

April 15, 2014

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555

Calvert Cliffs Nuclear Power Plant, Units 1 and 2
Renewed Facility Operating License Nos. DPR-53 and DPR-69
NRC Docket Nos. 50-317 and 50-318

Calvert Cliffs Independent Spent Fuel Storage Installation
Materials License No. SNM-2505
Docket No. 72-8

Nine Mile Point Nuclear Station, Units 1 and 2
Renewed Facility Operating License Nos. DPR-63 and NPF-69
NRC Docket Nos. 50-220 and 50-410

R. E. Ginna Nuclear Power Plant
Renewed Facility Operating License No. DPR-18
NRC Docket No. 50-244

Subject: Submittal of Exelon Corporation Support Agreement Following License Transfers

- References:
- (1) NRC letter, Nadiyah S. Morgan (USNRC) to Mary G. Korsnick & Bryan P. Wright (CENG) "Order Approving Direct Transfer of Renewed Operating Licenses, Independent Spent Fuel Storage Installation License, and Conforming Amendments," dated March 24, 2014 (Calvert Cliffs Nuclear Power Plant)
 - (2) NRC letter, Nadiyah S. Morgan (USNRC) to Mary G. Korsnick & Bryan P. Wright (CENG) "Order Approving Direct Transfer of Renewed Operating Licenses and Conforming License Amendments," dated March 25, 2014 (Nine Mile Point Nuclear Station)
 - (3) NRC letter, Nadiyah S. Morgan (USNRC) to Mary G. Korsnick & Bryan P. Wright (CENG) "Order Approving Direct Transfer of Renewed Operating License and Conforming License Amendment," dated March 25, 2014 (Ginna Nuclear Power Plant)

In accordance with the Orders issued in the referenced letters, Exelon Generation Company, LLC, submits the Support Agreement between Exelon Corporation and Calvert Cliffs Nuclear Power Plant, LLC, Nine Mile Point Nuclear Station, LLC, and R. E. Ginna Nuclear Power Plant, LLC, following the direct license transfer of operating authority for the facilities listed in the referenced Orders. The license transfers occurred on April 1, 2014.

Condition 2 of the referenced Orders provides as follows:

Exelon Corporation shall, no later than the time the license transfers occur, enter into a Support Agreement of approximately \$245 million with the licensee. The Exelon Corporation Support Agreement shall supersede the Support Agreement provided by Exelon Generation, dated March 12, 2012, in all respects and shall be consistent with the representations contained in the August 6, 2013 transfer application. [Calvert Cliffs, LLC, Ginna, LLC, Nine Mile Point, LLC,] CENG, or Exelon Generation shall not take any action to cause Exelon Corporation, or its successors and assigns, to void, cancel, or materially modify the Exelon Corporation Support Agreement or cause it to fail to perform, or impair its performance under the Exelon Corporation Support Agreement, without the prior written consent of the NRC. The Exelon Corporation Support Agreement may not be amended or modified without 30 days prior written notice to the Director of the Office of Nuclear Reactor Regulation or his designee. An executed copy of the Exelon Corporation Support Agreement shall be submitted to the NRC no later than 30 days after the completion of the proposed transaction and license transfers. Exelon Generation shall inform the NRC in writing no later than 14 days after any funds are provided to or for the licensee under the Exelon Corporation Support Agreement.

Accordingly, the Support Agreement between Exelon Corporation and Calvert Cliffs Nuclear Power Plant, LLC, Nine Mile Point Nuclear Station, LLC, and R. E. Ginna Nuclear Power Plant, LLC, is being submitted within 30 days of the license transfers as required by the referenced Orders.

There are no regulatory commitments contained in this letter.

If you have any questions regarding this letter, please contact David P. Helker at (610) 765-5525.

Respectfully,



James Barstow
Director – Licensing & Regulatory Affairs
Exelon Generation Company, LLC

Attachment – Exelon Corporation Support Agreement

cc: USNRC Director of Nuclear Reactor Regulation
USNRC Regional Administrator, Region I
Nadiyah S. Morgan NRC Project Manager, NRR - (CENG)
NRC Senior Resident Inspector - Calvert Cliffs Nuclear Power Plant
NRC Senior Resident Inspector - Nine Mile Point Nuclear Station
NRC Senior Resident Inspector - Ginna Nuclear Power Plant
NRC Project Manager, NRR - Calvert Cliffs Nuclear Power Plant
NRC Project Manager, NRR - Nine Mile Point Nuclear Station
NRC Project Manager, NRR - Ginna Nuclear Power Plant
S. Gray, Maryland DNR

Attachment

Exelon Corporation Support Agreement

SUPPORT AGREEMENT

Between

Exelon Corporation

and

Calvert Cliffs Nuclear Power Plant, LLC
Nine Mile Point Nuclear Station, LLC, and
R. E. Ginna Nuclear Power Plant, LLC

THIS SUPPORT AGREEMENT, dated as of April 1, 2014 between Exelon Corporation (“Exelon”), and Calvert Cliffs Nuclear Power Plant, LLC, Nine Mile Point Nuclear Station, and R. E. Ginna Nuclear Power Plant, LLC, each individually herein referred to as a “Subsidiary Licensee” and all collectively herein referred to as “Subsidiary Licensees.”

WITNESSETH:

WHEREAS, through its intermediate subsidiary companies, Exelon is the indirect owner of 50.01% of the Subsidiary Licensees;

WHEREAS, EDF International, SAS (“EDFI”), through its intermediate subsidiary companies, is the indirect owner of 49.99% of the Subsidiary Licensees;

WHEREAS, the Subsidiary Licensees are the corporate entities that hold the NRC licenses for Calvert Cliffs Nuclear Power Plant, Unit Nos. 1 and 2, Renewed Facility Operating License Nos. DPR-53 and DPR-69, Nine Mile Point Nuclear Station, Unit Nos. 1 and 2, Renewed Facility Operating License Nos. DPR-63 and NPF-69, and R. E. Ginna Nuclear Power Plant, Renewed Facility Operating License No. DPR-18 (individually, each a “Facility,” and collectively the “Facilities”) as owner licensees of the Facilities;

WHEREAS, Exelon Generation Company, LLC (“ExGen”), an Exelon subsidiary, holds the NRC licenses to operate the Facilities as the operating licensee;

WHEREAS, Exelon and the Subsidiary Licensees desire to take certain actions to assure the ability of the Subsidiary Licensees to pay their respective approved expenses of maintaining the Facilities safely and reliably and of protecting the public health and safety (the “Operating Expenses”) and to meet Nuclear Regulatory Commission (“NRC”) requirements during the life of each Facility (the “NRC Requirements”);

WHEREAS, EDFI has entered into a separate agreement with the Subsidiary Licensees that has substantially the same terms and purposes as this Support Agreement (the “EDFI Agreement”);

WHEREAS, Exelon and EDFI, as provided in the Fourth Amended and Restated Operating Agreement for Constellation Energy Nuclear Group, LLC dated as of April 1, 2014 ("Operating Agreement"), plan to provide the Subsidiary Licensees with adequate resources for approved working capital and other needs on an ongoing basis through various mechanisms such as capital contributions, member loans or advances, or other mutually approved funding mechanisms as discussed in the Operating Agreement; however, if these funding sources, at any time, cannot meet those needs, then Exelon and EDFI have agreed to provide credit to the Subsidiary Licensees, in the manner as described below, to allow the Subsidiary Licensees to meet their obligations 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.* Upon the written request of a Subsidiary Licensee, Exelon shall provide or cause to be provided to such Subsidiary Licensee such funds as the Subsidiary Licensee determines to be necessary to pay Operating Expenses or meet NRC Requirements at the same time or times as the same amount is paid by EDFI under the EDFI Agreement up to the limits set forth in that agreement; provided, however, that Exelon's maximum liability to provide funding hereunder shall not exceed (x) 50.01 percent of the total funding required by the Subsidiary Licensee pursuant to this Support Agreement and the EDFI Agreement, or (y) \$245 million cumulatively over the life of this Support Agreement, unless, and to the extent that, advances of funds under this Support Agreement have been reimbursed in whole or part through repayments by the Subsidiary Licensee to Exelon. As such, the aggregate amount outstanding under this Support Agreement at any one time shall not exceed \$245 million, and this shall be the maximum unreimbursed amount Exelon is obligated to provide under this Support Agreement.
2. *Request for an Advance.* If the funding mechanisms as described under the Operating Agreement, at any time, are not sufficient to allow a Subsidiary Licensee to meet its needs, the Subsidiary Licensee may submit to Exelon a request for an advance of funds under this Support Agreement. Each request for an advance of funds under this Support Agreement shall be made not later than noon Eastern Time (USA) on the tenth business day prior to the proposed drawdown by notice from the Subsidiary Licensee to Exelon (pursuant to procedures that may be changed from time to time by mutual agreement) specifying the amount of the advance and a certification that such advance is for the purpose specified in Section 6.
3. *Substitution.* Exelon can terminate funding provided under this Support Agreement upon 45 days' written notice to the Subsidiary Licensee if Exelon has procured a substitute loan facility and/or letter of credit for the Subsidiary Licensee that is mutually agreed to by Exelon and EDFI and meets NRC requirements.
4. *Interest.* Interest on any principal amount outstanding shall accrue daily at such rate, and shall be payable at such times, as mutually established by Exelon and EDFI at the time of an advance under this Support Agreement. The interest rate

applicable to any advance and the time of payment shall be noted in a note or other writing. 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, upon notice to Exelon made not later than noon Eastern Time (USA) on at least the second business day prior to such prepayment (which notice, if oral, shall be confirmed promptly in writing); 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 mutually established by Exelon and EDFI at the time of an advance. Exelon, at its option, may waive such notice requirements as to any prepayment.
6. *Use of Proceeds.* In order to provide financial assurance, any advance may be used by a Subsidiary Licensee only to meet its 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 Support Agreement is not, and nothing herein contained, and no action taken pursuant hereto by Exelon shall be construed as, or deemed to constitute, a direct or indirect guarantee by Exelon to any person or entity 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 each Subsidiary Licensee to hold the operating license for a Facility.
8. *Waivers.* Exelon hereby waives any failure or delay on the part of the Subsidiary Licensees in asserting or enforcing any of their 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 30 calendar days' prior written notice to the NRC, Director of the Office of Nuclear Reactor Regulation or his designee. This Agreement shall terminate at such time as Exelon is no longer the direct or indirect owner of any of the shares or other ownership interests in a Subsidiary Licensee. This Agreement shall also terminate with respect to the Operating Expenses and NRC Requirements applicable to a Facility whenever such 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 and 6 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. *Other Financial Support Arrangements.* This Agreement supersedes any other support arrangement relating to NRC requirements, if any exists prior to the date hereof, between Exelon or a direct or indirect subsidiary of Exelon and a Subsidiary Licensee (including, but not limited to, the Support Agreement provided by Exelon Generation to Subsidiary Licensees, dated March 12, 2012) to provide funding when necessary to pay Operating Expenses and meet NRC Requirements for the Facilities, and any such other financial support arrangement is hereby voided, revoked and rescinded. Accordingly, the total available funding provided for in this Support Agreement shall be limited as set forth in Section 1 herein and shall not be cumulative with any other financial support arrangement for purposes of meeting NRC Requirements, except the Guarantee dated April 1, 2014 that is also being provided by Exelon. For avoidance of doubt, the parties agree that this section does not apply to financial guarantees or commitments made to third parties, even where such agreements may relate to compliance with NRC requirements.
13. *Governing Law.* This Agreement shall be governed by the laws of the State of Maryland.
14. *Dispute Resolution.* In the event of any dispute arising out of or in connection with this Support Agreement, executives of Exelon and the Subsidiary Licensee will exercise good faith efforts to resolve the dispute in a timely manner. In the event that the executives of Exelon and the Subsidiary Licensee are unable to reach a resolution, the dispute, including any dispute regarding the existence, termination or validity of this Support Agreement, each Party shall have the right to have recourse to and shall be bound by the pre-arbitral referee procedure of the applicable rules of the American Arbitration Association. All disputes arising out of or in connection with this Support Agreement (including as to existence, termination and validity) shall be finally settled under the applicable rules of the American Arbitration Association (the "Rules") by three arbitrators appointed in accordance with said Rules. The place of the pre-arbitral referee procedure and of the arbitration procedure shall be Baltimore, Maryland, United States of America. The proceedings before the arbitral tribunal (including with respect to the Pre-Arbitral Referee Procedure) shall be governed by the Rules. The rules of law to be applied by the arbitral tribunal to the merits of the dispute shall be the rules of law of the State of Maryland. The language of the arbitration shall be English. Evidence shall be provided in English and pleadings shall be done in English. The arbitral tribunal shall render its decision within six months from the date of signature of the terms of reference. Any decision or award of the arbitral tribunal shall be final and binding upon the parties to the arbitration proceeding. The parties waive to the extent permitted by applicable law any rights to appeal or to review of such award by any

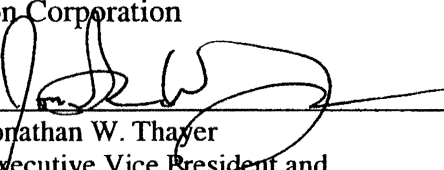
court or tribunal. The parties agree that the arbitral award may be enforced against the parties to the arbitration proceeding or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction thereof.

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 Corporation

By: _____


Jonathan W. Thayer
Executive Vice President and
Chief Financial Officer

Nine Mile Point Nuclear Station, LLC

By: _____

Mary G. Korsnick
President

Calvert Cliffs Nuclear Power Plant, LLC

By: _____

Mary G. Korsnick
President

R.E. Ginna Nuclear Power Plant, LLC

By: _____

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Calvert Cliffs Nuclear Power Plant, LLC

By: Mary G. Korsnick
Mary G. Korsnick
President

R.E. Ginna Nuclear Power Plant, LLC

By: Mary G. Korsnick
Mary G. Korsnick
President