

NUCLEAR REGULATORY COMMISSION**[Docket Nos. 50-317-50, 50-318 and 72.8]****Calvert Cliffs Nuclear Power Plant, Inc., Calvert Cliffs Nuclear Power Plant, Unit Nos. 1 and 2, Calvert Cliffs Independent Spent Fuel Storage Installation; Notice of Consideration of Approval of Direct and Indirect Transfer of Renewed Facility Operating Licenses and Materials License and Conforming Amendments and Opportunity for a Hearing**

The U.S. Nuclear Regulatory Commission (the Commission) is considering the issuance of an order under 10 CFR 50.80 and 72.50 approving the direct transfer of Renewed Facility Operating Licenses Nos. DPR-53 and DPR-69 for Calvert Cliffs Nuclear Power Plant (Calvert Cliffs), Unit Nos. 1 and 2, and Materials License No. SNM-2505 for the Calvert Cliffs Independent Spent Fuel Storage Installation (ISFSI) currently held by Calvert Cliffs Nuclear Power Plant, Inc. (CCNPPI), as the owner and licensed operator. The direct transfer would be to a new limited liability company, Calvert Cliffs Nuclear Power Plant, LLC (CCNPP LLC). CCNPP LLC will be an indirect subsidiary of a new holding company, currently referred to as New Controlled, which will be formed as a result of a corporate realignment of CCNPPI's ultimate parent, Constellation Energy Group, Inc. (CEG). The Commission is also considering approving associated indirect license transfers to the extent such would be effected by the realignment, or by Virgo Holdings, Inc. (Virgo), an indirect wholly owned subsidiary of The Goldman Sachs Group, Inc., acquiring a certain voting interest in New Controlled. The Commission is further considering amending the licenses for administrative purposes to reflect the proposed direct transfer. The facility and ISFSI are located in Calvert County, Maryland.

According to an application for approval filed by CCNPPI, CCNPP LLC would assume the assets and associated liabilities of CCNPPI, including the facility and ISFSI, following approval of the proposed transfer of the licenses, and would become the owner and operator of Calvert Cliffs and the ISFSI. No physical changes to the facility or ISFSI or operational changes are being proposed in the application. In addition, a new holding company, New Controlled, will be formed over CCNPP LLC, and Virgo may acquire up to a 17.5% voting interest in that company. The Commission is not considering at

this time approving any indirect license transfers that may be associated with Virgo acquiring an additional voting interest beyond 17.5% in New Controlled.

The proposed amendments would replace references to CCNPPI in the licenses with references to CCNPP LLC.

Pursuant to 10 CFR 50.80 and 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. The Commission will approve an application for the direct transfer of a license if the Commission determines that the proposed transferee is qualified to hold the license, and will approve an application for an indirect transfer if the Commission determines the underlying transaction effectuating the indirect transfer will not affect the qualifications of the holder of the license, and in both cases if the transfer is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

Before issuance of the proposed conforming license amendments, the Commission will have made findings required by the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations.

As provided in 10 CFR 2.1315, unless otherwise determined by the Commission with regard to a specific application, the Commission has determined that any amendment to the license of a utilization facility or the license of an ISFSI which does no more than conform the license to reflect the transfer action involves respectively no significant hazards consideration or no genuine issue as to whether the health and safety of the public will be significantly affected. No contrary determination has been made with respect to this specific license amendment application. In light of the generic determination reflected in 10 CFR 2.1315, no public comments with respect to significant hazards considerations are being solicited, notwithstanding the general comment procedures contained in 10 CFR 50.91.

The filing of requests for hearing and petitions for leave to intervene, and written comments with regard to the license transfer application, are discussed below.

By April 2, 2001, any person whose interest may be affected by the Commission's action on the application may request a hearing and, if not the applicant, may petition for leave to intervene in a hearing proceeding on the Commission's action. Requests for a hearing and petitions for leave to intervene should be filed in accordance

with the Commission's rules of practice set forth in Subpart M, "Public Notification, Availability of Documents and Records, Hearing Requests and Procedures for Hearings on License Transfer Applications," of 10 CFR Part 2. In particular, such requests and petitions must comply with the requirements set forth in 10 CFR 2.1306, and should address the considerations contained in 10 CFR 2.1308(a). Untimely requests and petitions may be denied, as provided in 10 CFR 2.1308(b), unless good cause for failure to file on time is established. In addition, an untimely request or petition should address the factors that the Commission will also consider, in reviewing untimely requests or petitions, set forth in 10 CFR 2.1308(b)(1)-(2).

Requests for a hearing and petitions for leave to intervene should be served upon: Jay E. Silberg, Esquire, Shaw, Pittman, Potts, and Trowbridge, 2300 N Street, NW., Washington, DC 20037; the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555 (e-mail address for filings regarding license transfer cases only: OGCLT@NRC.gov); and the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, in accordance with 10 CFR 2.1313.

The Commission will issue a notice or order granting or denying a hearing request or intervention petition, designating the issues for any hearing that will be held and designating the Presiding Officer. A notice granting a hearing will be published in the **Federal Register** and served on the parties to the hearing.

As an alternative to requests for hearing and petitions to intervene, by April 11, 2001, persons may submit written comments regarding the license transfer application, as provided for in 10 CFR 2.1305. The Commission will consider and, if appropriate, respond to these comments, but such comments will not otherwise constitute part of the decisional record. Comments should be submitted to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, and should cite the publication date and page number of this **Federal Register** notice.

For further details with respect to this action, see the application dated December 20, 2000, available for public inspection at the Commission's Public Document Room, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland, 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 5th day of March 2001.

For the Nuclear Regulatory Commission.

Peter S. Tam,

Acting Section Chief, Section 1, Project Directorate I, Division of Licensing Project Management, Office of Nuclear Reactor Regulation.

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NUCLEAR REGULATORY COMMISSION

[Docket No. 50-320]

In the Matter of GPU Nuclear, Inc., Metropolitan Edison Company, Jersey Central Power & Light Company, and Pennsylvania Electric Company, (Three Mile Island Nuclear Station, Unit No. 2); Order Approving Application Regarding Merger of GPU, Inc., and FirstEnergy Corp.

I

Metropolitan Edison Company (Met Ed) owns 50 percent, Jersey Central Power & Light Company (JCP&L) owns 25 percent, and Pennsylvania Electric Company (Penelec) owns 25 percent of the Three Mile Island Nuclear Station, Unit No. 2 (TMI-2), located in Dauphin County, Pennsylvania. GPU Nuclear, Inc. (GPUN) maintains the facility on behalf of the owners.

Met Ed, JCP&L, and Penelec are electric utilities that are engaged principally in the sale and distribution of electric energy in Pennsylvania and New Jersey in accordance with rates authorized by the respective public utilities commissions. GPUN, Met Ed, JCP&L, and Penelec, which are all subsidiaries of GPU, Inc., together hold Facility Possession-Only License No. DPR-73 for the TMI-2, issued by the U.S. Nuclear Regulatory Commission (NRC or the Commission) pursuant to 10 CFR part 50 on September 14, 1993.

II

Pursuant to Section 184 of the Atomic Energy Act of 1954, as amended, and 10 CFR 50.80, GPUN and FirstEnergy Corp. (FE) jointly filed an application dated September 26, 2000, which was supplemented by submittals dated September 27, November 9, November 14, 2000 and February 7, 2001 (collectively herein referred to as the application), requesting the Commission's approval to the indirect transfer of the TMI-2 license in connection with the proposed corporate

merger involving GPU, Inc. and FE. The applicants informed the Commission that GPU, Inc. the parent holding company of GPUN, Met Ed, JCP&L, and Penelec, is planning to be merged with and into FE. FE will remain as the surviving corporation in this transaction.

Upon consummating the merger, FE will become a registered holding company under the Public Utility Holding Company Act of 1935, and GPUN, Met Ed, JCP&L, and Penelec, currently subsidiaries of GPU, Inc., will become direct or indirect wholly-owned subsidiaries of FE. No physical changes to the TMI-2 facility or operational changes are being proposed in the application. GPUN, the TMI-2 licensee authorized to maintain the facility, and Met Ed, JCP&L, and Penelec, the licensed owners of TMI-2, will continue to be so following the merger. No direct transfer of the license will result from the planned merger. Notice of this request for approval was published in the **Federal Register** on November 30, 2000 (65 FR 71336). No hearing requests or written comments were received.

Under 10 CFR 50.80, no license shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission gives its consent in writing. Upon review of the information submitted in the application and other information before the Commission, the NRC staff has determined that the proposed merger of GPU, Inc. with and into FE will not affect the qualifications of GPUN, Met Ed, JCP&L, and Penelec as holders of the TMI-2 license, and that the indirect transfer of the license, to the extent effected by the merger, is otherwise consistent with applicable provision of laws, regulations, and orders issued by the Commission subject to the conditions set forth herein. These findings are supported by a Safety Evaluation dated March 7, 2001.

III

Accordingly, pursuant to sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80, *it is hereby ordered* that the application regarding the indirect license transfer referenced above is approved subject to the following conditions:

(1) Met Ed, JCP&L, and Penelec, as applicable, shall provide the Director of the Office of Nuclear Reactor Regulation a copy of any application, at the time it is filed, to transfer (excluding grants of security interests or liens) from Met Ed, JCP&L, or Penelec, respectively, to its proposed direct or indirect

parent or to any affiliated company, facilities for the production, transmission, or distribution of electric energy having a depreciated book value exceeding ten percent (10%) of the subject licensee's consolidated net utility plant, as recorded on the respective licensee's books of account; and

(2) should the merger of GPU, Inc. and FE not be completed by March 1, 2002, this Order shall become null and void, provided, however, upon application and for good cause shown, such date may be extended.

IV

For further details with respect to this Order, see the initial application dated September 26, 2000, and supplemental submittals dated September 27, November 9, November 14, 2000, and February 7, 2001 and the Safety Evaluation dated March 7, 2001, which are available for inspection at the Commission's Public Document Room, U.S. Nuclear Regulatory Commission, One White Flint North, Room 0-1 F21, 11555 Rockville Pike, Rockville, MD 20852-2738, and accessible electronically through the ADAMS Public Electronic Reading Room link at the NRC Web site (<http://www.NRC.gov>).

For the Nuclear Regulatory Commission.

Dated at Rockville, Maryland this 7th day of March 2001.

Samuel J. Collins,

Director, Office of Nuclear Reactor Regulation.

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NUCLEAR REGULATORY COMMISSION

[Docket No. 50-146]

In the Matter of GPU Nuclear, Inc., and Saxton Nuclear Experimental Corporation (Saxton Nuclear Experimental Facility); Order Approving Application Regarding Merger of GPU, Inc., and FirstEnergy Corp.

I

Saxton Nuclear Experimental Corporation (SNEC) is the owner of the Saxton Nuclear Experimental Facility (SNEF). Metropolitan Edison Company (Met Ed), Jersey Central Power & Light Company (JCP&L), and Pennsylvania Electric Company (Penelec), electric utilities that are engaged principally in the sale and distribution of electric energy in Pennsylvania and New Jersey in accordance with rates authorized by the respective public utilities commissions, are the sole shareholders of SNEC. SNEC is a non-profit corporation that is not engaged in the