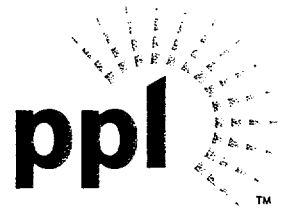


Robert G. Byram
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MAR 06 2001

Mr. Samuel J. Collins
U. S. Nuclear Regulatory Commission
Mail Station O-14-E21
Washington, DC 20555

10 CFR 50.80

**SUSQUEHANNA STEAM ELECTRIC STATION
FORMATION OF INTERMEDIARY PARENT COMPANY --
PPL ENERGY SUPPLY, LLC
PLA-5286**

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

By Order dated June 6, 2000, the NRC approved the transfer of the NRC facility Operating Licenses for the Susquehanna Steam Electric Station (SSES) to the extent held by PPL Electric Utilities Corporation (formerly PP&L, Inc.) to PPL Susquehanna, LLC (PPL Susquehanna). This transfer occurred on July 1, 2000 as part of a corporate realignment of PPL Corporation that was described in PP&L, Inc.'s NRC license transfer application dated December 15, 1999. The purpose of this letter is to inform the NRC of an additional proposed change in the internal corporate structure of PPL Corporation, which will result in PPL Energy Supply, LLC (PPL Energy Supply) becoming an intermediary, indirect parent company of PPL Susquehanna. PPL Corporation will remain PPL Susquehanna's ultimate parent company. PPL Susquehanna requests that the NRC perform an expedited threshold review to confirm that the NRC's consent pursuant to 10 CFR 50.80 is not required in connection with this change. Alternatively, if the NRC concludes that such consent is required, PPL Susquehanna requests that such consent be granted on an expedited basis.

PPL Susquehanna is a wholly-owned, direct subsidiary of PPL Generation, LLC (PPL Generation), which is a wholly-owned, direct subsidiary of PPL Energy Funding Corporation (PPL Energy Funding). PPL Energy Funding, in turn, is a wholly-owned, direct subsidiary of PPL Corporation, whose shares are widely-held and publicly-traded on the New York Stock Exchange. PPL Energy Supply will be a wholly-owned, direct subsidiary of PPL Energy Funding. Upon receipt of the necessary regulatory approvals, PPL Energy Supply will own some of the current subsidiaries now directly held by PPL Energy Funding, including PPL Generation, the direct parent of PPL Susquehanna. PPL Energy Supply will then become the primary funding vehicle for the issuance of debt and preferred securities for PPL's generation business, as well as certain other businesses.

A001

The proposed change in the structure of intermediary corporate entities is entirely internal to the PPL Corporation family of companies. It will not result in any change in the direct ownership or control of PPL Susquehanna, the licensee, nor will it result in any transfer of ownership or control of PPL Corporation, the ultimate controlling entity of the licensee. Therefore, we do not believe that this change involves any transfer of control of the SSES license requiring any NRC review or consent.

If the NRC concludes that the formation of PPL Energy Supply will result in an indirect transfer of control of the SSES licenses that requires NRC consent, such consent should be granted on an expedited schedule. This formation of an indirect, intermediary parent company of an NRC licensee does not involve any change in the licensee or in the ultimate parent company, and it does not present any significant transfer of control issues. Therefore, a request for NRC consent under such circumstances does not involve the more complicated issues that may be presented in other direct and indirect license transfer reviews. Given these facts, PPL Susquehanna requests that its request be treated separately from the NRC's normal review of direct and indirect license transfers, and instead, that its request be handled in an expedited and simplified review and approval process. Anticipating that electric industry restructuring and rapidly changing business and financial considerations may lead to more and more changes in intermediary corporate structures involving NRC reactor licensees, such a model may be warranted for generic application to the nuclear industry. Such a simplified approach would minimize the NRC resources applied and assure prompt NRC review and approval of requests that are time sensitive.

The following information is provided in support of PPL Susquehanna's request for NRC consent to the proposed transaction:

The formation of PPL Energy Supply is necessary to facilitate certain financing arrangements in order to more effectively organize and conduct the generation business and certain other businesses currently owned by PPL Energy Funding. It is anticipated that PPL Energy Supply will obtain an investment-grade securities rating on its senior unsecured debt, which will be used to the advantage of its various directly and indirectly owned subsidiaries, including PPL Susquehanna. PPL Energy Supply has the same address, organization and management as PPL Energy Funding. It will hold its interest in PPL Generation in the same manner that PPL Energy Funding currently owns such interest in PPL Generation and its various subsidiaries, including PPL Susquehanna.

PPL Energy Supply will be a direct, wholly-owned subsidiary of PPL Energy Funding. It is a limited liability company organized under the laws of the State of Delaware, formed to become the direct, parent company of certain of the current subsidiaries of PPL Energy Funding (e.g., PPL Generation, PPL Global, LLC and PPL EnergyPlus, LLC). The address for PPL Energy Supply is:

Two North Ninth Street
Allentown, PA 18101

The names of the members of the Board of Managers of PPL Energy Supply and its principal managers, all of whom are U.S. citizens, will be as follows:

Board of Managers

Name

James E. Abel
John R. Biggar
Robert J. Grey
William F. Hecht
Frank A. Long

Officers

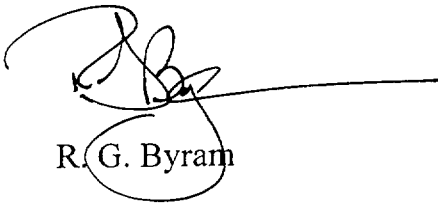
William F. Hecht	President
Frank A. Long	Executive Vice President
John R. Biggar	Vice President
James E. Abel	Treasurer
Michael A. McGrail	Secretary

The proposed transaction will not result in any change to the financial or technical qualifications of PPL Susquehanna, or in any foreign ownership, domination or control of PPL Susquehanna, and it will not result in any changes to the existing decommissioning funding arrangements for SSES. Moreover, it will not result in any physical changes to SSES. PPL Energy Supply will not be owned, controlled or dominated by an alien, a foreign corporation or a foreign government.

For important financial and business reasons, PPL would like to complete this transaction by April 15, 2001. Therefore, it would appreciate the NRC acting on this request by April 10.

In the event that the NRC has any questions regarding the proposed formation of PPL Energy Supply or wishes to obtain any additional information, please contact Mr. R. R. Sgarro, Supervisor - Nuclear Licensing, at 610-774-7504.

Sincerely,

A handwritten signature in black ink, appearing to be 'R. G. Byram', with a long horizontal line extending to the right. The signature is written over the printed name 'R. G. Byram'.

Copy: NRC Region 1

Mr. R. G. Schaaf, NRC Project Manager, OWFN
Mr. S. L. Hansell, NRC Sr. Resident Inspector, SSES
Mr. R. Osborne, Allegheny Electric
Mr. D. J. Allard, PA DEP
Mr. R. S. Wood, NRC/NRR - OWFN