



FirstEnergy Nuclear Operating Company

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CERTIFIED MAIL

Return Receipt Requested

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United States Nuclear Regulatory Commission
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Three Mile Island, Unit 2
Docket No. 50-320

Saxton Nuclear Experimental Corporation
Docket No. 50-146

RE: Decommissioning Reports for the Three Mile Island, Unit 2; and the Saxton Nuclear Experimental Corporation

Ladies and Gentlemen:

Pursuant to 10 CFR 50.75(f)(1), FirstEnergy Corp. is hereby submitting the Decommissioning Reports for the Three Mile Island Unit 2; and the Saxton Nuclear Experimental Corporation for the year ending December 31, 2002.

If you have questions or require additional information, please contact Mr. R. Terry Conlin, Sr. Business Analyst at 330-384-4605.

Very truly yours,

Robert F. Saunders
President

Attachments

cc: NRC Region I Administrator
NRC Project Scientist, Region 1 for Three Mile Island
NRC Project Manager for Three Mile Island
NRC Project Manager for Saxton
NRC Research Reactors Program
NRC TMI-2 Inspector
George Rombold – Regulatory Assurance Mgr. – Amergen
James Byrne – Three Mile Island
George A. Kuehn, Jr. – Saxton
R. I. Parrish – FE Reading
M. E. O'Reilly (w/o attachments)
E. J. Sitarz (w/o attachments)
D. C. Perrine (w/o attachments)

N1M5501

**NRC Decommissioning Funding Status Report
Three Mile Island Unit No. 2
As of December 31, 2002**

(Note: This report reflects FirstEnergy Corp.'s consolidated share of ownership interest in Three Mile Island Unit 2).

1. Decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c) based on a 1995 TMI-2 site specific decommissioning cost study escalated to 2002 dollars:

Radiological	\$481,009,090
Non-Radiological	<u>38,517,195</u>
FirstEnergy Consolidated	<u>\$519,526,285</u>

2. The amount accumulated in external trust funds at December 31, 2002:

Metropolitan Edison Company	\$155,688,975
Pennsylvania Electric Company	88,815,468
Jersey Central Power & Light	<u>106,273,827</u>
FirstEnergy Consolidated	<u>\$350,778,270</u>

3. A schedule of the annual amounts over the number of years remaining to be collected from ratepayers is attached as Schedule 1:

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

Consolidated Ownership Interest in Unit	100%
Funds Earnings Rate Through Dismantlement	6.000%
Decommissioning Cost Inflation Rate	4.000%
Year of License Termination	2014
Year of Final Dismantlement	2023

5. There are no contracts upon which FirstEnergy Corp. is relying pursuant to 10 CFR 50.75(e)(1)(v).
6. There are no modifications to the licensee's current method of providing financial assurance since the last submitted report.
7. On November 7, 2001, Metropolitan Edison Company, Pennsylvania Electric Company and Jersey Central Power & Light, the utilities owning Three Mile Island Unit 2, became wholly-owned subsidiaries of FirstEnergy Corp. as a result of a merger with GPU, Inc. The Bank of New York has been retained as custodian of the Three Mile Island Unit 2 Nuclear Decommissioning Trust. The trust agreement, between The Bank of New York and the utility companies, had no material changes.

NRC Decommissioning Funding Status Report
Schedule of Annual Amounts Remaining to be Collected

FirstEnergy Corp.
Three Mile Island Unit 2

Year	Annual Amounts Collected			FirstEnergy Consolidated
	Metropolitan Edison	Pennsylvania Electric	Jersey Central Power & Light	
2002				-
2003	9,483,000	-	2,291,000	11,774,000
2004	9,483,000	-	2,291,000	11,774,000
2005	9,483,000	-	2,291,000	11,774,000
2006	9,483,000	-	2,291,000	11,774,000
2007	9,483,000	-	2,291,000	11,774,000
2008	9,483,000	-	2,291,000	11,774,000
2009	9,483,000	-	2,291,000	11,774,000
2010	9,483,000	-	2,291,000	11,774,000
2011	-	-	2,291,000	2,291,000
2012	-	-	2,291,000	2,291,000
2013	-	-	2,291,000	2,291,000
2014	-	-	2,291,000	2,291,000
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
Total	75,864,000	-	27,492,000	103,356,000

**NRC Decommissioning Funding Status Report
Saxton Nuclear Experimental Corporation
As of December 31, 2002**

(Note: This report reflects FirstEnergy Corp.'s consolidated share of ownership interest in the Saxton Nuclear Experimental Corporation).

1. Decommissioning estimate, pursuant to 10 CFR 50.75(b) and (c) based on a 1998 Saxton site specific decommissioning cost study escalated to 2002 dollars and modified for actual findings: \$ 63,515,000
2. The accumulated amount expended at the end of the calendar year ended preceding the date of the report for items included in 10 CFR 50.75 (b) and (c): \$ 58,713,436
3. Schedule of the annual amounts remaining to be expended for items in 10 CFR 50.75 (b) and (c):
 - a. Amount remaining \$ 4,801,565
To be collected from New Jersey ratepayers 3,629,377
Amount to be funded by FirstEnergy Corp. 1,172,188
 - b. Annual rate collections in effect as of December 31, 2002 \$ 174,778 (1)
 - c. Number of years to collect 21
4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

Consolidated Ownership Interest in Unit	100%
Funds Earnings Rate Through Dismantlement	5.400%
Decommissioning Cost Inflation Rate	3.400%
5. There are no contracts upon which FirstEnergy Corp. is relying pursuant to 10 CFR 50.75(e)(1)(v).
6. There are no modifications to the licensee's current method of providing financial assurance since the last submitted report.
7. On November 7, 2001, Metropolitan Edison Company, Pennsylvania Electric Company and Jersey Central Power & Light, the utilities owning the Saxton facility, became wholly-owned subsidiaries of FirstEnergy Corp. as a result of a merger with GPU, Inc. First Union Bank has been retained as custodian of the Saxton Nuclear Decommissioning Trust. The trust agreement, between First Union and the utility companies, had no material changes. Additionally, all Investment Managers have similarly been retained.

(1) Pennsylvania collections ceased December 31, 1998. New Jersey collections continue at an annual rate of \$174,778. FirstEnergy Corp. will seek additional recovery from New Jersey ratepayers in 2003. Any funding shortfall will be borne by FE shareholders. For additional information, please refer to the February 19, 2001 memo to the Nuclear Regulatory Commission concerning a Parent Guarantee for the decommissioning funding of the Saxton facility.