

June 30, 2000

Mr. Robert E. Denton
Executive Vice President - Generation
Baltimore Gas and Electric Company
Calvert Cliffs Nuclear Power Plant
1650 Calvert Cliffs Parkway
Lusby, MD 20657

SUBJECT: ORDER APPROVING THE TRANSFER OF RENEWED FACILITY OPERATING
LICENSES FOR CALVERT CLIFFS NUCLEAR POWER PLANT AND THE
MATERIALS LICENSE FOR CALVERT CLIFFS INDEPENDENT SPENT FUEL
STORAGE INSTALLATION FROM BALTIMORE GAS AND ELECTRIC
COMPANY TO CALVERT CLIFFS NUCLEAR POWER PLANT, INC. AND
CONFORMING AMENDMENTS (TAC NOS. MA8343, MA8344 AND L23060)

Dear Mr. Denton:

The NRC staff has completed its review of your application dated February 29, 2000, as supplemented April 7, April 27, May 2, May 19, and June 20, 2000, requesting approval of the transfer of Renewed Facility Operating Licenses Nos. DPR-53 and DPR-69 for the Calvert Cliffs Nuclear Power Plant, Units 1 and 2, and Materials License No. SNM-2505 for the Calvert Cliffs Independent Spent Fuel Storage Installation held by Baltimore Gas and Electric Company to Calvert Cliffs Nuclear Power Plant, Inc., and approval of conforming amendments, pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.80, 10 CFR 50.90, 10 CFR 72.50 and 10 CFR 72.56. The enclosed Order approves the proposed transfer, subject to conditions described therein. The Order also approves conforming license amendments, which will be made effective at the time the transfer is completed.

Enclosures 3 and 4 contain the proprietary and nonproprietary versions, respectively, of the staff's safety evaluation related to the preceding action. The nonproprietary version of the safety evaluation will be placed in the NRC public document room and added to the Agency-wide Documents Access and Management System's Publicly Available Records System

(ADAMS PARS) Library. The Order has been forwarded to the Office of the Federal Register for publication.

Sincerely,

/RA/

Alexander W. Dromerick, Sr. Project Manager, Section 1
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

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

Enclosures: 1. Order
2. Conforming Amendments to DPR-53, DPR-69 and SNM-2505
3. Safety Evaluation (Proprietary)
4. Safety Evaluation (Non-Proprietary)

cc w/encls: See next page

R.E. Denton

-2-

(ADAMS PARS) Library. The Order has been forwarded to the Office of the Federal Register for publication.

Sincerely,

/RA/

Alexander W. Dromerick, Sr. Project Manager, Section 1
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

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

Enclosures: 1. Order
2. Conforming Amendments to DPR-53, DPR-69 and SNM-2505
3. Safety Evaluation (Proprietary)
4. Safety Evaluation (Non-Proprietary)

cc w/encls: See next page

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DOCUMENT NAME: C:\ORDA8343&44.wpd

*See previous concurrence

OFFICE	PM:PDI-1		LA:PDI-1		IOLB*		RGEB*		NMSS*		SC:PDI-1(A)	
NAME	ADromerick:cn		SLittle		GTracy		CCarpenter		WBrach		MGamberoni	
DATE	6/28/00		6/28/00		6/26/00		6/26/00		6/27/00		6/28/00	
OFFICE	D:PDI		OGC		D:DLPM		D:NRR		D:NMSS		D:NRR	
NAME	MGamberoni for EAdensam		SHom		SBlack for JZwolinski		JZwolinski for BSheron		WKane		RZimmerman for SCollins	
DATE	6/28/00		6/29/00		6/28/00		6/29/00		6/29/00		6/29/00	

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**NOTE: THIS DOCUMENT BECOMES NONPROPRIETARY
UPON REMOVAL OF ENCLOSURE 3**

ORDER APPROVING TRANSFER OF FACILITY OPERATING LICENSES FOR
CALVERT CLIFFS, UNITS 1 AND 2

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Calvert Cliffs Nuclear Power Plant
Unit Nos. 1 and 2

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Jay E. Silberg, Esquire
Shaw, Pittman, Potts and Trowbridge
2300 N Street, NW
Washington, DC 20037

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	Docket Nos. 50-317, 50-318, 72-8
)	
BALTIMORE GAS AND ELECTRIC COMPANY)	Renewed License No. DPR-53
)	Renewed License No. DPR-69
(Calvert Cliffs Nuclear Power Plant,)	License No. SNM-2505
Units 1 and 2, and)	
Calvert Cliffs Independent Spent Fuel)	
Storage Installation))	

ORDER APPROVING TRANSFER OF LICENSES
AND CONFORMING AMENDMENTS

I.

Baltimore Gas and Electric Company (BGE or the licensee) is the holder of Renewed Facility Operating Licenses Nos. DPR-53 and DPR-69, which authorize operation of Calvert Cliffs Nuclear Power Plant, Units 1 and 2 (CCNPP or Calvert Cliffs), and Materials License No. SNM-2505, which authorizes operation of the Calvert Cliffs Independent Spent Fuel Storage Installation (Calvert Cliffs ISFSI). The facilities are located at the licensee's site in Calvert County, Maryland. The operating licenses authorize BGE to possess, use, and operate Calvert Cliffs. The materials license authorizes BGE to receive, possess, transfer and store power reactor spent fuel at the Calvert Cliffs ISFSI.

II.

By application dated February 29, 2000, as supplemented April 7, April 27, May 2, May 19, and June 20, 2000 (collectively, the application), BGE requested that the Commission consent to certain proposed license transfers that would be necessary in

connection with the corporate restructuring of BGE in accordance with Maryland's Electric Customer Choice and Competition Act of 1999. Under this restructuring, Constellation Energy Group, Inc. ("Constellation Energy"), the parent of BGE, has formed a wholly owned subsidiary, Constellation Nuclear Group, LLC ("CN"). BGE proposes to transfer ownership of and the licenses for CCNPP and the ISFSI to a subsidiary of BGE, Calvert Cliffs Nuclear Power Plant, Inc. ("Company"). BGE will then transfer the ownership of Company to Constellation Energy, which in turn will transfer the ownership of Company to CN. The result will be that CN, as owned by Constellation Energy will own Company, which will be the owner and licensee of CCNPP and the ISFSI. No physical changes to the facilities or operational changes were proposed in the application.

Approval of the transfer of the facility operating licenses and conforming license amendments was requested by BGE pursuant to 10 CFR 50.80 and 50.90, and approval of the transfer of the materials license and conforming amendment was requested by BGE pursuant to 10 CFR 72.50 and 72.56. Notice of the request for approval and an opportunity for a hearing was published in the *Federal Register* on May 4, 2000 (65 FR 25963). No hearing requests or written comments were received.

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. In addition, pursuant to 10 CFR 72.50, no license shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission gives its consent in writing. After reviewing the information in the application from BGE and other information before the Commission and relying upon the representations and agreements contained in the application, the NRC staff has determined that Company is qualified to be the holder of the licenses and that the transfer of the licenses to Company is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission, subject to

the conditions set forth below. The NRC staff has further found that (1) the application for the proposed license amendments complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter 1; (2) the facilities will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission; (3) there is reasonable assurance that the activities authorized by the proposed license amendments can be conducted without endangering the health and safety of the public and that such activities will be conducted in compliance with the Commission's regulations; (4) the issuance of the proposed license amendments will not be inimical to the common defense and security or the health and safety of the public; and (5) the issuance of the proposed amendments will be in accordance with 10 CFR Part 51 of the Commission's regulations, and all applicable requirements have been satisfied. The foregoing findings are supported by a safety evaluation dated June 30, 2000.

III.

Accordingly, pursuant to Sections 161b, 161i, and 184 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. §§ 2201(b), 2201(i), and 2234, and 10 CFR 50.80 and 10 CFR 72.50, IT IS HEREBY ORDERED that the transfer of the licenses, as described herein, to Company is approved, subject to the following conditions:

- (1) Company shall, prior to completion of the subject transfers, provide the Director of the Office of Nuclear Reactor Regulation satisfactory documentary evidence that Company has obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations.
- (2) If the transfer of the licenses is not completed by July 1, 2001, this Order shall become null and void, provided, however, upon written application and for good cause shown, such date may in writing be extended.

- (3) The decommissioning trust agreement for Calvert Cliffs and the ISFSI, at the time the license transfers are effected and thereafter, is subject to the following:
- (a) The decommissioning trust agreement must be in a form acceptable to the NRC.
 - (b) With respect to the decommissioning trust funds, investments in the securities or other obligations of Constellation Energy or its affiliates, successors, or assigns shall be prohibited. Except for investments tied to market indexes or other non-nuclear-sector mutual funds, investments in any entity owning one or more nuclear power plants are prohibited.
 - (c) The decommissioning trust agreement must provide that no disbursements or payments from the trusts shall be made by the trustee unless the trustee has first given the NRC 30-days prior written notice of payment. The decommissioning trust agreement shall further contain a provision that no disbursements or payments from the trusts shall be made if the trustee receives prior written notice of objection from the Director, Office of Nuclear Reactor Regulation.
 - (d) The decommissioning trust agreement must provide that the agreement cannot be amended in any material respect without 30-days prior written notification to the Director, Office of Nuclear Reactor Regulation.
 - (e) The appropriate section of the decommissioning trust agreement shall state that the trustee, investment advisor, or anyone else directing the investments made in the trusts shall adhere to a "prudent investor" standard, as specified in 18 CFR 35.32(a)(3) of the Federal Energy Regulatory Commission's regulations.

- (4) Company shall provide decommissioning funding assurance, to be held in decommissioning trusts for Calvert Cliffs upon the transfer of the licenses to Company, in an amount equal to or greater than the balance in the Calvert Cliffs decommissioning trusts immediately prior to the transfer. In addition, Company shall ensure that all contractual arrangements referred to in the application to obtain necessary decommissioning funds for Calvert Cliffs through a non-bypassable charge are executed and will be maintained until the decommissioning trusts are fully funded, or shall ensure that other mechanisms that provide equivalent assurance of decommissioning funding in accordance with the Commission's regulations are maintained.
- (5) Company shall take all necessary steps to ensure that the decommissioning trusts are maintained in accordance with the application, the requirements of this Order, and the related safety evaluation.

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

This Order is effective upon issuance.

For further details with respect to this action, see the initial application dated February 29, 2000, supplements dated April 7, April 27, May 2, May 19, and June 20, 2000, and the safety evaluation dated June 30, 2000, which are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW.,

Washington, DC, and accessible electronically through the ADAMS Public Electronic Reading Room link at the NRC Web site (<http://www.nrc.gov>).

Dated at Rockville, Maryland, this 30th day of June, 2000.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Roy P. Zimmerman, Acting Director
Office of Nuclear Reactor Regulation

/RA/

William F. Kane, Director
Office of Nuclear Material
Safety and Safeguards

BALTIMORE GAS AND ELECTRIC COMPANY

DOCKET NO. 50-317

CALVERT CLIFFS NUCLEAR POWER PLANT, UNIT 1

AMENDMENT TO RENEWED FACILITY OPERATING LICENSE

Amendment No. 237
Renewed License No. DPR-53

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by Baltimore Gas and Electric Company (the licensee) dated February 29, 2000, as supplemented April 7, April 27, May 2, May 19, and June 20, 2000, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.
2. Accordingly, the license is amended as indicated in the attachment to this license amendment.

3. This license amendment is effective as of the date of the closing of the transfer of the license to Calvert Cliffs Nuclear Power Plant, Inc., and shall be implemented within 45 days.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA by Roy P. Zimmerman for/

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Attachment: Changes to the License

Date of Issuance: June 30, 2000

ATTACHMENT TO LICENSE AMENDMENT NO. 237

RENEWED FACILITY OPERATING LICENSE NO. DPR-53

DOCKET NO. 50-317

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

REMOVE

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RENEWED FACILITY OPERATING LICENSE
CALVERT CLIFFS NUCLEAR POWER PLANT, UNIT 1
CALVERT CLIFFS NUCLEAR POWER PLANT, INC.
DOCKET NO. 50-317

Renewed License No. DPR-53

1. The U.S. Nuclear Regulatory Commission (Commission), having previously made the findings set forth in License No. DPR-53 issued on July 31, 1974, has now found that:
 - A. The application to Renewed License No. DPR-53 filed by Baltimore Gas and Electric Company* complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I, and all required notifications to other agencies or bodies have been duly made;
 - B. Actions have been identified and have been or will be taken with respect to (1) managing the effects of aging during the period of extended operation on the functionality of structures and components that have been identified to require review under 10 CFR 54.21(a)(1), and (2) time-limited aging analyses that have been identified to require review under 10 CFR 54.21(c), such that there is reasonable assurance that the activities authorized by the renewed license will continue to be conducted in accordance with the current licensing basis, as defined in 10 CFR 54.3, for the Calvert Cliffs Nuclear Power Plant, Unit 1 (facility), and that any changes made to the plant's current licensing basis in order to comply with 10 CFR 54.29(a) are in accord with the Act and the Commission's regulations;
 - C. There is reasonable assurance: (i) that the activities authorized by this renewed license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the applicable regulations set forth in 10 CFR Chapter I, except as exempted from compliance;
 - D. The Calvert Cliffs Nuclear Power Plant, Inc. (the licensee), has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements";
 - E. The renewal of this license will not be inimical to the common defense and security or the health and safety of the public; and

*By Order dated June 30, 2000, the transfer of this license to Calvert Cliffs Nuclear Power Plant, Inc., was approved.

Amendment No. 237

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

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

(1) Maximum Power Level

The licensee is authorized to operate the facility at steady-state reactor core power levels not in excess of 2700 megawatts-thermal in accordance with the conditions specified herein.

(2) Technical Specifications

The Technical Specifications contained in Appendices A and B, as revised through Amendment No. 237, are hereby incorporated into this license. The licensee shall operate the facility in accordance with the Technical Specifications.

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

(3) Additional Conditions

The Additional Conditions contained in Appendix C as revised through Amendment No. 237 are hereby incorporated into this license. Calvert Cliffs Nuclear Power Plant, Inc. shall operate the facility in accordance with the Additional Conditions.

(4) Secondary Water Chemistry Monitoring Program

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

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

BALTIMORE GAS AND ELECTRIC COMPANY

DOCKET NO. 50-318

CALVERT CLIFFS NUCLEAR POWER PLANT, UNIT 2

AMENDMENT TO RENEWED FACILITY OPERATING LICENSE

Amendment No. 211
Renewed License No. DPR-69

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by Baltimore Gas and Electric Company (the licensee) dated February 29, 2000, as supplemented April 7, April 27, May 2, May 19, and June 20, 2000, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.
2. Accordingly, the license is amended as indicated in the attachment to this license amendment.

3. This license amendment is effective as of the date of the closing of the transfer of the license to Calvert Cliffs Nuclear Power Plant, Inc., and shall be implemented within 45 days.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA by Roy P. Zimmerman for/

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Attachment: Changes to the License

Date of Issuance: June 30, 2000

ATTACHMENT TO LICENSE AMENDMENT NO. 211

RENEWED FACILITY OPERATING LICENSE NO. DPR-69

DOCKET NO. 50-318

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

REMOVE

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RENEWED FACILITY OPERATING LICENSE
CALVERT CLIFFS NUCLEAR POWER PLANT, UNIT 2
CALVERT CLIFFS NUCLEAR POWER PLANT, INC.
DOCKET NO. 50-318

Renewed License No. DPR-69

1. The U.S. Nuclear Regulatory Commission (Commission), having previously made the findings set forth in License No. DPR-69 issued on November 30, 1976, has now found that:
 - A. The application to Renewed License No. DPR-69 filed by Baltimore Gas and Electric Company* complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I, and all required notifications to other agencies or bodies have been duly made;
 - B. Actions have been identified and have been or will be taken with respect to (1) managing the effects of aging during the period of extended operation on the functionality of structures and components that have been identified to require review under 10 CFR 54.21(a)(1), and (2) time-limited aging analyses that have been identified to require review under 10 CFR 54.21(c), such that there is reasonable assurance that the activities authorized by the renewed license will continue to be conducted in accordance with the current licensing basis, as defined in 10 CFR 54.3, for the Calvert Cliffs Nuclear Power Plant, Unit 2 (facility), and that any changes made to the plant's current licensing basis in order to comply with 10 CFR 54.29(a) are in accord with the Act and the Commission's regulations;
 - C. There is reasonable assurance: (i) that the activities authorized by this renewed license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the applicable regulations set forth in 10 CFR Chapter I, except as exempted from compliance;
 - D. The Calvert Cliffs Nuclear Power Plant, Inc. (the licensee), has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements";
 - E. The renewal of this license will not be inimical to the common defense and security or the health and safety of the public; and

*By Order dated June 30, 2000, the transfer of this license to Calvert Cliffs Nuclear Power Plant, Inc., was approved.

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

(5) Additional Conditions

The Additional Conditions contained in Appendix C as revised through Amendment No. 211 are hereby incorporated into this license. Calvert Cliffs Nuclear Power Plant, Inc. shall operate the facility in accordance with the Additional Conditions.

(6) Secondary Water Chemistry Monitoring Program

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

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

- D. The Calvert Cliffs Nuclear Power Plant, Inc., shall fully implement and maintain in effect all provisions of the Commission-approved physical security, guard training and qualification, and safeguards contingency plans, including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The plans, which contain Safeguards Information protected under 10 CFR 73.21, are entitled, respectively: Calvert Cliffs Nuclear Power Plant Physical Security Plan," with revisions submitted through February 17, 1988; "Calvert Cliffs Nuclear Power Plant Guard Training and Qualification Plan," with revisions submitted through November 1, 1985; and "Calvert Cliffs Nuclear Power Plant Safeguards Contingency Plan," with revisions submitted February 9, 1988. Changes made in accordance with 10 CFR 73.55 shall be implemented in accordance with the schedule set forth therein.
- E. The Calvert Cliffs Nuclear Power Plant, Inc., is required to implement and maintain the administrative controls identified in Section 6 of the NRC's Fire Protection Safety Evaluation on the facility dated September 14, 1979.

Appendix C

Additional Conditions

Facility Operating License No. DPR-53

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

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

Appendix C (Cont'd.)

Additional Conditions

Facility Operating License No. DPR-53

<u>Amendment Number</u>	<u>Additional Condition</u>	<u>Implementation Date</u>
	(b) With respect to the decommissioning trust funds, investments in the securities or other obligations of Constellation Energy Group, Inc. or its affiliates, successors, or assigns shall be prohibited. Except for investments tied to market indexes or other non-nuclear-sector mutual funds, investments in any entity owning one or more nuclear power plants are prohibited.	
	(c) The decommissioning trust agreement must provide that no disbursements or payments from the trust shall be made by the trustee until the trustee has first given the NRC 30-days prior written notice of payment. The decommissioning trust agreement shall further contain a provision that no disbursements or payments from the trust shall be made if the trustee receives prior written notice of objection from the Director, Office of Nuclear Reactor Regulation.	
	(d) The decommissioning trust agreement must provide that the agreement cannot be amended in any material respect without 30-days prior written notification to the Director, Office of Nuclear Reactor Regulation.	

Appendix C (Cont'd.)

Additional Conditions

Facility Operating License No. DPR-53

<u>Amendment Number</u>	<u>Additional Condition</u>	<u>Implementation Date</u>
	(e) The appropriate section of the decommissioning trust agreement shall state that the trustee, investment advisor, or anyone else directing the investments made in the trust shall adhere to a "prudent investor" standard, as specified in 18 CFR 35.32(a)(3) of the Federal Energy Regulatory Commission's regulations.	
237	<p>Company shall provide decommissioning funding assurance, to be held in decommissioning trusts for Calvert Cliffs Unit 1 upon the transfer of the license to Company, in an amount equal to or greater than the balance in the Calvert Cliffs Unit 1 decommissioning trusts immediately prior to the transfer. In addition, Company shall ensure that all contractual arrangements referred to in the application for approval of the transfer of this license to Company to obtain necessary decommissioning funds for Calvert Cliffs Unit 1 through a non-bypassable charge are executed and will be maintained until the decommissioning trust is fully funded, or shall ensure that other mechanisms that provide equivalent assurance of decommissioning funding in accordance with the Commission's regulations are maintained.</p> <p>Company shall take all necessary steps to ensure that the decommissioning trusts are maintained in accordance with the application for approval of the transfer of this license to Company, the requirements of the Order dated <u>June 30, 2000</u> approving the transfer, and the related safety evaluation.</p>	

Appendix C

Additional Conditions

Facility Operating License No. DPR-69

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

<u>Amendment Number</u>	<u>Additional Condition</u>	<u>Implementation Date</u>
201	Baltimore Gas and Electric Company (BGE) is authorized to relocate certain Technical Specification requirements to licensee-controlled documents. Implementation of this amendment shall include the relocation of these requirements to the appropriate documents as described in the licensee's application dated December 4, 1996, as supplemented by letters dated March 27, June 9, June 18, July 21, August 14, August 19, September 10, October 6, October 20, October 23, November 5, 1997, and January 12, January 28, and March 16, 1998, evaluated in the NRC staff's Safety Evaluation enclosed with this amendment.	This amendment is effective immediately and shall be implemented by August 31, 1998.
202	BGE is authorized to incorporate certain changes in the UFSAR regarding Main Steam Line Break, Steam Generator Tube Rupture, Seized Rotor, and Boron Dilution Analyses.	The updated UFSAR shall be implemented within 6 months after restart from the spring 1999 refueling outage.
211	<p>The decommissioning trust agreement for Calvert Cliffs, Unit 2 at the time the license transfer to the licensee from BGE is effected, is subject to the following:</p> <p>(a) The decommissioning trust agreement must be in a form acceptable to the NRC.</p>	To be implemented at time the license transfer to the licensee from BGE is effected.

Appendix C (Cont'd.)

Additional Conditions

Facility Operating License No. DPR-69

<u>Amendment Number</u>	<u>Additional Condition</u>	<u>Implementation Date</u>
	(b) With respect to the decommissioning trust funds, investments in the securities or other obligations of Constellation Energy Group, Inc. or its affiliates, successors, or assigns shall be prohibited. Except for investments tied to market indexes or other non-nuclear-sector mutual funds, investments in any entity owning one or more nuclear power plants are prohibited.	
	(c) The decommissioning trust agreement must provide that no disbursements or payments from the trust shall be made by the trustee until the trustee has first given the NRC 30-days prior written notice of payment. The decommissioning trust agreement shall further contain a provision that no disbursements or payments from the trust shall be made if the trustee receives prior written notice of objection from the Director, Office of Nuclear Reactor Regulation.	
	(d) The decommissioning trust agreement must provide that the agreement cannot be amended in any material respect without 30-days prior written notification to the Director, Office of Nuclear Reactor Regulation.	

Appendix C (Cont'd.)

Additional Conditions

Facility Operating License No. DPR-69

<u>Amendment Number</u>	<u>Additional Condition</u>	<u>Implementation Date</u>
	(e) The appropriate section of the decommissioning trust agreement shall state that the trustee, investment advisor, or anyone else directing the investments made in the trust shall adhere to a "prudent investor" standard, as specified in 18 CFR 35.32(a)(3) of the Federal Energy Regulatory Commission's regulations.	
211	<p>Company shall provide decommissioning funding assurance, to be held in decommissioning trusts for Calvert Cliffs Unit 2 upon the transfer of the license to Company, in an amount equal to or greater than the balance in the Calvert Cliffs Unit 2 decommissioning trusts immediately prior to the transfer. In addition, Company shall ensure that all contractual arrangements referred to in the application for approval of the transfer of this license to Company to obtain necessary decommissioning funds for Calvert Cliffs Unit 2 through a non-bypassable charge are executed and will be maintained until the decommissioning trust is fully funded, or shall ensure that other mechanisms that provide equivalent assurance of decommissioning funding in accordance with the Commission's regulations are maintained.</p> <p>Company shall take all necessary steps to ensure that the decommissioning trusts are maintained in accordance with the application for approval of the transfer of this license to Company, the requirements of the Order dated <u>June 30, 2000</u> approving the transfer, and the related safety evaluation.</p>	