



A PECO Energy/British Energy Company

10 CFR 30.34(b)

AmerGen Energy Company, LLC
Three Mile Island Unit 1

Route 441 South, P.O. Box 480
Middletown, PA 17057
Phone: 717-944-7621

August 25, 2000
5928-00-20261

U.S. Nuclear Regulatory Commission
Region I
ATTN: Nuclear Materials Safety Branch
475 Allendale Road
King of Prussia, PA 19406-1415

SUBJECT: THREE MILE ISLAND, UNIT 1 (TMI UNIT 1)
OPERATING LICENSE No. DPR-50
DOCKET No. 50-289
REQUEST FOR INDIRECT TRANSFER OF NRC MATERIALS LICENSE

Dear Sir/Madam:

In accordance with Section 184 of the Atomic Energy Act and 10 CFR 30.34(b), AmerGen Energy Company, LLC (AmerGen) requests NRC consent to the indirect transfer of control of the TMI Unit 1 Materials License Nos. 37-17257-02 and 37-30199-01 held by AmerGen. AmerGen is a limited liability company formed by PECO, British Energy, plc (British Energy), and British Energy Inc. (BE Inc.), a wholly-owned subsidiary of British Energy. BE Inc. and PECO each own 50% of AmerGen. The indirect transfer would result from the merger of PECO Energy Company (PECO) and Unicom Corporation (Unicom).

On September 22, 1999, PECO and Unicom entered into a merger agreement. The merger will result in the formation of a new holding company, Exelon Corporation (Exelon), which will be registered under the Public Utility Holding Company Act of 1935. As a final result of the merger, the existing utility and non-utility businesses of PECO and Unicom will be organized into subsidiaries of Exelon.

In its final state, Exelon will have several principal subsidiaries including: PECO, Commonwealth Edison Company (ComEd) and Exelon Generation Company, LLC (EGC). EGC will be a Pennsylvania corporation which will own, operate, and market power from the nuclear and fossil-fired electric generating units currently owned and operated by PECO and ComEd. EGC will also acquire PECO's existing 50% ownership interest in AmerGen. AmerGen will continue to hold its ownership interest in TMI Unit 1 and will remain the licensee responsible for activities conducted under the subject materials licenses. PECO will remain a Pennsylvania regulated public utility that will continue to perform its current transmission and distribution (T&D) functions. ComEd

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will remain an Illinois regulated public utility that will continue to perform its current T&D functions. A more detailed description of the PECO/Unicom merger is provided in the AmerGen application for NRC consent to indirect transfer of control of licenses held by AmerGen Energy Company, LLC, pursuant to 10 CFR 50.80, submitted to NRC on February 28, 2000.

Additionally, AmerGen application for NRC consent to indirect transfer of control of licenses held by AmerGen pursuant to 10 CFR 50.80 submitted to NRC on July 19, 2000, provides a detailed description of an interim restructuring where PECO will 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 Exelon Generation Company, LLC. For this interim restructuring period, AmerGen will also continue to hold its ownership interest in TMI Unit 1 and will remain the licensee responsible for activities conducted under the subject materials licenses. PECO's financial support for AmerGen in this interim period will not be affected by PECO becoming a subsidiary of Exelon.

These indirect license transfers pursuant to 10 CFR 50.80 are currently being reviewed by NRC.

The above referenced applications demonstrate that the PECO/Unicom merger will have no adverse impact on (1) AmerGen's ownership or operation of TMI Unit 1; (2) the managerial, technical, or financial qualifications of AmerGen to own and operate TMI Unit 1; or (3) the level of foreign participation in AmerGen that has previously been reviewed and approved by the Commission. These applications also demonstrate that the indirect transfer of control of the licenses to EGC, or to PECO as a wholly-owned subsidiary of Exelon prior to completion of the merger, will not result in any undue risk to the public health and safety, or be inimical to the common defense and security, and will be consistent with the applicable provisions of the law, regulations, and orders issued by the NRC.

AmerGen will continue to be the NRC licensee for use of the licensed materials at TMI Unit 1. 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.

The technical qualifications of AmerGen to carry out its licensed responsibilities will remain as they are now. AmerGen will continue to conduct its activities under the Materials Licenses in accordance with the terms of the license. AmerGen's staff functions, responsibilities, and reporting requirements, especially as they relate to activities important to the safe handling of the licensed materials, will continue to be clear and unambiguous. There will be no change in the licensed materials, maximum amounts, authorized use and conditions specified in the Materials License. At all times, AmerGen will control all activities performed pursuant to NRC Materials License Nos. 37-17257-02 and 37-30199-01.

AmerGen will also continue to be financially qualified to be the NRC licensee, because becoming a subsidiary of Exelon will not affect AmerGen's current sources of operating and decommissioning funds.

In summary, the establishment of Exelon as the parent holding company of PECO will not result in any change in: (a) the organization, location, facility, equipment, or procedures used to conduct the licensed activities; (b) the licensed materials, maximum amounts, authorized use and conditions specified in the Materials License; (c) the use, possession, location, or storage of the licensed materials; (d) personnel having control over licensed activities, i.e., Radiation Safety Officer (RSO); and (e) PECO's financial qualifications and its decommissioning funds for the Materials Licenses.

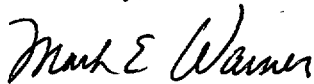
Appendix A provides "Additional Information Related to the Proposed Indirect Transfer of Control of the AmerGen Energy Company, LLC, Materials License Nos. 37-17257-02 and 37-30199-01" which follows the format of NRC Information Notice 89-25, Rev. 1.

The proposed changes described above, and more fully in Appendix A, are consistent with the requirements of the Atomic Energy Act and NRC regulations, will not be inimical to the common defense and security, and will provide reasonable assurances of public health and safety.

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. PECO is hopeful that the required approvals of the proposed merger will be received in time to support consummation of the merger at the end of September 2000. Accordingly, AmerGen is requesting NRC approval of this application for indirect license transfer before the end of September 2000.

If you have any questions about this letter, please contact David J. Distel at 610-765-5517.

Sincerely,



Mark E. Warner
Vice President, TMI Unit 1

MEW/djd

Enclosure: Appendix A

cc: H. J. Miller, Regional Administrator, Region I
T. G. Colburn, USNRC Senior Project Manager, TMI Unit 1
C. Smith, USNRC Senior Resident Inspector, TMI Unit 1
Director, Bureau of Radiation Protection - PA Department of
Environmental Resources
Chairman, Board of County Commissioners of Dauphin County
Chairman, Board of Supervisors of Londerry Township
Duncan White, Division of Nuclear Materials Safety, USNRC Region I
File No. 99046

APPENDIX A

ADDITIONAL INFORMATION RELATED TO THE PROPOSED INDIRECT TRANSFER OF CONTROL OF THE AMERGEN ENERGY COMPANY, LLC MATERIALS LICENSE NOS. 37-17257-02 AND 37-30199-01

1. **NEW NAME OF LICENSED ORGANIZATION**

The name of the licensed organization will remain the same.

2. **NEW LICENSEE CONTACT**

The licensee contact and telephone number will remain the same.

3. **PERSONNEL**

There will be no changes in personnel having control over licensed activities.

4. **TRANSFEROR FUTURE BUSINESS PLANS**

The license will not be transferred and therefore this item is not applicable.

5. **DESCRIPTION OF THE TRANSACTION**

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. AmerGen would, under this proposed NRC indirect transfer consent, continue to be the NRC licensee. There are no corresponding proposed changes to the Materials License.

AmerGen will continue to be the NRC licensee for use of the license materials at TMI Unit 1. 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 initially PECO will become a direct, wholly-owned subsidiary of Exelon. The Management Committees and principal officers of AmerGen will either remain unchanged or will be consistent with changes previously described in AmerGen's request for indirect transfer of the TMI Unit operating license pursuant to 10 CFR 50.80.

6. **ORGANIZATION, LOCATION, FACILITIES, EQUIPMENT, OPERATION AND PROCEDURES**

There will be no change in organization, location, facilities, equipment, operations or procedures.

7. LICENSED MATERIALS

There will be no change in the use, possession, location or storage of the licensed materials.

8. ORGANIZATION, LOCATION, FACILITIES, EQUIPMENT, PROCEDURES, AND PERSONNEL

There will be no change in organization, location, facility, equipment, procedures or personnel.

9. SURVEILLANCE ITEMS AND RECORDS

All calibrations, leak tests, surveys, inventories and accountability requirements will be current at the time of the indirect transfer of control of the Materials Licenses.

10. NUCLEAR RECORDS

The licenses will not be transferred and therefore this item is not applicable. Notwithstanding the above, AmerGen will maintain its existing records concerning the safe and effective decommissioning of the facility, worker exposures, public doses, and waste disposal.

11. FACILITY AND DECOMMISSIONING STATUS

AmerGen will maintain its full responsibility for the decontamination and decommissioning of the facilities.

12. DECONTAMINATION PLANS AND FINANCIAL ASSURANCE ARRANGEMENTS

The licenses will not be transferred and therefore this item is not applicable. Notwithstanding the above, there will be no change in AmerGen's current compliance with any applicable requirements.

13. PRIOR COMMITMENTS AND OPEN INSPECTION ITEMS

The licenses will not be transferred and therefore this item is not applicable. Notwithstanding the above, AmerGen will continue to maintain decommissioning records required by 10 CFR 30.35(g); implementing decontamination activities and decommissioning of the site; and completing corrective actions for open inspection items and enforcement actions.

14. DOCUMENTATION THAT TRANSFEROR AND TRANSEREE AGREE TO CHANGE IN OWNERSHIP OR CONTROL OF MATERIALS

The licenses will not be transferred and therefore this item is not applicable.

15. COMMITMENT BY TRANSFEREE

The licenses will not be transferred and therefore this item is not applicable. Notwithstanding the above, AmerGen will continue to abide by all constraints, conditions, requirements, representation, and commitments identified in the existing license.