

AmerGen

A PECO Energy/British Energy Company

AmerGen Energy Company, LLC
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10 CFR 140.21

2130-03-20295
5928-03-20231

November 17, 2003

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

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

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

Subject: 2003 Annual Report - Guarantees of Payment of Deferred Premiums

Pursuant to 10 CFR 140.21, "Licensee guarantees of payment of deferred premiums," AmerGen Energy Company, LLC, is providing evidence that we maintain a guarantee of payment of deferred premiums in the amount of \$10 million for each of our three reactors. This information is required to be submitted annually on the anniversary date on which the indemnity agreement is effective for each of our reactors.

The AmerGen Energy Company, LLC, unaudited internal cash flow projections are contained in Attachment 1. The ending cash balance could be drawn on to raise the \$30 million needed to provide for our payment of retrospective premiums.

If you have any questions about this letter, please contact T. Loomis at (610)765-5510.

Respectfully,



Matthew F. Hilzinger
VP & Corporate Controller
AmerGen Energy Company, LLC
Attachments

cc: Regional Administrator- NRC Region I
Regional Administrator - NRC Region III
NRC Senior Resident Inspector- Clinton Power Station
NRC Senior Resident Inspector - Oyster Creek Generating Station
NRC Senior Resident Inspector - Three Mile Island, Unit 1

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ATTACHMENT 1
AmerGen Energy Company
2003 Internal Cash Flow Projection
(Dollars in Thousands)

	<u>2002 Actual</u>	<u>2003 Projected</u>
Net Income After Taxes	\$ 161,030	\$ 696,522
Less Dividends Paid	0	0
Earnings	<u>\$ 161,030</u>	<u>\$ 696,522</u>
Adjustments		
Depreciation and Amortization	\$ 104,695	\$ 99,123
Deferred Income Taxes and Investment Tax Credits	\$ 5,433	\$ 2,221
Cumulative Effect of Change in Accounting Principle	\$ (43,398)	\$ (548,351)
AFUDC	0	0
Adjustments	<u>\$ 66,730</u>	<u>\$ (447,007)</u>
Internal Cash Flow	\$ 227,760	\$ 249,515
Average Quarterly Cash Flow	\$ 56,940	\$ 62,379

Percentage Ownership

Clinton Power Station	100%
Oyster Creek Nuclear Generating Station	100%
Three Mile Island, Unit 1	100%

Maximum Total Contingent Liability **\$30M**

Footnote:

Cumulative effect of change in Accounting Principle due to implementation of FASB 143

Certification

AmerGen has sufficient cash flow to ensure that its obligations to pay deferred premiums under 10 CFR Part 140 will be met.

Certified By: _____

Matthew F Hilzinger
 VP & Corporate Controller
 AmerGen