



10 CFR 50.80
10 CFR 50.90
10 CFR 72.50

July 24, 2017

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

James A. FitzPatrick Nuclear Power Plant
Renewed Facility Operating License No. DPR-59
Docket No. 50-333

**James A. FitzPatrick Nuclear Power Plant Independent Spent Fuel
Storage Installation**
General License SFGL-12
Docket No. 72-012

Reference: 1. Letter from Diane L. Render (USNRC) to Brian Sullivan (Entergy Nuclear Operations, Inc.) “James A. FitzPatrick Nuclear Power Plant – Order Approving Direct Transfer of Renewed Facility Operating License and Independent Spent Fuel Storage Installation General License and Conforming Amendment (CAC Nos. MF8293 and MF8294)” dated March 1, 2017

Subject: Application for Order Approving Transfer of Direct Ownership under Renewed Facility Operating License and Proposed Conforming License Amendment

In accordance with Section 184 of the Atomic Energy Act of 1954, as amended (the “Act”), 10 CFR 50.80, 10 CFR 72.50, and 10 CFR 50.90, Exelon Generation Company, LLC (“**Exelon Generation**”) and its wholly owned subsidiary Exelon FitzPatrick, LLC (“**Exelon FitzPatrick**”) (collectively Exelon Generation and Exelon FitzPatrick are referred to as the “**Applicants**”) hereby request written consent approving the transfer of direct ownership of the James A. FitzPatrick Nuclear Power Plant (“**FitzPatrick**”) from Exelon Generation to Exelon FitzPatrick under the Renewed Facility Operating License No. DPR-59 (the “**License**”¹) and the

¹ Unless otherwise noted, future references to the “License” include the general license for the FitzPatrick

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generally licensed FitzPatrick Independent Spent Fuel Storage Installation (the “ISFSI”) (collectively FitzPatrick and the ISFSI are referred to as the “Facility”). The Applicants also request that the NRC approve conforming administrative amendments to the License to reflect the proposed transfer of direct ownership of the Facility. No other changes to the License are requested in this Application. The license amendment should be approved, but not issued until consummation of the transaction as described below. The Applicants will notify the NRC when the transaction is scheduled to be consummated, so that the conforming license amendment can be issued concurrently with the closing. This is a regulatory commitment.

Enclosures 1 through 10 provide the basis for this request and required documentation.

The proposed transfer is requested as the result of a planned internal corporate reorganization pursuant to which Exelon Generation will transfer ownership of the Facility (land and assets) to Exelon FitzPatrick, a Delaware limited liability company and wholly owned subsidiary of Exelon Generation created solely for the purpose of owning the Facility. Exelon Generation will remain a subsidiary of Exelon Corporation and the licensed operator under contract with Exelon FitzPatrick of, and the employer of the employees who work at, the Facility. This corporate reorganization will align the corporate structure for the Facility with the existing corporate structure of, and contractual arrangements for, the other nuclear power plants in the State of New York that are co-owned by Exelon Generation subsidiaries. Specifically, Exelon Generation is also the licensed operator under contract of three other units in the State of New York (Nine Mile Point Units 1 and 2 and Ginna). The units are owned by special purpose entities (Nine Mile Point Nuclear Station, LLC and R.E. Ginna Nuclear Power Plant, LLC), each of which is an indirect subsidiary of Exelon Generation. The new organizational structure is illustrated in the organization charts attached hereto as Enclosure 5.

To effect the present transaction, the Applicants will enter into a Nuclear Operating Services Agreement (“NOSA”) pursuant to which Exelon Generation will retain responsibility for operating and decommissioning the Facility and Exelon FitzPatrick will assume responsibility for paying for the costs of operation from electricity and zero-emission credit revenues generated by the Facility. As such, Exelon Generation will recover the costs of operating the Facility from Exelon FitzPatrick under the terms of the NOSA. A copy of the “form of” the NOSA to be executed is provided as Enclosure 2.

The proposed transfer of direct ownership of the Facility to Exelon FitzPatrick through this corporate reorganization will not adversely affect the financial qualifications of Exelon

Independent Spent Fuel Storage Installation.

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Generation to indirectly own and operate the Facility in accordance with the existing License and the NOSA. As described in more detail in Enclosure 1, Exelon Generation is a wholly owned subsidiary of Exelon Corporation, a utility services holding company. Exelon Corporation's stock is publicly traded on the New York Stock Exchange and widely held. Exelon Generation currently directly owns and operates FitzPatrick. In addition, Exelon Generation owns (as the sole owner or a co-owner) and operates twenty-two additional nuclear reactors at thirteen sites in five states. Exelon Generation has an investment grade credit rating and is financially qualified standing alone based on the financial information provided herein. In addition, Exelon Generation will recover the costs of operating the Facility from Exelon FitzPatrick under the terms of the NOSA.

As demonstrated by the projected income statements showing anticipated revenues associated with the sales of energy, capacity, and zero-emission credits from FitzPatrick, Exelon FitzPatrick is financially qualified to own the Facility. Additional assurance of financial qualifications is provided by a Support Agreement that Exelon Generation will maintain with Exelon FitzPatrick to provide sufficient funds to cover the estimated fixed operating and maintenance expenses for a 6-month outage at FitzPatrick. This approach is consistent with the guidance in NUREG-1577. A copy of the form of the Support Agreement is provided in Enclosure 9.

The proposed transfer will not result in any adverse changes to the decommissioning funding assurance for the Facility. Exelon Generation will retain the decommissioning trust funds for FitzPatrick and will remain responsible for all decommissioning of the Facility upon closing of the transaction.

Because Exelon FitzPatrick and Exelon Generation and its parent are domestic entities, the proposed transfer will not result in the Licensees becoming owned, controlled, or dominated by a foreign entity.

No physical changes will be made to, and there will be no adverse changes in day-to-day operations of, the Facility as a result of the proposed transfer. Exelon Generation will remain the licensed operator of the Facility under the terms of the NOSA and the employer of the employees working at the Facility. The corporate reorganization will not result in a change in staffing or otherwise impact the qualifications of personnel who currently operate FitzPatrick. The Facility will remain consolidated in and part of the Exelon Generation nuclear fleet, and all of Exelon Generation's significant nuclear operational and management experience, resources, and expertise will remain available to the Facility.

Accordingly, the proposed transfer of ownership to Exelon Generation's direct subsidiary Exelon

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FitzPatrick will neither have any adverse impact on the public health and safety, nor be inimical to the common defense and security. In summary, the proposed transfer of ownership will be consistent with the requirements set forth in the Act, NRC regulations, and the relevant License. Exelon Generation and Exelon FitzPatrick therefore respectfully request that the NRC consent to the transfer of direct ownership of the Facility to Exelon FitzPatrick in accordance with 10 CFR 50.80 and 10 CFR 72.50, and issue the conforming license amendment requested herein pursuant to 10 CFR 50.90.

The financial information required by 10 CFR 50.33(f)(2) is provided by Exelon Generation in a separately bound Addendum as Enclosures 6A and 8A. The financial information is confidential commercial information that Exelon Generation requests be withheld from public disclosure pursuant to 10 CFR 2.390(a)(4) and 10 CFR 9.17(a)(4). A redacted, non-proprietary version is provided in Enclosures 6 and 8. An affidavit supporting the request for withholding Attachments 6A and 8A from public disclosure is provided as Enclosure 7.

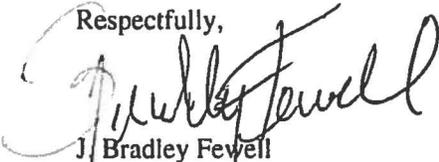
Subject to the satisfaction of all closing conditions, including receipt of all required regulatory approvals, the Applicants wish to close this transaction at the earliest practicable date and have targeted a closing on November 30, 2017. Accordingly, Exelon Generation and Exelon FitzPatrick request that the NRC review this application on a schedule that will permit issuance of an order consenting to the transfer of ownership and approving a conforming license amendment as promptly as possible and in any event by October 31, 2017. The Applicants request that the consent be immediately effective upon issuance and permit the transfer to occur up to one year after issuance or such later date as the NRC may permit.

This Application contains regulatory commitments as noted in Enclosure 10.

Service upon the Applicants of comments, hearing requests, intervention petitions or other pleadings should be made to Counsel for Exelon Generation and Exelon FitzPatrick, J. Bradley Fewell, Senior Vice President Regulatory Affairs and General Counsel (email: Bradley.Fewell@exeloncorp.com; tel. 630-657-3752) and Tamra Domeyer, Associate General Counsel (email: Tamra.Domeyer@exeloncorp.com; tel. 630-657-3753), 4300 Winfield Road, Warrenville, Illinois 60555, and Daniel F. Stenger, Hogan Lovells US LLP, 555 Thirteenth Street, NW, Washington, DC 20004 (email: Daniel.Stenger@hoganlovells.com; tel. 202-637-5691).

Please contact David P. Helker (Exelon Generation) at 610-765-5525 (David.Helker@exeloncorp.com) if you have any questions or require any additional information regarding this request.

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Respectfully,

J. Bradley Fewell
Senior Vice President Regulatory Affairs and
General Counsel
Exelon Generation Company, LLC

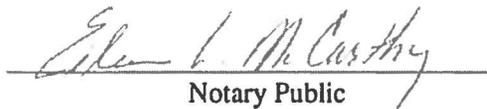
COMMONWEALTH OF PENNSYLVANIA :
: To wit:
COUNTY OF PHILADELPHIA :

I, J. Bradley Fewell, state that I am the Senior Vice President Regulatory Affairs and General Counsel of Exelon Generation Company, LLC and that I am duly authorized to execute and file this application on behalf of Exelon Generation and Exelon FitzPatrick, LLC. To the best of my knowledge and belief, the statements contained in this document with respect to these companies are true and correct. To the extent that these statements are not based on my personal knowledge, they are based upon information provided by employees and/or consultants of the companies. Such information has been reviewed in accordance with company practice, and I believe it to be reliable.

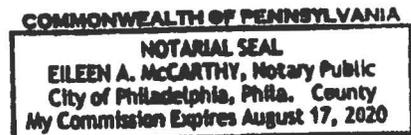


Subscribed and sworn before me, a Notary Public in and for the Commonwealth of Pennsylvania and County of Philadelphia this 25th day of July, 2017.

WITNESS my Hand and Notarial Seal:


Notary Public

My Commission Expires: 8/17/2020
Date



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Enclosures:

Enclosure 1, Application for Order Approving Transfer of Direct Ownership Under Renewed Facility Operating License and Proposed Conforming License Amendment

Enclosure 1, Attachment A, License Amendment Request

Enclosure 1, Attachment B, Mark-up of Renewed Facility Operating License

Enclosure 2, Form of Nuclear Operating Services Agreement

Enclosure 3, General Corporate Information Regarding Exelon Corporation, Exelon Generation Company, LLC, and Exelon FitzPatrick, LLC

Enclosure 4, Current Organization Chart

Enclosure 5, New Organization Chart with Exelon FitzPatrick, LLC

Enclosure 6, Projected Income Statement for Exelon Generation Company, LLC (Non-Proprietary Version)

Enclosure 6A, Projected Income Statement for Exelon Generation Company, LLC (Proprietary Version)

Enclosure 7, 10 CFR 2.390 Affidavit of Bryan P. Wright

Enclosure 8, Projected Financial Statement for Exelon FitzPatrick, LLC (Non-Proprietary Version)

Enclosure 8A, Projected Financial Statement for Exelon FitzPatrick, LLC (Proprietary Version)

Enclosure 9, Form of Support Agreement

Enclosure 10, List of Regulatory Commitments

~~INCLUDES PROPRIETARY INFORMATION WITHHOLD UNDER 10 CFR 2.390 AND 9.17(a)(4)
Unrestricted Upon Removal of Enclosures 6A and 8A~~

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cc: (w/enclosures, except 6A and 8A)

Regional Administrator – NRC Region I
NRC Senior Resident Inspector – FitzPatrick Nuclear Power Plant
NRC Project Manager, NRR – FitzPatrick Nuclear Power Plant
A. L. Peterson, NYSERDA

~~INCLUDES PROPRIETARY INFORMATION WITHHOLD UNDER 10 CFR 2.390(a)(4) AND 9.17(a)(4)
Unrestricted Upon Removal of Enclosures 6A and 8A~~

~~INCLUDES PROPRIETARY INFORMATION - WITHHOLD UNDER 10 CFR 2.390 AND 9.17(a)(4)~~
~~Unrestricted Upon Removal of Enclosures 6A and 8A~~

ENCLOSURE 1

**APPLICATION FOR ORDER APPROVING TRANSFER OF
DIRECT OWNERSHIP UNDER RENEWED FACILITY OPERATING
LICENSE AND PROPOSED CONFORMING LICENSE AMENDMENT**

~~INCLUDES PROPRIETARY INFORMATION - WITHHOLD UNDER 10 CFR 2.390(a)(4) AND 9.17(a)(4)~~
~~Unrestricted Upon Removal of Enclosures 6A and 8A~~

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I. INTRODUCTION

In accordance with Section 184 of the Atomic Energy Act of 1954, as amended (the “Act”), 10 CFR 50.80, 10 CFR 72.50, and 10 CFR 50.90, Exelon Generation Company, LLC (“**Exelon Generation**”) and its wholly owned subsidiary Exelon FitzPatrick, LLC (“**Exelon FitzPatrick**”) (collectively Exelon Generation and Exelon FitzPatrick are referred to as the “**Applicants**”) hereby request written consent approving the transfer of direct ownership of the James A. FitzPatrick Nuclear Power Plant (“**FitzPatrick**”) from Exelon Generation to Exelon FitzPatrick under the Renewed Facility Operating License No. DPR-59 (the “**License**”) and the generally licensed FitzPatrick Independent Spent Fuel Storage Installation (the “**ISFSI**”) (collectively FitzPatrick and the ISFSI are referred to as the “**Facility**”). The Applicants also request that the NRC approve conforming administrative amendments to the License to reflect the proposed transfer of direct ownership of the Facility. No other changes to the license are requested in this Application. The license amendment should be approved, but not issued until consummation of the transaction as described below. The Applicants will notify the NRC when the transaction is scheduled to be consummated, so that the conforming license amendment can be issued concurrently with the closing. This is a regulatory commitment.

FitzPatrick is a single unit boiling water nuclear reactor with a rated thermal power of 2,536 MWt. FitzPatrick is located on Lake Ontario, in Scriba, Oswego County, New York and consists of the boiling water nuclear reactor, other associated plant equipment, and related site facilities. FitzPatrick is also the site of the generally licensed FitzPatrick ISFSI. The Facility is owned and operated by Exelon Generation.

Exelon Generation is a wholly owned subsidiary of Exelon Corporation (“**Exelon**”), a utility services holding company. Exelon’s stock is publicly traded on the New York Stock Exchange and widely held. Exelon Generation, for itself or through its co-owned subsidiary, owns or co-owns and operates twenty-three nuclear reactors, including FitzPatrick, at fourteen sites in five states.

Consent to the transfer of direct ownership of the Facility to Exelon FitzPatrick is requested as the result of a planned internal corporate reorganization pursuant to which Exelon Generation will transfer ownership of the Facility (land and assets) to Exelon FitzPatrick, a wholly owned subsidiary of Exelon Generation created solely for the purpose of owning the Facility. No other changes to the operating license are proposed; Exelon Generation will remain the licensed

² Unless otherwise noted, future references to the “License” include the general license for the FitzPatrick Independent Spent Fuel Storage Installation.

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operator of the Facility authorized to possess, use, and operate the Facility under a contract with Exelon FitzPatrick and the employer of the employees who work at the Facility. This corporate reorganization will align the corporate structure for the Facility with the existing corporate structure of, and contractual arrangements for, the other nuclear power plants in the State of New York that are co-owned by Exelon Generation subsidiaries. Specifically, Exelon Generation is also the licensed operator and indirect co-owner of three other units in the State of New York (Nine Mile Point Units 1 and 2 and Ginna). The units are owned by special purpose entities (Nine Mile Point Nuclear Station, LLC and R.E. Ginna Nuclear Power Plant, LLC), each of which is an indirect subsidiary of Exelon Generation.³

Marked-up pages showing the requested administrative changes to the License are provided as Attachment B to this enclosure. The marked-up pages reflect the addition of Exelon FitzPatrick as the owner of the Facility authorized to possess the Facility. No other changes to the License are reflected in Attachment B. The license amendment should be approved, but not issued until consummation of the transaction to take place contemporaneously with the transfer of ownership of the Facility to Exelon FitzPatrick.

II. STATEMENT OF PURPOSE OF THE TRANSFER AND NATURE OF THE TRANSACTION MAKING THE TRANSFER NECESSARY OR DESIRABLE

A. Summary Description of the Transfer of Ownership

FitzPatrick is a single unit boiling water reactor electric generating facility. The operating license was granted in 1974 and commercial operation began in July 1975. The NRC issued a renewed operating license for FitzPatrick on September 8, 2008, which expires on October 17, 2034. In Reference 1, the NRC approved the transfer of the operating license to own and operate the Facility to Exelon Generation. Following the proposed transfer as requested in this Application, Exelon FitzPatrick will become the owner of the Facility. Exelon Generation will remain the licensed operator of the Facility under the License and terms of the NOSA and will become an indirect owner of the Facility through its wholly owned subsidiary, Exelon

³ Nine Mile Point Nuclear Station, LLC (“NMPNS”) is the owner of Nine Mile Point Nuclear Power Station (“NMP”), Units 1 and 2. NMPNS shares an undivided ownership interest in NMP Unit 2 and entitlements to generating output with Long Island Power Authority, which holds an 18% interest with NMPNS holding the remaining 82% interest. NMPNS and R.E. Ginna Nuclear Power Plant, LLC are second-tier subsidiaries of Constellation Energy Nuclear Group, LLC, which is indirectly owned 50.01% by Exelon Generation and 49.99% by EDF Inc. Exelon Generation is the licensed operator of NMP and Ginna.

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FitzPatrick.

B. Nature of the Transaction Making Transfer of Ownership Desirable

During a planned internal corporate reorganization, Exelon Generation will transfer ownership of the Facility (land and assets) to Exelon FitzPatrick, a wholly owned subsidiary of Exelon Generation created solely for the purpose of owning the Facility. As noted above, this corporate restructuring will align the corporate structure for the Facility with the corporate structure of Exelon Generation's other nuclear power plants in the State of New York, Nine Mile Point Units 1 and 2 and Ginna. A chart showing the simplified organizational structure of the Applicants before and after the transfer of ownership is shown in Enclosures 4 and 5, respectively.

III. GENERAL CORPORATE INFORMATION REGARDING EXELON FITZPATRICK AND EXELON GENERATION

Exelon FitzPatrick is a direct wholly owned subsidiary of Exelon Generation. Following the proposed transaction, Exelon FitzPatrick will own the Facility.

Exelon Generation, a Pennsylvania limited liability company and wholly owned subsidiary of Exelon Corporation, is a major generator of electric power and a leading supplier of competitive electricity, with a current owned power generation portfolio of approximately 35,000 megawatts. Exelon Generation owns and, through its ownership or under contract, operates the largest nuclear fleet in the United States comprising approximately 19,303 megawatts, and Exelon Generation owns an additional 1,005 megawatts (approximately) from a co-owned nuclear plant. The company's Constellation business unit provides energy products and services to approximately two million residential, public sector, and business customers.

Exelon Corporation ("**Exelon**"), headquartered in Chicago, Illinois, is a U.S.-based energy company with power production, distribution operations, and related diversified services. Exelon is a Fortune 100 energy company, does business in 48 states, the District of Columbia, and Canada, and had 2016 operating revenue of approximately \$31.4 billion. Exelon's six utilities deliver electricity and natural gas to approximately 10 million customers in Delaware, the District of Columbia, Illinois, Maryland, New Jersey, and Pennsylvania through its Atlantic City Electric, BGE, ComEd, Delmarva Power, PECO, and Pepco subsidiaries.

Detailed information regarding the business and management of Exelon Corporation and its subsidiaries, including Exelon Generation, is provided in the 2016 Annual Report (SEC Form 10-K) dated February 13, 2017, which is available on the Internet at:

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<https://www.sec.gov/Archives/edgar/data/1109357/000119312517039639/0001193125-17-039639-index.htm>

or

<http://www.exeloncorp.com/investor-relations/reports-and-sec-filings>

Exelon Corporation's 10-K filings for the past five years can be found at:

<https://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=1109357&dateb=&owner=exclude&count=40>

or

<http://www.exeloncorp.com/investor-relations/reports-and-sec-filings>

The general corporate information required by 10 CFR 50.33(d)(3) regarding Exelon FitzPatrick and Exelon Generation and its parent company is provided in Enclosure 3.

IV. FOREIGN OWNERSHIP, CONTROL, OR DOMINATION

The Applicants are not owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government. Exelon FitzPatrick is a wholly owned subsidiary of Exelon Generation which, in turn, is a wholly owned subsidiary of Exelon Corporation, a U.S. utility services holding company. Exelon's securities are widely held and publicly traded on the New York Stock Exchange (NYSE: EXC). Section 13(d) of the Securities Exchange Act of 1934 ("SEC"), 15 U.S.C. 78m(d), as amended, requires that a person or entity that owns or controls more than five percent of the securities of a company must file notice with the SEC. Based upon filings with the SEC, Exelon is not aware of any alien, foreign corporation, or foreign government that holds or may hold more than five percent of the securities of Exelon. Unless otherwise indicated in Enclosure 3, the current directors and executive officers of Exelon Corporation, Exelon Generation, and Exelon FitzPatrick are United States citizens.

In seeking to become the licensed owner of FitzPatrick, Exelon FitzPatrick is not acting as an agent or a representative of another entity.

Accordingly, the proposed transfer of ownership of the Facility to Exelon FitzPatrick as proposed in this Application does not raise any issues related to foreign ownership, control, or

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domination within the meaning of the Atomic Energy Act of 1954, as amended.

V. TECHNICAL QUALIFICATIONS

No changes to the operating license are sought with respect to operating authority. As a result, following the proposed restructuring, Exelon Generation will remain the licensed operator of FitzPatrick under the terms of the NOSA. It remains technically qualified to operate the Facility. Exelon Generation is the largest licensed nuclear operator in the United States. It currently owns or co-owns, directly or through a co-owned subsidiary, and operates, through ownership or under contract, fourteen nuclear plants consisting of twenty-three units, including FitzPatrick (other units are Braidwood Station Units 1 and 2, Byron Station Units 1 and 2, Calvert Cliffs Nuclear Power Plant Units 1 and 2, Clinton Power Station, Dresden Nuclear Power Station Units 2 and 3, LaSalle County Station Units 1 and 2, Limerick Generating Station Units 1 and 2, Oyster Creek Nuclear Generating Station, Nine Mile Point Units 1 and 2, Peach Bottom Atomic Power Station Units 2 and 3, Quad Cities Nuclear Power Station Units 1 and 2, R.E. Ginna Nuclear Power Station, and Three Mile Island Nuclear Station Unit 1).

Exelon Generation will remain the employer of the employees working at the Facility. As a result, the proposed corporate reorganization will have no impact on staffing, management, or organization of FitzPatrick. No physical changes will be made to, and there will be no adverse changes in day-to-day operations of, the Facility as a result of the proposed transfer of direct ownership.

VI. FINANCIAL QUALIFICATIONS

The Applicants do not qualify as an electric utility under 10 CFR 50.2; therefore, the following information is provided in order to demonstrate financial qualifications in accordance with Section 50.33(f)(2).

Under the proposed change, Exelon FitzPatrick will be financially qualified to own the Facility and Exelon Generation remains financially qualified to indirectly own and to operate the Facility. As discussed below, projected revenues to Exelon FitzPatrick associated with the sale of electricity, capacity, and zero-emission credits from FitzPatrick are sufficient to cover projected costs. Exelon Generation will recover the costs of operating the Facility from Exelon FitzPatrick. Moreover, Exelon Generation has an investment grade credit rating, and it is financially qualified

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based upon its own revenues and assets.⁴ *Moody's* and *Standard and Poor's* bond ratings for the past three years demonstrating Exelon Generation's investment-grade bond ratings are shown in the table below.

Moody's and Standard and Poor's Bond Ratings

Moody's			S&P		
2014	2015	2016	2014	2015	2016
Baa2	Baa2	Baa2	BBB	BBB	BBB

In addition, historical financial information regarding Exelon Corporation and its subsidiaries, including Exelon Generation, is provided in the 2016 Annual Report Exelon Corporation filed with the Securities and Exchange Commission and available on the Internet at:

<https://www.sec.gov/Archives/edgar/data/1109357/000119312517039639/0001193125-17-039639-index.htm>

or

<http://www.exeloncorp.com/investor-relations/reports-and-sec-filings>

The information contained in this parent company report supports the conclusion that Exelon Generation possesses or has reasonable assurance of obtaining the funds necessary to cover the operating costs of FitzPatrick for the period of FitzPatrick's License in accordance with 10 CFR 50.33(f)(2) and the Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance (NUREG-1577, Revision 1).

A. Projected Operating Revenues and Operating Costs

Five year *pro forma* financial projections for Exelon Generation and for Exelon FitzPatrick are provided in Enclosures 6A and 8A, respectively, for the years 2018 through 2022. Enclosures 6A and 8A are proprietary because they contain Applicants' confidential commercial and

⁴ In accordance with the Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance, NUREG-1577, Revision 1, p. 10, for a licensee applicant that "has an 'investment grade' rating or equivalent from at least two of these sources [*Moody's*, *Standard and Poors*, and *Value Line*], . . . the reviewer will find such applicant financially qualified."

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financial information as described in the 2.390 Affidavit provided in Enclosure 7. Applicants request that Enclosures 6A and 8A be withheld from public disclosure pursuant to 10 CFR 9.17(a)(4) and 10 CFR 2.390(a)(4). Non-proprietary versions of Enclosures 6A and 8A suitable for public disclosure are provided as Enclosures 6 and 8, respectively. This proprietary financial information contained in Enclosures 6A and 8A demonstrates that Exelon FitzPatrick is financially qualified to own, and Exelon Generation is financially qualified to indirectly own and to operate under the contract, the Facility.

The projected income statements show that the anticipated revenues from sales of energy, capacity, and zero-emission credits under the New York Clean Energy Standard Tier 3 program from FitzPatrick provide reasonable assurance of an adequate source of funds for Exelon FitzPatrick to meet the anticipated expenses for FitzPatrick. The projected income statement for Exelon FitzPatrick also demonstrates financial qualifications to maintain the ISFSI. Exelon Generation's strong consolidated net income as indicated in the attached projected income statement for Exelon Generation in Enclosure 6A demonstrates that Exelon Generation will continue to possess the requisite financial qualifications to operate the Facility in accordance with NRC requirements and under the terms of the NOSA.

Exelon FitzPatrick's projected revenues and Exelon Generation's consolidated net income provide assurance of sufficient funds to cover the estimated fixed operating and maintenance expenses for a FitzPatrick outage of at least six months ("O&M Non-Outage," "O&M Outage," and "Property Taxes"). In addition, Exelon Generation will maintain a support agreement with Exelon FitzPatrick to provide added assurance of sufficient funds to cover the estimated fixed operating and maintenance expenses for a 6-month outage at FitzPatrick. This is consistent with the guidance in NUREG-1577. A copy of the form of the Support Agreement is provided in Enclosure 9.

B. Decommissioning Funding

The proposed internal corporate reorganization will not result in any adverse changes to the decommissioning funding assurance for the Facility. Pursuant to the NOSA, Exelon Generation retains responsibility for decommissioning. Exelon Generation currently maintains and will continue to maintain the external decommissioning trust funds in accordance with the requirements of 10 C.F.R. 50.75(e)(1)(i). The proposed restructuring will not impact the trust funds or reasonable assurance that Exelon Generation has or will obtain the funds necessary to cover the estimated costs of decommissioning.

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Information regarding the status of decommissioning funding for the Facility as of December 31, 2016 was reported to the NRC by the former operator of FitzPatrick (Entergy Nuclear Operations, Inc.) in the Decommissioning Funding Status Report per 10 CFR 50.75(f)(1) and 10 CFR 50.82(a)(8)(v) – Entergy Nuclear Operations, Inc., dated March 31, 2017 (ADAMS Accession No. ML17093A926). In that report, for the period as of December 31, 2016, costs to decommission the Facility were estimated to be \$634,760,000, consisting of \$626,380,000 in costs to decommission the site (estimated per 10 CFR 50.75(b) and (c) in 2016 dollars) and \$8,380,000 in costs to decommission the ISFSI. As of December 31, 2016, the trust fund balance was \$784,670,000. Upon the closing of the transfer of the Facility from Entergy to Exelon Generation in accordance with Reference 1 on March 31, 2017, the decommissioning funds were transferred to Exelon Generation. Accordingly, Exelon Generation meets or exceeds the NRC’s minimum funding requirements for FitzPatrick using the “prepayment” method in accordance with 10 CFR 50.75(e)(1)(i) and 10 CFR 72.30(e)(1).

VII. STANDARD CONTRACT FOR DISPOSAL OF SPENT NUCLEAR FUEL

Following completion of the proposed internal reorganization, Exelon Generation will remain responsible for the management and interim storage of spent nuclear fuel at FitzPatrick. Exelon Generation and Exelon FitzPatrick will be parties to the Standard Contract for the Disposal of Spent Nuclear Fuel and/or High Level Radioactive Waste, No. DE-CR01-83NE-44407-FTZ (“**DOE Standard Contract**”) and will retain all rights and obligations under that DOE Standard Contract for FitzPatrick.

VIII. RESTRICTED DATA AND CLASSIFIED NATIONAL SECURITY INFORMATION

The proposed transfer of ownership does not involve any Restricted Data or other Classified National Security Information or result in any change in access to such Restricted Data or Classified National Security Information. The existing restrictions on access to Restricted Data and Classified National Security Information are unaffected by the proposed transfer. In compliance with Section 145(a) of the Act and 10 CFR 95.35, the Applicants agree that restricted or classified defense information will not be provided to any individual until the Office of Personnel Management investigates and reports to the NRC on the character, associations, and loyalty of such individual, and the NRC determines that permitting such person to have access to Restricted Data will not endanger the common defense and security of the United States.

IX. ANTITRUST INFORMATION

Enclosure 1
Application for Order Approving Transfer of
Direct Ownership Under Renewed Facility Operating
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This Application post-dates the issuance of the License, and therefore no antitrust review is required or authorized. Based upon the NRC's decision in *Kansas Gas and Electric Co., et al.* (Wolf Creek Generating Station, Unit 1), CLI-99-19, 49 NRC 441 (1999), the Atomic Energy Act of 1954, as amended, does not require or authorize NRC antitrust reviews of post-operating license transfer applications.

X. PRICE-ANDERSON INDEMNITY AND NUCLEAR INSURANCE

The proposed transfer does not affect the existing Price-Anderson indemnity agreements for FitzPatrick or the required nuclear property damage insurance pursuant to 10 CFR 50.54(w) and nuclear energy liability insurance pursuant to Section 170 of the Atomic Energy Act and 10 CFR Part 140. However, Applicants hereby request that the Price-Anderson indemnity be amended to include Exelon FitzPatrick as the owner licensee and Exelon Generation as the operating licensee for the facility and to name Exelon FitzPatrick, in addition to Exelon Generation, as an indemnified entity.

The Applicants will maintain all required nuclear property damage insurance and nuclear energy liability insurance. In addition, the Exelon Generation annual reporting in compliance with 10 CFR 140.21(e) provides reasonable assurance regarding its ongoing ability to pay any annual retrospective premium. Also, the Applicants' financial information submitted with or referenced in this Application provides assurance of the ability to pay deferred premiums in accordance with 10 CFR 140.21.

XI. ENVIRONMENTAL REVIEW

The requested consent to transfer direct ownership for the Facility under the License is exempt from environmental review because it falls within the categorical exclusion contained in 10 CFR 51.22(c)(21) for which neither an Environmental Assessment nor an Environmental Impact Statement is required. Moreover, the proposed transfer of direct ownership does not directly affect the actual operation of the facility in any substantive way. The proposed transfer does not involve an increase in the amounts, or a change in the types, of any radiological effluents that may be allowed to be released off-site, and involves no increase in the amounts or change in the types of non-radiological effluents that may be released off-site. Further, there is no increase in the individual or cumulative operational radiation exposure, and the proposed direct transfer has no environmental impact.

XII. EFFECTIVE DATE AND OTHER REQUIRED REGULATORY APPROVALS

Enclosure 1
Application for Order Approving Transfer of
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Subject to the receipt of the required regulatory approvals, the Applicants wish to proceed with the proposed transfer promptly and have targeted a completion by November 30, 2017. Accordingly, the Applicants respectfully request that the NRC review this Application on a schedule that will permit the NRC to issue an Order consenting to the transfer and approving the conforming license amendment as promptly as possible and in any event by October 31, 2017. Once approved, the Applicants will provide at least two business days' notice prior to the date planned to consummate the proposed transaction and transfer of ownership so that NRC can issue the license amendment on that date. This is a regulatory commitment.

The Applicants are prepared to work closely with the NRC staff to help expedite the review of the Application. The Applicants further request that the consent to the transfer of ownership be immediately effective upon issuance and that it permit the proposed transaction to be implemented at any time within one year of the date of approval of this Application or such later date as the NRC may approve.

The transfer of ownership of the Facility to Exelon FitzPatrick requires approvals and/or actions from other regulatory agencies, including the Federal Energy Regulatory Commission and the New York Public Service Commission. These approvals are being sought separately under each agency's regulatory requirements.

XIII. CONCLUSION

Based upon the foregoing information, the Applicants respectfully request that the NRC issue an Order consenting to the proposed transfer of direct ownership related to Renewed Facility Operating License No. DPR-59 and the ISFSI general license and approving the conforming administrative license amendment.

XIV. REFERENCES

1. Letter from Diane L. Render (USNRC) to Brian Sullivan (Entergy Nuclear Operations, Inc.) "James A. FitzPatrick Nuclear Power Plant – Order Approving Direct Transfer of Renewed Facility Operating License and Independent Spent Fuel Storage Installation General License and Conforming Amendment (CAC Nos. MF8293 and MF8294)" dated March 1, 2017

Attachments:

Attachment A – License Amendment Request

~~INCLUDES PROPRIETARY INFORMATION – WITHHOLD UNDER 10 CFR 2.390 AND 9.17(a)(4)~~

~~Unrestricted Upon Removal of Enclosures 6A and 8A~~

Enclosure 1
Application for Order Approving Transfer of
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Attachment B – Mark-up of Renewed Facility Operating License

~~INCLUDES PROPRIETARY INFORMATION – WITHHOLD UNDER 10 CFR 2.390(a)(4) AND 9.17(a)(4)~~

~~Unrestricted Upon Removal of Enclosures 6A and 8A~~

ENCLOSURE 1, ATTACHMENT A

LICENSE AMENDMENT REQUEST

1.0 SUMMARY DESCRIPTION

2.0 DETAILED DESCRIPTION

3.0 TECHNICAL EVALUATION

4.0 REGULATORY EVALUATION

4.1 Applicable Regulatory Requirements/Criteria

4.2 Significant Hazards Consideration

4.3 Conclusions

5.0 ENVIRONMENTAL CONSIDERATION

Enclosure 1 – Attachment A
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1.0 SUMMARY DESCRIPTION

The proposed change is a request to replace the reference to Exelon Generation Company, LLC in Renewed Facility Operating License No. DPR-59 (“**License**”) for the James A. FitzPatrick Nuclear Power Plant (“**FitzPatrick**”) as the owner of the Facility with Exelon FitzPatrick, LLC under the same conditions and authorizations for ownership included in the existing licenses. The proposed changes do not include any changes to Exelon Generation Company, LLC as the licensed operator which shall be undertaken on a contract basis following the transfer of ownership to Exelon FitzPatrick.

Enclosure 1, Attachment B provides the marked-up pages of the License.

2.0 DETAILED DESCRIPTION

The proposed changes will revise the License to reflect the name and address of the new owner.

The requested amendments will conform the License to reflect the transfer actions for which NRC consent is being requested pursuant to 10 CFR 50.80 (see the remainder of this license transfer transmittal package).

3.0 TECHNICAL EVALUATION

There will be no adverse changes in the day-to-day operations of the Facility. Exelon Generation will remain the licensed operator for the Facility and under the terms of the Nuclear Operating Services Agreement. The proposed change will have no impact on the design, function, or operation of any plant structure, system, or component, either technically or administratively, nor will it have a programmatic effect on the Facility’s Quality Assurance Programs.

4.0 REGULATORY EVALUATION

4.1 APPLICABLE REGULATORY REQUIREMENTS/CRITERIA

The proposed license changes are primarily administrative in nature. These changes identify a corporate and name change for the owner of FitzPatrick. These changes are considered administrative. No physical changes will be made and there will be no adverse change in the day-to-day operations of the Facility or any change in the operating authority under the License. Therefore, the proposed license amendment does not adversely affect nuclear safety or safe plant operations.

Enclosure 1 – Attachment A
License Amendment Request
Docket No. 50-333
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10 CFR 2.1315, Generic Determination Regarding License Amendments to Reflect Transfers.

This regulation states that the NRC has determined that license amendments that conform the license to reflect a transfer action involve no significant hazards consideration and do not adversely affect the health and safety of the public.

10 CFR 50.80 and 10 CFR 72.50, Transfer of Licenses. These regulations provide the basis for NRC approval of license transfers. The proposed license amendment is requested based on the request for the license transfer described in this transmittal package.

4.2 NO SIGNIFICANT HAZARDS DETERMINATION

The proposed changes to the License are primarily administrative in nature.

In its regulations, at 10 CFR 2.1315, the NRC has made a generic determination regarding no significant hazards consideration determinations required by 10 CFR 50.92. The determination is applicable to license amendments involving license transfers. In brief, the rule states that the NRC has determined generically that any amendment to the license of a utilization facility which does no more than conform the license to reflect the transfer action involves no significant hazards consideration. The proposed changes contained in this license amendment application are intended solely to conform the FitzPatrick License to reflect the change in direct ownership as a result of the license transfer and thus meet the criteria specified by 10 CFR 2.1315.

4.3 CONCLUSIONS

In conclusion, based upon this analysis provided, the proposed license amendment will neither have any adverse impact on the public health and safety, nor be inimical to the common defense and security. Therefore, the proposed license amendment meets the requirements of 10 CFR 2.1315 and 10 CFR 50.90 and does not involve a significant hazards consideration.

5.0 ENVIRONMENTAL CONSIDERATION

This proposed license amendment is a direct result of an approval of a transfer of ownership issued by the NRC. Therefore, the proposed amendment is eligible for categorical exclusion as set forth in 10 CFR 51.22(c)(21). Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment is needed in connection with the proposed amendment.

~~INCLUDES PROPRIETARY INFORMATION - WITHHOLD UNDER 10 CFR 2.390 AND 9.17(a)(4)~~
~~Unrestricted Upon Removal of Enclosures 6A and 8A~~

ENCLOSURE 1, ATTACHMENT B

MARK-UP OF RENEWED FACILITY OPERATING LICENSE

~~INCLUDES PROPRIETARY INFORMATION - WITHHOLD UNDER 10 CFR 2.390 AND 9.17(a)(4)~~
~~Unrestricted Upon Removal of Enclosures 6A and 8A~~

EXELON FITZPATRICK, LLC
AND
EXELON GENERATION COMPANY, LLC
DOCKET NO. 50-333
JAMES A. FITZPATRICK NUCLEAR POWER PLANT
RENEWED FACILITY OPERATING LICENSE
Renewed License No. DPR-59

1. The Nuclear Regulatory Commission (NRC or the Commission), having previously made the findings set forth in Facility Operating License No. DPR-59, dated November 21, 2000, has found that:
 - A. The application to renew Facility Operating License No. DPR-59 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. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. Actions have been identified and have been or will be taken with respect to: (1) managing the effects of aging on the functionality of structures and components that have been identified to require review under 10 CFR 54.21(a)(1) during the period of extended operation, 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;
 - 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 Commission's regulations;
 - E. **Exelon FitzPatrick, LLC ("Exelon FitzPatrick") and Exelon Generation Company, LLC ("Exelon Generation Company")** ~~is~~ **are** financially and technically qualified to engage in the activities authorized by this renewed operating license;
 - F. **Exelon FitzPatrick and Exelon Generation Company** ~~has~~ **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. The receipt, possession, and use of source, byproduct, and special nuclear material as authorized by this renewed operating 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, 70.23, and 70.31; and
 - I. The issuance of this renewed operating license is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.
2. Accordingly, Facility Operating License No. DPR-59 (previously issued to the Power Authority of the State of New York and Niagara Mohawk Power Corporation pursuant to the Atomic Safety and Licensing Board's Initial Decision and Supplemental Initial Decision dated November 12, 1973, and January 10, 1974, respectively; and the Atomic Safety and Licensing Appeal Board's Decision dated January 29, 1974) as previously amended and transferred to Entergy Nuclear FitzPatrick, LLC (ENF) and Entergy Nuclear Operations, Inc. (ENO) dated November 21, 2000, is superseded by Renewed Facility Operating License No. DPR-59, hereby issued to **Exelon FitzPatrick and Exelon Generation Company** to read as follows:
- A. This renewed operating license applies to the James A. FitzPatrick Nuclear Power Plant, a boiling water nuclear reactor and associated equipment (the facility), owned by **Exelon FitzPatrick** and operated by Exelon Generation Company. The facility is located in Scriba, Oswego County, New York, 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) Pursuant to Section 104b of the Act and 10 CFR Part 50, "Licensing of Production and Utilization Facilities," **(a) Exelon FitzPatrick as the owner to possess and (b) Exelon Generation Company as the operator to possess, use, and operate the facility at the designated location in Scriba, Oswego County, New York, in accordance with the procedures and limitations set forth in this renewed operating license;**
 - (2) Exelon Generation Company 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;
 - (3) Exelon Generation Company 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) Exelon Generation Company 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 without restriction to chemical or physical form, for sample analysis or instrument calibration; or associated with radioactive apparatus, components or tools.
 - (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 renewed operating 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

Exelon Generation Company is authorized to operate the facility at steady state reactor core power levels not in excess of 2536 megawatts (thermal).

(2) Technical Specifications

The Technical Specifications contained in Appendix A, as revised through Amendment No. 314, are hereby incorporated in the renewed operating license. The licensee shall operate the facility in accordance with the Technical Specifications.

(3) Fire Protection

Exelon Generation Company shall implement and maintain in effect all provisions of the approved fire protections program as described in the Final Safety Analysis Report for the facility and as approved in the SER dated November 20, 1972; the SER Supplement No. 1 dated February 1, 1973; the SER Supplement No. 2 dated October 4, 1974; the SER dated August 1, 1979; the SER Supplement dated October 3, 1980; the SER Supplement dated February 13, 1981; the NRC Letter dated February 24, 1981; Technical Specification Amendments 34 (dated January 31, 1978), 80 (dated May 22, 1984), 134 (dated July 19, 1989), 135 (dated September 5, 1989), 142 (dated October 23, 1989), 164 (dated August 10, 1990), 176 (dated January 16, 1992), 177 (dated February 10, 1992), 186 (dated February 19, 1993), 190 (dated June 29, 1993), 191 (dated July 7, 1993), 206 (dated February 28, 1994), and 214

(dated June 27, 1994); and NRC Exemptions and associated safety evaluations dated April 26, 1983, July 1, 1983, January 11, 1985,

April 30, 1986, September 15, 1986, and September 10, 1992, subject to the following provision:

Exelon Generation Company 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.

- (4) Systems Integrity
Deleted by Amendment No. 274
- (5) Iodine Monitoring
Deleted by Amendment No. 274
- (6) New or Revised ITS Surveillance Requirements Applicability:

The schedule for performing Surveillance Requirements (SRs) that are new or revised in Amendment No. 274 shall be as follows:

- (a) For SRs that are new in this amendment, the first performance is due at the end of the first surveillance interval that begins on the date of implementation of this amendment.
- (b) For SRs that existed prior to this amendment whose intervals of performance are being reduced, the first reduced surveillance interval begins upon completion of the first surveillance performed after the implementation of this amendment.
- (c) For SRs that existed prior to this amendment whose intervals of performance are being extended, the first extended surveillance interval begins upon completion of the last surveillance performed prior to the implementation of this amendment.
- (d) For SRs that existed prior to this amendment that have modified acceptance criteria, the first performance is due at the end of the first surveillance interval that began on the date the surveillance was last performed prior to the implementation of this amendment.

D. Physical Protection

Exelon Generation Company shall fully implement and maintain in effect all provisions of the Commission-approved physical security, training and qualification, and safeguards contingency plans including amendments made pursuant to the 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 combined set of plans¹,

¹ The Training and Qualification Plan and Safeguards Contingency Plan are Appendices to the Security Plan.

which contain Safeguards Information protected under 10 CFR 73.21, is entitled: "James A. FitzPatrick Nuclear Power Plant Physical Security, Training & Qualification and Safeguards Contingency Plan, Revision 0," submitted by letter dated October 26, 2004, as supplemented by letter dated May 17, 2006.

Exelon Generation Company shall fully implement and maintain in effect all provisions of the Commission-approved cyber security plan (CSP), including changes made pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). Exelon Generation Company CSP was approved by License Amendment No. 300, as supplemented by changes approved by License Amendment Nos. 303, 308, and 311.

Exelon Generation Company has been granted Commission authorization to use "stand alone preemption authority" under Section 161A of the Atomic Energy Act, 42 U.S.C. 2201a with respect to the weapons described in Attachment 1, Section II contained in its application submitted by letter dated August 30, 2013, as supplemented by letters dated November 12, 2013, and July 11, 2014. Exelon Generation Company shall fully implement and maintain in effect the provisions of the Commission-approved authorization.

E. Power Uprate License Amendment Implementation

The licensee shall complete the following actions as a condition of the approval of the power uprate license amendment.

(1) Recirculation Pump Motor Vibration

Perform monitoring of recirculation pump motor vibration during initial Cycle 13 power ascension for uprated power conditions.

(2) Startup Test Program

The licensee will follow a startup testing program, during Cycle 13 power ascension, as described in GE Licensing Topical Report NEDC-31897P-1, "Generic Guidelines for General Electric Boiling Water Reactor Power Uprate." The startup test program includes system testing of such process control systems as the feedwater flow and main steam pressure control systems. The licensee will collect steady-state operational data during various portions of the power ascension to the higher licensed power level so that predicted equipment performance characteristics can be verified. The licensee will do the startup testing program in accordance with its procedures. The licensee's approach is in conformance with the test guidelines of GE Licensing Topical Report NEDC-31897P-1, "Generic Guidelines for General Electric Boiling Water Reactor Power Uprate," June 1991 (proprietary), GE Licensing Topical Report NEDO-31897, "Generic Guidelines for General Electric Boiling Water Reactor Power Uprate," February 1992 (nonproprietary), and NEDC-31897P-AA, Class III (proprietary), May 1992.

(3) Human Factors

The licensee will review the results of the Cycle 13 startup test program to determine any potential effects on operator training. Training issues identified will be incorporated in Licensed Operator training during 1997. Simulator discrepancies identified will be addressed in accordance with simulator Configuration Management procedural requirements.

F. Additional Conditions

The Additional Conditions contained in Appendix C, as revised through Amendment No. 289, are hereby incorporated into this renewed operating license. Exelon Generation Company shall operate the facility in accordance with the Additional Conditions.

G. DELETED

H. DELETED

I. DELETED

J. DELETED

K. DELETED

L. DELETED

M. DELETED

N. DELETED

O. DELETED

P. For purposes of ensuring public health and safety, Exelon Generation Company, upon the transfer of this license to it, and upon transfer of decommissioning funds from ENF to Exelon Generation Company, shall provide decommissioning funding assurance for the facility, to be held in a decommissioning trust fund for the facility by the prepayment or equivalent method, of no less than the amount required under NRC regulations at 10 CFR 50.75. Any amount held in any decommissioning trust maintained by Exelon Generation Company for the facility after the transfer of the facility license to Exelon Generation Company may be credited towards the amount required under this paragraph.

Q. Exelon Generation Company shall take all necessary steps to ensure that the decommissioning trust is maintained in accordance with the application for the transfer of this license to Exelon Generation Company, and the requirements of the order approving the transfer and order approving the transfer of decommissioning funds from PASNY to **Entergy Nuclear Operations, Inc.**, and consistent with the safety evaluations supporting such orders.

R. Mitigation Strategy License Condition

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

- S. The licensee shall implement and maintain all Actions required by Attachment 2 to NRC Order EA-06-137, issued June 20, 2006, except the last action that requires incorporation of the strategies into the site security plan, contingency plan, emergency plan and/or guard training and qualification plan, as appropriate.
- T. License Renewal – UFSAR supplement submitted pursuant to 10 CFR 54.21(d), as revised during the license renewal application review process, and as supplemented by Appendix A of NUREG-1905, “Safety Evaluation Report Related to the License Renewal of James A. FitzPatrick Nuclear Power Plant,” dated April 2008, describes certain programs to be implemented and activities to be completed prior to the period of extended operation (PEO).

- a. The licensee shall implement those new programs and enhancements to existing programs no later than the PEO date.
- b. The licensee shall complete those inspection and testing activities by the PEO date.

The licensee shall notify the NRC in writing within 10 days after having accomplished item (a) above and include the status of those activities that have been or remain to be completed in item (b) above.

- U. UFSAR Supplement Changes - The UFSAR supplement, as revised, submitted pursuant to 10 CFR 54.21(d), shall be included in the next scheduled update to the UFSAR required by the 10 CFR 50.71(e)(4) following the issuance of this renewed operating license. Until that update is complete, Exelon Generation Company may make changes to the programs and activities described in the supplement without prior Commission approval, provided that Exelon Generation Company evaluate such changes pursuant to the criteria set forth in 10 CFR 50.59 and otherwise complies with the requirements in that section.

- V. Capsule withdrawal schedule - All capsules in the reactor vessel that are removed and tested must meet the test procedures and reporting requirements of the most recent NRC-approved version of the Boiling Water Reactor Vessel and Internals Project (BWRVIP) Integrated Surveillance Program (ISP) appropriate 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, as required by 10 CFR Part 50, Appendix H.

- ∇.W. Exelon FitzPatrick shall take no action to cause Exelon Generation Company or its parent company, and Exelon Generation Company shall not take any action, to void, cancel, or modify the \$100 million Support Agreement to provide funding for the facility as represented in the application for approval of the transfer of direct ownership of and the license to own the facility from Exelon Generation Company to Exelon FitzPatrick, without the prior written consent of the Director, Office of Nuclear Reactor Regulation.**

3. This renewed operating license is effective as of the date of issuance and shall expire at midnight October 17, 2034.

FOR THE NUCLEAR REGULATORY COMMISSION

\RA\

Eric J. Leeds, Director
Office of Nuclear Reactor Regulation

Attachments/Appendices:

1. Appendix A – Technical Specifications
2. Appendix B – Deleted
3. Appendix C – Additional Conditions

Date of Issuance: September 8, 2008

APPENDIX C
ADDITIONAL CONDITIONS
OPERATING LICENSE NO. DPR-59

Amendment Number	Additional Conditions
243	Exelon Generation Company shall describe snubber operation and surveillance requirements in the Final Safety Analysis Report such that future changes to those requirements will be subject to the provisions of 10 CFR 50.59.
250	Exelon Generation Company shall relocate operability and surveillance requirements for logic bus power monitors, core spray sparger differential pressure, and low pressure coolant injection cross-connect valve position instruments to an Exelon-controlled document where future change to those relocated requirements are controlled under the provisions of 10 CFR 50.59.
274	Exelon Generation Company shall relocate the Technical Specification requirements identified in Table LA – “Removal of Details Matrix” and Table R – “Relocated Specifications” to licensee-controlled documents, as described in the application, as supplemented on June 12, 2002, and the NRC staff’s Safety Evaluation enclosed with Amendment No. 274, dated July 3, 2002. Further, relocations to the updated Final Safety Analysis Report (UFSAR) shall be reflected in the next UFSAR update required by 10 CFR 50.71(e) following implementation of this amendment.
289	<p>Control Room Envelope Habitability</p> <p>Upon implementation of Amendment No. 289, adopting TSTF-448, Revision 3, the determination of control room envelope (CRE) unfiltered air inleakage required by SR 3.7.3.3 in accordance with TS 5.5.14.c.(i), the assessment of CRE habitability, as required by Specification 5.5.14.c.(ii), and the measurement of CRE pressure as required by Specification 5.5.14.d shall be considered met. Following implementation:</p> <p>(a) The first performance of SR 3.7.3.3 in accordance with Specification 5.5.14.c(i) shall be within the specified Frequency of 6 years, plus the 18-month allowance of SR 3.0.2 as measured from June 28, 2004, the date of the most recent successful tracer gas test, as stated in the licensee’s letter, “NRC Generic Letter 2003-01 Control Room Habitability Initial Action Summary Report” (JAFP-04-0159), dated September 27, 2004, or within 18 months if the time period since the most recent successful tracer gas test is greater than 6 years.</p>

Appendix C

- 2 -

(b) The first performance of the periodic assessment of CRE habitability Specification 5.5.14.c(ii) shall be within 3 years, plus the 9-month allowance of SR 3.0.2, as measured from June 28, 2004, the date of the most recent successful tracer gas test, as stated in the licensee's letter, "NRC Generic Letter 2003-01 Control Room Habitability Initial Action Summary Report" (JAFP-04-0159), dated September 27, 2004, or within 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 5.5.14.d shall be within 18 months, plus the 138-day allowance of SR 3.0.2 as measured from the date of the most recent successful pressure measurement test or within 138 days if not performed previously.

ENCLOSURE 2

FORM OF NUCLEAR OPERATING SERVICES AGREEMENT

Form of
NUCLEAR OPERATING SERVICES AGREEMENT

This Nuclear Operating Services Agreement (this “**Agreement**” or “**NOSA**”) dated as of _____, 2017 (the “**Commencement Date**”) is entered into by and among Exelon Generation Company, LLC, a Pennsylvania limited liability company (“**ExGen**”), and Exelon Fitzpatrick, LLC, a Delaware limited liability company (“**Owner**”). ExGen and Owner are referred to individually herein as a “**Party**” and collectively herein as the “**Parties.**”

RECITALS

WHEREAS, Owner is a direct wholly owned subsidiary of ExGen;

WHEREAS, ExGen currently owns and operates the James A. Fitzpatrick Nuclear Power Plant and related facilities (the “**Facility**”);

WHEREAS, as of the Commencement Date, ExGen will transfer ownership of the Facility to Owner pursuant to a Contribution Agreement, dated as of the Commencement Date (the “**Contribution Agreement**”);

WHEREAS, Owner desires to engage the services of a qualified operator to provide corporate, operational and managerial support services and other services for the **Facility**;

WHEREAS, ExGen has the requisite experience and expertise in providing corporate, operational and managerial support services and possesses the resources and capabilities to continue providing such services for the Facility under Owner’s ownership and to operate the Facility as part of ExGen’s Fleet of nuclear power plants; and

WHEREAS, Owner desires to engage ExGen to perform the Services (as defined herein) and ExGen desires to perform such Services as provided herein;

NOW THEREFORE, in consideration for the premises and the representations, warranties, and covenants contained herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties, intending to be legally bound hereby, agree as follows:

ARTICLE I
DEFINITIONS

1.1 Definitions. As used in this Agreement, the following terms shall have the meanings indicated:

“**Act**” means the Atomic Energy Act of 1954, as amended.

“**Affiliate**” means, with respect to any Person, any other Person directly or indirectly Controlled by, Controlling or under common Control with such Person.

“Agreement” has the meaning set forth in the preamble.

“Allocated Costs” means the costs incurred by ExGen associated with providing the Services (other than Direct Costs) allocated to each nuclear facility in ExGen’s Fleet in accordance with Section 7.1(b).

“Applicable Law” means any federal, state or local statute, law, rule, regulation, code, ordinance, judgment, decree or writ of any Governmental Authority, and any official interpretations thereof, regulating, relating to or imposing liability or standards of conduct concerning Owner, ExGen, the Site, the Facility or the performance of the Services.

“Commencement Date” has the meaning set forth in the Preamble.

“Contribution Agreement” has the meaning set forth in the Whereas clauses hereof.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of securities, by contract or otherwise. The terms **“Controlled”** and **“Controlling”** shall have correlative meanings.

“Decommission” and **“Decommissioning”** mean the complete retirement and removal of the Facility from service and the restoration of the Site to a status that permits the Site and spent fuel storage installation to be released for unrestricted use in accordance with the NRC regulations, as well as any planning and administrative activities incidental thereto, including (a) reducing residual radioactivity at the Site and spent fuel storage installation to levels meeting the NRC radiological release criteria and any other actions necessary to obtain termination of the NRC Licenses and (b) all other activities necessary for the retirement, dismantlement, and decontamination of the Facility to comply with all applicable requirements of the Act, the NRC rules, regulations, orders and pronouncements thereunder and any related decommissioning plan, environmental laws and other laws.

“Direct Cost” has the meaning set forth in Section 7.1(a).

“Exelon Nuclear Management Model” means ExGen’s proprietary nuclear management model and related management systems, including software programs, policies, processes and procedures relative to the management, operation and maintenance of ExGen’s nuclear generating facilities, as updated by ExGen from time to time.

“ExGen” has the meaning set forth in the preamble.

“ExGen Personnel” means the personnel from ExGen’s or any of its Affiliates or Subcontractors’ organizations, agents, counsel, and advisors performing Services under this Agreement.

“ExGen’s Fleet” means the Facility taken together with each other nuclear facility for which ExGen is the NRC licensed operator under contract or by ownership.

“**Facility**” has the meaning set forth in the Whereas clauses hereof.

“**Good Utility Practice**” means at any time those practices, methods, techniques and standards in effect at the time of performance of the Services hereunder that are commonly used in the United States in prudent management and maintenance of equipment of, and the provision of operational support services for, nuclear generating stations. Without limiting the foregoing, “**Good Utility Practice**” is also intended to be the practices, methods, techniques and standards utilized by ExGen in operational and managerial support services for its owned, affiliated, managed or operated nuclear generating facilities located in the United States, and as generally accepted in the industry with respect to the management and maintenance of, and the provision of services for, nuclear generating stations located in the United States and the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected at such time from a skilled and experienced provider of services similar to the Services.

“**Governmental Approval**” means any authorization, consent, approval, license, ruling, waiver, permit, certification, exemption, filing, declaration or registration by or with any Governmental Authority having jurisdiction over any of the Site, the Facility, the Services or the Parties.

“**Governmental Authority**” means all federal, state and local governments and all agencies, authorities, departments, instrumentalities, courts, or other subdivisions of each having executive, legislative, judicial, regulatory or administrative jurisdiction over any of the Site, the Facility, the Services or the Parties.

“**INPO Allocation Method**” means the method for allocating costs incurred by ExGen in respect of ExGen’s Fleet to each nuclear facility in ExGen’s Fleet in the same manner as the Institute of Nuclear Power Operations allocates its fees, whereby the Site with an operating reactor is allocated three (3) points and each operating reactor in ExGen’s Fleet is allocated one (1) point (*e.g.*, four (4) points for single units, five (5) points for dual units). For each billing period, the Allocated Costs charged to the Facility will be equal to (a) the aggregate amount of Allocated Costs incurred by ExGen during such billing period; multiplied by (b) a fraction, the numerator of which is the INPO points attributed to the Facility, and the denominator of which is the total number of INPO points attributed to all facilities in ExGen’s Fleet.

“**IP**” means any information and any other intellectual property of any type whatsoever, in any tangible or intangible form or medium, and all rights associated therewith in any jurisdiction, including any proprietary management processes of ExGen and its Affiliates, and the Exelon Nuclear Management Model.

“**NRC**” means the United States Nuclear Regulatory Commission and any successor agency established in the United States for the regulation of civilian nuclear power.

“**NRC Licenses**” means the licenses for the Facility issued to Owner and ExGen pursuant to the regulations of the NRC.

“**Party**” or “**Parties**” has the meaning set forth in the preamble.

“**Person**” means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or any federal, state, local or other governmental entity, body or authority.

“**Records**” has the meaning set forth in Article XI.

“**Reimbursable Costs**” has the meaning set forth in Section 7.2.

“**Services**” has the meaning set forth in Section 3.1.

“**Site**” means the real property on which the Facility is located including surrounding land owned by the Owner or its Affiliates.

“**Subcontract**” means any agreement by ExGen with a Subcontractor for the performance of any portion of the Services.

“**Subcontractor**” means any vendor, supplier, manufacturer, material man, ExGen or subcontractor (other than ExGen or its Affiliates) that is contracted directly with ExGen to perform any part of the Services or providing other services or supplies in connection with the Services.

“**Taxes**” means all fees, taxes (including sales taxes, use taxes, stamp taxes, value-added taxes, ad valorem taxes and property taxes (personal and real, tangible and intangible)), levies, assessments, customs duties, withholdings and other charges and impositions of any nature, other than taxes based on net income or net worth, plus all related interest, penalties, fines and additions to tax, now or hereafter imposed by any Governmental Authority or other taxing authority.

“**Term**” has the meaning set forth in Section 2.1.

“**Termination Date**” has the meaning set forth in Section 10.2(a).

“**Transition Period**” has the meaning set forth in Section 10.3.

ARTICLE II TERM; COMMENCEMENT OF SERVICES

2.1 Term. The term of this Agreement (the “**Term**”) shall begin on the Commencement Date and shall continue through Decommissioning unless terminated earlier as provided herein.

ARTICLE III EXGEN RESPONSIBILITIES; SCOPE OF RELATIONSHIP

3.1 Services. Subject to the terms of this Agreement, ExGen shall (a) provide corporate and administrative services necessary for the operation of the Facility as the NRC licensed operator and to operate its business, in accordance with historic practice, Applicable Law, and contractual obligations, (b) manage, operate, maintain and Decommission the Facility

as the NRC licensed Person in accordance with the NRC Licenses and Applicable Law, and on behalf of Owner on a basis consistent in all material respects with Good Utility Practices and the Exelon Nuclear Management Model and (c) be responsible for the management and interim storage of spent nuclear fuel at the Facility in accordance with Applicable Law relating to the use, handling and disposal of radioactive materials, including obligations under the Nuclear Waste Policy Act of 1982 (together, the “**Services**”).

3.2 Relationship of the Parties. In performing the Services, ExGen shall be an independent contractor of Owner.

3.3 Subcontractors. ExGen or its Affiliates may contract a Subcontractor to perform any part or parts of the Services. Notwithstanding the foregoing, ExGen shall at all times remain solely responsible for the quality, timeliness and professionalism of all Subcontractors and the performance of the Services. ExGen shall be fully responsible for the acts and omissions of its Subcontractors. For the avoidance of doubt, ExGen shall remain solely responsible and liable for any Subcontractor contracts to which ExGen, and not Owner, is a party.

3.4 Reports. At the request of Owner, ExGen shall provide Owner with and submit in accordance with Applicable Law standard operational and financial reports in accordance with its Exelon Nuclear Management Model.

3.5 Employees. Services will be performed by employees of ExGen or its Affiliates. ExGen may, subject to the terms hereof, elect to transfer employees from employment by Owner to employment by ExGen, loan ExGen employees to provide Services to Owner, or transfer employees from employment by ExGen to employment by Owner (*provided* that if ExGen transfers ExGen employees to employment by Owner, ExGen will indemnify Owner for liabilities arising solely from such employment, other than Allocated Costs or Direct Costs chargeable under the terms of this Agreement). ExGen may elect to assign employees of Owner on a short-term basis to provide services to operations of ExGen other than the Facility, so long as such costs are allocated in a manner consistent with the allocation of Direct Costs in this Agreement, for the use of those employees and ExGen indemnifies Owner solely for any liability arising from the performance of Owner’s employees at a location other than the Facility.

ARTICLE IV OWNER’S RESPONSIBILITIES

4.1 Assumption of Ownership of Facility On the Commencement Date, ExGen shall transfer ownership of the Facility to Owner in accordance with the Contribution Agreement, *provided* that Owner and ExGen have all approvals required by Applicable Law for ExGen to transfer ownership of the Facility to Owner and for ExGen to continue performing the Services as the NRC licensed operator. After the Commencement Date, Owner will ensure that ExGen has access to (a) all original equipment manufacturer instructions and manuals relating to the equipment at the Facility, (b) all specifications, analyses, operating manuals and instructions, drawings (including as-built drawings), (c) all information necessary to comply with Owner’s quality assurance plan, and (d) all records related to the construction of the Facility necessary for ExGen to perform the Services.

4.2 Cooperation. As necessary, Owner shall furnish to ExGen the information or assistance as may be required for ExGen to comply with the terms of this Agreement and for the expeditious and orderly performance of the Services by ExGen.

4.3 Access to the Facility and the Site. Subject to applicable security and access rules and regulations, Owner shall provide ExGen access to the Facility and Site as required for performance of the Services and copies of all licenses, easements or other agreements Owner has entered or may enter into regarding access to the Facility and the Site that affect ExGen or the Services. Owner shall ensure that ExGen has the full and uninterrupted benefit of all such licenses, easements or other agreements and shall ensure that such licenses, easements or other agreements do not adversely affect ExGen's performance of the Services.

4.4 Owner Information. Owner shall act in good faith to assure that all information and materials given by Owner to ExGen are accurate when given in all material respects.

4.5 Appointment as Agent. Owner does hereby grant to ExGen and its Affiliates, as agent for Owner, individually or collectively, the power and authority to exercise in accordance with Applicable Laws the rights of Owner under, and to execute, modify, amend or terminate, any contracts, including without limitation, leases easements, agreements, purchase orders, licenses, permits and privileges relating to the operation and maintenance of, and making capital improvements to, the Facility. Nonetheless, unless otherwise agreed in writing, Owner shall remain solely responsible for each of the contracts to which Owner, and not ExGen, is a party.

ARTICLE V EXGEN'S RESPONSIBILITIES

5.1 Operation of Facility On the Commencement Date, ExGen shall transfer ownership of the Facility to Owner in accordance with the Contribution Agreement and ExGen shall be responsible for day-to-day management activities and operation of the Facility, *provided* that Owner and ExGen have (i) all approvals required by Applicable Law for ExGen to transfer ownership of the Facility to Owner and for ExGen to perform the Services as the NRC licensed operator and (ii) all equipment, materials, spare parts and consumables necessary for ExGen to provide the Services. After the Commencement Date, ExGen shall retain access to (a) all original equipment manufacturer instructions and manuals relating to the equipment at the Facility, (b) all specifications, analyses, operating manuals and instructions, drawings (including as-built drawings), (c) all information necessary to comply with Owner's quality assurance plan and (d) all records related to the construction of the Facility necessary for ExGen to perform the Services.

5.2 Governmental Approvals. ExGen shall support and assist Owner as may be reasonably required in order for Owner to obtain and maintain all Governmental Approvals (a) required by Applicable Law for Owner to own and ExGen to operate the Facility and (b) required by Applicable Law for ExGen to perform the Services, including, without limitation, the NRC Licenses and those related to nuclear safety.

5.3 NRC Licenses. ExGen will hold and maintain the NRC Licenses required to operate the Facility for the duration of the Term and will take all reasonable actions to ensure that the NRC License to own the Facility is transferred to Owner upon the Commencement Date.

5.4 Assistance to Owner. ExGen shall furnish to Owner the information or assistance as may be reasonably necessary in order to enable Owner to comply with its obligations under Article IV and for the expeditious and orderly operation of the Facility.

5.5 Performance Standards. ExGen shall perform the Services: (a) in compliance with the terms of this Agreement; (b) in compliance with the standards and objectives of the Exelon Nuclear Management Model as adapted to the Facility, as the same may change from time to time; and (c) in a good and workmanlike manner in accordance with the NRC Licenses and Applicable Law, and consistent with Good Utility Practice.

5.6 Taxes and Benefits. During the Term of this Agreement, ExGen shall be solely responsible for providing or causing to be provided to each member of ExGen Personnel his or her compensation and benefits, and shall further be solely responsible to issue or cause to issue IRS W-2 forms for ExGen Personnel and for all taxes, workers' compensation, social security, unemployment, and other contributions for benefits measured by salary payable to ExGen Personnel.

5.7 ExGen Employees. Except as provided in Section 7.1, ExGen shall be solely responsible for (a) all compensation, benefits and other employer obligations in respect of employees of ExGen or its Affiliates providing Services under this Agreement, (b) training and oversight of employees of ExGen or its Affiliates providing Services under this Agreement and (c) all employment decisions with respect to employees of ExGen or its Affiliates providing Services under this Agreement.

ARTICLE VI BUDGET

6.1 Annual Budget. ExGen shall prepare and propose an annual budget and a business plan.

ARTICLE VII COST REIMBURSEMENT

7.1 Cost Reimbursement. From and after the Commencement Date and continuing throughout the Term, ExGen shall be entitled to be reimbursed for the following costs incurred by ExGen, its Subcontractors, or its Affiliates in performance of the Services:

(a) Direct Costs. All direct costs of ExGen of providing any Service that would not constitute Allocated Cost pursuant to Section 7.1(b), including without limitation: (i) the costs of ExGen Personnel performing the Services at the Facility, including travel and relocation expenses where applicable; (ii) any costs incurred by ExGen associated with improvements to existing systems, integration into ExGen systems, and software programs required to implement the Exelon Nuclear Management Model and "CFAM" philosophy at each Facility; and (iii) all costs incurred by ExGen (including the cost of any Subcontractors) related

to materials, services, equipment, Taxes (other than those imposed in respect of income or revenues of ExGen) and other expenditures (as an agent of the Owner) that are required in the good faith judgment of ExGen to operate the Facility in accordance with Good Utility Practice, in each case as described in Exhibit A (such costs collectively, the “**Direct Costs**”). The Direct Costs will be allocated on a basis consistent with ExGen’s similar costs as allocated to other nuclear facilities in ExGen’s Fleet (as such costs are in effect from time to time).

(b) Allocated Costs. All Allocated Costs based on the INPO Allocation Method, calculated based on the Facility being part of ExGen’s Fleet as described in Exhibit A; *provided* that such allocation is non-discriminatory and on a basis consistent with ExGen’s allocation of similar costs as invoiced to other nuclear facilities in ExGen’s Fleet (as such costs are in effect from time to time). For avoidance of doubt, certain personnel-related reimbursements may be classified as Allocated Costs, including the travel and relocation expenses of certain personnel. For the avoidance of doubt, in no event shall Allocated Costs include any item to the extent such item is also invoiced as a Direct Cost.

7.2 Settlement. On a monthly basis, Owner and ExGen shall settle all Direct Costs and Allocated Costs (together the “**Reimbursable Costs**”) incurred during the preceding month by intercompany accounting. Notwithstanding any other provision in this Agreement, all costs associated with Decommissioning the Facility and which are allowed by Applicable Law to be reimbursed from any Decommissioning trust funds maintained for the Facility shall be paid for from such funds.

ARTICLE VIII TAXES

8.1 Taxes. Each Party shall be responsible for all Taxes to which it is subject, which Taxes arise out of or are in any way connected with this Agreement. If, under Applicable Law, ExGen is required to collect any such Taxes from Owner, ExGen shall settle the collection of such Taxes by intercompany accounting.

ARTICLE IX INSURANCE

9.1 ExGen Insurance. ExGen shall procure and maintain insurance coverage during the Term in the type and amount consistent with insurance covering ExGen’s Fleet and in accordance with Good Utility Practice.

ARTICLE X TERMINATION

10.1 Termination. During the Term, this Agreement may be terminated by Owner, at its discretion, provided that Owner obtains all required Governmental Approvals required to transfer operation of the Facility to Owner or another Person selected by Owner. ExGen shall continue to perform all Services contemplated by this Agreement until Owner has secured all such required Governmental Approvals, including approval from the NRC.

10.2 Actions upon Termination. Prior to the effective date of any termination under this Article X, the Parties shall work in good faith to ensure a satisfactory transfer of responsibility in process and cooperate to obtain all Governmental Approvals (if any and to the extent allowed) required for such transfer. Upon a termination in accordance with Section 10.1, ExGen shall:

(a) discontinue performance of the Services on the date agreed upon by the parties (the “**Termination Date**”),

(b) place no further orders or enter into any Subcontracts for items or Services unless required for standby, demobilization, remobilization or as otherwise provided in this Article 10;

(c) subject to the terms of this Agreement, cooperate with Owner in the transfer to Owner of items or information and disposition of the Services in progress;

(d) inventory and turn over to Owner all equipment and materials purchased by ExGen and reimbursed by Owner in accordance with the terms of this Agreement and any other equipment or other items provided by Owner for performance of the terminated or suspended Services;

(e) cooperate with Owner and their agents and representatives in the turnover of the Services and transition of the employees, as appropriate, to Owner (or their designated successor ExGen in the event of termination) who shall provide operational support services for the Facility; and

(f) up to and including the Termination Date, ExGen shall continue to perform the Services hereunder in accordance with Good Utility Practices and in accordance with the terms of this Agreement; *provided* that ExGen shall be entitled to and shall collect all compensation in accordance with this Agreement (including Reimbursable Costs payable under the terms of this Agreement and any additional reasonable out-of-pocket costs incurred in providing transition assistance to Owner or their successor ExGen during such time) through intercompany accounting.

10.3 Post-Termination Transition Period. Owner’s right to use the IP will automatically cease at the Termination Date; *provided* that Owner will be entitled to continue to use the IP on a transitional period for a period of 12 months following the Termination Date (such period, the “**Transition Period**”) to the extent necessary to provide an orderly transition off of ExGen’s systems and software platforms. During the Transition Period, ExGen shall cooperate and provide reasonable assistance to Owner in effecting such IP transition; *provided* that Owner reimburses ExGen for ExGen’s actual cost of providing such transition services and permitting continued use of IP, determined in the same manner that costs are allocated and charged pursuant to Article VII of this Agreement.

ARTICLE XI RECORDS

In accordance with its standard corporate practices, ExGen will at all times operate a system of accounting and maintain complete and accurate records and supporting documentation in relation to the performance of its obligations under this Agreement, *provided* that documentation related to the provision and performance of the Services shall be maintained for the greater of five years or as required by Applicable Law. ExGen shall collaborate with and assist Owner to operate a system of accounting and maintain complete and accurate records in relation to the operation of the Facility, including Services rendered by ExGen (the “**Records**”). The intent is for the Records to be in accordance with Good Utility Practice to ensure that the Records will be at least sufficient to enable Owner and/or their authorized representatives to conduct thorough operational, technical, and regulatory audits related to the Facility. The Records will be maintained for the greater of (a) ExGen’s document retention program requirements or (b) as is required by Applicable Laws.

ARTICLE XII MISCELLANEOUS

12.1 Notices. Any notice pertaining to this Agreement shall be in writing and sent via facsimile transmittal, registered or certified mail (postage prepaid), hand delivery or by commercial overnight courier, to the other Party, at its respective address designated in this Agreement as set forth below. Each Party shall have the right to change the contact information set forth herein by sending a similar notice to the other Party in like manner. Notices, demands, offers or other written instruments shall be deemed to have been duly given on the date actually received by the intended recipient.

If to ExGen:

Exelon Generation Company, LLC
4300 Winfield Road
Warrenville, Illinois 60555
Attention: J. Bradley Fewell, Vice President and Deputy General Counsel
Phone: 630-657-3752
Email: bradley.fewell@exeloncorp.com

If to Owner:

Exelon Fitzpatrick, LLC
10 South Dearborn, 49th Floor
Chicago, Illinois 60603
Attention: Michael Pacilio, President
Phone: 630-657-3601
Email: michael.pacilio@exeloncorp.com

12.2 Complete Agreement. This Agreement sets forth the entire understanding of the Parties and supersedes any and all prior agreements, arrangements, or understandings relating to the subject matter hereof.

12.3 Construction of Agreement. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

12.4 Amendments. The terms of this Agreement shall be modified only by a written document signed by an authorized representative of each Party, which authorizes a change in this Agreement. No purported oral modification, waiver, or rescission of this Agreement by an employee or agent of any Party shall operate as a modification, waiver, or rescission of any of the provisions of this Agreement. No course of prior dealing, usage of trade, and course of performance shall be used to modify, supplement, or explain any terms of this Agreement.

12.5 No Third Party Beneficiaries. A person who is not a Party to this Agreement may not enforce any of its terms and the provisions of this Agreement are intended for the sole benefit of Owner and ExGen and there are no third party beneficiaries hereof, other than their permitted successors and assigns pursuant to the relevant provisions hereof.

12.6 Governing Law; Interpretation; Severability. This Agreement shall be interpreted, governed and construed in accordance with the laws of State of New York, and excluding any conflict of laws rule or principle that might refer the governance or the construction of this Agreement to the law of another jurisdiction. The provisions of this Agreement shall be interpreted where possible in a manner to sustain their legality and enforceability. The unenforceability of any provision of this Agreement in a specific situation shall not affect the enforceability of that provision in another situation or the remaining provisions of this Agreement. Subject to the terms of this Agreement, the Parties shall have all rights and remedies at law or in equity.

12.7 Assignment. No Party may assign its right, title, and interest in this Agreement to any other Person without the prior written consent of the other Party.

12.8 Execution; Counterparts. This Agreement shall not be binding or effective until properly executed by each Party. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same Agreement, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such fully executed counterpart.

12.9 Survival. The following Articles and Sections shall survive termination of this Agreement: Articles VIII and IX in addition to any other provisions which by their nature should, or by their express terms do, survive or extend beyond the Term of this Agreement.

12.10 Waiver. Either Party's waiver of any breach or failure to enforce any of the terms, covenants, conditions, or other provisions of this Agreement at any time shall not in any way affect, limit, modify, or waive that Party's right thereafter to enforce or compel strict

compliance with every term, covenant, condition, or other provision hereof, any course of dealing or custom of the trade notwithstanding. All waivers of any term, covenant, condition or other provision of this Agreement must be given in writing.

IN WITNESS WHEREOF, the Parties have executed this Agreement through their duly authorized officers as of the Commencement Date.

EXGEN: EXELON GENERATION COMPANY, LLC

By: _____

Name: _____

Title: _____

OWNER: EXELON FITZPATRICK, LLC

By: _____

Name: _____

Title: _____

EXHIBIT A

Characterization of Costs

For avoidance of doubt, the Services may include, but will not be limited to, those described under the subheadings below:

The following corporate nuclear support functions at ExGen's Nuclear Division will be allocated costs through the INPO formula as Nuclear Corporate Services

- Chief Nuclear Officer and staff
- Nuclear oversight
- Nuclear human resources
 - Talent development
 - Recruiting
- Labor relations
- Engineering and technical services governance and oversight
 - Programs and design engineering
 - Nuclear fuel procurement
 - Project management
 - Asset management
- Operational support services governance and oversight
 - Operations oversight and nuclear duty office
 - Maintenance and work management
 - Radiation protection, chemistry and environmental
 - Industrial safety
 - Training
- Outage services
 - Reactor and turbine maintenance
 - Inspection services
 - Vendor alliance management
 - Outage planning and scheduling
- Decommissioning and spent fuel management
- Security
- Emergency preparedness
- Nuclear finance and accounting
 - Financial reports
 - Business planning
- Licensing and regulatory
 - Common regulatory and industry fees
 - Government affairs
- Payroll and associated employee costs and benefits of allocated employees
- Travel and living for business expenses of allocated employees
- Facility rent and utilities

The following nuclear support functions will be performed at the Site and be direct costs

- Payroll and associated site employee costs and benefits
- Travel and living for business expenses of site employees
- Materials, parts, equipment and chemicals
- Service contracts performed at the site
- Waste disposal
- Outage services
- Facility cost

The following Nuclear Services will not be performed at the Site and will be direct costs

- Corporate managed site specific projects (e.g. license amendments, large equipment replacements)
- Nuclear fuel design and analysis
- Financial support for financial reports and reporting
- Roving outage services support

The following administrative functions will be allocated costs through the INPO formula as Nuclear Corporate Services

- Strategic supply and procurement
- IT support and development for fleet wide systems and equipment
- Payroll and accounts payable processing
- General legal support
- Benefits administration

The following administrative functions will be performed at the Site and will be direct costs

- IT staff and equipment
- Supply procurement and materials management functions
- Communications staff
- Human resources

The following administrative functions will not be performed at the Site and will be direct costs

- Legal support on specific matters relating to a site
- Property tax negotiation
- Labor negotiations
- Corporate managed site-specific projects

~~INCLUDES PROPRIETARY INFORMATION - WITHHOLD UNDER 10 CFR 2.390 AND 9.17(a)(4)~~
~~Unrestricted Upon Removal of Enclosures 6A and 8A~~

ENCLOSURE 3

GENERAL CORPORATE INFORMATION REGARDING
EXELON CORPORATION, EXELON GENERATION COMPANY, LLC,
AND EXELON FITZPATRICK, LLC

~~INCLUDES PROPRIETARY INFORMATION - WITHHOLD UNDER 10 CFR 2.390(a)(4) AND 9.17(a)(4)~~
~~Unrestricted Upon Removal of Enclosures 6A and 8A~~

ENCLOSURE 3

GENERAL CORPORATE INFORMATION REGARDING
EXELON CORPORATION

NAME:	Exelon Corporation
STATE OF INCORPORATION & CORPORATE FORM:	Pennsylvania Corporation
BUSINESS ADDRESS:	10 South Dearborn Street, P.O. Box 805379, Chicago, IL 60680-5379
BOARD OF DIRECTORS: (Unless otherwise noted, these individuals are US citizens)	Mayo A. Shattuck III Christopher M. Crane Anthony K. Anderson Ann C. Berzin Yves C. de Balmann (US and France) Nicholas DeBenedictis Nancy L. Gioia Linda P. Jojo Paul Joskow, Ph.D. Robert J. Lawless (Canada) Richard W. Mies John W. Rogers Stephen D. Steinour
PARTIAL LIST OF EXECUTIVE PERSONNEL:	Christopher M. Crane – President and Chief Executive Officer Kenneth W. Cornew – Senior Executive Vice President and Chief Commercial Officer Denis P. O’Brien – Senior Executive Vice President and Chief Executive Officer, Exelon Utilities William A. Von Hoene – Senior Executive Vice President and Chief Strategy Officer Jonathan W. Thayer – Senior Executive Vice President and Chief Financial Officer Paymon Aliabadi – Executive Vice President and Chief Enterprise Risk Officer Duane M. DesParte – Senior Vice President and Corporate Controller

ENCLOSURE 3

GENERAL CORPORATE INFORMATION REGARDING
EXELON GENERATION COMPANY, LLC

NAME:	Exelon Generation Company, LLC
STATE OF INCORPORATION & CORPORATE FORM:	Pennsylvania Limited Liability Company
BUSINESS ADDRESS:	300 Exelon Way Kennett Square, PA 19348-2473
BOARD OF DIRECTORS OR MANAGEMENT COMMITTEE:	None (member managed by Exelon Corporation)
PARTIAL LIST OF EXECUTIVE PERSONNEL:	Kenneth W. Cornew – President and Chief Executive Officer Michael J. Pacilio – Executive Vice President and Chief Operating Officer Ronald DeGregorio – Senior Vice President and President Exelon Power Bryan C. Hanson – Senior Vice President and President and Chief Nuclear Officer, Exelon Nuclear Bryan P. Wright – Senior Vice President and Chief Financial Officer Matthew Bauer – Vice President and Controller Joseph Nigro – Chief Executive Officer, Constellation

ENCLOSURE 3

GENERAL CORPORATE INFORMATION REGARDING
EXELON FITZPATRICK, LLC

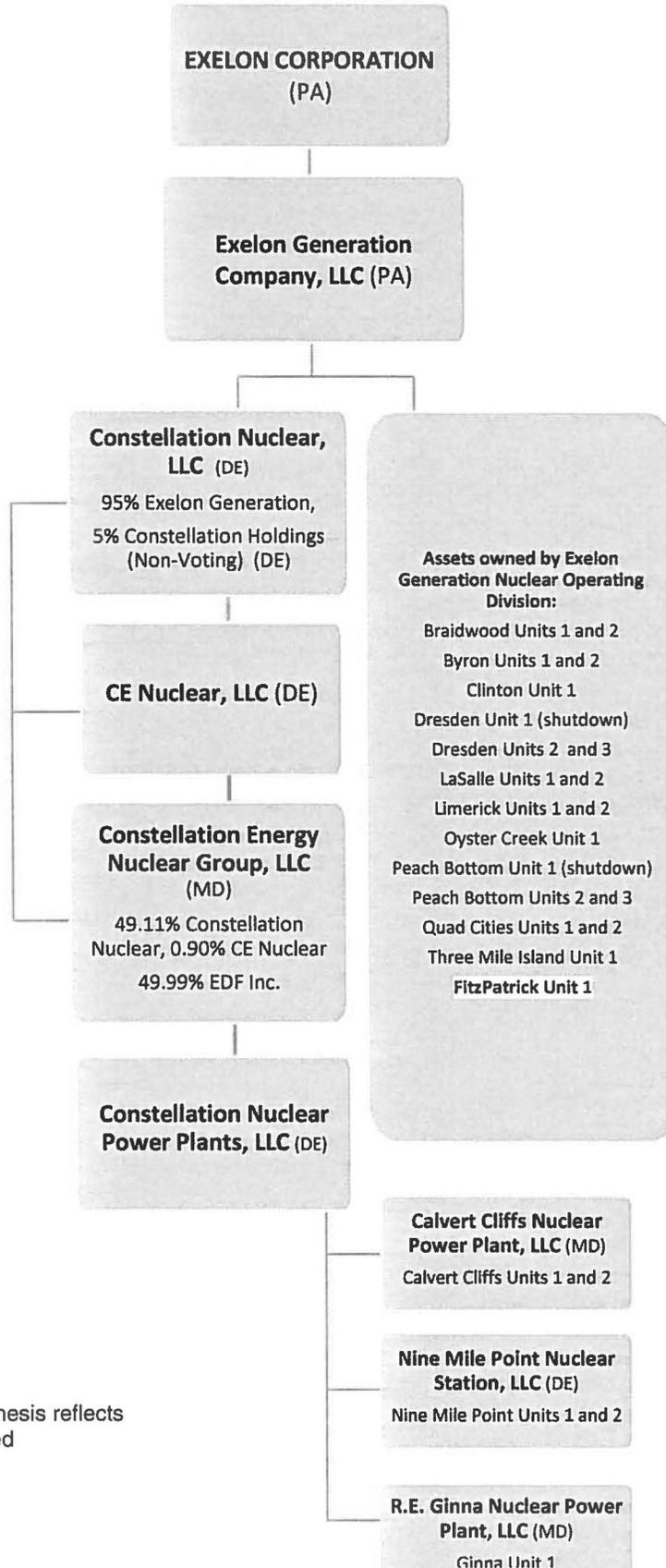
NAME:	Exelon FitzPatrick, LLC
STATE OF INCORPORATION & CORPORATE FORM:	Delaware Limited Liability Company
BUSINESS ADDRESS:	10 South Dearborn Street, 49 th Floor Chicago, Illinois 60603
PHYSICAL ADDRESS OF FACILITY:	268 Lake Road Oswego, New York 13126
BOARD OF DIRECTORS OR MANAGEMENT COMMITTEE:	None (member managed by Exelon Generation Company, LLC)
OFFICERS:	Michael J. Pacilio – President Bryan P. Wright – Chief Financial Officer Shravan Chopra – Treasurer Elisabeth J. Graham – Assistant Treasurer Bruce J. Wilson – Secretary Thomas D. Terry, Jr. – Vice President Taxes Robert A. Kleczynski – Assistant Vice President Taxes Denis M. Eischen – Assistant Vice President Taxes J. Bradley Fewell – Senior Vice President and Assistant Secretary Brian Buck – Assistant Secretary David O. Dardis – Assistant Secretary Tamra Domeyer – Assistant Secretary Scott N. Peters – Assistant Secretary

ENCLOSURE 4

CURRENT ORGANIZATION CHART

Enclosure 4

Current Exelon Generation Organization Chart



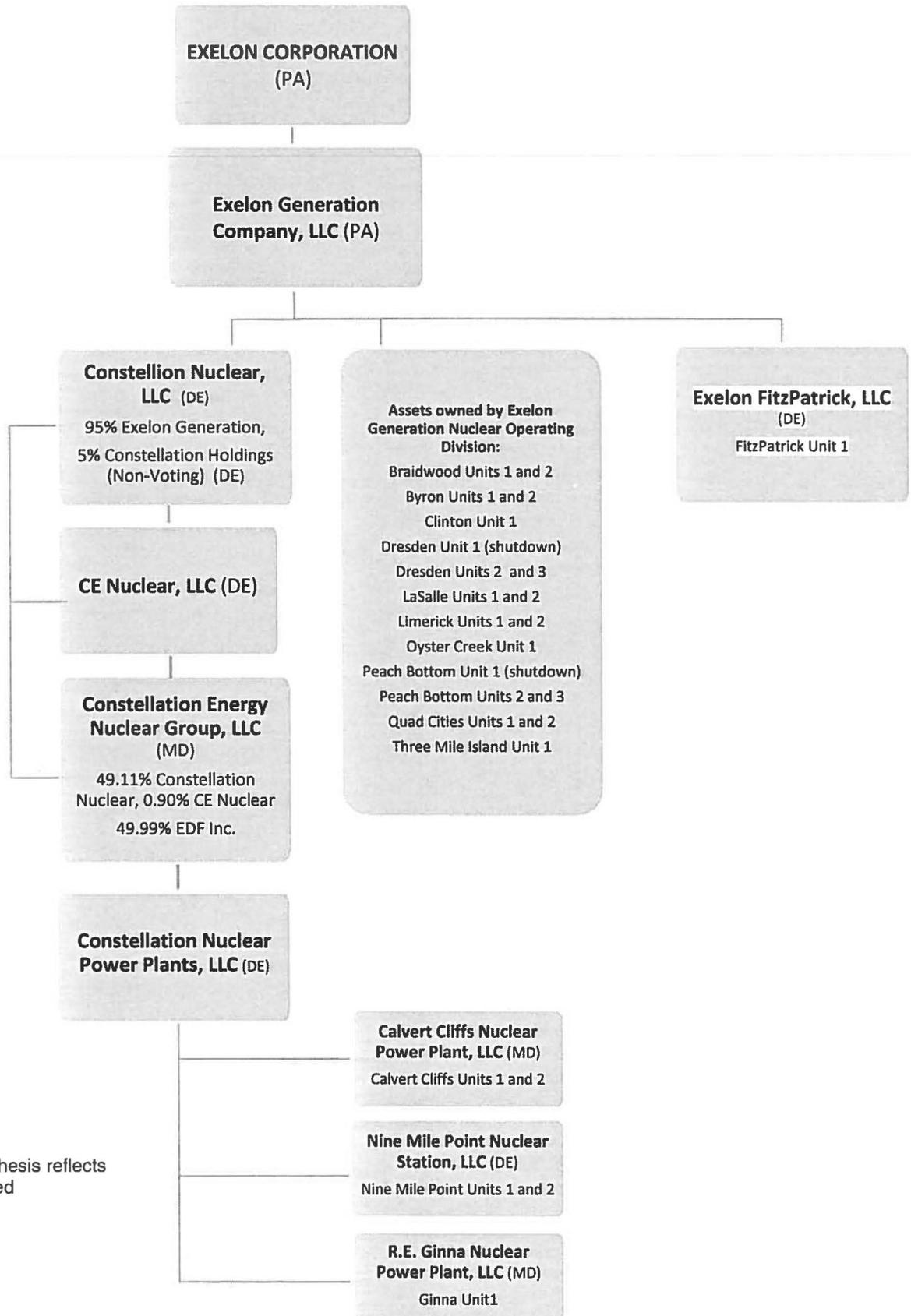
Note: designation in parenthesis reflects state in which entity is formed

ENCLOSURE 5

NEW ORGANIZATION CHART WITH EXELON FITZPATRICK, LLC

Enclosure 5

New Organization Chart With Exelon FitzPatrick, LLC



Note: designation in parenthesis reflects state in which entity is formed

ENCLOSURE 6

**PROJECTED INCOME STATEMENT FOR
EXELON GENERATION COMPANY, LLC**

(NON-PROPRIETARY VERSION)

Enclosure 6

Projected Income Statement for Exelon Generation Company, LLC
(including FitzPatrick as part of the operating fleet) (Proprietary Version)

Exelon Generation Consolidated
Projected Income Statement

(\$ in millions)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Operating Revenues					
Operating Revenues					
Total Operating Revenues					
Operating Expenses					
Purchased Power and Fuel and Cost of Sales					
Operating and Maintenance					
Depreciation and Amortization					
Taxes other than Income					
Total Operating Expenses					
Operating (Loss) Income					
Other Income and (Deductions)					
Interest Expense					
Other, Net					
Total Other Income and (Deductions)					
Income (Loss) Before Income Taxes					
Income Taxes					
Net Income (Loss)					
Net Income (Loss) Attributable to Non-Controlling Interests					
Net Income (Loss) on Membership Interest					

Enclosure 6

**Projected Income Statement for Exelon Generation Company, LLC (including FitzPatrick as part
of the operating fleet) (Non-Proprietary Version)**

**Notes for Exelon Generation Consolidated
Projected Income Statement**

1. All financial projections are based on Exelon Generation Company's 5+7 long range plan update for the period 2017 – 2021. The 5+7 long range plan reflects the impacts associated with the Clean Energy Standard Order issued by the New York Public Service Commission on 8/1/16 and the integration of the FitzPatrick nuclear plant into Exelon Generation Company's nuclear fleet.
2. Exelon Generation Company adopted full consolidation of the FitzPatrick nuclear plant as of the effective date of the acquisition and integration of FitzPatrick Nuclear Power Plant on March 31, 2017.
3. Exelon Generation Company, through its subsidiaries, owns a 50.01% interest, and EDF Inc. owns a 49.99% interest, in Constellation Energy Nuclear Group, LLC (“CENG”). CENG, through its subsidiary, owns Nine Mile Point Nuclear Station (100% of Unit 1 and 82% of Unit 2, with the Long Island Power Authority owning the remaining 18% of Unit 2), R.E. Ginna Nuclear Power Plant, and Calvert Cliffs Nuclear Power Plant. EDF Inc. has an option to sell its 49.99% interest in CENG to Exelon Generation at fair market value from January 1, 2016 to June 30, 2022 (under limited circumstances, the period for exercise of the put option may be extended for 18 months); the financial projections assume that this put option is not exercised during the financial period 2018-2022.
4. Projections for 2022 were developed by applying a standard 3% escalation rate to the 2021 revenues and expenses.

ENCLOSURE 7

10 CFR 2.390 AFFIDAVIT OF BRYAN P. WRIGHT

2.390 AFFIDAVIT

I, Bryan P. Wright, Senior Vice President and Chief Financial Officer, Exelon Generation Company, LLC, and Chief Financial Officer, Exelon FitzPatrick, LLC do hereby affirm and state:

1. I am authorized to execute this affidavit on behalf of Exelon Generation Company, LLC and Exelon FitzPatrick, LLC (the Applicants).
2. The Applicants are providing information in support of the application for an Order approving a transfer of ownership from Exelon Generation Company, LLC to its wholly owned subsidiary, Exelon FitzPatrick, LLC. The documents being provided in Enclosures 6A and 8A contain proprietary financial information and financial projections related to the ownership and operation of the Applicants' generation assets. These documents constitute proprietary commercial and financial information that should be held in confidence by the NRC pursuant to the policy reflected in 10 CFR §§ 2.390(a)(4) and 9.17(a)(4), because:
 - i. This information is and has been held in confidence by the Applicants.
 - ii. This information is of a type that is customarily held in confidence by the Applicants, and there is a rational basis for doing so because the information contains sensitive financial information concerning projected revenues and operating expenses of the Applicants.
 - iii. This information is being transmitted to the NRC voluntarily and in confidence.
 - iv. This information is not available in public sources and could not be gathered readily from other publicly available information.
 - v. Public disclosure of this information would create substantial harm to the competitive position of the Applicants by disclosing their internal financial projections.
3. Accordingly, the Applicants request that the designated documents be withheld from public disclosure pursuant to the policy reflected in 10 CFR §§ 2.390(a)(4) and 9.17(a)(4).

Bryan P. Wright
Bryan P. Wright

Subscribed and sworn before me, a Notary Public, in and for the State of Maryland and City of Baltimore, this 18th day of July, 2017.

WITNESS my hand and Notary Seal

My Commission Expires:
3/29/2020



Catherine Stanley
Notary Public
7/18/17
Date

ENCLOSURE 8

PROJECTED FINANCIAL STATEMENT FOR EXELON FITZPATRICK, LLC
(NON-PROPRIETARY VERSION)

Enclosure 8

Projected Financial Statement for Exelon FitzPatrick, LLC (Non-Proprietary Version)

Exelon FitzPatrick, LLC
Projected Income Statement

(\$ in millions, rounded)

	2018	2019	2020	2021	2022
Revenue					
Market Revenue					
ZEC Revenue					
Total Revenues					
Operating Expenses					
Purchased Fuel and Energy and Cost of Sales					
O&M Non-Outage					
O&M Outage					
O&M Allocated Nuclear Corporate					
Property Taxes					
Depreciation and Amortization					
Total Operating Expenses					
Pretax Income (Loss)					
Income Taxes					
Net Income (Loss)					

Enclosure 8

Projected Financial Statement for Exelon FitzPatrick, LLC (Non-Proprietary Version)

Exelon FitzPatrick, LLC
Projected Income Statement Assumes 10% Reduction in Market Revenue

(\$ in millions, rounded)	2018	2019	2020	2021	2022
Revenue					
Market Revenue					
ZEC Revenue					
Total Revenues					
Operating Expenses					
Purchased Fuel and Energy and Cost of Sales					
O&M Non-Outage					
O&M Outage					
O&M Allocated Nuclear Corporate					
Property Taxes					
Depreciation and Amortization					
Total Operating Expenses					
Pretax Income (Loss)					
Income Taxes					
Net Income (Loss)					

Enclosure 8
Financial Statements for Exelon FitzPatrick, LLC (Non-Proprietary Version)

Notes for Exelon FitzPatrick, LLC
Projected Income Statement

1. Site financial projections are based on Exelon Generation Company's internal projections for the period 2018 - 2022 and incorporate the integration of the FitzPatrick nuclear plant into Exelon Generation Company's nuclear fleet.
2. Market revenues for 2018 - 2022 were calculated using forward prices as of 5/31/17 and Exelon Generation Company's internal projections for expected generation at the FitzPatrick nuclear plant.
3. Zero-Emission Credit ("ZEC") revenues were calculated using Exelon Generation Company's internal projections for expected generation at the FitzPatrick nuclear plant and a ZEC price of:
 - a. \$17.48/MWh for Tranche 1 (April 2017 – March 2019) as calculated and defined in the New York Public Service Commission order; and
 - b. For future tranches within the 5-year period, the projections are based on the social cost of carbon as calculated in the New York Public Service Commission Order and forward energy and capacity prices for New York as specified in the New York Public Service Commission Order. The forward prices included in the calculation are based on the market prices as of 5/31/17.
4. O&M Allocated Nuclear Corporate includes direct site costs that are managed by Exelon Generation Company's corporate functions (e.g. insurance) and corporate governance and oversight expenses. The allocation of governance and oversight expenses was estimated using Exelon Generation Company's projections for other single unit sites within the fleet that are forecasted to operate for the full 5-year period.
5. Property taxes are estimated based on 



~~INCLUDES PROPRIETARY INFORMATION -- WITHHOLD UNDER 10 CFR 2.390 AND 9.17(a)(4)
Unrestricted Upon Removal of Enclosures 6A and 8A~~

Enclosure 8
Financial Statements for Exelon FitzPatrick, LLC (Non-Proprietary Version)



~~INCLUDES PROPRIETARY INFORMATION -- WITHHOLD UNDER 10 CFR 2.390 AND 9.17(a)(4)
Unrestricted Upon Removal of Enclosures 6A and 8A~~

ENCLOSURE 9

FORM OF SUPPORT AGREEMENT

Form of
SUPPORT AGREEMENT

Between

Exelon Generation Company, LLC

And

Exelon FitzPatrick, LLC

THIS SUPPORT AGREEMENT (this "**Agreement**"), dated as of _____, 2017 between Exelon Generation Company, LLC ("**Exelon Generation**") and Exelon FitzPatrick, LLC (the "**Subsidiary Licensee**")

WITNESSETH:

WHEREAS, Exelon Generation is the direct owner of 100% of the equity of Subsidiary Licensee;

WHEREAS, the Subsidiary Licensee is a corporate entity that is licensed by the Nuclear Regulatory Commission ("**NRC**") to possess and own the FitzPatrick Nuclear Power Plant (the "**Facility**"), and Exelon Generation is the corporate entity that is licensed to possess, use, and operate the Facility as the operator under contract and in accordance with the operating license issued by the NRC (Operating License DPR-59);

WHEREAS, Exelon Generation and the Subsidiary Licensee desire to take certain actions to assure the ability of the Subsidiary Licensee to pay the approved expenses of maintaining the Facility safely and reliably and of protecting the public health and safety (the "**Operating Expenses**") and to meet NRC requirements during the operating life of the Facility (the "**NRC Requirements**");

WHEREAS, to the extent and in the event that revenues from the sale of electricity and zero-emissions credits under the New York Clean Energy Standard program from the Facility are insufficient to cover Operating Expenses and NRC Requirements, then Exelon Generation has agreed to provide credit to the Subsidiary Licensee, in the manner as described below, to allow the Subsidiary Licensee to meet its financial assurance obligations as owner of the Facility to protect public health and safety.

Now, THEREFORE, in consideration of the mutual promises herein contained, the parties hereto agree as follows:

1. **Availability of Funding.** Exelon Generation shall provide or cause to be provided to the Subsidiary Licensee such funds as are necessary to pay Operating Expenses or meet NRC Requirements; provided, however, that Exelon Generation's maximum liability to provide funding hereunder shall not exceed One Hundred Million Dollars (\$100 million) cumulatively over the life of this Agreement, unless, and to the extent that, funds provided under this Agreement have been reimbursed in whole or part through repayments or intercompany accounting by the Subsidiary Licensee to Exelon Generation. As such, the aggregate amount outstanding under this Agreement at any one time shall not exceed One Hundred Million Dollars (\$100 million), and this shall be the maximum unreimbursed amount Exelon Generation is obligated to provide under this Agreement or otherwise.
2. **Providing Funds.** If the revenues generated by the Facility, at any time, are not sufficient to allow the Subsidiary Licensee as owner to meet Operating Expenses or NRC Requirements, Exelon Generation will provide to Subsidiary Licensee funds under this Agreement on a timely basis in order to permit Subsidiary Licensee as owner of the Facility to meet Operating Expenses and NRC Requirements.
3. **Substitution.** Exelon Generation can terminate funding provided under this Agreement upon forty-five (45) days' written notice to the Subsidiary Licensee if Exelon Generation has procured a substitute loan facility and/or letter of credit for the Subsidiary Licensee that meets the financial assurance requirements of the NRC to protect the public health and safety and has provided notice to and obtained written consent from the NRC, Director of the Office of Nuclear Reactor Regulation.
4. **Interest.** Interest on any principal amount outstanding shall accrue daily at such rate, and shall be payable at such times, as established by Exelon Generation at the time of providing funds under this Agreement. The interest rate applicable to such funds and the time of payment shall be noted in a note, accounting records or other agreed upon form. Such notation shall be conclusive absent manifest error.
5. **Optional Prepayments.** The Subsidiary Licensee, at its option, may repay all or any part of the principal amount outstanding from time to time without penalty or premium, by intercompany accounting or other agreed upon form; provided, however, that if the interest rate is LIBOR based, a prepayment penalty may be assessed against the Subsidiary Licensee. Any prepayment penalty would be established by Exelon Generation at the time of an advance.
6. **Use of Proceeds.** In order to provide financial assurance, any funds provided under this Agreement may be used by the Subsidiary Licensee only to meet approved Operating Expenses and NRC Requirements, including payments for

nuclear property damage insurance and a retrospective premium pursuant to Title 10, Part 140, Section 21 of the Code of Federal Regulations (10 CFR 140.21).

7. **No Guarantee.** This Agreement is not, and nothing herein contained, and no action taken pursuant hereto by Exelon Generation shall be construed as, or deemed to constitute, a direct or indirect guarantee by Exelon Generation to any person of the payment of the Operating Expenses or of any liability or obligation of any kind or character whatsoever of the Subsidiary Licensee. This Agreement may, however, be relied upon by the NRC in determining the financial qualifications of the Subsidiary Licensee to be a holder of the operating license for the Facility as owner of the Facility.
8. **Waivers.** Exelon Generation hereby waives any failure or delay on the part of the Subsidiary Licensee in asserting or enforcing any of its rights or in making any claims or demands hereunder.
9. **Amendments and Termination.** This Agreement may not be amended or modified at any time without written consent from the NRC, Director of the Office of Nuclear Reactor Regulation. This Agreement shall terminate at such time as Exelon Generation is no longer the direct or indirect owner of any of the shares or other ownership interests in the Subsidiary Licensee. This Agreement shall also terminate with respect to the Operating Expenses and NRC Requirements applicable to the Facility whenever the Facility permanently ceases commercial operations and certification is made as to the permanent removal of fuel from the reactor vessel; provided, however, that this Agreement may be extended for successive periods of two years each upon the mutual agreement of the parties.
10. **Successors.** This Agreement shall be binding upon the parties hereto and their respective successors and assigns.
11. **Third Parties.** Except as expressly provided in Sections 3, 6 and 7 with respect to the NRC, this Agreement is not intended for the benefit of any person other than the parties hereto, and shall not confer or be deemed to confer upon any other such person any benefits, rights, or remedies hereunder.
12. **Governing Law.** This Agreement shall be governed by the laws of the State of New York. Each party waives its rights to a jury trial in any litigation involving this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

ACKNOWLEDGED AND AGREED

Exelon Generation Company, LLC

By: _____

Name: _____

Title: _____

Exelon FitzPatrick, LLC

By: _____

Name: _____

Title: _____

ENCLOSURE 10

LIST OF REGULATORY COMMITMENTS

REGULATORY COMMITMENTS IN THIS CORRESPONDENCE

The following table identifies actions committed to in this document. Any other statements in this submittal are provided for information purposes and are not considered to be regulatory commitments.

REGULATORY COMMITMENT	COMMITTED DATE OR "OUTAGE"	COMMITMENT TYPE	
		ONE-TIME ACTION (Yes/No)	PROGRAMMATIC (Yes/No)
Notify the NRC when the license transfer transaction is scheduled to be consummated.	Upon the scheduling of the closing of the transaction.	Yes	No
Provide notice of the planned closing date for proposed transaction and transfer of ownership at least two days prior to the date planned so that NRC can issue the license amendment.	At least two days before planned closing date.	Yes	No