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[7590-01-P]

## NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-387 and 50-388; License Nos. NPF-14 and NPF-22; NRC-2014-0211]

In the Matter of PPL Susquehanna, LLC; Susquehanna Steam Electric Station,  
Units 1 and 2

**AGENCY:** Nuclear Regulatory Commission.

**ACTION:** Indirect transfer of license; order; issuance.

**SUMMARY:** The U.S. Nuclear Regulatory Commission (NRC) is issuing an order to PPL Susquehanna, LLC (PPL Susquehanna), approving the indirect transfer of PPL Susquehanna's interests in Renewed Facility Operating License Nos. NPF-14 and NPF-22, as well as the general license for the independent spent fuel storage installation, for Susquehanna Steam Electric Station, Units 1 and 2. As a result of the transaction, PPL Susquehanna will become indirectly controlled by two new entities, and will be renamed Susquehanna Nuclear, LLC. Conforming license amendments will replace references to PPL Corporation in the license with references to Talen Energy to reflect the transfer of ownership, and will replace references to PPL Susquehanna, LLC with references to Susquehanna Nuclear, LLC to reflect the new name. No physical changes to the facilities or operational changes were proposed in the application, and Susquehanna Nuclear, LLC will be owner and operator of the facility. This Order is effective upon issuance.

**DATES:** The Order was issued on April 10, 2015, and is effective for one year.

**ADDRESSES:** Please refer to Docket ID **NRC-2014-0211** when contacting the NRC about the availability of information regarding this document. You may obtain publicly-available information related to this document using any of the following methods:

- **Federal Rulemaking Web Site:** Go to <http://www.regulations.gov> and search for Docket ID **NRC-2014-0211**. Address questions about NRC dockets to Carol Gallagher; telephone: 301-415-3463; e-mail: [Carol.Gallagher@nrc.gov](mailto:Carol.Gallagher@nrc.gov). For technical questions, contact the individual listed in the FOR FURTHER INFORMATION CONTACT section of this document.

- **NRC's Agencywide Documents Access and Management System (ADAMS):** You may obtain publicly available documents online in the ADAMS Public Documents collection at <http://www.nrc.gov/reading-rm/adams.html>. To begin the search, select "[ADAMS Public Documents](#)" and then select "[Begin Web-based ADAMS Search](#)." For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1-800-397-4209, 301-415-4737, or by e-mail to [pdr.resource@nrc.gov](mailto:pdr.resource@nrc.gov). The ADAMS accession number for each document referenced (if it available in ADAMS) is provided the first time that a document is referenced.

- **NRC's PDR:** You may examine and purchase copies of public documents at the NRC's PDR, Room O1-F21, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852.

**FOR FURTHER INFORMATION CONTACT:** Jeffrey A. Whited, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington DC 20555-0001; telephone: 301-415-4090; e-mail: [Jeffrey.Whited@nrc.gov](mailto:Jeffrey.Whited@nrc.gov).

**SUPPLEMENTARY INFORMATION:**

The text of the Order is attached.

Dated at Rockville, Maryland this 13th day of April 2015.

FOR THE NUCLEAR REGULATORY COMMISSION

Jeffrey A. Whited, Project Manager,  
Plant Licensing Branch I-2,  
Division of Operating Reactor Licensing,  
Office of Nuclear Reactor Regulation.

**Attachment - Order Approving Transfer of Licenses and Conforming Amendments**

**UNITED STATES OF AMERICA**

**NUCLEAR REGULATORY COMMISSION**

**In the Matter of PPL Susquehanna, LLC;**

**Susquehanna Steam Electric Station, Units 1 and 2**

**Docket Nos. 50-387 and 50-388**

**Renewed License Nos. NPF-14 and NPF-22**

**Order Approving Transfer of Licenses and Conforming Amendments**

I.

PPL Susquehanna, LLC (PPL Susquehanna, or the applicant) and Allegheny Electric Cooperative, Inc. (Allegheny) are holders of Renewed Facility Operating License Nos. NPF-14, NPF-22, and the general license of the Independent Spent Fuel Storage Installation (ISFSI), which authorizes the possession, use, and operation of the Susquehanna Steam Electric Station (SSES), Units 1 and 2, and the ISFSI. PPL Susquehanna (currently owner of 90 percent of SSES) is authorized to possess, use, and operate SSES, Units 1 and 2, as well as the general license for the SSES ISFSI. Allegheny (currently owner of 10 percent of SSES) is authorized to possess SSES, Units 1 and 2, as well as the general license for the SSES ISFSI. SSES is located in Luzerne County, Pennsylvania.

II.

By application dated July 11, 2014, as supplemented by letters dated October 24, 2014, November 6, 2014, November 25, 2014, December 10, 2014, January 5, 2015, January 13, 2015, March 9, 2015, March 13, 2015, March 18, 2015, and March 31, 2015 (collectively, the application), PPL Susquehanna requested on behalf of itself, that the U.S. Nuclear Regulatory

Commission (NRC) approve the indirect transfer of control of PPL Susquehanna's interests in Renewed Facility Operating License Nos. NPF-14 and NPF-22, as well as the general license for the ISFSI. PPL Susquehanna is licensed as the sole operator and has a 90 percent undivided ownership interest in SSES. The proposed indirect transfer of licenses does not involve Allegheny, the other (10-percent) owner and a nonoperating licensee for SSES. The indirect transfer of control will result from a series of transactions, in which PPL Corporation, PPL Susquehanna's ultimate parent, will spin off PPL Energy Supply, LLC (Energy Supply), which holds domestic competitive generation and ancillary assets including PPL Susquehanna. The transaction will involve the creation of and changes to intermediate holding companies, with Energy Supply eventually becoming a direct wholly owned subsidiary of a new intermediate parent named Talen Energy Holdings, Inc. (Talen Holdings), which in turn will be a direct wholly owned subsidiary of a new, publicly owned ultimate parent, named Talen Energy Corporation (Talen Energy). As a result of the transaction, PPL Susquehanna will become indirectly controlled by two new entities (Talen Energy and Talen Holdings). Immediately following the transaction, PPL Susquehanna will be renamed Susquehanna Nuclear, LLC (Susquehanna Nuclear).

The applicant also requested approval of conforming license amendments that would replace references to PPL Corporation in the license with references to Talen Energy to reflect the indirect transfer of ownership, and would replace references to PPL Susquehanna, LLC with references to Susquehanna Nuclear, LLC to reflect the new name. No physical changes to the facilities or operational changes were proposed in the application. After completion of the proposed transfer, Susquehanna Nuclear will be owner and operator of the facility.

Approval of the indirect transfer of the renewed facility operating licenses, and conforming license amendments was requested by the applicant pursuant to Sections 50.80 and 50.90, of Title 10 of the *Code of Federal Regulations* (10 CFR). A notice entitled, "Susquehanna Steam Electric Station, Units 1 and 2; Consideration of Approval of Transfer of

Licenses and Conforming Amendments,” was published in the *Federal Register* on October 6, 2014 (79 FR 60192). Three public comments were received regarding the proposed License Transfer. The NRC staff has addressed these comments in the safety evaluation dated April 10, 2015, supporting this Order. A petition for leave to intervene pursuant to 10 CFR 2.309 was received on October 24, 2014, from Mr. Douglas B. Ritter of Berwick, Pennsylvania. The petition is under consideration by the Commission.

Under 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. Upon review of the information in the licensee’s application and other information before the Commission, and relying upon the representations and agreements contained in the application, the NRC has determined that the proposed indirect license transfer of control of the subject licenses held by the licensee to the extent such will result from the corporate spin-off whereby Talen Energy will become the ultimate parent company of Susquehanna Nuclear to the extent affected by the proposed transaction, as described in the application, is otherwise consistent with applicable provisions of law, regulations, and orders issued by the NRC, pursuant thereto, subject to the conditions set forth below. The NRC staff has also found that Susquehanna Nuclear remains qualified to hold the license. The NRC staff has further found that the application for the proposed license amendment 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; the facilities will operate in conformity with the applications, the provisions of the Act, and the rules and regulations of the Commission; there is reasonable assurance that the activities authorized by the proposed license amendment 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; the issuance of the proposed license amendment will not be inimical to the common defense and security or to the health and safety of the public; and the issuance of the proposed amendment will be in

accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

The findings set forth above are supported by NRC safety evaluation dated April 10, 2015.

III.

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

1. Susquehanna Nuclear, LLC shall not take any action that would cause Talen Energy Corporation or any other direct or indirect parent of Susquehanna Nuclear, LLC or other entity, to void, cancel, or diminish the commitment to fund an extended plant shutdown, as represented in the application for approval of the indirect transfer of the license for Susquehanna SES, Unit [1 or 2, as applicable].
2. The Support Agreement containing the commitment to fund an extended shutdown by Talen Energy Corporation, as represented in the application, shall be executed on or before the transfer date and shall be submitted to the NRC no later than five (5) days after the transfer is consummated.
3. The decommissioning trust agreement for Susquehanna SES, Units 1 and 2, is subject to the following:
  - a) The trust agreement must be in a form acceptable to the NRC
  - b) With respect to the decommissioning trust funds, investments in securities or other obligations of Talen Energy Corporation 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 for Susquehanna SES, Units 1 and 2, must provide that no disbursements or payments from the trust shall be made by the trustee unless the trustee has first given the NRC 30-day 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 received prior written notice of objection from the Director, Office of Nuclear Reactor Regulation.
- d) The decommissioning trust agreements must provide that the agreements 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 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.

IT IS FURTHER ORDERED that, consistent with 10 CFR 2.1315(b), the license amendments that makes changes, as indicated in Enclosures 2 and 3 to the cover letter forwarding this Order, to conform the licenses to reflect the subject indirect license transfer are approved. The license amendments shall be issued and made effective at the time the proposed indirect transfers are completed.

IT IS FURTHER ORDERED that after receipt of all required regulatory approvals of the proposed indirect transfer action Susquehanna Nuclear shall inform the Director of the Office of Nuclear Reactor Regulation in writing of such receipt, and the date of closing of the transfer no later than 2 business days prior to the date of the closing of the indirect transfer. Should the indirect transfer not be completed within one year of this Order's date of issue, this Order shall

become null and void, provided, however, that upon written application and good cause shown, such date may be extended by order.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated July 11, 2014, (Agencywide Documents Access and Management System (ADAMS) Accession No. ML14195A110), as supplemented by additional letters dated October 24, 2014 (ADAMS Accession No. ML14311A672); November 6, 2014 (ADAMS Accession No. ML14311A292); November 25, 2014 (ADAMS Accession No. ML15002A215); December 10, 2014 (ADAMS Accession No. ML14344A207); January 5, 2015 (ADAMS Accession No. ML15007A408); January 13, 2015 (ADAMS Accession No. ML15016A050); March 9, 2015 (ADAMS Accession No. ML15076A113); March 13, 2015 (ADAMS Accession No. ML15093A180); March 18, 2015 (ADAMS Accession No. ML15091A320); and March 31, 2015 (ADAMS Accession No. ML15090A395), and the non-proprietary safety evaluation dated April 10, 2015, which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, 11555 Rockville Pike, Room O-1 F21 (First Floor), Rockville, Maryland and accessible electronically through the ADAMS Public Electronic Reading Room on the Internet at the NRC Web site, <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS should contact the NRC PDR reference staff by telephone at 1-800-397-4209, 301-415-4737, or by e-mail at [pdr.resource@nrc.gov](mailto:pdr.resource@nrc.gov).

Dated at Rockville, Maryland this 10<sup>th</sup> day of April 2015.

FOR THE NUCLEAR REGULATORY COMMISSION

A. Louise Lund, Acting Director,  
Division of Operating Reactor Licensing,  
Office of Nuclear Reactor Regulation.  
[FR Doc. 2015-09029 Filed: 4/17/2015 08:45 am;

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