

RS-11-084

10 CFR 50.80

May 18, 2011

U.S. Nuclear Regulatory Commission
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Washington, DC 20555-0001

Braidwood Station, Units 1 and 2
Facility Operating License Nos. NPF-72 and NPF-77
NRC Docket Nos. 50-456 and 50-457

Byron Station, Units 1 and 2
Facility Operating License Nos. NPF-37 and NPF-66
NRC Docket Nos. 50-454 and 50-455

Clinton Power Station
Facility Operating License No. NPF-62
NRC Docket No. 50-461

Dresden Nuclear Power Station, Units 1, 2 and 3
Facility Operating License No. DPR-2
Renewed Facility Operating License Nos. DPR-19 and DPR-25
NRC Docket Nos. 50-10, 50-237 and 50-249

LaSalle County Station, Units 1 and 2
Facility Operating License Nos. NPF-11 and NPF-18
NRC Docket Nos. 50-373 and 50-374

Limerick Generating Station, Units 1 and 2
Facility Operating License Nos. NPF-39 and NPF-85
NRC Docket Nos. 50-352 and 50-353

Oyster Creek Nuclear Generating Station
Renewed Facility Operating License No. DPR-16
NRC Docket No. 50-219

Peach Bottom Atomic Power Station, Units 1, 2 and 3
Facility Operating License No. DPR-12
Renewed Facility Operating License Nos. DPR-44 and DPR-56
NRC Docket Nos. 50-171, 50-277 and 50-278

Quad Cities Nuclear Power Station, Units 1 and 2
Renewed Facility Operating License Nos. DPR-29 and DPR-30
NRC Docket Nos. 50-254 and 50-265

Salem Generating Station, Units 1 and 2
Facility Operating License Nos. DPR-70 and DPR-75
NRC Docket Nos. 50-272 and 50-311

Three Mile Island Nuclear Station, Unit 1
Renewed Facility Operating License No. DPR-50
NRC Docket No. 50-289

Subject: Request for Threshold Determination Under 10 CFR 50.80

Reference: (1) Exelon Generation Company, LLC and Constellation Energy Nuclear Group, LLC letter to USNRC, "Application for Approval of Indirect Transfer of Control of Licenses," dated May 12, 2011

In Reference 1, Exelon Generation Company, LLC (Exelon Generation) and Constellation Energy Nuclear Group, LLC (CENG) submitted an application for the NRC's approval of the indirect transfer of control of the NRC licenses held by subsidiaries of CENG. Reference 1 describes the proposed transaction, which does not involve any direct or indirect transfer of control of the licenses held by Exelon Generation. The Pre- and Post-Merger Simplified Organizations are reflected in Attachment (1). Exelon Generation requests that the NRC staff review the proposed transaction described in Reference 1 and make a threshold determination that it does not involve any direct or indirect transfer of control of the Exelon Generation licenses that would require approval pursuant to 10 CFR 50.80.

The proposed transaction involves a merger between Exelon Corporation (Exelon) and Constellation Energy Group (CEG). As described more fully in Reference 1, the merger transaction will be accomplished through the involvement of five entities: CEG,¹ Exelon, Exelon Generation, Exelon Ventures Company, LLC (Exelon Ventures), and Bolt Acquisition Corporation (Bolt, an Exelon subsidiary formed for the sole purpose of merging with CEG). Exelon Ventures and Bolt are direct wholly-owned subsidiaries of Exelon. Exelon Generation is

¹ CEG is one of the ultimate parent companies of CENG and owns indirectly a 50.01% interest in CENG. Specifically, CEG owns 100% of its subsidiary Constellation Nuclear, LLC. Constellation Nuclear, LLC owns a 49.08% interest in CENG and a 100% interest in CE Nuclear, LLC, which itself owns 0.93% of CENG. CENG in turn owns a 100% interest in Constellation Nuclear Power Plants, LLC, which owns 100% interests in each of CENG's subsidiary licensees, as shown in Attachment (1), Figure 2.

a direct wholly-owned subsidiary of Exelon Ventures. The acquisition by Exelon of CEG will be effected by the merger of Bolt with and into CEG, with CEG being the surviving corporation. As a result of the merger, each shareholder of CEG will receive 0.930 shares of Exelon common stock for each share of CEG common stock owned by such CEG shareholder. Effective upon such merger, CEG will be a direct wholly-owned subsidiary of Exelon and former shareholders of CEG will be shareholders of Exelon. Immediately after such merger, CEG will distribute to Exelon as a dividend 100% of the equity interests of several companies unrelated to CEG's nuclear and other generation business, including Baltimore Gas and Electric Company. The distribution of these companies is necessary so that Baltimore Gas and Electric Company and other companies unrelated to generation will be subsidiaries of Exelon but not subsidiaries of Exelon's generation company, Exelon Generation. Immediately after such distribution, Exelon will contribute 100% of the equity interest in CEG to Exelon Ventures. After such contribution, CEG will be a direct wholly-owned subsidiary of Exelon Ventures. Immediately after the contribution of 100% of the equity interests of CEG to Exelon Ventures, Exelon Ventures will contribute 100% of the equity interests of CEG to Exelon Generation. CEG will then be a direct wholly-owned subsidiary of Exelon Generation. Throughout these transactions, the direct ownership by CEG of 100% of Constellation Nuclear, LLC and, indirectly, the ownership by CEG of a 50.01% interest in CENG and CENG's ownership of Constellation Nuclear Power Plants, LLC and its NRC-licensed subsidiaries, as shown in Attachment (1), Figures 1 and 3, will remain unchanged.

The proposed merger is an all-stock transaction, in which each share of CEG common stock will be cancelled and CEG stockholders will receive in exchange for each share of CEG common stock 0.930 shares of Exelon common stock. After closing the proposed transaction, Exelon shareholders will own approximately 78% of the combined company and current CEG shareholders will own approximately 22% on a fully diluted basis. Exelon will indirectly own 100% of CEG through its wholly-owned subsidiary Exelon Generation. The current CEG Chairman of the Board and Chief Executive Officer Mayo Shattuck will serve as Executive Chairman of Exelon, the combined company. Christopher Crane, the current President and Chief Operating Officer of Exelon and President of Exelon Generation, will become President and Chief Executive Officer of Exelon upon completion of the merger. The other officers of Exelon and CEG will remain as such until their successors have been duly elected or appointed and qualified. It is expected that the Chief Nuclear Officer (CNO) of CENG, Mary (Maria) G. Korsnick, will remain the CNO of the CENG fleet following the merger. Pursuant to the Merger Agreement, upon consummation of the merger, Exelon will add to its existing 14 member Board of Directors four current Constellation directors, comprised of three independent directors and Mayo Shattuck, for a total of 18 directors. By the end of 2012, the number of directors constituting the Board of Directors of Exelon will decrease to 16, including the four Constellation designees. Thus, Exelon Generation's ultimate parent holding company will remain majority controlled by the existing Exelon Board of Directors.

As discussed in Reference 1, and as shown in Attachment (1), Figures 2 and 3, the existing chain of ownership for Exelon Generation's current licensed facilities is unaffected by the proposed transaction and associated license transfers involving CENG's NRC-licensed subsidiaries. In addition, there will be no changes in the operation or management of the Exelon Generation plants as a result of the proposed transaction and associated license

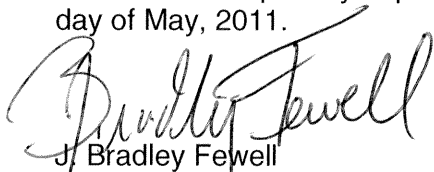
transfers. Accordingly, the proposed transaction does not result in any transfer of control with respect to the licenses for the current Exelon Generation plants.²

There are no regulatory commitments in this letter.

Based on the foregoing and the information contained in Reference 1, Exelon Generation requests that the NRC make a threshold determination that the proposed transaction does not involve any direct or indirect transfer of control of the Exelon Generation licenses that would require approval pursuant to 10 CFR 50.80.

If any additional information is needed regarding this request for threshold determination, please contact David J. Distel at (610) 765-5517.

I declare under penalty of perjury that the foregoing is true and correct. Executed on the 18th day of May, 2011.



J. Bradley Fewell
Vice President and Deputy General Counsel
Exelon Generation Company, LLC

Enclosure: (1) Pre- and Post- Merger Simplified Organizations

cc: Regional Administrator - NRC Region I
Regional Administrator - NRC Region III
NRC Senior Resident Inspector - Braidwood Station, Units 1 and 2
NRC Senior Resident Inspector - Byron Station, Units 1 and 2
NRC Senior Resident Inspector - Clinton Power Station
NRC Senior Resident Inspector - Dresden Nuclear Power Station, Units 1, 2 and 3
NRC Senior Resident Inspector - LaSalle County Station, Units 1 and 2
NRC Senior Resident Inspector - Limerick Generating Station, Units 1 and 2
NRC Senior Resident Inspector - Oyster Creek Nuclear Generating Station

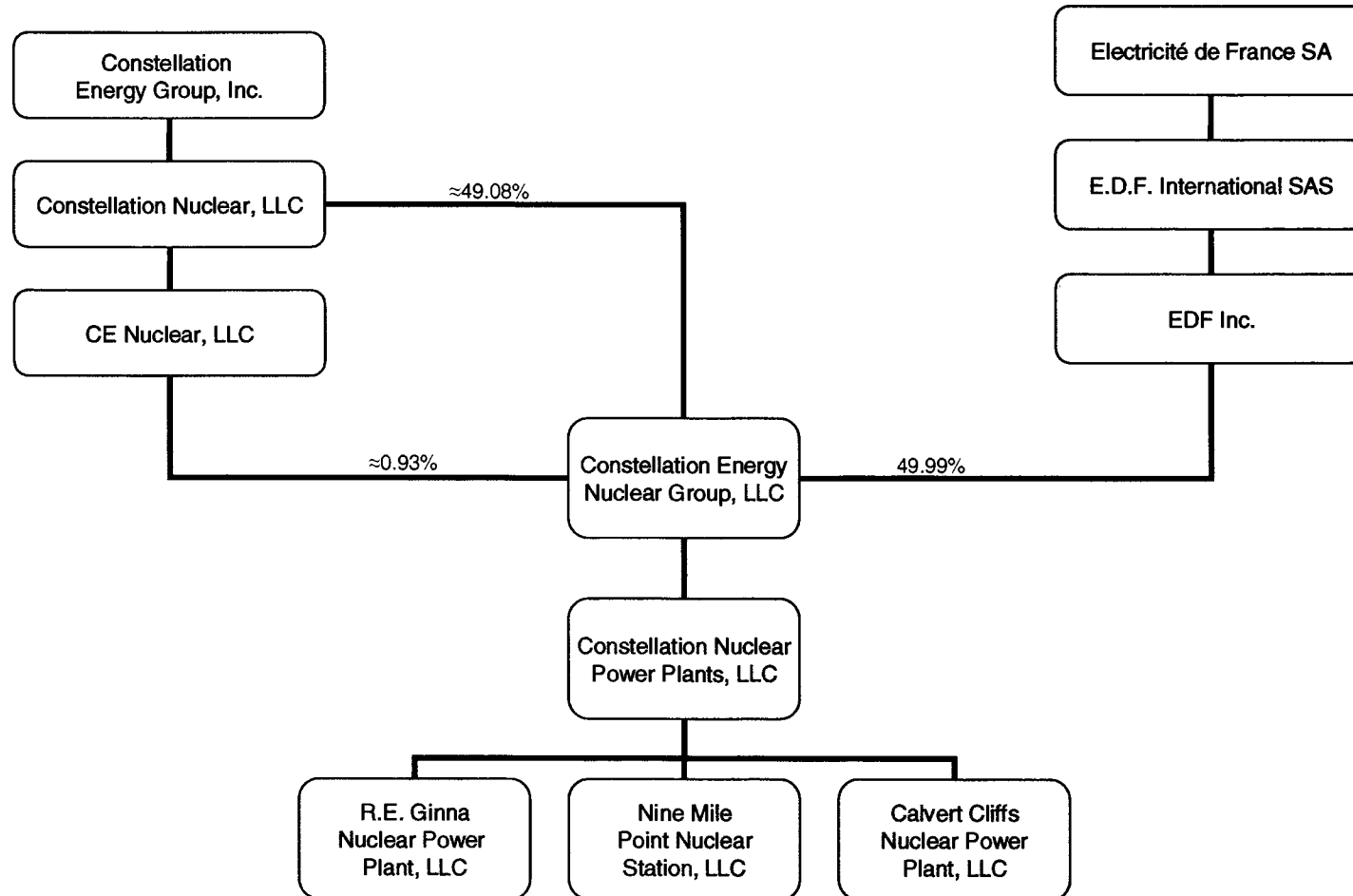
² The Commission has a long line of precedent whereby the NRC has determined that a merger involving an upstream owner of an NRC licensee that creates an affiliate for the NRC licensee but does not otherwise affect the NRC licensee or change its chain of ownership is not a transfer of the NRC license under 10 CFR 50.80. See, e.g., NRC Letter re: Merger of MCN Energy into DTE Energy (TAC No. MA7885) (February 15, 2000) (ADAMS Accession No. ML003683266) (determining upon threshold review that the merger between MCN Energy Group, Inc. (MNC) and DTE Energy Company (DTE) pursuant to which MCN became a subsidiary of DTE and an affiliate of NRC licensee Detroit Edison Company did not result in a transfer of control of Detroit Edison's license for Fermi 2); NRC Letter re: Merger of Dominion Resources, Inc. and Consolidated Natural Gas Company (TAC Nos. MA6430, MA64312, MA6432 and MA6433) (December 7, 1999) (ADAMS Accession No. ML993470426) (determining upon threshold review that the merger between Dominion Resources, Inc. (DRI) and Consolidated Natural Gas Company (CNG) pursuant to which CNG became a subsidiary of DRI and an affiliate of NRC licensee Virginia Electric and Power Company (Virginia Power) did not result in a transfer of control of Virginia Power's licenses for North Anna Units 1 and 2 and Surry Power Station Units 1 and 2).

NRC Senior Resident Inspector - Peach Bottom Atomic Power Station, Units 1, 2 and 3
NRC Senior Resident Inspector - Quad Cities Nuclear Power Station, Units 1 and 2
NRC Senior Resident Inspector - Salem Generating Station, Units 1 and 2
NRC Senior Resident Inspector - Three Mile Island Nuclear Station, Unit 1
E. A. Brown, NRC Senior Project Manager
D. V. Pickett, NRC Senior Project Manager

ATTACHMENT (1)

PRE- AND POST-MERGER SIMPLIFIED ORGANIZATIONS

FIGURE 1: Current CENG Organization



ATTACHMENT (1)

PRE- AND POST-MERGER SIMPLIFIED ORGANIZATIONS

FIGURE 2: Current Exelon Organization

