



A PECO Energy/British Energy Company

AmerGen Energy Company, LLC
965 Chesterbrook Blvd. 63C-3
Wayne, PA 19087-5691
Telephone: 610 640 6600
Fax: 610 640 6611

10 CFR 50.80

July 19, 2000

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

Three Mile Island Station, Unit 1
Facility Operating License No. DPR-50
NRC Docket No. 50-289

Clinton Power Station
Facility Operating License No. NPF-62
NRC Docket No. 50-461

Oyster Creek Generating Station
Facility Operating License No. DPR-16
NRC Docket No. 50-219

Subject: Application for Indirect License Transfers

References:

- (1) Application for NRC Consent to Indirect Transfer of Control of Licenses Held By AmerGen Energy Company, LLC and AmerGen Vermont, LLC in Connection with the Proposed Merger of PECO Energy Company and Unicom Corporation, NRC Docket Nos. 50-289 (Three Mile Island, Unit 1), 50-461 (Clinton Power Station), 50-219 (Oyster Creek Nuclear Generating Station), and 50-271 (Vermont Yankee Nuclear Power Station), dated February 28, 2000.
- (2) Letter to Mr. Samuel J. Collins, Director, Office of Nuclear Reactor Regulation, USNRC, from AmerGen Energy Company, LLC, and AmerGen Vermont, LLC, "Response to Request for Additional Information Regarding Indirect Transfer of Licenses Held By AmerGen

ADD/

Indirect License Transfers

July 19, 2000

Page 2

Energy Company, LLC and AmerGen Vermont, LLC in Connection With
Proposed Merger of PECO Energy Company and Unicom Corporation,”
dated June 1, 2000

- (3) Letter to Mr. Samuel J. Collins, Director, Office of Nuclear Reactor Regulation, USNRC, from AmerGen Energy Company LLC and AmerGen Vermont, LLC, “Additional Information Regarding Exelon and GENCO in Support of Application for NRC Consent to Indirect Transfer of Control of Licenses Submitted by AmerGen Energy Company, LLC and AmerGen Vermont, LLC,” dated June 28, 2000

Dear Sir/Madam:

Pursuant to 10 CFR 50.80, “Transfer of Licenses,” AmerGen Energy Company, LLC (AmerGen) hereby requests NRC consent to an indirect transfer of control of Three Mile Island Unit 1 (TMI-1), Clinton Power Station (CPS), and Oyster Creek Nuclear Generating Station (OC) with respect to PECO Energy Company’s (PECO’s) 50% ownership interest in AmerGen. The indirect transfer would result from the merger of PECO and Unicom Corporation (Unicom). As a result, all of the stock of PECO will be owned by Exelon Corporation (Exelon), a newly registered holding company resulting from the proposed merger. Under this proposed NRC indirect transfer consent, AmerGen would continue to own and operate TMI-1, CPS and OC, and continue to be the NRC licensee for these units. AmerGen anticipates that it will have become the OC licensee prior to NRC’s taking action on this application. There are no corresponding proposed changes to the Facility Operating Licenses or the Technical Specifications.

In References 1 through 3, which are incorporated in this application by reference, AmerGen requested NRC consent to the indirect transfer of control of the Facility Operating Licenses for the above nuclear units to Exelon Generation Company, LLC (EGC), a new generating company which will be an indirect wholly-owned subsidiary of Exelon. In Reference 3, AmerGen indicated that certain regulatory rulings associated with some of the related restructuring transactions may not be received to permit the restructuring transactions to be completed at the same time the PECO/Unicom merger is consummated. Proceedings in progress at the Illinois Commerce Commission, and private letter rulings from the Internal Revenue Service, may not be concluded at the time the merger is consummated. As a result, the transfer of ownership of and operational responsibility for PECO’s generating assets, including its interest in AmerGen, to EGC may not occur simultaneously with the merger. PECO may continue to hold its existing interest in AmerGen as a direct wholly-owned subsidiary of Exelon for an interim period before this interest is transferred to EGC.

Indirect License Transfers

July 19, 2000

Page 3

General corporate information concerning the organization, management, and businesses of Exelon, and its respective directors and officers was provided in References 1 and 3. As this information demonstrates, all of the directors and officers of Exelon will be U.S. citizens and neither AmerGen, PECO nor Exelon will be subject to foreign ownership, control, or domination.

During the interim period that is the subject of this request, and thereafter, AmerGen would continue to own and operate the nuclear units it is licensed by the NRC to own and operate. The 50% ownership interest in AmerGen held by British Energy Inc., a subsidiary of British Energy plc (British Energy), will remain unchanged. The only significant change that will occur is that, upon the consummation of the merger, PECO's current shareholders will become shareholders of Exelon, and PECO will become a direct, wholly-owned subsidiary of Exelon. PECO will continue to be a public utility organized under the laws of the Commonwealth of Pennsylvania. Although the size and membership of the Board of Directors of PECO may change following the merger, all of the Directors of PECO will be U.S. citizens, and the principal officers of PECO will remain unchanged. The Management Committees and principal officers of AmerGen will either remain unchanged or will be consistent with changes previously described in References 1 through 3.

During this interim period, and thereafter, the technical qualifications of AmerGen to carry out its licensed responsibilities will remain as they are now. The AmerGen nuclear organization will continue to operate the units in accordance with the terms of the existing licenses. With respect to the stations, the onsite management and technical support structure will continue to conform to the pertinent provisions in each facility's Updated Final Safety Analysis Report or Technical Specifications, as applicable. The offsite technical support organizations and personnel will continue to perform technical support functions for the stations. The functions, responsibilities, and reporting relationships of these organizations, especially as they relate to activities important to the safe operation of each station, will continue to be clear and unambiguous.

AmerGen will also continue to be financially qualified to be an NRC licensee during this interim period, because neither its own financial projections, nor PECO's financial support for AmerGen, will be affected by PECO becoming a subsidiary of Exelon. This interim configuration does not impact the financial projections already provided to the NRC and does not affect the financial assurances PECO and British Energy made to AmerGen in the form of letter agreements, in which PECO and British Energy would, subject to the terms of their respective agreements, provide their share of funds to AmerGen to further assure that AmerGen will have sufficient funds available to meet its operating expenses for its nuclear plants. The

Indirect License Transfers

July 19, 2000

Page 4

decommissioning funding arrangements for these nuclear units will also not be affected in any way.

In summary, the establishment of Exelon as the parent holding company of PECO will not result in any change in: (a) the management or technical qualifications of AmerGen; (b) the design or licensing basis of any of the units; (c) any of AmerGen's licenses or Technical Specifications; (d) the day-to-day operation or maintenance of any of these units; or (e) the financial qualifications of AmerGen with respect to operating costs and decommissioning assurance.

This application does not contain any Restricted Data or any change in access to Restricted Data. AmerGen's existing restrictions on access to Restricted Data will remain in place during any interim period.

The consummation of the proposed merger between PECO and Unicom is currently scheduled to occur as soon as possible after receipt of all required regulatory approvals. AmerGen requests that NRC review of this application proceed in parallel with the completion of the review of the application for indirect license transfers to EGC requested in References 1 through 3, and requests that NRC approve this application for indirect license transfers before the end of September 2000. If regulatory rulings are obtained so as to permit the transfer to EGC at the time of the merger, we will notify the NRC that the need for approval of the requested interim indirect license transfers no longer exists and withdraw this application.

Similar consent requests dealing with the indirect transfer of control of the PECO and Commonwealth Edison (ComEd) Company licenses during this interim period have been submitted on the PECO and ComEd dockets.

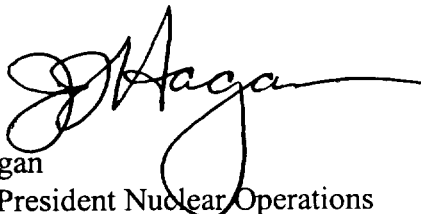
Indirect License Transfers

July 19, 2000

Page 5

If you have any questions about this letter, please contact Mr. James A. Hutton at (610) 640-6722.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Hagan", with a long horizontal flourish extending to the right.

Joseph J. Hagan
Senior Vice President Nuclear Operations
AmerGen Energy Company, LLC

Attachments:

1. Affidavit

cc: Document Control Desk, NRC (3)
NRC Licensing Project Managers
T. G. Colburn, TMI -1
J. B. Hopkins, CPS
H. N. Pastis, Oyster Creek
D. M. Skay, PECO/Unicom Merger
S. R. Hom, Esq., OGC, NRC
R. S. Wood NRR, NRC
NRC Regional Administrators
H. J. Miller, Region I
J. E. Dyer, Region III
NRC Resident Inspectors
Douglas Demsey, Acting, TMI-1
P. L. Loudon, CPS
L. Dudes, Oyster Creek
S. Maingi, Bureau of Rad. Protection, PA Dept. Of Env. Resources
K. Tosch, Director, Bureau of Nuclear Engineering, NJ Dept of
Environmental Protection
Mike Parker, Illinois Department of Nuclear Safety

COMMONWEALTH OF PENNSYLVANIA :


: SS

COUNTY OF YORK :

AFFIDAVIT

Joseph J. Hagan, being first duly sworn, deposes and says:

That he is Senior Vice President Nuclear Operations, AmerGen Energy Company, LLC, the Applicant herein; that he has read the enclosed letter dated July 19, 2000, "Application for Indirect License Transfers" involving Three Mile Island Unit 1 (TMI-1), Clinton Power Station (CPS), and Oyster Creek Nuclear Generating Station (OC), and knows the contents thereof; and that the statements and matters set forth therein are true and correct to the best of his knowledge, information and belief.



Senior Vice President
Nuclear Operations
AmerGen Energy Company, LLC

Subscribed and sworn to

before me this 19th day

of July, 2000.



Notary Public

