elements:

- 1. Pre-defined coordinated fire response strategy and guidance
- 2. Assessment of mutual aid fire fighting assets
- 3. Designated staging areas for equipment and materials
- 4. Command and control
- 5. Training of response personnel

(b) Operations to mitigate fuel damage considering the following:

- 1. Protection and use of personnel assets
- 2. Communications
- 3. Minimizing fire spread
- 4. Procedures for implementing integrated fire response strategy
- 5. Identification of readily available pre-staged equipment
- 6. Training on integrated fire response strategy
- 7. Spent fuel pool mitigation measures

(c) Actions to minimize release to include consideration of:

- 1. Water spray scrubbing
- 2. Dose to onsite responders

(6) Reactor Vessel In-Service Inspection Interval Extension

As part of Calvert Cliffs Nuclear Power Plant's relief request to extend the reactor vessel In-Service Inspection interval (if approved), Calvert Cliffs shall submit to the NRC the information and analyses specified in paragraph (e) of the proposed 10 CFR 50.61a, given in 72 FR 56275 following completion of each American Society of Mechanical Engineers (ASME) Code, Section XI, Category B-A and B-D reactor vessel weld inspection. The information and analyses shall be submitted within one year of the completion of each inspection. Once the final 10 CFR 50.61a

Appendix C

Additional Conditions

Facility Operating License No. DPR-53

Calvert Cliffs Nuclear Power Plant, LLC (the licensee or Company) shall comply with the following conditions on the schedule noted below:

<u>Amendment Number</u>	<u>Additional Condition</u>	<u>Implementation Date</u>
227	Baltimore Gas and Electric Company (BGE) is authorized to relocate certain Technical Specification requirements to licensee-controlled documents. Implementation of this Amendment shall include the relocation of these requirements to the appropriate documents as described in the licensee's application dated December 4, 1996, as supplemented by letters dated March 27, June 9, June 18, July 21, August 14, August 19, September 10, October 6, October 20, October 23, November 5, 1997, and January 12, January 28, and March 16, 1998, evaluated in the NRC staff's Safety Evaluation enclosed with this amendment.	This amendment is effective immediately and shall be implemented by August 31, 1998.
228	BGE is authorized to incorporate in the UFSAR certain changes regarding Main Steam Line Break, Steam Generator Tube Rupture, Seized Rotor, and Boron Dilution Analyses.	The updated UFSAR shall be implemented within 6 months after restart from the spring 1998 refueling outage.
237	The decommissioning trust agreement for Calvert Cliffs, Unit 1 at the time the license transfer to the licensee from BGE is effected, is subject to the following: (a) The decommissioning trust agreement must be in a form acceptable to the NRC.	To be implemented at time the license transfer to the licensee from BGE is effected.

Appendix C

Additional Conditions

Facility Operating License No. DPR-53

Amendment Number

Additional Condition

CCNPP, LLC may no longer rely exclusively on an external sinking fund as its decommissioning funding assurance mechanism and will be required to implement an alternate decommissioning funding assurance mechanism, acceptable per NRC requirements outlined in 10 CFR 50.75(e)(1), which will be used to provide decommissioning funding assurance.

Implementation Date

To be implemented at time the license transfer to the licensee from CCNPP, Inc. is effected.



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

CALVERT CLIFFS NUCLEAR POWER PLANT, INC.

DOCKET NO. 50-318

CALVERT CLIFFS NUCLEAR POWER PLANT, UNIT NO. 2

AMENDMENT TO RENEWED FACILITY OPERATING LICENSE

Amendment No.
Renewed License No. DPR-69

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by Calvert Cliffs Nuclear Power Plant, Inc. (the licensee), dated January 22, 2009, as supplemented by letters dated February 26, April 8, June 25, and July 27, 2009, 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 as indicated in the attachment to this license amendment.

3. This license amendment is effective as of the date of issuance and shall be implemented within 30 days of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

Eric J. Leeds, Director
Office of Nuclear Reactor Regulation

Attachment:
Changes to the License

Date of Issuance:

ATTACHMENT TO LICENSE AMENDMENT NO.
TO RENEWED FACILITY OPERATING LICENSE NO. DPR-69
DOCKET NO. 50-318

Replace the following pages of the Facility Operating License with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

<u>Remove</u>	<u>Insert</u>
Cover page	Cover page
2	2
4	4
5	5
Cover page (Appendix C)	Cover page (Appendix C)
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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

RENEWED FACILITY OPERATING LICENSE

CALVERT CLIFFS NUCLEAR POWER PLANT, UNIT 2

CALVERT CLIFFS NUCLEAR POWER PLANT, LLC

DOCKET NO. 50-318

Renewed License No. DPR-69

1. The U.S. Nuclear Regulatory Commission (Commission), having previously made the findings set forth in License No. DPR-69 issued on November 30, 1976, has now found that:
 - A. The application to Renewed License No. DPR-69 filed by Baltimore Gas and Electric Company* 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 the renewed license will continue to be conducted in accordance with the current licensing basis, as defined in 10 CFR 54.3, for the Calvert Cliffs Nuclear Power Plant, Unit 2 (facility), 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. There is reasonable assurance: (i) that the activities authorized by this renewed license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the applicable regulations set forth in 10 CFR Chapter I, except as exempted from compliance;
 - D. The Calvert Cliffs Nuclear Power Plant, LLC (the licensee) has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements";
 - E. The renewal of this license will not be inimical to the common defense and security or the health and safety of the public; and

*By Order dated October 1, 2009, the transfer of this license to Calvert Cliffs Nuclear Power Plant, LLC, was approved.

Amendment No.

- F. After weighing the environmental, economic, technical, and other benefits of the facility against environmental and other costs, and considering available alternatives, the renewal of this license is in accordance with 10 CFR Part 51 and all applicable requirements have been satisfied.
2. On the basis of the foregoing findings regarding this facility, Facility Operating License No. DPR-69, issued on November 30, 1976, is superseded by Renewed Facility Operating License No. DPR-69, which is hereby issued to Calvert Cliffs Nuclear Power Plant, LLC to read as follows:
- A. This license applies to the Calvert Cliffs Nuclear Power Plant, Unit 2, a pressurized water reactor and associated equipment (the facility), owned by Calvert Cliffs Nuclear Power Plant, LLC. The facility is located in Calvert County, Maryland, and is described in the licensee's Final Safety Analysis Report (FSAR), as supplemented and amended, and the licensee's Environmental Report, as supplemented and amended.
 - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses Calvert Cliffs Nuclear Power Plant, LLC.
 - (1) Pursuant to Section 104b of the Act and 10 CFR Part 50, "Domestic Licensing of Production and Utilization Facilities," to possess, use, and operate the facility at the designated location in Calvert County, Maryland, in accordance with the procedures and limitations set forth in this license;
 - (2) 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, and described in the Final Safety Analysis Report, as supplemented and amended;
 - (3) 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) Pursuant to the Act and 10 CFR Parts 30, 40, and 70, to receive, possess, and use, in amounts as required, any byproduct, source, and special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and
 - (5) Pursuant to the Act and 10 CFR Parts 30 and 70 to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility.

(5) Additional Conditions

The Additional Conditions contained in Appendix C as revised through Amendment No. 224 are hereby incorporated into this license. Calvert Cliffs Nuclear Power Plant, LLC shall operate the facility in accordance with the Additional Conditions.

(6) Secondary Water Chemistry Monitoring Program

The Calvert Cliffs Nuclear Power Plant, LLC, shall implement a secondary water chemistry monitoring program to inhibit steam generator tube degradation. This program shall include:

- a. Identification of a sampling schedule for the critical parameters and control points for these parameters;
- b. Identification of the procedures used to quantify parameters that are critical to control points;
- c. Identification of process sampling points;
- d. Procedure for recording and management of data;
- e. Procedures defining corrective actions for off control point chemistry conditions; and
- f. A procedure identifying the authority responsible for the interpretation of the data and the sequence and timing of administrative events required to initiate corrective action.

(7) Mitigation Strategy

The Calvert Cliffs Nuclear Power Plant, LLC, shall develop and maintain strategies for addressing large fires and explosions that include the following key areas:

- (a) Fire fighting response strategy with the following elements:
 1. Pre-defined coordinated fire response strategy and guidance
 2. Assessment of mutual aid fire fighting assets
 3. Designated staging areas for equipment and materials
 4. Command and control
 5. Training of response personnel
- (b) Operations to mitigate fuel damage considering the following:
 1. Protection and use of personnel assets
 2. Communications
 3. Minimizing fire spread

4. Procedures for implementing integrated fire response strategy
5. Identification of readily available pre-staged equipment
6. Training on integrated fire response strategy
7. Spent fuel pool mitigation measures

(c) Actions to minimize release to include consideration of:

1. Water spray scrubbing
2. Dose to onsite responders

(8) Reactor Vessel In-Service Inspection Interval Extension

As part of Calvert Cliffs Nuclear Power Plant's relief request to extend the reactor vessel In-Service Inspection interval (if approved), Calvert Cliffs shall submit to the NRC the information and analyses specified in paragraph (e) of the proposed 10 CFR 50.61a, given in 72 FR 56275 following completion of each American Society of Mechanical Engineers (ASME) Code, Section XI, Category B-A and B-D reactor vessel weld inspection. The information and analyses shall be submitted within one year of the completion of each inspection. Once the final 10 CFR 50.61a is effective, the required information and analyses specified in paragraph (e) of the final 10 CFR 50.61a shall be the information submitted to the NRC.

- D. The licensee 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, which contain Safeguards Information protected under 10 CFR 73.21, is entitled: "Calvert Cliffs Nuclear Power Plant Security Plan, Training and Qualification Plan, and Safeguards Contingency Plan, Revision 1" submitted dated May 19, 2006.
- E. The Calvert Cliffs Nuclear Power Plant, LLC, 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 the SER dated September 14, 1979, and Supplements dated October 2, 1980; March 18, 1982; and September 27, 1982; and Exemptions dated August 16, 1982; April 21, 1983; March 15, 1984; August 22, 1990; and April 7, 1999 subject to the following provision: The Calvert Cliffs Nuclear Power Plant, LLC 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.
- F. At the time of the next scheduled update to the FSAR required pursuant to 10 CFR 50.71(e)(4) following the issuance of this renewed license, the licensee shall update the FSAR to include the FSAR supplement submitted pursuant to 10 CFR 54.21(d), as amended and supplemented by the program descriptions in Appendix E to the Safety Evaluation Report, NUREG-1705. Until that FSAR

Appendix C

Additional Conditions

Facility Operating License No. DPR-69

Calvert Cliffs Nuclear Power Plant, LLC (the licensee or Company) shall comply with the following conditions on the schedule noted below:

<u>Amendment Number</u>	<u>Additional Condition</u>	<u>Implementation Date</u>
201	Baltimore Gas and Electric Company (BGE) is authorized to relocate certain Technical Specification requirements to licensee-controlled documents. Implementation of this Amendment shall include the relocation of these requirements to the appropriate documents as described in the licensee's application dated December 4, 1996, as supplemented by letters dated March 27, June 9, June 18, July 21, August 14, August 19, September 10, October 6, October 20, October 23, November 5, 1997, and January 12, January 28, and March 16, 1998, evaluated in the NRC staff's Safety Evaluation enclosed with this amendment.	This amendment is effective immediately and shall be implemented by August 31, 1998.
202	BGE is authorized to incorporate in the UFSAR certain changes regarding Main Steam Line Break, Steam Generator Tube Rupture, Seized Rotor, and Boron Dilution Analyses.	The updated UFSAR shall be implemented within 6 months after restart from the spring 1998 refueling outage.
211	The decommissioning trust agreement for Calvert Cliffs, Unit 1 at the time the license transfer to the licensee from BGE is effected, is subject to the following: (a) The decommissioning trust agreement must be in a form acceptable to the NRC.	To be implemented at time the license transfer to the licensee from BGE is effected.

Amendment No.

Appendix C

Additional Conditions

Facility Operating License No. DPR-69

Amendment Number

Additional Condition

CCNPP, LLC may no longer rely exclusively on an external sinking fund as its decommissioning funding assurance mechanism and will be required to implement an alternate decommissioning funding assurance mechanism, acceptable per NRC requirements outlined in 10 CFR 50.75(e)(1), which will be used to provide decommissioning funding assurance.

Implementation Date

To be implemented at time the license transfer to the licensee from CCNPP, Inc. is effected.



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

CALVERT CLIFFS NUCLEAR POWER PLANT, INC.

DOCKET NO. 72-8

CALVERT CLIFFS INDEPENDENT SPENT FUEL STORAGE INSTALLATION

AMENDMENT TO MATERIALS LICENSE NO. SNM-2505

Amendment No. 8
License No. SNM-2505

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The amendment application dated January 22, 2009, as supplemented by letters on February 26, April 8, June 25, and July 27, 2009, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations set forth in 10 CFR Chapter I;
 - B. The Calvert Cliffs Independent Spent Fuel Storage Installation will continue to operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance that (i) the activities authorized by this amendment can be conducted without endangering public health and safety, and (ii) 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 public health and safety; 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 by the enclosed changes to Materials License No. SNM-2505, indicated by margin notations.
3. This license amendment is effective as of the date of its issuance and shall be implemented within 30 days of the date of issuance.

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

Steven Baggett, Acting Chief
Licensing Branch
Division of Spent Fuel Storage and Transportation
Office of Nuclear Material Safety
and Safeguards

Enclosure: Amended License

Date of Issuance:

ATTACHMENT TO LICENSE AMENDMENT NO. 8

TO MATERIALS LICENSE NO. SNM-2505

DOCKET NO.72-8

Replace the following pages of the Materials License with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

<u>Remove</u>	<u>Insert</u>
1	1
2	2
3	3
----	4

LICENSE FOR INDEPENDENT STORAGE OF SPENT NUCLEAR FUEL AND HIGH-LEVEL RADIOACTIVE WASTE

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter 1, Part 72, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, and possess the power reactor spent fuel and other radioactive materials associated with spent fuel storage designated below; to use such material for the purpose(s) and at the place(s) designated below; and to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified herein.

<p style="text-align: center;">Licensee</p> <p>1. Calvert Cliffs Nuclear Power Plant, LLC</p>	<p>3. License No. SNM-2505</p> <p style="padding-left: 20px;">Amendment No. 8</p>
<p>2. 100 Constellation Way Baltimore, MD 21202</p>	<p>4. Expiration Date November 30, 2012</p> <p>5. Docket or Reference No. 72-8</p>

6. Byproduct, Source, and/or Special Nuclear Material	7. Chemical or Physical Form	8. Maximum Amount That Licensee May Possess at Any One Time Under This License
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<p>A. Spent fuel assemblies from Calvert Cliffs Nuclear Station Units 1 and 2 reactor using natural water for cooling and enriched not greater than 4.5 percent U-235 and associated radioactive materials related to receipt, storage, and transfer of fuel assemblies.</p>	<p>A. As UO₂ clad with zirconium or zirconium alloys.</p>	<p>A. 1,111.68 TeU of spent fuel assemblies.</p>
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9. Authorized Use: For use in accordance with the conditions in this license and the attached Technical Specifications. The basis for this license was submitted in the Safety Analysis Report application dated December 21, 1989, and supplemented April 26, June 29, November 1, and December 20, 1990; February 1, February 12, September 30, October 18, December 19, and December 27, 1991; August 18 and September 4, 1992; July 29 and October 20, 1994; March 31, 1995; November 22, 1999; May 19, June 20, October 4, November 10 and 16, 2000; May 18, and July 26, 2001; December 12, 2003, May 12, 2004 and June 7, 2005; May 16, September 29, October 28, 2005, January 22, February 26, April 8, June 25, and July 27, 2009.

The material identified in 6.A and 7.A above is authorized for receipt, possession, storage, and transfer.

10. Authorized Place of Use: The licensed material is to be received, possessed, transferred, and stored at the Calvert Cliffs ISFSI located on the Calvert Cliffs Nuclear Power Plant site in Calvert County, Maryland. This site is described in Chapter 2 of the licensee's Safety Analysis Report (SAR) for the Calvert Cliffs ISFSI. The Technical Specifications contained in Appendix A attached hereto are incorporated into the license. The licensee shall operate the installation in accordance with the

NRC FORM 588A (10-2000) 10 CFR 72	U. S. NUCLEAR REGULATORY COMMISSION		PAGE 2 OF 4 PAGES
	License No. SNM-2505	Amendment No. 8	
	LICENSE FOR INDEPENDENT STORAGE OF SPENT NUCLEAR FUEL AND HIGH-LEVEL RADIOACTIVE WASTE SUPPLEMENTARY SHEET		
			Error! Main Document Only. Docket or Reference No. 72-8

Technical Specifications in Appendix .

11. The licensee shall fully implement and maintain in effect all provisions of the Independent Spent Fuel Storage Installation (ISFSI) physical security, guard training and qualification, and safeguards contingency plans previously approved by the Commission and all amendments made pursuant to the
12. The Technical Specifications for Environmental Protection contained in Appendix A attached hereto are incorporated into the license.

Specifications required pursuant to 10 CFR 72.44(d), stating limits on the release of radioactive materials for compliance with limits of 10 CFR Part 20 and "as low as is reasonably achievable objective" for effluents are not applicable. Dry Shielded Canister (DSC) external surface contamination within the limits of Technical Specification 3.2.3.1 ensures that the offsite dose will be inconsequential. In addition, there are no normal or off-normal releases or effluents expected from the double-sealed storage canisters of the ISFSI.

Specifications required pursuant to 10 CFR 72.44(d)(1) for operating procedures, for control of effluents, and for the maintenance and use of equipment in radioactive waste treatment systems to meet the requirements of 10 CFR 72.104 are not applicable. There are, by the design of the sealed storage canisters at the ISFSI, no effluent releases. Also, all Calvert Cliffs site DSC and Transfer Cask (TC) loading and unloading operations and waste treatment therefrom will occur at the Calvert Cliffs Nuclear Power Plant under the specifications of its operating licenses.

13. No spent nuclear fuel shall be allowed to be loaded until such time as the following preoperational license conditions are satisfied:
 - A A training exercise (dry run) of all DSC, TC, and horizontal storage module (HSM) loading and handling activities shall be held and include but not be limited to, those listed below and need not be performed in the order listed:
 1. Loading DSC in cask.
 2. DSC (length may be truncated) drying, welding, and cover gas backfilling operations.
 3. Moving cask to and aligning and docking with HSM on the storage pad.
 4. Insertion of DSC in HSM
 5. Withdrawal of DSC from HSM
 6. Returning the cask to the decontamination pit
 7. Removing the cask lid and cutting open the DSC (length may be truncated) assuming fuel cladding failure.
 8. Removing the DSC from the cask.
 9. Removing the DSC from the cask.

NRC FORM 588A (10-2000) 10 CFR 72	U. S. NUCLEAR REGULATORY COMMISSION	PAGE 3 OF 4 PAGES	
		License No. SNM-2505	Amendment No. 8
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10. The activities listed above shall be performed to show that each activity can be successfully executed prior to actual fuel loading.
- B The Calvert Cliffs Nuclear Power Plant Emergency Plan shall be reviewed and modified as required to include the ISFSI.
- C A training module shall be developed for the Calvert Cliffs Nuclear Power Plant Training Program establishing an ISFSI Training and Certification Program which will include the following:
1. DSC, TC, and HSM Design (overview)
 2. ISFSI Facility Design (overview)
 3. ISFSI Safety Analysis (overview)
 4. Fuel loading and DSC and TC handling procedures and abnormal procedures
 5. ISFSI License (overview).
- D The Calvert Cliffs Nuclear Power Plant health physics procedures shall be reviewed and modified as required to include the ISFSI.
- E The Calvert Cliffs Nuclear Power Plant Administrative Procedures shall be reviewed and modified as required to include the ISFSI.
- F A procedure shall be developed and implemented for the documentation of the characterizations performed to select spent fuel to be stored in the canisters and modules. Such procedure shall include independent verification of fuel assembly selection by an individual other than the original individual making the selection.
- G A procedure shall be developed and implemented for two independent determinations (two samples analyzed by different individuals) of the boron concentration in the water used to fill the DSC cavity for fuel loading and unloading activities.
- H Written procedures shall be implemented to describe actions to be taken during operation and abnormal/emergency conditions.
14. The design, construction, and operation of the ISFSI shall be accomplished in accordance with the NRC regulations specified in Title 10 of the U.S. Code of Federal Regulations. All commitments to the applicable NRC Regulatory Guides and to engineering and construction codes shall be carried out.
15. The double closure seal welds at the bottom end of the DSC shall satisfy the Liquid Penetrant Acceptance Standards of ASME B&PV Code Section III, Division 1, Subsection NB-5350 (1983). Additionally, these seal welds at the bottom of the DSC shall be leak tested in accordance with ANSI N14.5 (1987).
16. Fuel and TC movement and handling activities which are to be performed in the Calvert Cliffs Nuclear Power Plant Auxiliary Building will be governed by the requirements of the Calvert Cliffs Nuclear Power

NRC FORM 588A (10-2000) 10 CFR 72	U. S. NUCLEAR REGULATORY COMMISSION		PAGE 4 OF 4 PAGES	
			License No. SNM-2505	Amendment No. 8
LICENSE FOR INDEPENDENT STORAGE OF SPENT NUCLEAR FUEL AND HIGH-LEVEL RADIOACTIVE WASTE SUPPLEMENTARY SHEET			Error! Main Document Only.Docket or Reference No. 72-8	

Plant Facility Operating Licenses (DRP-53 and -69) and associated Technical Specifications.

17. Pursuant to 10 CFR 72.7, the licensee is hereby exempted from the provisions of 10 CFR 72.122(i) with respect to providing instrumentation and control systems for the DSC and HSM during storage operations.

18. This license is effective as of the date of issuance shown below.

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

Eric Benner, Chief
 Licensing Branch
 Spent Fuel Storage and Transportation Division
 Office of Nuclear Material Safety
 and Safeguards
 Washington, DC 20555

Date of Issuance: November 30, 1992

Amendment No. 8 dated XX/XX/XXXX

Attachment: Technical Specifications

ENCLOSURE 3
SAFETY EVALUATION
(NON-PROPRIETARY)



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

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
INDIRECT TRANSFER OF CONTROL OF RENEWED FACILITY OPERATING LICENSES
DUE TO THE PROPOSED CORPORATE RESTRUCTURING
CALVERT CLIFFS NUCLEAR POWER PLANT, UNIT NOS. 1 AND 2;
CALVERT CLIFFS INDEPENDENT SPENT FUEL STORAGE INSTALLATION,
NINE MILE POINT NUCLEAR STATION, UNIT NOS. 1 AND 2; AND
R.E. GINNA NUCLEAR POWER PLANT
DOCKET NOS. 50-317, 50-318, 72-8, 50-220, 50-410, AND 50-244

1.0 INTRODUCTION

By application dated January 22, 2009 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML090290101), as supplemented by letters dated February 26 (ML090630426), April 8 (ML091000665), June 25 (ML091811094), and July 27, 2009 (ML092150712) (collectively, "the application"), Constellation Energy Nuclear Group, LLC (CENG or the applicant) (on behalf of Calvert Cliffs Nuclear Plant, Inc., Nine Mile Point Nuclear Station, LLC, and R.E. Ginna Nuclear Power Plant, LLC) and EDF Development, Inc. (EDF Development) requested that the Nuclear Regulatory Commission (NRC), pursuant to Section 184 of the Atomic Energy Act of 1954, as amended, Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.80, and 10 CFR 72.50, consent to the indirect license transfers that would be effected by the indirect transfer of control of CENG's ownership and operating interests in the below listed Nuclear Power Plants due to the proposed corporate restructuring action described below in connection with a planned investment by EDF Development whereby it would acquire a 49.99% ownership interest in CENG.

The following units are considered in this safety evaluation (SE):

Calvert Cliffs Nuclear Power Plant, Unit No. 1; DPR-53
Calvert Cliffs Nuclear Power Plant, Unit No. 2; DPR-69
Nine Mile Point Nuclear Station, Unit No. 1; DPR-63
Nine Mile Point Nuclear Station, Unit No. 2; NPF-69
R.E. Ginna Nuclear Power Plant; DPR-18

CENG also requested NRC approval of the proposed conforming license amendments pursuant to 10 CFR 50.90 and 10 CFR 72.56 to reflect the transfer action and the change to the corporate form of Calvert Cliffs Nuclear Power Plant, Inc. to Calvert Cliffs Nuclear Power Plant,

LLC, so that these amendments can be implemented upon the closing of the proposed transaction. In addition, Calvert Cliffs Nuclear Power Plant, Inc. seeks NRC approval for the indirect transfer of control for the Calvert Cliffs Independent Spent Fuel Storage Installation (ISFSI), Materials License No. SNM-2505.

The supplemental information of February 26, April 8, June 25, and July 27, 2009, to the application did not expand the scope of the application as originally noticed in the *Federal Register*.

2.0 BACKGROUND

According to the application, Constellation Energy Group, Inc. (CEG) and EDF Development announced an investment agreement on December 17, 2008, under which EDF Development would acquire a 49.99% ownership interest in CENG, which is the parent company of the owners and operators of the licensed facilities discussed herein. EDF Development is a U.S. corporation organized under the laws of the State of Delaware and a wholly-owned subsidiary of E.D.F. International S.A. (EDFI), a "société anonyme," organized under the laws of France.

Following the proposed transaction, CEG will hold a 50.01% ownership interest in CENG and will remain the controlling parent company of the licensee subsidiaries of CENG (the CENG Companies) that are the licensed owners and operators of the CENG nuclear facilities (the Facilities). According to the application, no adverse change is proposed in the organization or alignment of the CENG Companies as a result of the proposed transaction and proposed restructuring.

As described in the application, CENG will be involved in a reorganization (through merger or other transactions) and will emerge from the planned restructuring and proposed transaction as a successor "CENG," a Maryland limited liability company, with the corporate governance structure further outlined in the application.

Constellation Nuclear Power Plants, Inc. is an intermediate parent company and the direct parent company of the licensed subsidiaries for the two CENG plants located in New York State (R.E. Ginna Nuclear Power Plant and Nine Mile Point Nuclear Station). Constellation Nuclear Power Plants, Inc. will convert to a Delaware limited liability company and become Constellation Nuclear Power Plants, LLC, which will become an intermediate holding company for all the licensees.

The proposed transaction will also involve the restructuring of Calvert Cliffs Nuclear Power Plant, Inc., through a corporate change. Constellation Nuclear Power Plants, LLC will form an LLC subsidiary that will merge with Calvert Cliffs Nuclear Power Plant, Inc. The surviving entity will be Calvert Cliffs Nuclear Power Plant, LLC, a Maryland limited liability company, which will be a direct subsidiary of Constellation Nuclear Power Plants, LLC.

According to the application, the proposed transaction and restructuring will not affect the qualifications of CENG and its subsidiaries to own and operate their licensed facilities in accordance with the existing Licenses. The proposed transaction and restructuring will not

result in any adverse changes to their financial qualifications or decommissioning funding assurance.

3.0 REGULATORY EVALUATION

The applicants' request for the approval of the indirect transfer of the licenses for the units discussed in this SE, is made pursuant to 10 CFR 50.80, and the indirect transfer of the CCNPP ISFSI license pursuant to 10 CFR 72.50.

Section 50.80(a) of 10 CFR states:

No license for a production or utilization facility ... or any right hereunder, shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of the license to any person, unless the Commission shall give its consent in writing.

Section 72.50(a) of 10 CFR states:

No license or any part included in a license issued under this part for an ISFSI or MRS [Monitored Retrievable Storage Facilities] shall be transferred, assigned, or in any manner disposed of [...] unless the Commission gives its consent in writing.

In addition, the requirements of 10 CFR 50.80(b) and (c), and 10 CFR 72.50 (b) and (c) apply. The restructuring of CCNPP, Inc. by merger is a direct transfer governed by 10 CFR 50.80. Section 50.80(b) states that an application for a license transfer shall include as much information described in 10 CFR 50.33 and 10 CFR 50.34, "with respect to the identity and technical and financial qualifications of the proposed transferee as would be required by those sections if the application were for an initial license."

Section 50.80(c) states that "the Commission will approve an application for the transfer of a license, if the Commission determines: (1) that the proposed transferee is qualified to be the holder of the license; and (2) that transfer of the license is otherwise consistent with applicable provisions of law, regulations, and Orders issued by the Commission pursuant thereto." Section 72.50 (b) and (c) state the same requirements regarding a license for an ISFSI. For indirect license transfers, where the licensee remains the same, the NRC staff must find that the proposed transaction, i.e., the proposed reorganization of CENG, will not affect the qualifications of the holders of the licenses.

Finally, the requirements of 10 CFR 50.40(b), "Common Standards," apply with regard to the technical and financial qualifications of the applicant. The NRC staff used the guidance in Standard Review Plan (SRP) NUREG-0800, Section 13.1.1, "Management and Technical Support Organization;" and Sections 13.1.2 - 13.1.3, "Operating Organizations," to evaluate the applicants' submittal.

4.0 FINANCIAL QUALIFICATIONS

10 CFR 50.33(f) provides that each application shall state:

Except for an electric utility applicant for a license to operate a utilization facility of the type described in 10 CFR 50.21(b) or 50.22, information sufficient to demonstrate to the Commission the financial qualification[s] of the applicant to carry out, in accordance with the regulations in this chapter, the activities for which the permit or license is sought.

10 CFR 50.2 states, in part, that an electric utility is:

[A]ny entity that generates or distributes electricity and which recovers the cost of this electricity, either directly or indirectly, through rates established by the entity itself or by a separate regulatory authority.

The NRC staff finds that the direct license holder(s) (i.e., Calvert Cliffs Nuclear Power Plant, Inc., Nine Mile Point Nuclear Station, LLC, and R.E. Ginna Nuclear Power Plant, LLC) of the following nuclear power plants, other than co-owners not involved in the proposed merger, do not qualify as electric utilities under the definition at 10 CFR 50.2:

Calvert Cliffs Nuclear Power Plant, Unit No. 1
Calvert Cliffs Nuclear Power Plant, Unit No. 2
Nine Mile Point Nuclear Station, Unit No. 1
Nine Mile Point Nuclear Station, Unit No. 2
R.E. Ginna Nuclear Power Plant

In accordance with 10 CFR 50.33(f), a non-utility applicant must provide information sufficient to demonstrate its financial qualifications to carry out the activities for which the license is being sought. The information must show that the applicant possesses, or has reasonable assurance of obtaining, the funds necessary to cover estimated operating costs for the period of the license. In making this showing, the applicant must submit estimated total annual operating costs for the first 5 years of facility operations and indicate the source of funds to cover these costs. For license (direct or indirect) transfers, the relevant 5-year period is that immediately following the proposed license transfer.

Also, 10 CFR 50.33(k)(1) requires that the licensees for the above named units must provide information as described in 10 CFR 50.75 demonstrating that there will be no effect on the licensees' provision of reasonable assurance that funds will be available to decommission the above named units. The applicant's proposal for decommission funding assurance is discussed in Section 5.0 of this SE.

The NRC staff evaluated the financial qualifications of the applicant in a manner that is consistent with the guidance provided in NUREG-1577, Rev. 1, "Standard Review Plan (SRP) on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance," dated March 1999. The NRC staff reviewed the applicant's financial projections for

reasonableness of estimated operating costs, reasonableness of financial projections and underlying assumptions, and sensitivity of plant revenue projections.

4.1 Indirect Transfer

4.1.1 Calvert Cliffs Nuclear Power Plant, Unit Nos. 1 and 2

Calvert Cliffs Nuclear Power Plant, Inc. (CCNPP, Inc.) is the 100.0% owner and licensed operator of the Calvert Cliffs Nuclear Power Plant, Unit Nos. 1 and 2 (CCNPP 1 and 2). CCNPP, Inc. also maintains an ISFSI on the site of the CCNPP 1 and 2. CCNPP, Inc. is a wholly owned subsidiary of CENG.

According to the applicant, there will be no change in the financial qualifications of CCNPP, Inc., as a result of the proposed transaction. CCNPP, Inc.'s revenue is provided from a power purchase agreement with a subsidiary of CE Commodities Group, Inc, which extends through December 2009. The revenues under this power purchase agreement are not affected by changes in the market price of energy.

The following is an abbreviated version of the projected income statement submitted as part of the application.

TABLE 1
(ABBREVIATED) PROJECTED INCOME STATEMENT
CALVERT CLIFFS NUCLEAR POWER PLANT, INC.
(UNIT NOS. 1 AND 2)
\$million

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total Revenue:	[]
Total Oper. Exp.:	[]
Oper. Income:	[]
Less: Exps. & Tax:	[]
Net Income:	[]

Staff review indicates that the supporting data supplied in the application as the basis for this summary projected income statement appear to be reasonable. The staff finds that CCNPP, Inc.'s Projected Income Statement at a 100.0% ownership level shows that CCNPP, Inc.'s anticipated revenues from sales of energy and capacity from the Calvert Cliffs Nuclear Power Plant, Unit Nos. 1 and 2, will exceed CCNPP 1 and 2's anticipated expenses during the 5-year period summarized in the projections.

In addition, the applicant submitted two support agreements to the NRC on February 26, 2009 (ADAMS Accession No. ML090290102). These support agreements provide approximately \$290 million in financial support, which is sufficient to cover a 6-month outage scenario for the five plants addressed in the application.

The applicant also referenced working capital funding arrangements outlined in Article IV of the CENG Operation Agreement (Attachment 3 of the application). The applicant stated that the CENG Operating Agreement provides working capital support to advance any needed and approved daily or weekly funds to the operating subsidiaries to allow these subsidiaries to fund their short-term obligations.

Accordingly, based on the above, the NRC staff finds that CCNPP, Inc. has reasonable assurance of obtaining the funds necessary to cover estimated operating costs for the period of the license, including a 6-month outage, and thus will continue to be financially qualified to hold the license, notwithstanding the indirect transfer of CCNPP, Inc. and the CCNPP 1 and 2 licenses held by CCNPP, Inc.

4.1.2 Calvert Cliffs Independent Spent Fuel Storage Installation

The requirements of 10 CFR 72.50 state:

No license or any part included in a license issued under this part for an ISFSI or MRS [Monitored Retrievable Storage Facilities] shall be transferred, assigned, or in any manner disposed of [...] unless the Commission gives its consent in writing.

Further, 10 CFR 72.50(b) states:

An application for transfer of a license must include as much of the information described in §§ 72.22 and 72.28 with respect to the identity and the technical and financial qualifications of the proposed transferee as would be required by those sections if the application were for an initial license.

The NRC staff notes that the cost of casks used to store spent nuclear fuel in the Calvert Cliffs ISFSI are included as part of the nuclear fuel batch cost and are recorded as expenses in TABLE 1 above. Operating costs resulting from loading spent nuclear fuel into casks for storage in the Calvert Cliffs ISFSI are included in the projections for Operations and Maintenance (O&M), which are included in the "Total Oper. Exp." of TABLE 1 above.

Accordingly, the NRC staff finds that CCNPP, Inc. has reasonable assurance of obtaining the funds necessary to cover estimated operating costs for the period of the license, and thus will continue to be financially qualified to hold the license, notwithstanding the indirect transfer of CCNPP, Inc. and the Calvert Cliffs ISFSI license held by CCNPP, Inc.

4.1.3 Nine Mile Point Nuclear Station, Unit Nos. 1 and 2

Nine Mile Point Nuclear Station, LLC, (NMPNS) is the 100.0% owner and licensed operator of Nine Mile Point, Unit No. 1 (NMP 1). NMPNS is the 82.0% owner and licensed operator of Nine Mile Point, Unit No. 2, and Long Island Power Authority owns the remaining 18% of Nine Mile Point, Unit No. 2 (NMP 2). NMPNS is a wholly-owned indirect subsidiary of CENG.

According to the applicant, there will be no change in the financial qualifications of NMPNS, as a result of the proposed transaction. The Projected Income Statement includes the projected revenue that is expected from the sale of (approximately) 90% of the facility's total output under the Power Purchase Agreements. Other output is sold at market prices. The Power Purchase Agreement for NMP 1 terminates in August 2009, and the projections then include sales of 100% from NMP 1 at market prices. According to the application, the Power Purchase

Agreement for NMP 2 terminates in November 2011, and a revenue sharing agreement (RSA) becomes effective for 10 years.

The following is an abbreviated version of the projected income statement submitted as part of the application.

TABLE 2
(ABBREVIATED) PROJECTED INCOME STATEMENT
NINE MILE POINT NUCLEAR STATION, LLC
(UNIT NOS. 1 AND 2)
(100.0% of UNIT 1)
(82.0% of UNIT 2)
\$million

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total Revenue:	[]
Total Oper. Exp.:	[]
Oper. Income:	[]
Less: Exps. & Tax:	[]
Net Income:	[]

Staff review indicates that the supporting data supplied in the application as the basis for this summary Projected Income Statement appear to be reasonable. The staff finds that NMPNS's Projected Income Statement at the stated ownership level shows that NMPNS's anticipated revenues from sales of energy and capacity from NMP 1 and 2, will exceed NMP 1 and 2's anticipated expenses during the 5-year period by the projections.

In addition, the applicant submitted two support agreements to the NRC on February 26, 2009 (ADAMS Accession No. ML090290102). These support agreements provide approximately \$290 million in financial support, which is sufficient to cover a 6-month outage scenario for the five plants addressed in the application.

The applicant also referenced working capital funding arrangements outlined in Article IV of the CENG Operation Agreement (Attachment 3 of the application). The applicant stated that the CENG Operating Agreement provides working capital support to advance any needed and approved daily or weekly funds to the operating subsidiaries to allow these subsidiaries to fund their short-term obligations.

Accordingly, based on the above, the NRC staff finds that NMPNS has reasonable assurance of obtaining the funds necessary to cover estimated operating costs for the period of the license, including a 6-month outage, and thus will continue to be financially qualified to hold the license, notwithstanding the indirect transfer of NMPNS and the NMP 1 and 2 licenses held by NMPNS.

4.1.4 R.E. Ginna Nuclear Power Plant

R.E. Ginna Nuclear Power Plant, LLC (R.E. Ginna, LLC) is the 100.0% owner and licensed operator of the R.E. Ginna Nuclear Power Plant (Ginna).

According to the applicant, there will be no change in the financial qualifications of R.E. Ginna, LLC, as a result of the proposed transaction. The Projected Income Statement includes the projected revenue that is expected under the power purchase agreement with Rochester Gas & Electric, which will terminate on July 1, 2014.

The following is an abbreviated version of the Projected Income Statement submitted as part of the application.

TABLE 3
(ABBREVIATED) PROJECTED INCOME STATEMENT
R. E. GINNA NUCLEAR POWER PLANT, LLC
\$million

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total Revenue:	[]
Total Oper. Exp.:	[]
Oper. Income:	[]
Less: Exps. & Tax:	[]
Net Income:	[]

The application indicates that Ginna has a negative net income for the period of 2009-2013. In addition, the 5-year cashflow projections included in the application show a negative cashflow for 2009, 2011, and 2012. Based solely on the Projected Income Statement above, and cashflow statements included in the application, the NRC staff would be unable to find that R.E. Ginna, LLC has reasonable assurance of obtaining the funds necessary to cover estimated operating costs for the period of the license.

The NRC staff has previously made only one finding of reasonable assurance of financial qualifications for a plant with a negative income statement as part of an indirect license transfer. The finding, summarized in the April 11, 2008, safety evaluation for an indirect transfer related to a restructuring of Entergy Corporation (ADAMS Accession No. ML080920596), addressed a negative income statement for Vermont Yankee Nuclear Power Station (VY). The NRC staff found VY financially qualified, based in part on additional financial assurance provided by support agreements put in place by Entergy Corporation, the parent company of VY, and access to a line of credit.

The applicant submitted two support agreements to the NRC on February 26, 2009 (ADAMS Accession No. ML090290102). These support agreements provide approximately \$290 million in financial support, which is sufficient to cover a 6-month outage scenario for the five plants addressed in the application.

The applicant also referenced working capital funding arrangements outlined in Article IV of the CENG Operation Agreement (Attachment 3 of the application). The applicant stated that the CENG Operating Agreement provides working capital support to advance any needed and approved daily or weekly funds to the operating subsidiaries to allow these subsidiaries to fund their short-term obligations.

In response to a request for additional information (RAI) from the NRC staff regarding financial assurance for Ginna, the applicant responded on July 27, 2009, and provided drafts of master demand notes describing loan arrangements for each plant. For Ginna, the master demand note stated that CENG agrees to make available and lend to R.E. Ginna, LLC a total principal amount of at least [] if so requested by R.E. Ginna, LLC. [] is sufficient to cover the largest annual projected negative cash flow amount for Ginna, as submitted in the 5-year projected income statement.

Therefore, the NRC staff finds that funds provided in Article IV of the Operating Agreement, the two support agreements submitted on February 26, 2009, for \$290 million, and the master demand notes submitted on July 27, 2009, would result in sufficient revenue funds to cover anticipated maintenance and operation expenses for Ginna.

Accordingly, based on the above, the NRC staff finds that R.E. Ginna, LLC has reasonable assurance of obtaining the funds necessary to cover estimated operating costs for the period of the license, including a 6-month outage, and thus will continue to be financially qualified to hold the license, notwithstanding the indirect transfer of R.E. Ginna, LLC, and the Ginna license held by R.E. Ginna, LLC.

4.1.5 Constellation Energy Nuclear Group Companies

According to the application, CEG and EDF Development will also provide CENG with appropriate working capital funding arrangements to meet anticipated or unanticipated financial requirements. Article IV of the CENG Operating Agreement provides provisions for additional capital contributions and capital advances or loans from CEG and EDF Development, if needed. The applicant states that these agreements will enable CENG to provide working capital support to advance any needed and approved daily or weekly funds to the operating subsidiaries to allow these subsidiaries to fund their short-term obligations.

On February 26, 2009, the applicant submitted two support agreements in the amount of \$290 million. The respective amounts of funding available under the support agreements will be sufficient to fund the estimated approved and fixed operating and maintenance expenses at each site for a period of time of at least 6 months. Further, the applicant states that the support agreements will be available to be drawn upon if the aggregate and approved financial requirements of the CENG Companies exceed the short-term funding capacity provided by existing working capital funding arrangements, and thus will provide additional assurance of the financial qualifications of CENG and the CENG Companies.

On July 29, 2009, the applicant provided drafts of master demand notes describing loan arrangements for each plant, including a master demand note for a total principal amount of at least [] if requested, by R.E. Ginna, LLC. [] is sufficient to cover the largest annual projected negative cash flow amount for Ginna, as submitted in the 5-year projected income statement.

4.1.6 Conclusion of Financial Qualifications

In view of the foregoing, the NRC staff concludes that the projected income statements, the Operating Agreement, support agreements, and master demand notes submitted by the applicant provide sufficient financial assurance to demonstrate reasonable assurance that direct sources of funding are available to cover operating and maintenance costs for each site, as needed. In consideration of all the foregoing, the NRC staff finds that the financial qualifications of the licensees for the subject units and ISFSI will not be adversely affected by the proposed transaction.

However, to ensure that CENG and the licensees will continue to have an adequate source of funds, the NRC staff believes that the support agreements referenced in the applications should be subject to the following conditions of the Order approving the proposed license transfers, essentially as follows:

- 1) The working capital and cash pooling arrangements described in Article IV of the Operating Agreement included with the application dated January 22, 2009, and supplement dated July 27, 2009, shall be effective as of the date of the transfer and shall be consistent with the representations contained in the application. CENG and the licensees, Calvert Cliffs Nuclear Power Plant, Inc, Nine Mile Point Nuclear Station,

LLC, and R.E. Ginna Nuclear Power Plant, LLC, shall take no action to cause CEG and/or EDF Development, or their successors and assigns, to void, cancel or materially modify the working capital and cash pooling arrangements in the Operating Agreement without the prior written consent of the NRC staff.

- 2) The Support Agreements described in the supplement to the application dated February 26, 2009 (up to \$290 million), shall be effective as of the date of the transfer and shall be consistent with the representations contained in the application. CENG and the licensees, Calvert Cliffs Nuclear Power Plant, Inc, Nine Mile Point Nuclear Station, LLC, and R.E. Ginna Nuclear Power Plant, LLC, shall take no action to cause CEG and/or EDF Development, or their successors and assigns, to void, cancel or materially modify the Support Agreements as submitted without the prior written consent of the NRC staff, except, however, the intercompany credit agreement referenced in the current licenses for Nine Mile Point Nuclear Station, Units 1 and 2 [condition 2.D(12) for Unit 1 and 2.C(15) for Unit 2] may be revoked or rescinded if and when the \$290 million support agreements described in the February 26, 2009 supplement to the application become effective. CENG shall inform the Director of the Office of Nuclear Reactor Regulation, in writing, no later than ten days after any funds are provided to CENG or any of the licensees by CEG or EDF Development under any Support Agreement.
- 3) The Master Demand Notes described in the supplement to the application dated July 27, 2009, shall be effective as of the date of the transfer and shall be consistent with the representations contained in the application. CENG and the licensees, Calvert Cliffs Nuclear Power Plant, Inc, Nine Mile Point Nuclear Station, LLC, and R.E. Ginna Nuclear Power Plant, LLC, shall take no action to cause CEG and/or EDF Development, or their successors and assigns, to void, cancel or materially modify the Master Demand Notes without the prior written consent of the NRC staff.

4.2 Direct Transfer

CENG also requested NRC approval of the proposed conforming license amendments pursuant to 10 CFR 50.90 and 10 CFR 72.56 to reflect the transfer action and the change to the corporate form of CCNPP, Inc. to CCNPP, LLC so that these amendments can be implemented upon the closing of the proposed transaction. In addition, Calvert Cliffs Nuclear Power Plant, Inc. seeks NRC approval for the indirect transfer of control for the Calvert Cliffs Independent Spent Fuel Storage Installation (ISFSI), Materials License No. SNM-2505.

As stated in the application, Calvert Cliffs Nuclear Power Plant, Inc. will become Calvert Cliffs Nuclear Power Plant, LLC through a corporate change. This will be accomplished by having

Constellation Nuclear Power Plants, LLC form an LLC subsidiary that will merge with Calvert Cliffs Nuclear Power Plant, Inc. The surviving entity will be Calvert Cliffs Nuclear Power Plant, LLC, which will be a direct subsidiary of Constellation Nuclear Power Plants, LLC.

According to the application, the proposed transaction and restructuring will not affect the qualifications of CENG and its subsidiaries to own and operate their licensed facilities in accordance with the existing Licenses. The applicant submitted a 5-year projected income statement, which is discussed in this SE at page 5. The proposed transaction and restructuring will not result in any adverse changes to their financial qualifications or decommissioning funding assurance. In addition, the technical qualifications of the CENG Companies to carry out their responsibilities will remain unchanged and not be adversely affected by the proposed restructuring. The applicant submitted information regarding the technical qualifications of the licensee, which is discussed in this SE at page 14.

The NRC staff finds that the applicant has provided sufficient financial and technical information to address the applicable regulatory requirements of 10 CFR 50.33 and 10 CFR 50.80. Therefore, in accordance with 10 CFR 50.80, the NRC staff finds acceptable the proposed direct transfer of control of the CCNPP, Inc. to CCNPP, LLC.

Therefore, the NRC staff finds that CCNPP, LLC is qualified to be the holder of the facility operating licenses for CCNPP 1 and 2, and the materials license for the Calvert Cliffs ISFSI, and that the transfer of the license is otherwise consistent with applicable provisions of law, regulations, and Orders issued by the Commission pursuant thereto, subject to all of the conditions addressed in this SE.

5.0 DECOMMISSIONING FUNDING

The NRC staff has determined that the provision of reasonable assurance of decommissioning funding is necessary to ensure the adequate protection of public health and safety. The regulation at 10 CFR 50.33(k) requires that an applicant for an operating license for a utilization facility must demonstrate how reasonable assurance will be provided and that funds will be available to decommission the facility. A similar requirement is imposed on ISFSIs under 10 CFR 72.22(e).

5.1 Constellation Energy

The NRC staff notes that information regarding the status of decommissioning funding assurance for CCNPP 1 and 2, NMP 1 and 2, and Ginna, were reported to the NRC in accordance with 10 CFR 50.75(f)(1), on March 26, 2009 (ADAMS Accession No. ML090850399). The applicant states that the proposed merger will not affect the decommissioning funding arrangements previously reported. The licensees, after the proposed merger, will continue to maintain the existing decommissioning trust funds segregated from their other assets and outside their administrative control in accordance with the requirements of 10 CFR 50.75(e)(1). The trustee for all of the licensees' decommissioning funds will remain Bank of New York Mellon.

5.2 Calvert Cliffs Nuclear Power Plant Decommissioning Funding Mechanism

CCNPP, Inc. currently provides decommissioning funding assurance for CCNPP 1 and 2, through an external sinking fund.

CENG's regulated affiliate, Baltimore Gas and Electric Company (BGE), pursuant to Maryland Senate Bill 1 (signed into law in 2006), and a 1999 restructuring order from the Maryland Public Service Commission, collects an annual decommissioning charge of approximately \$18.7 million from its electric customers for the Calvert Cliffs plant through its delivery service charges. In the past, BGE transferred these collected funds to CCNPP, Inc., and later CENG, in accordance with a Decommissioning Funds Collection Agent Agreement. CCNPP, Inc. and CENG then deposited the funds into the decommissioning trusts for the Calvert Cliffs plants each year. The NRC reviewed the details of the original contractual arrangement, and in its June 30, 2000, SE, concluded that, given the inter-company agreements that obligate the payments, the company was providing decommissioning funding assurance in the form of an external sinking fund tied to a non-bypassable charge, pursuant to 10 CFR 50.75(e)(ii)(B).

However, Maryland Senate Bill 1013, which was signed into law on April 24, 2008, and gave effect to a settlement agreement between CENG and its affiliates and the Maryland Public Service Commission which authorized continued collections by BGE of \$18.7 million annually in decommissioning charges for Calvert Cliffs through December 31, 2016. Senate Bill 1013 also directed BGE to provide credit for residential customers equal to the approximately \$18.7 million dollars collected annually for decommissioning and also relieved ratepayers of all nuclear decommissioning liability for CCNPP, Inc.

Based on this information, CCNPP Inc. may no longer take credit for a non-bypassable charge and may no longer rely exclusively on an external sinking fund as its decommissioning funding assurance mechanism. It will be required to implement an alternate decommissioning funding assurance mechanism, acceptable per NRC requirements outlined in 10 CFR 50.75(e)(1), which will be used to provide decommissioning funding assurance as a condition of the transfer and license.

5.3 Calvert Cliffs Nuclear Power Plant, Unit Nos. 1 and 2

The application submitted on January 22, 2009 included information pursuant to 10 CFR 50.75 regarding decommissioning funding assurance. The NRC staff verified the calculations provided by the applicant in the above referenced reports and confirmed that, as of December 31, 2006, the decommissioning trust funds associated with the respective ownership interests for each of the plants involved in the proposed transaction were funded in accordance with the NRC's regulations. The applicant stated that it provides decommissioning funding assurance for the Calvert Cliffs ISFSI in accordance with 10 CFR 72.30(c)(5).

Subsequent to the above review, the NRC staff received the 2009 Biennial Decommissioning report from CENG on March 26, 2009. Based on its review of the 2009 Biennial Decommissioning report, the NRC staff determined that based on trust fund balances as of December 31, 2008, there was a potential decommissioning funding assurance shortfall of

approximately \$16.9 million for Calvert Cliffs Unit 1 at the time of permanent termination of operations. Information in the 2009 Biennial Decommissioning report indicated that Calvert Cliffs Unit 2 was providing adequate decommissioning funding assurance, including a projected surplus of \$82 million.

On July 28, 2009 Constellation submitted a plan, as part of the concurrent 2009 Biennial Decommissioning Review process, which provided further information regarding decommissioning funding assurance for its licensee subsidiaries, including Calvert Cliffs Unit 1 (ADAMS Accession No. ML092160414). Attachment (2) of the July 28th submittal indicated that the market value of the decommissioning trust fund for Calvert Cliffs Unit 1 had increased to the extent that Calvert Cliffs Unit 1 was providing adequate decommissioning funding assurance as of June 30, 2009.

Based on the discussion above, the staff concludes that the applicant has complied with the requirements of 10 CFR 50.75 (b) and (c) with respect to providing decommissioning funding assurance for Calvert Cliffs Units 1 and 2, and the Calvert Cliffs ISFSI.

5.4 Nine Mile Point Nuclear Station, Unit Nos. 1 and 2

NMPNS, LLC currently provides decommissioning funding assurance for NMP 1, and its share of NMP 2, through existing prepaid decommissioning trust assets, in accordance with 10 CFR 50.75(e)(1)(I).

In a separate action, pursuant to the 2009 Biennial Decommissioning Report submitted to the NRC by CENG on March 26, 2009, the NRC staff reviewed the financial assurance for decommissioning provided by NMP 1 and 2. Based on its review, the NRC staff projected a potential shortfall at the time of permanent termination of operations in the decommissioning funding assurance provided for NMP 1 and 2. The NRC staff will resolve the shortfalls in an independent action, pursuant to the Decommissioning Funding Status Plan submitted by CENG to the NRC on July 29, 2009.

5.5 R.E. Ginna Nuclear Power Plant

R.E. Ginna, LLC currently provides decommissioning funding assurance through existing prepaid decommissioning trust assets, in accordance with 10 CFR 50.75(e)(1)(I).

Based on its review of the 2009 Biennial Decommissioning Report, the NRC staff projected a potential shortfall at the time of permanent termination of operations in the decommissioning funding assurance provided for Ginna. The NRC staff will resolve the shortfalls in an independent action, pursuant to the Decommissioning Funding Status Plan submitted by CENG to the NRC on July 29, 2009.

5.6 Conclusion of Decommissioning Funding Assurance

The decision criterion applied to an indirect license transfer case is whether the proposed shift in ultimate corporate control will affect the licensee's existing financial qualifications. The NRC

staff finds the proposed transfers of control pertaining to the licenses for CCNPP 1 and 2, the CCNPP ISFSI, and NMP 1 and 2, and Ginna will not affect the amounts of decommissioning funding assurance of funding available for these units nor the acceptable methods to cover any funding shortfalls.

However, because CCNPP, Inc. may no longer take credit for a non-bypassable charge and may no longer rely exclusively on an external sinking fund as its decommissioning funding assurance mechanism, the NRC staff believes that the Order approving the proposed license transfers should be subject to the following condition, essentially as follows:

CCNPP, Inc. may no longer rely exclusively on an external sinking fund as its decommissioning funding assurance mechanism and will be required to implement an alternate decommissioning funding assurance mechanism, acceptable per NRC requirements outlined in 10 CFR 50.75(e)(1), which will be used to provide decommissioning funding assurance.

6.0 TECHNICAL QUALIFICATIONS

The proposed transaction arises from an investment agreement between CEG, CENG, EDF Development, and EDFI, for the acquisition by EDF Development of an ownership interest in CENG, which manages the nuclear generation and operation business of CEG. Following the proposed transaction, CEG will continue to possess ownership interest in CENG alongside EDF Development. The proposed governance structure is designed to assure continued U.S. control by CEG over CENG with respect to matters related to nuclear safety, security, and reliability. For non-operational purposes, the name of CCNPP, Inc. will be changed to CCNPP, LLC, and will require a license amendment. Ginna, LLC and NMPNS, LLC do not require license amendments; however, the corporate restructuring will convert Constellation Nuclear Power Plants, Inc. (an intermediate holding company over Ginna, LLC and NMPNS, LLC) to a Delaware limited liability company, and become Constellation Nuclear Power Plants, LLC, which will become an intermediate holding company for all of the licensed entities (Ginna, LLC, NMPNS, LLC, and the proposed CCNPP, LLC).

6.1 Management and Technical Support Organization

The NRC staff reviewed the applicants' submittal to determine the acceptability of the proposed corporate management and technical support organization. The NRC staff evaluated the submittal using the applicable acceptance criteria contained in SRP Section 13.1.1, "Management and Technical Support Organization."

In its letter dated January 22, 2009, CENG stated, "Calvert Cliffs Nuclear Power Plant, Inc. would be renamed Calvert Cliffs Nuclear Power Plant, LLC." CCNPP, Inc. is currently a wholly-owned direct subsidiary of CENG, and the owner and licensed operator of CCNPP 1 and 2. CENG requests the name change for non-operational purposes. CENG also stated, "there would be no change in the management structure or governance of the licensee as a result of the reorganization, or any changes to the technical staff or day-to-day operations of the licensed Facilities." The letter also stated, "Calvert Cliffs Nuclear Power Plant, LLC will continue to be

managed by a board of directors composed of the same directors that currently serve on the Calvert Cliffs Nuclear Power Plant, Inc. board.” CENG’s submittal indicated that the proposed corporate structure establishes an action plan consisting of significant measures to ensure that prior to, during, and after consummation of the transaction, that CEG will retain control over CENG with respect to all matters relating to the safety and security of its nuclear fleet.

The January 22, 2009, submittal stated that CENG and EDF Development each will appoint members to a new CENG Board of Directors, with a final vote on matters related to safety, security and reliability reserved exclusively to the chairman of CENG. The January 22, 2009, submittal further stated, “The CNO [Chief Nuclear Officer] will continue to have both the responsibilities and authorities to direct any actions as necessary to assure compliance with regulatory requirements or provide for the protection of public health and safety. In the event that a CENG Board action is needed to support an action that in the judgment of the CNO is necessary to assure compliance with regulatory requirements or provide for the protection of public health and safety and the CENG Board is deadlocked, then the CENG Board Chairman has a casting vote regarding implementation of the action.”

The submittal stated, “The technical qualifications of the CENG Companies to carry out their responsibilities under the Licenses are not affected by the proposed transaction. Both before and after the acquisition by EDF Development of an ownership interest in CENG and the proposed restructuring actions, essentially the same nuclear organization and staff will be responsible for the operation and maintenance.” This statement applied to CCNPP 1 and 2, NMP 1 and 2, and Ginna. The submittal also indicated that the proposed transaction creates an opportunity for CEG to utilize EDF expertise and knowledge acquired from the nuclear experience of EDF. The submittal also stated, “The proposed elimination of Constellation Nuclear Power Plants, Inc. and the conversion of Calvert Cliffs Nuclear Power Plant, Inc. into a limited liability company will not affect the technical qualifications of the licensees.”

Based on CENG’s submittal, the applicants have shown and described their organization for managing, and their means for providing technical support will be equivalent to the current qualifications of the Facilities’ management and technical support organization, regarding which the NRC staff is aware of no deficiencies. Therefore, the technical qualifications of CENG to carry out their responsibilities will remain unchanged and not be adversely affected by the proposed restructuring. Accordingly, the NRC staff concludes that the proposed organization for managing and its means of providing technical support for the continued operation of the Facilities under both normal and off-normal conditions are in accordance with SRP Section 13.1.1, “Management and Technical Support Organization.”

6.2 Operating Organization

The NRC staff reviewed CENG’s submittal to determine the acceptability of the Facilities’ operating organization and to evaluate changes to the operating organization proposed as a result of the license transfer. The initial operating organization was determined to be acceptable by the initial licensing review. Subsequent safety-related changes to the operating organization should have been evaluated with an appropriate methodology. Therefore, the existing operating organization remains acceptable. The NRC staff’s review focused on evaluating any changes to

the operating organization proposed as a result of the transfer. The NRC staff evaluated the applicant's submittal using the applicable acceptance criteria contained in SRP Section 13.1.2-13.1.3, "Operating Organizations."

CENG's submittal indicated that essentially the same nuclear organization and staff will be responsible for the operation and maintenance of the Facilities. The submittal stated, "Neither does the proposed transaction or restructuring require any change in the staffing and qualifications of personnel who operate the plants." Therefore, the technical qualifications of CENG to carry out their responsibilities under Operating Licenses DPR-53, DPR-69, DPR-63, NPF-69, and DPR-18 will remain unchanged and not adversely affected by the proposed restructuring.

Since the operating organizations and personnel responsible for the operation and maintenance of the Facilities will not be affected by the indirect transfer, the NRC staff concludes that the CENG Companies' onsite organizations established to operate and maintain the Facilities under both normal and off-normal conditions are in accordance with SRP Section 13.1.2-13.1.3, "Operating Organizations."

6.3 Summary

CENG has described the corporate level management, technical support organization, and the onsite operating organization that will be responsible for the operation and maintenance of CCNPP 1 and 2, NMP 1 and 2, and Ginna following the proposed change in ownership of CENG and the proposed restructuring actions. The NRC staff concludes that CENG will have an acceptable corporate organization. The licensed entities will retain an acceptable onsite organization, and adequate resources to provide technical support for the safe operation of the plant under both normal and off-normal conditions after the proposed corporate restructuring. The CENG submittal adequately addresses the relevant requirements of 10 CFR 50.40 (b) and 10 CFR 50.80. Accordingly, in light of the foregoing evaluation, the NRC staff concludes that CCNPP, LLC, NMPNS, LLC, and R.E. Ginna, LLC will be technically qualified to hold the licenses for CCNPP 1 and 2, NMP 1 and 2, and Ginna, respectively.

7.0 ANTITRUST REVIEW

The Atomic Energy Act of 1954 as amended (AEA) does not require or authorize antitrust reviews of post-operating license transfer applications (*Kansas Gas and Electric Co., et al.* (Wolf Creek Generating Station, Unit 1), CLI-99-19, 49 NRC 441 (1999)). The application here postdates the issuance of the operating licenses for units under consideration, and therefore no antitrust review is required or authorized.

8.0 FOREIGN OWNERSHIP, CONTROL, OR DOMINATION

8.1 Background

Sections 103d and 104d of the AEA prohibit the NRC from issuing a license for a nuclear power plant to "any corporation or other entity if the Commission knows or has reason to believe it is

owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government." The NRC's regulation, 10 CFR 50.38, contains language to implement this prohibition. The NRC staff evaluated the application in a manner that is consistent with the guidance provided in the Standard Review Plan Regarding Foreign Ownership, Control, or Domination of Applicants for Reactor Licenses, dated June 1999, to determine whether the applicant is owned, controlled, or dominated by an alien, a foreign corporation, or foreign government.

The NRC position outlined in the SRP states that "the foreign control prohibition should be given an orientation toward safeguarding the national defense and security." Further, the SRP outlines how the effects of foreign ownership may be mitigated through implementation of a "negation action plan" to ensure that any foreign interest is effectively denied control or domination over the applicant.

More specifically, the SRP states that where an applicant "is partially owned by a foreign entity, for example, partial ownership of 50% or greater, [it] may still be eligible for a license if certain conditions are imposed, such as requiring that officers and employees of the applicant responsible for special nuclear material must be U.S. citizens."

8.2 Discussion

CEG is a publicly traded company, and is currently traded on the New York Stock Exchange and widely held. According to the application, Électricité de France S.A. (EDF SA), directly and through its subsidiaries, is the largest nuclear plant owner in the world, and is the largest utility in France, where nuclear power provides nearly 80% of the country's electricity.

The applicant states EDF SA is a Société Anonyme, a French limited company governed by a Board of Directors. The French government will hold at least 70% of the capital and voting rights of EDF SA. The business and affairs of EDF SA are managed by its Board of Directors.

The applicant further states that EDFI is a wholly-owned subsidiary of EDF SA. EDFI is a holding company that, through its subsidiaries, produces, transmits, and distributes electricity. The business and affairs of EDFI are managed by its Board of Directors. EDF Development is a Delaware corporation and a direct wholly-owned subsidiary of EDFI. The business and affairs of EDF Development are managed by its Board of Directors.

The application states that following the proposed transaction, EDF Development will acquire a 49.99% ownership interest in CENG, which owns and manages CEG's nuclear generation and operation business. In addition, upon closing of the proposed transaction, EDFI will have the right to nominate a single director for appointment to the CEG Board of Directors; and prior to closing, EDF Development is entitled to have an observer seat on the CEG Board. In return for its cash infusion in CEG, EDF Development has also acquired \$1 billion of non-voting, non-convertible preferred stock in CEG, which will be surrendered at closing. Under the Amended and Restated Investor Agreement provided with the application, subject to certain exceptions, EDFI may purchase and hold additional common stock in CEG not to exceed a 9.9% interest.

8.3 Negation Action Plan

The applicant submitted a negation action plan as discussed below to ensure that CEG will retain control over CENG with respect to all matters relating to safety, security, and reliability of its nuclear fleet, prior to, during, and following the proposed transaction.

According to the application, the post-transaction CENG will be operated under the terms of a Second Amended and Restated Operating Agreement (Operating Agreement). Under the Operating Agreement, a ten member Board of Directors will manage CENG. CEG and EDF Development each will appoint five directors. All CEG appointees must be U.S. citizens. CEG will, at all times, appoint the Chairman from among its appointees.

Under the quorum provisions of Section 7.2(g) of the Operating Agreement, described in the application, action may be taken by a majority of directors present, provided that at least one director appointed by each of CEG and EDF Development votes in favor of the action, and excepting matters decided by the Chairman's casting vote. Thus, it is possible that foreign directors could outnumber the U.S. directors at a particular meeting. Nevertheless, the foreign directors could not exercise control, because the CEG appointed U.S. directors could block the action (since at least one vote from a CEG director would be required), and matters for which the Chairman has a casting vote are excluded from the actions that can be taken by quorum. Further, the Chairman will hold a casting vote in the event of deadlock on matters related to safety, security and reliability of CENG's nuclear facilities, and the casting vote shall constitute an action of the Board. The Chairman, and anyone who acts for him, must be a U.S. citizen. Specifically, per the application, in the event of a deadlock of the CENG Board of Directors, the Chairman shall have a casting (deciding) vote on the following matters:

1. Any matter that, in view of U.S. laws or regulations, requires or makes it reasonably necessary to assure U.S. control;
2. Any matter relating to nuclear safety, security or reliability, including, but not limited to, the following matters:
 - a) Implementation or compliance with any NRC generic letter, bulletin, Order, Confirmatory Order, or similar requirement issued by the NRC;
 - b) Prevention or mitigation of a nuclear event or incident or the unauthorized release of radioactive material;
 - c) Placement of the plant in a safe condition following any nuclear event or incident;
 - d) Compliance with the Atomic Energy Act, the Energy Reorganization Act, or any NRC regulation;
 - e) The obtaining of or compliance with a specific license issued by the NRC and its technical specifications; and
 - f) Compliance with a specific Final Safety Analysis Report, or other licensing basis document;

- g) Any decision relating to U.S. regulatory strategy or the relationship with the NRC;
 - h) The adoption of any charter, any change in the authority or composition, or any matter relating to compensation, of the Nuclear Advisory Committee;
 - i) Settlement of certain claims in connection with a dispute involving a U.S. or Canadian governmental authority;
3. Any other issue reasonably determined by the Chairman in his prudent exercise of discretion to be an exigent nuclear safety, security or reliability issue; and
 4. Staffing of key executive officer positions of CENG.

The application notes that the listing of matters on which the Chairman of CENG will have a casting vote does not affect the authority and responsibilities of the CNO or the management of the CENG Companies. It is intended only to make clear the specific board-level decisions which are reserved for the casting vote process because they must be subject to ultimate control by a U.S. citizen appointed by CEG.

The application also states that under Section 7.20 of the Operating Agreement, certain fundamental business decisions and actions require unanimous approval of the CENG Board of Directors. For these special matters, all of the directors appointed by a member must vote in the same manner (i.e., as a block), either for or against.

The application further states that the Chairman, CEO, and CNO of CENG, all of whom must be U.S. citizens, are responsible for ensuring that the business and activities of CENG and the CENG Companies with respect to their licensed facilities are at all times conducted in a manner consistent with the protection of the public health and safety and common defense and security of the United States. The CNO will continue to have both the responsibility and authority to direct any actions as necessary to assure compliance with regulatory requirements or provide for the protection of public health and safety. Similarly, the CENG Companies, as the NRC licensed operators, will continue to have responsibility for the day-to-day operation of the facilities in accordance with their NRC licenses.

Section 13 of the Securities and Exchange Act of 1934, as amended, 15 U.S.C. § 78m(d), requires that a person or entity that owns or controls more than 5% of the stock of a company must file notice with the Securities and Exchange Commission. The applicant identified that EDFI controls approximately 8.52% of the voting stock of CEG acquired through open market purchases consistent with the parties' investor agreement. The applicant also stated that, as of November 14, 2008, Barclays Global Investors, NA, a U.S. company that is owned by Barclays plc, a United Kingdom company (Barclays), controlled approximately 6.75% of the voting stock of CEG. Finally, AXA Financial, Inc., a U.S. subsidiary of AXA, a French company, controlled approximately 5.13% of CEG's voting stock. The applicant further stated that they are not aware of any other alien, foreign corporation, or foreign government that holds more than 5% of the voting securities of CEG.

Per the application, EDFI will have the right to nominate one director for appointment to the CEG Board following the closing and holds other equity interests in CEG, i.e., the \$1 billion of Series B non-convertible preferred stock acquired by EDF Development and EDFI's ownership of approximately 8.52% of CEG's outstanding common stock.

First, the preferred shares are non-voting and do not have any rights that would constitute control. The preferred shares will be surrendered at closing, with the \$1 billion amount credited against the purchase price for EDF Development's interest in CENG, and therefore, these shares will cease to be outstanding at the time that EDF Development acquires a 49.99% interest in CENG. Prior to closing, EDF Development has the right to appoint an observer to the CEG Board, but this observer has no voting rights.

Second, EDFI's additional ownership of approximately 8.52% of CEG's outstanding common stock does not confer any control. EDFI would have the right to nominate only a single director for appointment to CEG's Board of Directors (the EDFI Director will have less than 9 percent of the votes on board decisions), and neither that director nor EDFI would have any special veto or approval rights. Thus, EDFI will not be able to exercise control over CEG.

8.4 Establishment of a Nuclear Advisory Group

According to the application, CENG will also establish an independent Nuclear Advisory Committee (NAC) composed of U.S. citizens who are not officers, directors, or employees of CENG, CEG, or EDF Development. The role of the NAC will be to serve CENG in a non-voting advisory capacity to provide transparency to the NRC and other U.S. governmental authorities regarding foreign ownership and control of nuclear operations.

Further, the NAC will recommend appropriate additional policies to assure CENG's continued compliance with provisions of U.S. law and regulations regarding (i) nuclear security plans, including physical security and cyber security; (ii) screening of nuclear personnel; (iii) the protection of critical nuclear infrastructure; and (iv) U.S. export requirements. The NAC shall be appointed by the CENG Board of Directors. The NRC staff reviewed the roster of the proposed NAC, submitted as part of the application, and notes that all members are U.S. citizens.

8.5 Conclusion of Foreign Ownership, Control or Domination

The application states that EDF Development's acquisition of a partial ownership interest in CENG will not result in CENG or the CENG Companies being owned, controlled, or dominated by an alien, foreign corporation, or foreign government within the meaning of Sections 103d or 104d of the Atomic Energy Act, or the licensee eligibility requirements of 10 CFR 50.38.

The NRC staff believes that the above facts are consistent with making a non-inimical finding with respect to protecting the common defense and security of the United States. Such facts, though not dispositive of the prohibition of foreign ownership, control or domination under Section 104 of the AEA, are consistent with a favorable determination under that section, because of previous Commission statements that the foreign control limitation should be given an orientation toward safeguarding the national defense and security.

In light of the above, the NRC staff does not know or have reason to believe that the subject licensees will be owned, controlled or dominated by an alien, a foreign corporation, or a foreign government.

However, to ensure that CENG and the licensees will not become owned, controlled or dominated by an alien, a foreign corporation, or a foreign government, the NRC staff believes that the Order approving the proposed license transfers should be subject to the following conditions, essentially as follows

1. The Operating Agreement included with the application dated January 22, 2009 may not be modified in any material respect concerning decision-making authority over "safety issues" as defined therein without the prior written consent of the Director, Office of Nuclear Reactor Regulation.
2. At least half the members of CENG's Board of Directors must be U.S. citizens.
3. The Chief Executive Officer (CEO), Chief Nuclear Officer (CNO) and Chairman of the Board of Directors of CENG must be U.S. citizens. These individuals shall have the responsibility and exclusive authority to ensure and shall ensure that the business and activities of CENG with respect to the Calvert Cliffs Unit 1 & 2, Calvert Cliffs ISFSI, Nine Mile Point, Unit 1 & 2, and R.E. Ginna licenses are at all times conducted in a manner consistent with the public health and safety and common defense and security of the United States.
4. CENG will establish a Nuclear Advisory Committee composed of U.S. citizens who are not officers, directors, or employees of CENG, CEG or EDF Development. The NAC will report to and provide transparency to the NRC and other U.S. governmental agencies regarding foreign ownership and control of nuclear operations.
5. CENG shall cause to be transmitted to the Director, Office of Nuclear Reactor Regulation, within 30 days of knowledge of a filing with the U.S. Securities and Exchange Commission, any Schedules 13D or 13G filed pursuant to the Securities and Exchange Act of 1934 that disclose beneficial ownership of any registered classes of CEG stock.

9.0 NUCLEAR INSURANCE AND INDEMNITY

According to the application, the proposed indirect transfer of the control of the licensees would not affect the existing Price-Anderson indemnity agreements and the required nuclear property damage insurance pursuant to 10 CFR 50.54(w) and nuclear energy liability insurance required under Section 170 of the AEA, and 10 CFR Part 140.

Also, the NRC staff has no reason to believe that the proposed corporate restructuring will affect the ability of CENG to meet its financial obligations for its pro rata share of obligations for retrospective premiums for CCNPP, LLC, NMPNS, LLC, and R.E. Ginna, LLC.

Therefore, in consideration of the foregoing, the NRC staff concludes that the indirect transfer of control of the licensees held by CENG will have no adverse impact on its ability to provide required nuclear insurance and indemnity coverage and its ability to meet its nuclear insurance obligations.

By letter dated August 25, 2009, from Mr. John Hoffman, Director, Underwriting, American Nuclear Insurers (ANI), to Mr. Ira Dinitz of the NRC staff, ANI confirmed that it would write nuclear liability insurance for CCNPP, LLC upon consummation of the transaction.

However, to ensure that CENG obtains adequate insurance, the NRC staff believes that the Order approving the proposed license transfers should be subject to the following conditions, essentially as follows:

Prior to completion of the proposed transaction, CENG shall provide satisfactory documentary evidence to the staff that CCNPP, LLC has obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations.

10.0 COMMENTS RECEIVED

Notice of the request for approval and opportunity for a hearing was published in the *Federal Register* on May 6 and 7, 2009 (74 FR 21013, 74 FR 21015, 74 FR 21413). No hearing requests or petitions to intervene were received. The NRC staff received three comments (one for each site involved in the license transfer), as provided below, from a member of the public in Seattle, Washington, in an e-mail dated May 22, 2009:

Comment:

No further consideration of the proposed corporate restructuring and indirect transfer of licenses should be undertaken until the NRC has reviewed its facility operation license requirements and determines whether licenses involving multiple levels of wholly-owned subsidiaries provides adequate institutional and corporate control, responsibility, accountability and liability for aging nuclear power plants.

As described in the preceding technical evaluation, the NRC staff has completed its review of the application and has determined the conforming license amendments and transfer of licenses resulting from the proposed corporate restructuring is consistent with the applicable provisions of law, regulations, and Orders issued by the Commission.

11.0 CONFORMING AMENDMENT

11.1 Proposed Amendment

The application requests approval of conforming amendments to Calvert Cliffs Renewed Facility Operating Licenses Nos. DPR-53 and DPR-69, and to the materials license for the Calvert Cliffs ISFSI. The amendments eliminate references to CCNPP, Inc., in the licenses and, as appropriate, replace them with references to CCNPP, LLC, to reflect the results of the proposed transfers. The proposed amendments were modified by the NRC staff for clarity and to reflect the conditions of approval of the license transfer.

The supplemental information of February 26, April 8, June 25, and July 27, 2009, to the application did not expand the scope of the application, as originally noticed in the *Federal Register*.

11.2 Discussion

The changes to be made to the licenses are indicated in Enclosure 2 to the cover letter forwarding the NRC staff's Order for CCNPP, Inc. regarding the subject transfers. The amendments involve no safety questions and are administrative in nature. Accordingly, the proposed amendments are acceptable.

The NRC staff finds that the applicant has provided sufficient financial information to address the applicable regulatory requirements of 10 CFR 50.33, 10 CFR 50.80 and 10 CFR 72.50. Therefore, in accordance with 10 CFR 50.80, the NRC staff finds acceptable the proposed direct transfer of control of the CCNPP, Inc. to CCNPP, LLC.

11.3 State Consultation

On accordance with the Commission's regulations, the State official from Maryland was notified of the proposed issuance of the amendments. The state official had no comments.

11.4 Conclusions with Respect to the Conforming Amendments

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.

12.0 ENVIRONMENTAL CONSIDERATIONS

The subject application is for approval of the transfer of licenses issued by the NRC and approval of conforming amendments. Accordingly, this amendment meets 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 approval of the application.

13.0 CONCLUSION

In view of the foregoing, the NRC staff finds that the proposed transfer of licenses for CCNPP Inc. to CCNPP, LLC, and the corporate restructuring between CEG, EDF Development, and CENG, will not affect the qualifications of the holders of the license for all the units reviewed herein, and that the transfer of the licenses is otherwise consistent with applicable provisions of law, regulations, and Orders issued by the Commission pursuant thereto.

Principal Contributors: A. Simmons
R. Guzman
K. Simmons

Date: October 9, 2009

H. Barron

- 2 -

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

Sincerely,
/RA/
Richard V. Guzman, Senior Project Manager
Plant Licensing Branch I-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-317, 50-318, and 72-8

Enclosures:

1. Order
 2. Draft Conforming Amendments to DPR-53, DPR-69, and SNM-2505
 3. Safety Evaluation (non-proprietary)
 4. Safety Evaluation (proprietary)
- cc w/o Enclosure 4: Distribution via Listserv

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Draft License Pages: ML092610694

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DATE	09/18/ 09	10/01/09	09/28/09	09/18/ 09	06/30/09	10/01/09
OFFICE	NMSS/DSFST	OGC	DORL/D	NMSS/D	NRR/D	OEDO/DEDR
NAME	WBrach	SUttal	JGiitter	MWeber	JGrobe for ELeeds	BMallett
DATE	09/24/09	10/9/09	10/7/09	10/9/09	10/9/09	10/9/09

*SE transmitted by memo. No substantial changes made

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