

ENCLOSURE 1

RENEWED OPERATING LICENSE NUMBER DPR-70

ADAMS ACCESSION NO. ML11168A073

PSEG NUCLEAR LLC
EXELON GENERATION COMPANY, LLC

DOCKET NO. 50-272

SALEM NUCLEAR GENERATING STATION, UNIT NO. 1

FACILITY OPERATING LICENSE

Renewed License No. DPR-70

1. The Nuclear Regulatory Commission (the Commission) having found that:
 - A. The application for a renewed license, filed by PSEG Nuclear LLC acting on its own behalf and as agent for Exelon Generation Company, LLC (the licensees), complies with the standards and requirements of the Atomic Energy Act (the Act) of 1954, as amended, 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. Construction of the Salem Nuclear Generating Station, Unit No. 1 (facility) has been substantially completed in conformity with Provisional Construction Permit No. CPPR-52 and the application, as amended, the provisions of the Act and regulations of the Commission;
 - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
 - D. There is reasonable assurance: (i) that the activities authorized by this renewed operating 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 rules and regulations of the Commission;
 - E. PSEG Nuclear LLC is technically qualified and the licensees are financially qualified to engage in the activities authorized by this renewed operating license in accordance with the rules and regulations of the Commission;
 - F. The licensees have satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;
 - G. The issuance of this renewed operating license will not be inimical to the common defense and security or to the health and safety of the public;
 - H. After weighing the environmental, economic, technical, and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of Renewed Facility Operating License No. DPR-70, subject to the conditions for protection of the environment set forth in the Technical Specifications, Appendix B is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied;

Renewed License No. DPR-70

- I. The receipt, possession, and use of source, byproduct and special nuclear material as authorized by this renewed license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40, and 70 including 10 CFR Sections 30.33, 40.32, and 70.23 and 70.31; and
 - J. Actions have been identified and have been or will be taken with respect to (1) managing the effects of aging during the period of extended operation on the functionality of structures and components that have been identified to require review under 10 CFR 54.21(a)(1), and (2) time-limited aging analyses that have been identified to require review under 10 CFR 54.21(c), such that there is reasonable assurance that the activities authorized by this renewed operating license will continue to be conducted in accordance with the current licensing basis, as defined in 10 CFR 54.3, for the facility, and that any changes made to the facility's current licensing basis in order to comply with 10 CFR 54.29(a) are in accordance with the Act and the Commission's regulations.
2. Renewed Facility Operating License No. DPR-70, is hereby issued to PSEG Nuclear LLC, and Exelon Generation Company LLC (Exelon Generation Company), (the licensees), to read as follows:
 - A. This renewed license applies to the Salem Nuclear Generating Station, Unit No. 1, a pressurized water nuclear reactor and associated equipment (the facility), owned by PSEG Nuclear LLC and Exelon Generation Company, and operated by PSEG Nuclear LLC. The facility is located on the applicants' site in Salem County, New Jersey, on the southern end of Artificial Island on the east bank of the Delaware River in Lower Alloways Creek Township, and is described in the "Final Safety Analysis Report" as supplemented and amended and the Environmental Report as supplemented and amended.
 - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
 - (1) PSEG Nuclear LLC, and the Exelon Generation Company to possess the facility at the designated location in Salem County, New Jersey, in accordance with the procedures and limitations set forth in this renewed license;
 - (2) PSEG Nuclear LLC, pursuant to Section 104b of the Act and 10 CFR Part 50, "Licensing of Production and Utilization Facilities," to possess, use and operate the facility;
 - (3) PSEG Nuclear LLC, pursuant to the Act and 10 CFR Part 70, to receive, possess and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended;
 - (4) PSEG Nuclear LLC, 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;

- (5) PSEG Nuclear LLC, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and
- (6) PSEG Nuclear LLC, 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 renewed license shall be deemed to contain and is subject to the conditions specified in the following Commission regulations in 10 CFR Chapter I: Part 20, Section 30.34 of Part 30, Section 40.41 of Part 40, Sections 50.54 and 50.59 of Part 50, and Section 70.32 of Part 70; and is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:

(1) Maximum Power Level

PSEG Nuclear LLC is authorized to operate the facility at a steady state reactor core power level not in excess of 3459 megawatts (one hundred percent of rated core power).

(2) Technical Specifications and Environmental Protection Plan

The Technical Specifications contained in Appendix A, as revised through Amendment No. 299, and the Environmental Protection Plan contained in Appendix B, are hereby incorporated in the renewed license. PSEG Nuclear LLC shall operate the facility in accordance with the Technical Specifications, and the Environmental Protection Plan.

(3) Deleted Per Amendment 22, 11-20-79

(4) Less than Four Loop Operation

PSEG Nuclear LLC shall not operate the reactor at power levels above P-7 (as defined in Table 3.3-1 of Specification 3.3.1.1 of Appendix A to this renewed license) with less than four (4) reactor coolant loops in operation until safety analyses for less than four loop operation have been submitted by the licensees and approval for less than four loop operation at power levels above P-7 has been granted by the Commission by Amendment of this renewed license.

- (5) PSEG Nuclear LLC shall implement and maintain in effect all provisions of the approved fire protection program as described in the Updated Final Safety

Analysis Report, and as approved in the NRC Safety Evaluation Report dated November 20, 1979, and in its supplements, subject to the following provision:

PSEG Nuclear 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.

- (6) The licensee shall implement a secondary water chemistry monitoring program to inhibit steam generator tube degradation. This program shall include:
1. Identification of a sampling schedule for the critical parameters and control points for these parameters;
 2. Identification of the procedures used to measure the values of the critical parameters;
 3. Identification of process sampling points;
 4. Procedure for recording and management of data;
 5. Procedures defining corrective actions for off control point chemistry conditions; and
 6. A procedure identifying (a) the authority responsible for the interpretation of the data, and (b) the sequence and timing of administrative events required to initiate corrective action.

(7) Systems Integrity

The licensee shall implement a program to reduce leakage from systems outside containment that would or could contain highly radioactive fluids during a serious transient or accident to as low as practical levels. This program shall include the following:

1. Provisions establishing preventive maintenance and periodic inspection requirements, and
2. Integrated leak test requirements for each system at a frequency not to exceed refueling cycle intervals.

(8) Iodine Monitoring

The licensee shall implement a program which will ensure the capability to accurately determine the airborne iodine concentration in vital areas under accident conditions. This program shall include the following:

1. Training of personnel;
2. Procedures for monitoring, and
3. Provisions for maintenance of sampling and analysis equipment.

(9) Backup Method for Determining Subcooling Margin

The licensee shall implement a program which will ensure the capability to accurately monitor the Reactor Coolant System subcooling margin. This program shall include the following:

1. Training of personnel, and
2. Procedures for monitoring.

(10) Additional Conditions

The Additional Conditions contained in Appendix C, as revised through Amendment No. 246, are hereby incorporated into this renewed license. PSEG Nuclear LLC shall operate the facility in accordance with the Additional Conditions.

(11) PSE&G to PSEG Nuclear LLC License Transfer Conditions

- a. PSEG Nuclear LLC shall take all necessary steps to ensure that the decommissioning trust is maintained in accordance with the application, the requirements of the Order Approving Transfer of License and Conforming Amendment, dated February 16, 2000, and related Safety Evaluation dated February 16, 2000.
- b. The decommissioning trust agreement shall provide that:
 1. The use of assets in both the qualified and non-qualified funds shall be limited to expenses related to decommissioning of the unit as defined by the NRC in its regulations and issuances, and as provided in the unit's renewed license and any amendments thereto. However, upon completion of decommissioning, as defined above, the assets may be used for any purpose authorized by law.
 2. Investments in the securities or other obligations of PSE&G or affiliates thereof, or their successors or assigns, shall be prohibited. In addition,

except for investments tied to market indexes or other non-nuclear sector mutual funds, investments in any entity owning one or more nuclear power plants shall be prohibited.

3. No disbursements or payments from the trust shall be made by the trustee until the trustee has first given the NRC 30 days notice of the payment. In addition, no disbursements or payments from the trust shall be made if the trustee receives prior written notice of objection from the Director, Office of Nuclear Reactor Regulation.
 4. The trust agreement shall not be modified in any material respect without prior written notification to the Director, Office of Nuclear Reactor Regulation.
 5. The trustee, investment advisor, or anyone else directing the investments made in the trust shall adhere to a "prudent investor" standard, as specified in 18 CFR 35.32(3) of the Federal Energy Regulatory Commission's regulations.
- c. PSEG Nuclear LLC shall not take any action that would cause PSEG Power LLC or its parent companies to void, cancel, or diminish the commitment to fund an extended plant shutdown as represented in the application for approval of the transfer of this license from PSE&G to PSEG Nuclear LLC.
- (12) Exelon Generation Company shall provide to the Director of the Office of Nuclear Reactor Regulation a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens) from Exelon Generation Company to its direct or indirect parent, or to any other affiliated company, facilities for the production, transmission, or distribution of electric energy having a depreciated book value exceeding ten percent (10%) of Exelon Generation Company's consolidated net utility plant, as recorded on Exelon Generation Company's books of account.
- (13) Exelon Generation Company shall have decommissioning trust funds for Salem, Unit 1, in the following minimum amount on the closing date of the license transfer:
- | | |
|---------------|--------------|
| Salem, Unit 1 | \$53,780,652 |
|---------------|--------------|
- (14) The decommissioning trust agreement for Salem, Unit 1, shall be subject to the following:
- (a) The decommissioning trust agreement must be in a form acceptable to the NRC.
 - (b) With respect to the decommissioning trust fund, investments in the securities or other obligations of Exelon Corporation or affiliates thereof, or their successors or assigns are prohibited. Except for investments tied to market

indexes or other non-nuclear sector mutual funds, investments in any entity owning one or more nuclear power plants are prohibited.

- (c) The decommissioning trust agreement for Salem, Unit 1, must provide that no disbursements or payments from the trust shall be made by the trustee unless the trustee has first given the Director of the Office of Nuclear Reactor Regulation 30 days prior written notice of payment. The decommissioning trust agreement shall further contain a provision that no disbursements or payments from the trust shall be made if the trustee receives prior written notice of objection from the NRC.
 - (d) The decommissioning trust agreement must provide that the agreement can not be amended in any material respect without 30 days prior written notification to the Director of the Office of Nuclear Reactor Regulation.
 - (e) The appropriate section of the decommissioning trust agreement shall state that the trustee, investment advisor, or anyone else directing the investments made in the trust shall adhere to a "prudent investor" standard, as specified in 18 CFR 35.32(a)(3) of the Federal Energy Regulatory Commission's regulations.
- (15) Exelon Generation Company shall take all necessary steps to ensure that the decommissioning trust is maintained in accordance with the application for approval of the transfer of the Salem, Unit 1, license to it and the requirements of the Order approving the transfer, and consistent with the safety evaluation supporting the Order.

(16) Mitigation Strategy

The licensee shall develop and maintain strategies for addressing large fires and explosions and 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

- (17) Upon implementation of Amendment No. 286 adopting TSTF-448, Revision 3, the determination of control room envelope (CRE) unfiltered air inleakage as required by SR 4.7.6.2, in accordance with TS 6.18.c.(i), the assessment of CRE habitability as required by Specification 6.18.c.(ii), and the measurement of CRE pressure as required by Specification 6.18.d, shall be considered met. Following implementation:
 - a. The first performance of SR 4.7.6.2, in accordance with Specification 6.18.c.(i), shall be within the specified frequency of 6 years, plus the 18 month allowance of SR 4.0.2, as measured from June 4, 2003, the date of the most recent successful tracer gas test, as stated in the December 9, 2003 letter response to Generic Letter 2003-01, or within the next 18 months if the time period since the most recent successful tracer gas test is greater than 6 years.
 - b. The first performance of the periodic assessment of CRE habitability, Specification 6.18.c.(ii), shall be 3 years, plus the 9 month allowance of SR 4.0.2, as measured from June 4, 2003, the date of the most recent successful tracer gas test, as stated in the December 9, 2003 letter response to Generic Letter 2003-01, or within the next 9 months if the time period since the most recent successful tracer gas test is greater than 3 years.
 - c. The first performance of the periodic measurement of CRE pressure, Specification 6.18.d, shall be within 18 months, plus the 138 days allowed by SR 4.0.2, as measured from September 22, 2005, the date of the most recent successful pressure measurement test, or within 138 days if not performed previously.

- (18) PSEG Nuclear LLC may make changes to the programs and activities described in the UFSAR supplement, submitted pursuant to 10 CFR 54.21(d), as revised during the license renewal application review process, provided PSEG Nuclear LLC

evaluates such changes pursuant to the criteria set forth in 10 CFR 50.59 and otherwise complies with the requirements in that section.

- (19) Appendix A of NUREG-2101, "Safety Evaluation Report Related to the License Renewal of Salem Nuclear Generating Station," dated June 2011, and PSEG Nuclear LLC UFSAR supplement submitted pursuant to 10 CFR 54.21(d), as revised on May 18, 2011, describe certain future programs and activities to be completed before the period of extended operation. PSEG Nuclear LLC shall complete these activities no later than August 13, 2016, and shall notify the NRC in writing when implementation of these activities is complete.
- (20) All capsules in the reactor vessel that are removed and tested must meet the test procedures and reporting requirements of American Society for Testing and Materials (ASTM) E 185-82 to the extent practicable for the configuration of the specimens in the capsule. Any changes to the capsule withdrawal schedule, including spare capsules, must be approved by the NRC prior to implementation. All capsules placed in storage must be maintained for future insertion. Any changes to storage requirements must be approved by the NRC. Changes to the withdrawal schedule or storage requirements shall be submitted to the NRC as a report in accordance with 10 CFR 50.4.
- (21) PSEG Nuclear LLC shall take one core sample in the Unit 1 spent fuel pool west wall, by the end of 2013, and one core sample in the east wall where there have been indications of borated water ingress through the concrete, by the end of 2015. The core samples (east and west walls) will expose the rebar, which will be examined for signs of corrosion. Any sample showing signs of concrete degradation and/or rebar corrosion will be entered into the licensee's corrective action program for further evaluation. PSEG Nuclear LLC shall submit a report in accordance with 10 CFR 50.4 no later than three months after each sample is taken on the results, recommendations, and any additional planned actions.

D. Paragraph 2.D. has been combined with paragraph 2.E. per Amendment No. 86, June 27, 1988.

E. 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 to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The plans, submitted by letter dated May 19, 2006, are entitled: "Salem-Hope Creek Nuclear Generating Station Security Plan," "Salem-Hope Creek Nuclear Generating Station Security Training and Qualification Plan," and "Salem-Hope Creek Nuclear Generating Station Security Contingency Plan." The plans contain Safeguards Information protected under 10 CFR 73.21.

- F. In accordance with the requirement imposed by the October 8, 1976, order of the United States Court of Appeals for the District of Columbia Circuit in Natural Resources Defense Council v. Nuclear Regulatory Commission, No. 74-1385 and 74-1586, that the Nuclear Regulatory Commission "shall make any licenses granted between July 21, 1976 and such time when the mandate is issued subject to the outcome of the proceedings herein," the license amendment issued herein shall be subject to the outcome of such proceedings.
- G. Prior to startup following the first regularly scheduled refueling outage, Public Service Electric and Gas Company shall install, to the satisfaction of the Commission, a long-term means of protection against reactor coolant system over-pressurization when water-solid.
- H. This renewed license is effective as of the date of its issuance. Renewed Facility Operating License No. DPR-70, as amended, shall expire at midnight, August 13, 2036.

I. IAEA SAFEGUARDS

1. INCORPORATION OF FACILITY ATTACHMENT:

Pursuant to 10 CFR 75.8, NRC License No. DPR-70 is hereby amended to incorporate by reference Codes 1. through 7. of Facility Attachment No.13 dated October 1, 1986, to the US/IAEA of Safeguards Agreement.

2. FACILITY ATTACHMENT CODE 2.2

Notification of the changes referred to in Code 2.2 of the facility attachment is the responsibility of the operating facility. They can be notified to the NRC with a Concise Note (DOE/NRC Form 740M) or a letter. Notification is required 70 days prior to the event.

3. FACILITY ATTACHMENT CODE 3.1.3 & 5.1.2 & 5.2.3

The itemized lists of nuclear material to be provided to the IAEA as of cycle shutdown date prior to physical inventory taking are:

- 1. A complete list of fuel assemblies by ID number at all locations.
- 2. Reactor and fuel storage maps showing location of fuel by ID number at time of physical inventory taking.
- 3. A list, by batch, of any other accountable nuclear material, e.g., start-up sources, samples.

4. FACILITY ATTACHMENT CODE 3.2.2

Please refer to NRC letter dated May 27, 1986, to Mr. C.A. McNeill from Steven A. Varga which spells out timeliness and procedures for notification under this code.

5. FACILITY ATTACHMENT CODE 5.1.1 & 6.1.1

The statement "when calculated" means at least as often as required on page 2 of NUREG/BR-0006 Revision 2 or more often, at your option, if you calculate burn up more than every six months.

6. FACILITY ATTACHMENT CODE 6.1.1 & 6.1.2

The phrase "as specified in relevant paragraphs of Code 10" is a requirement on the U.S. All of the paragraphs in the US/IAEA Agreement that require a report from the U.S. to the IAEA based on source data from an operating facility have been incorporated into NUREG's BR-0006 and 0007 so that the NRC may collect the needed data for transmittal to the IAEA. PSEG Nuclear LLC should follow these NUREGs precisely in reporting inventory changes. A complete response to the reporting instructions in the NUREGs will satisfy the requirements specified in Code 10.

7. FACILITY ATTACHMENT CODE 6.2.2

The phrase "precise forecasts" means best estimates. These required concise notes should be dispatched to the NRC at least 40 days in advance of a projected 6 month operational programming.

8. FACILITY ATTACHMENT CODE 6.3.1 & 6.3.2

See response to Code 6.1.1 and 6.1.2 above.

9. FACILITY ATTACHMENT CODE 7.9

The specific facility health and safety rules and regulations to be observed by the Agency's (IAEA) inspectors, as specified in Paragraph 54 of the design information as of October 10, 1986, provided by the U.S.A. mean:

Agency inspectors who have previously visited the facility will be informed as necessary at the time of entry into the facility of health and safety rules and ad hoc rules as might be required in view of a special situation that has occurred at the facility since the inspector's last visit to the facility. The briefing will be of a short duration, not to exceed 30 minutes, covering topics deemed relevant by the licensee.

Agency inspectors who have not previously visited the facility will be informed as necessary at the time of entry into the facility of health and safety rules and ad hoc

rules as might be required in view of a special situation that has occurred at the facility. The briefing will be of an appropriate duration, not to exceed three hours, and consist of topics deemed relevant by the licensee.

In either case, the licensee should take into account the Agency inspector's prior training, expertise and experience. In neither case shall the Agency inspector be subject to any form of evaluation or testing by facility representatives or representatives of the U.S. Government.

For health and safety reasons, Agency inspectors will be escorted by qualified facility personnel at times deemed appropriate by the licensee.

10. TERMINATION

Pursuant to the provisions of 10 CFR 75.41, the Commission will inform the licensee, in writing, when its installation is no longer subject to Article 39(b) of the principal text of the US/IAEA Safeguards Agreement. The IAEA Safeguards License Conditions incorporating Code 7. of the Facility Attachment as part of NRC License DPR-70 will be terminated as of the date of such notice from the Commission. However, since the IAEA may elect to maintain the licensee's installation under Article 2(a) of the Protocol, provisions equivalent to Codes 1. through 6. of the Facility Attachment (with possible appropriate modifications) may still apply, and accordingly all other IAEA Safeguards License Conditions to NRC License No. DPR-70 will remain in effect until the Commission notifies the licensee otherwise. If this option is not selected by the IAEA, the Commission will then notify the licensee that all License Conditions pertaining to the US/IAEA Safeguards Agreement are terminated.

J. RELOCATED TECHNICAL SPECIFICATIONS

PSEG Nuclear LLC shall relocate certain technical specification requirements to licensee-controlled documents as described below. The location of these requirements shall be retained by the licensee.

- a. This license condition approves the relocation of certain technical specification requirements to licensee-controlled documents (UFSAR), as described in the licensee's applications with the staff's safety evaluation approval and Amendment No. as noted below:

<u>Licensee's Applications</u>	<u>Safety Evaluations</u>	<u>Amendment Nos.</u>
September 25, 1996	January 30, 1997	189

Implementation shall include the relocation of technical specifications requirements to the appropriate licensee-controlled document as identified in the licensee's application.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Eric J. Leeds, Director
Office of Nuclear Reactor Regulation

Attachments:

1. Appendix A – Technical Specifications
2. Appendix B – Environmental Protection Plan
3. Appendix C – Additional Conditions

Date of Issuance: June 30, 2011

Please refer to ADAMS accession number ML11175A207 for Appendices A, B, and C for Salem Nuclear Generating Station, Unit 1.

The Technical Specifications did not change as a result of the renewal of the Salem facility operating licenses.