



**APPLICATION FOR NRC CONSENT TO
INDIRECT TRANSFER OF
CONTROL OF LICENSES**

February 28, 2000

submitted by

AmerGen Energy Company, LLC

&

AmerGen Vermont, LLC

Three Mile Island Unit 1 (Docket No. 50-289)

Clinton Power Station (Docket No. 50-461)

Nine Mile Point, Units 1 and 2 (Docket Nos. 50-220, 50-410)

Oyster Creek Nuclear Generating Station (Docket No. 50-219)

Vermont Yankee Nuclear Power Station (Docket No. 50-271)

AmerGen

A PECO Energy/British Energy Company

AmerGen Energy Company, LLC
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Wayne, PA 19087-5691

Telephone: 610 640 6900
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February 28, 2000

10 CFR § 50.80

10 CFR § 50.90

VIA HAND DELIVERY

U.S. Nuclear Regulatory Commission
Attention: Mr. Samuel J. Collins, Director
Office of Nuclear Reactor Regulation
One White Flint North, Mail Stop O-5 E7
11555 Rockville Pike
Rockville, MD 20852-2738

Re: 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); 50-220 and 50-410 (Nine Mile Point, Units 1 and 2); 50-219 (Oyster Creek Nuclear Power Plant); and 50-271 (Vermont Yankee Nuclear Power Station).

Dear Mr. Collins:

AmerGen Energy Company, LLC (AmerGen) and its wholly-owned subsidiary, AmerGen Vermont, LLC (AmerGen Vermont) request the consent of the Nuclear Regulatory Commission (NRC) to the indirect transfer of control of the operating licenses held by, or pending transfer to, AmerGen and AmerGen Vermont, which will result from the proposed merger between PECO Energy Company (PECO) and Unicom Corporation (Unicom), to the extent such consent is required pursuant to Section 184 of the Atomic Energy Act of 1954, as amended, and 10 CFR § 50.80.

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, to acquire and operate nuclear power plants in the United States. BE Inc. and PECO each own 50% of AmerGen. AmerGen Vermont is a limited liability company formed by AmerGen to acquire and operate the Vermont Yankee Nuclear Power Station (Vermont Yankee).

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The NRC recently consented to the transfer to AmerGen of the ownership of, and operating responsibility for Three Mile Island, Unit 1 (TMI-1) under Operating License No. DPR-50, and the Clinton Power Station (CPS) under Operating License No. NPF-62. *See GPU Nuclear, Inc.* (Three Mile Island, Unit 1), Order Approving Transfer of License and Conforming Amendment, 64 *Fed. Reg.* 19202 (April 19, 1999) (TMI-1 Order); *Illinois Power Co.* (Clinton Power Station), Order Approving Transfer of License and Conforming Amendment, 64 *Fed. Reg.* 67598 (December 2, 1999) (CPS Order). AmerGen has also submitted applications to the NRC for the transfer of the operating licenses for Nine Mile Point, Units 1 and 2 (NMP 1 and 2) (Operating License Nos. DPR-63 and NPF-69, Docket Nos. 50-220 and 50-410), and the Oyster Creek Nuclear Generating Station (Oyster Creek) (Operating License No. DPR-16, Docket No. 50-219). *See Application for License Transfer and Conforming Administrative License Amendments for NMP 1 and 2* (September 10, 1999); *Application for License Transfer and Conforming Administrative License Amendments for Oyster Creek* (November 5, 1999). AmerGen Vermont has submitted an application to the NRC for the transfer of the operating license for Vermont Yankee (Operating License No. DPR-28, Docket No. 50-271). *See Application for License Transfer and Conforming Administrative License Amendments for Vermont Yankee* (January 6, 2000).

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 result of the merger, the existing utility and non-utility businesses of PECO and Unicom will be organized into subsidiaries of Exelon.

Exelon will have several principal subsidiaries including: PECO, Commonwealth Edison Company (ComEd) and GENCO.¹ PECO will remain a Pennsylvania regulated public utility that will continue to perform its current transmission and distribution (T&D) functions. ComEd will remain an Illinois regulated public utility that will continue to perform its current T&D functions. GENCO will be a Pennsylvania corporation which will own, operate, and market power from the nuclear and fossil-fired electrical generating units currently owned and operated by PECO and ComEd. GENCO will also acquire PECO's existing 50% ownership interest in AmerGen. AmerGen will continue to hold its ownership and operating interests in TMI-1, CPS, and AmerGen Vermont, a wholly-owned subsidiary, and to pursue the acquisition of ownership and operating interests in NMP 1 and 2 and Oyster Creek. AmerGen

¹ The actual name of GENCO has yet to be determined. The applicants will notify the NRC once the actual name is selected, which will be well in advance of the time requested for NRC consent to these indirect license transfers.

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Vermont will continue to pursue the acquisition of ownership and operating interests in Vermont Yankee. A more detailed description of the PECO/Unicom merger is provided in the license transfer applications and supporting documentation submitted to the NRC by PECO and ComEd in connection with the merger.²

Information pursuant to 10 CFR §§ 50.80, 50.90 and 50.33 is being provided in the attached "Application for NRC Consent to Indirect Transfer of Control of Licenses Held by AmerGen Energy Company, LLC, and AmerGen Vermont, LLC, and Approval of Conforming License Amendments" (the Application). The Application demonstrates that the PECO/Unicom merger will have no adverse impact on (1) AmerGen's ownership or operation of TMI-1, CPS, NMP 1 and 2, or Oyster Creek; (2) the managerial, technical, or financial qualifications of AmerGen to own and operate these plants; or (3) the level of foreign participation in AmerGen that has previously been reviewed and approved by the Commission. The Application makes a similar demonstration with respect to AmerGen Vermont's qualifications to own and operate Vermont Yankee. The Application also demonstrates that the indirect transfer of control of the licenses to GENCO 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 applicable provisions of law, regulations, and orders issued by the NRC.

As noted in the license transfer applications submitted by PECO and Unicom in connection with their proposed merger, the consummation of the corporate transactions associated with the proposed PECO/Unicom merger is dependent upon the receipt of various regulatory and shareholder approvals. Accordingly, AmerGen and AmerGen Vermont respectfully request that the NRC provide any required consents by June 30, 2000. AmerGen and AmerGen Vermont also request that the NRC's consent be immediately effective upon issuance and remain valid and effective for 12 months after it is granted, or such later date as the NRC may permit, to provide a reasonable time for completion of the merger.³

2 See Application for License Transfers and Conforming Administrative License Amendments dated December 20, 1999, submitted by PECO for the Peach Bottom, Limerick, and Salem nuclear plants; Application for License Transfers and Conforming Administrative License Amendments dated December 20, 1999, submitted by ComEd for the Braidwood, Byron, Dresden, LaSalle, Quad Cities, and Zion nuclear plants.

3 AmerGen and AmerGen Vermont anticipate that the purchase of the NMP 1 and 2, Oyster Creek, and Vermont Yankee plants will proceed to closing upon receipt of the NRC's consent to the transfer of these facilities' licenses to AmerGen and AmerGen Vermont, and all other required regulatory approvals, and that these closings will take place before the expected closing date of the PECO/Unicom merger. AmerGen and AmerGen Vermont, therefore, respectfully request that (1) the NRC continue to process the license transfer applications for

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If the NRC requires additional information concerning this license transfer request, please contact Mr. James A. Hutton, Jr., at (610) 640-6722. Service upon the applicants of comments, hearing requests, intervention petitions, or other pleadings, if applicable, should be made to Kevin P. Gallen, Esq., Morgan, Lewis & Bockius LLP, 1800 M Street, N.W., Washington, D.C. 20036-5869. Mr. Gallen's phone number is (202) 467-7462; his e-mail address is kpgallen@mlb.com.

Sincerely,



Gerald R. Rainey
AmerGen Energy Company, LLC
AmerGen Vermont, LLC

Enclosure: (1) Application

cc: Document Control Desk, NRC
NRC Licensing Project Managers
Mr. Timothy G. Colburn, TMI-1
Mr. Jon B. Hopkins, CPS
Mr. S.S. Bajwa, NMP 1 and 2
Ms. Helen Pastis, Oyster Creek
Mr. Richard Croteau, Vermont Yankee
Ms. Donna Skay, PECO/Unicom Merger
Steve Hom, Esq. OGC, NRC
Mr. Robert Wood, NRR, NRC
NRC Regional Administrators, Regions I and III

these facilities based on PECO's current 50% ownership interest in AmerGen, and (2) separately evaluate any issues associated with the PECO/Unicom merger, and the transfer of PECO's 50% ownership interest in AmerGen to GENCO, in connection with its review of the attached Application.

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(cc's continued)

NRC Resident Inspectors

Mr. Wayne L. Schmidt, TMI-1

Mr. Troy Pruett, CPS

Mr. Gordon Hunegs, NMP 1 and 2

Ms. Laura Dudes, Oyster Creek

Mr. Brian J. McDermott, Vermont Yankee

Mr. Stan Maingi, Bureau of Rad. Protection, PA
Dept. of Env. Resources

Mr. Kent Tosch, Bureau of Nuclear Engineering, NJ Dept. of
Env. Protection

Mr. Jack Spath, New York State Energy Research and Development Authority

Mr. Mike Parker, Illinois Dept. of Nuclear Safety

Mr. Richard Sedano, VT Dept. of Public Service

**UNITED STATES OF AMERICA
BEFORE THE
NUCLEAR REGULATORY COMMISSION**

| | | |
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| In the Matter of |) | |
| |) | |
| AmerGen Energy Company, LLC, |) | |
| |) | |
| (Three Mile Island, Unit 1; |) | Docket Nos. 50-289, 50-461, |
| Clinton Power Station; |) | 50-220, 50-410, |
| Nine Mile Point, Units 1 and 2; and |) | 50-219 and 50-271 |
| Oyster Creek Nuclear Generating Station) |) | |
| |) | |
| and |) | |
| |) | |
| AmerGen Vermont, LLC, |) | |
| |) | |
| (Vermont Yankee Nuclear Power Station) |) | |
| |) | |

**APPLICATION FOR NRC CONSENT TO INDIRECT
TRANSFER OF CONTROL OF LICENSES HELD BY
AMERGEN ENERGY COMPANY, LLC AND
AMERGEN VERMONT, LLC AND APPROVAL OF
CONFORMING LICENSE AMENDMENTS**

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LIST OF ENCLOSURES

- Enclosure 1 Conforming Administrative License Amendments to Reflect Indirect Transfer of TMI-1 License and Associated Safety Evaluation
- Enclosure 2 Conforming Administrative License Amendments to Reflect Indirect Transfer of CPS License and Associated Safety Evaluation
- Enclosure 3 Post-Merger Management Structure of AmerGen and AmerGen Vermont
- Enclosure 4 Affirmation of Gerald R. Rainey

REFERENCES

The following documents are incorporated by reference into this Application:

1. NRC License Transfer Application Submitted by AmerGen Energy Company, LLC and GPU Nuclear, Inc., dated December 3, 1998, in Docket No. 50-289 (TMI-1 Application).
2. NRC License Transfer Application Submitted by AmerGen Energy Company, LLC and Illinois Power Company, dated July 23, 1999, in Docket No. 50-461 (Clinton Application).
3. NRC License Transfer Application Submitted by AmerGen Energy Company, LLC and GPU Nuclear, Inc., dated November 5, 1999 in Docket No. 50-219 (Oyster Creek Application).
4. NRC License Transfer Application Submitted by AmerGen Energy Company, LLC, Niagara Mohawk Power Corporation, and New York State Electric & Gas Corporation, dated September 10, 1999, in Docket Nos. 50-220 and 50-410 (Nine Mile Point Application).
5. NRC License Transfer Application Submitted by AmerGen Vermont, LLC and Vermont Yankee Nuclear Power Corporation, dated January 6, 2000, in Docket No. 50-271 (Vermont Yankee Application).
6. Application for License Transfers and Conforming Administrative License Amendments Submitted by PECO Energy Company for the Peach Bottom, Limerick, and Salem Nuclear Stations, in Docket Nos. 50-171, 50-277, 50-278, 50-352, 50-353, 50-272, and 50-311, dated December 20, 1999.
7. Application for License Transfers and Conforming Administrative License Amendments Submitted by Commonwealth Edison Company for the Braidwood, Byron, Dresden, LaSalle, Quad Cities, and Zion Nuclear Stations, in Docket Nos. STN 50-456, STN 50-457, STN 50-454, STN 50-455, 50-010, 50-237, 50-249, 50-373, 50-374, 50-254, 50-265, 50-295, and 50-304, dated December 20, 1999.

**APPLICATION FOR NRC CONSENT TO
INDIRECT TRANSFER OF CONTROL OF LICENSES
HELD BY AMERGEN ENERGY COMPANY, LLC AND
AMERGEN VERMONT, LLC AND APPROVAL
OF CONFORMING LICENSE AMENDMENTS**

I. INTRODUCTION

AmerGen Energy Company, LLC (AmerGen) and its wholly-owned subsidiary, AmerGen Vermont, LLC (AmerGen Vermont) submit the following Application pursuant to 10 CFR §50.80 requesting Nuclear Regulatory Commission (NRC) consent to the indirect transfer of control of the licenses held or to be held by AmerGen and AmerGen Vermont that will result from the transfer of PECO Energy Company's (PECO) 50% ownership interest in AmerGen to GENCO, in connection with the merger of PECO and Unicom Corporation (Unicom).^{1/} This merger will result in the creation of a new holding company, Exelon Corporation (Exelon). Exelon will be a Pennsylvania corporation and a registered holding company under the Public Utility Holding Company Act of 1935, as amended (PUHCA).

Exelon will have several principal subsidiaries, including: PECO; Commonwealth Edison Company (ComEd); and GENCO. PECO will remain a Pennsylvania regulated public utility and continue to perform its current transmission and distribution (T&D) functions. ComEd will remain an Illinois regulated public utility and continue to perform its T&D functions. GENCO will be a Pennsylvania corporation that will own and operate the nuclear and

^{1/} The actual name of GENCO has yet to be determined. PECO will notify the NRC once the actual name is selected, which will be well in advance of the time requested for NRC consent to these indirect license transfers.

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fossil-fired electrical generating units currently owned and operated by PECO and the nuclear generating units currently owned and operated by ComEd, and will engage in other business activities, including the sale of electricity at wholesale.^{2/}

AmerGen hereby requests that the NRC issue an order consenting to the indirect transfer of control over the following Facility Operating Licenses which are currently held by AmerGen, or pending transfer to AmerGen, as a result of the transfer of PECO's ownership interest in AmerGen to GENCO:

License No. DPR-50 (Three Mile Island, Unit 1 (TMI-1))

License No. NPF-62 (Clinton Power Station (CPS))

License Nos. DPR-63 and NPF-69 (Nine Mile Point, Units 1 and 2 (NMP 1 and 2)) (Pending Transfer to AmerGen)

License No. DPR-16 (Oyster Creek Nuclear Generating Station (Oyster Creek)) (Pending Transfer to AmerGen)

Similarly, AmerGen Vermont hereby requests that the NRC issue an order consenting to the indirect transfer of control over Facility Operating License No. DPR-28 (Vermont Yankee Nuclear Power Station (Vermont Yankee)) (Pending Transfer to AmerGen Vermont).

AmerGen also requests, pursuant to 10 CFR § 50.90, NRC approval of certain conforming administrative license amendments to the licenses of TMI-1 and CPS to reflect the proposed

^{2/} Other activities or assets being transferred to GENCO include PECO's and Unicom's power marketing operations and PECO's interests in hydroelectric generating facilities.

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indirect transfer. Mark-ups of these licenses showing the conforming amendments, and associated safety evaluations, are provided in Enclosures 1 and 2.

II. GENERAL INFORMATION CONCERNING AMERGEN AND AMERGEN VERMONT

A. AMERGEN

1. Name

AmerGen Energy Company, LLC

2. Address of AmerGen

965 Chesterbrook Boulevard
Wayne, Pennsylvania 19087

3. Description of Business of AmerGen

AmerGen is a limited liability company formed to acquire and operate nuclear power plants in the United States. The principal offices of AmerGen are located in Wayne, Pennsylvania. AmerGen is organized under the laws of the State of Delaware pursuant to the Limited Liability Company Agreement of AmerGen dated as of August 18, 1997, as amended (AmerGen, LLC Agreement), among PECO, a Pennsylvania corporation, British Energy plc (British Energy), a Scottish corporation, and British Energy Inc. (BE Inc.), a Delaware corporation that is a wholly-owned subsidiary of British Energy. British Energy is a party to the AmerGen, LLC Agreement, but only PECO Energy and BE Inc. are members of AmerGen, each holding a 50% ownership interest. Copies of the Certificate of Formation of AmerGen, and the

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AmerGen, LLC Agreement, as amended, have previously been provided to the NRC and are incorporated by reference (*See Exhibit 1 to Appendix A of Reference 1*).

4. NRC Licenses Held by AmerGen

The NRC recently consented to the transfer of ownership and operating responsibility for TMI-1 and CPS to AmerGen. *See GPU Nuclear, Inc.* (Three Mile Island, Unit 1), Order Approving Transfer of License and Conforming Amendment, 64 *Fed. Reg.* 19202 (April 19, 1999) (TMI-1 Order); *Illinois Power Company* (Clinton Power Station), Order Approving Transfer of License and Conforming Amendment, 64 *Fed. Reg.* 67598 (December 2, 1999) (Clinton Order). AmerGen has also submitted applications to the Commission for the transfer of the operating licenses of NMP 1 and 2 (Operating License Nos. DPR-63 and NPF-69) and Oyster Creek (Operating License No. DPR-16). *See References 3 and 4.*

5. Organization and Management of AmerGen

The following is a description of the changes to the management structure of AmerGen that will occur in connection with the transfer of PECO's interest in AmerGen to GENCO.

a. AmerGen Management Committee

The business and affairs of AmerGen are and will be managed by or under the direction of a Management Committee, currently consisting of six Representatives. Currently, three of these representatives are U.S. citizens who are appointed by, and serve at the discretion of, the PECO Energy Member Group, and three of these representatives are appointed by, and serve at the discretion of, the BE Inc. Member Group. Upon the consummation of the PECO/Unicom

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merger and the transfer of PECO's 50% interest in AmerGen to GENCO, the PECO Energy Member Group will be renamed the GENCO Member Group, and GENCO will succeed to all of the rights and responsibilities currently held by PECO under the AmerGen, LLC Agreement. The current AmerGen Management Committee Representatives are expected to remain in place, with the exception that Mr. Oliver D. Kingsley, Jr., will replace Mr. Michael J. Egan as Chairman of the AmerGen Management Committee. Mr. Kingsley is a U.S. citizen. His address is 1400 Opus Place, Suite 900, Downers Grove, Illinois 60515.

In addition to the six voting Representatives, Dickinson M. Smith, the Vice-Chairman of AmerGen, a U.S. citizen, is and will remain a non-voting Representative on the Management Committee.

b. AmerGen Principal Executives and Officers

The Chairman of the AmerGen Management Committee is a U.S. citizen, who is appointed by, and may only be removed by the PECO Energy Member Group. The Chairman chairs the meetings of the Committee and has the "casting" or deciding vote on "all safety issues," broadly defined in Section 1.7 of the AmerGen, LLC Agreement and which includes all issues within the jurisdiction of the NRC, *i.e.*, all matters involving nuclear safety and common defense and security. Mr. Michael J. Egan currently serves as Chairman of the AmerGen Management Committee. After the transfer of PECO's interest in AmerGen to GENCO, Mr. Oliver D. Kingsley, Jr. will become Chairman of the AmerGen Management Committee, as indicated above.

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The AmerGen Chief Executive Officer (CEO) is and will be a U.S. citizen, who is elected by the Management Committee, and is the senior executive responsible for AmerGen's day-to-day operations. The CEO is authorized to employ and retain other officers, subject to the approval of the Management Committee. The AmerGen CEO will be an individual having senior nuclear management experience.

Following the transfer of PECO's interest in AmerGen to GENCO, the names, titles, addresses, and citizenship of the principal executives and officers of AmerGen will be as follows^{3/}:

| Name | Title | Address | Citizenship |
|-------------------------|---|---|-------------|
| Oliver D. Kingsley, Jr. | Chairman, Management Committee | 1400 Opus Place Suite 900 Downers Grove, IL 60515 | U.S. |
| Dickinson M. Smith | Vice Chairman, Management Committee | 965 Chesterbrook Boulevard Wayne, PA 19087 | U.S. |
| | CEO | | U.S. |
| Dr. Robin Jeffrey, FEng | President | Suite 1000 69 Yonge Street Toronto, Ontario M5E 1K3 Canada | U.K. |
| John B. Cotton | Vice President TMI-1 | 965 Chesterbrook Boulevard Wayne, PA 19087 | U.S. |
| Michael T. Coyle | Vice President CPS | Post Office Box 678 Clinton, IL 61727 | U.S. |
| Drew B. Fetters | Vice President | 185 Old Ferry Road Brattleboro, VT 05301 | U.S. |

^{3/} The addresses of some of these personnel may change as the PECO/Unicom merger proceeds.

The names, addresses, and citizenship of additional officers or executives will be provided.

B. AMERGEN VERMONT

1. Name

AmerGen Vermont, LLC

2. Address of AmerGen Vermont

AmerGen Vermont's headquarters will be located at:

185 Old Ferry Road
Brattleboro, Vermont 05301

3. Description of Business of AmerGen Vermont

AmerGen Vermont is a wholly-owned subsidiary of AmerGen, organized under the laws of the State of Vermont to own and operate Vermont Yankee. Copies of the Limited Liability Company Agreement of AmerGen Vermont, LLC (AmerGen Vermont, LLC Agreement) and the Articles of Organization of AmerGen Vermont were provided to the NRC as Enclosures 4 and 5 to Reference 5.

4. NRC License to be Held by AmerGen Vermont

AmerGen Vermont is currently seeking to become the owner, operator, and NRC license holder for Vermont Yankee, as described in detail in Reference 5.

5. Organization and Management of AmerGen Vermont

The following is a description of the changes to the management structure of AmerGen Vermont that will occur in connection with the transfer of PECO's interest in AmerGen to GENCO.

a. AmerGen Vermont Management Committee

The business and affairs of AmerGen Vermont are and will be managed by or under the direction of a Management Committee, currently consisting of four Representatives. Currently, two of these Representatives are U.S. citizens appointed by the PECO Group (*i.e.*, PECO), and two are appointed by the BE Group (*i.e.*, BE Inc.). The AmerGen Vermont Management Committee serves at the discretion of AmerGen. Once the transfer of PECO's 50% ownership interest in AmerGen to GENCO is completed, GENCO will succeed to PECO's right to appoint representatives to the AmerGen Vermont Management Committee. The current Representatives on the AmerGen Vermont Management Committee are expected to remain in place, except that Mr. Oliver D. Kingsley, Jr., will become the Chairman of the AmerGen Vermont Management Committee, and the AmerGen Vermont CEO is expected to replace the other PECO Group member.

b. AmerGen Vermont Principal Executives and Officers

The Chairman of the AmerGen Vermont Management Committee is a U.S. citizen appointed by, and may only be removed by, the PECO Energy Member Group of AmerGen. The Chairman chairs the meetings of the AmerGen Vermont Management Committee and has the "casting" or deciding vote on "all Safety issues," which are defined in the Definitions Section of the AmerGen Vermont, LLC Agreement and which include all issues within the jurisdiction of the NRC, *i.e.*, all matters involving nuclear safety and common defense and security. Following the transfer of PECO's ownership interest in AmerGen to GENCO, GENCO will have the

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authority to appoint the Chairman of the AmerGen Vermont Management Committee.

Mr. Oliver D. Kingsley, Jr., a U.S. citizen, will become the Chairman of the AmerGen Vermont Management Committee.

The AmerGen Vermont Chief Executive Officer (CEO), is and will be a U.S. citizen who is the senior executive responsible for AmerGen Vermont's day-to-day operations. The CEO is authorized to employ and retain other officers, subject to the approval of the AmerGen Vermont Management Committee. The AmerGen Vermont CEO will be an individual having senior nuclear management experience. The names, titles, addresses, and citizenship of the principal executives and officers of AmerGen Vermont after the transfer are expected to be as follows.^{4/}

| Name | Title | Address | Citizenship |
|----------------------------|--|---|-------------|
| Oliver D. Kingsley, Jr. | Chairman, AmerGen Vermont Management Committee | 1400 Opus Place Suite 900 Downers Grove, IL 60515 | U.S. |
| | CEO | | U.S. |
| Dr. Robin Jeffrey, FEng | President | Suite 1000 69 Yonge Street Toronto, Ontario M5E 1K3 Canada | U.K. |
| Duncan Hawthorne | Vice President | 965 Chesterbrook Boulevard Wayne, PA 19087 | U.K. |
| Drew B. Fetters | Vice President, Vermont Yankee | 185 Old Ferry Road Brattleboro, VT 05301 | U.S. |

^{4/} The addresses of some of these personnel may change as the PECO/Unicom merger proceeds.

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The AmerGen Vermont Vice President, Vermont Yankee, will be in charge of nuclear operations at Vermont Yankee. The names, addresses, and citizenship of additional officers and executives will be provided.

III. GENERAL INFORMATION REGARDING EXELON AND GENCO

GENCO will be a wholly-owned subsidiary of Exelon, a Pennsylvania corporation. Exelon will be a registered holding company subject to Securities and Exchange Commission (SEC) regulation under PUHCA. Exelon's headquarters and principal place of business will be at 10 South Dearborn Street, Chicago, Illinois, 60690-3005. Upon the receipt of the necessary regulatory approvals, Exelon will be a publicly traded company on the New York Stock Exchange, whose shares will be widely held, initially by the current shareholders of PECO and Unicom. Exelon will become the parent holding company of GENCO, PECO, ComEd, and non-utility subsidiaries.

The entire Exelon Board of Directors has not yet been named, but Mr. Corbin A. McNeill, Jr., will become its Chairman upon completion of the merger of PECO and Unicom. Mr. John W. Rowe will be the Chairman of the Executive Committee of Exelon's Board of Directors. Other directors of Exelon will be selected from the existing Boards of Directors of PECO and Unicom. More specific information regarding GENCO is provided below:

A. NAME

GENCO

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B. ADDRESS

GENCO's headquarters will be located at:

965 Chesterbrook Boulevard
Wayne, Pennsylvania 19087-5691

C. DESCRIPTION OF BUSINESS OF GENCO

GENCO will be a corporation which owns, operates, and may acquire nuclear and other electric generating stations; engages in the sale of electrical energy; and performs other business activities. GENCO will be a wholly-owned subsidiary of Exelon.

D. ORGANIZATION AND MANAGEMENT OF GENCO

1. State of Establishment and Place of Business

GENCO will be organized under the laws of the Commonwealth of Pennsylvania. GENCO's principal place of business will be in the Commonwealth of Pennsylvania.

2. Board of Directors

The business and affairs of GENCO will be conducted under the direction of a Board of Directors that will be elected by Exelon, the sole shareholder of GENCO. Mr. Corbin A. McNeill, Jr., a U.S. citizen, will be the Chairman of the Board. The Applicants will provide the names, addresses, and citizenship of the remaining members of the GENCO Board of Directors once they are identified. Currently, the intention is for these members to be initially drawn from the current senior management and/or Boards of Directors of PECO, Unicom, and ComEd.

3. Principal Executives and Officers

The names, titles, addresses, and citizenship of the principal executives and officers of GENCO will be as follows: Mr. Corbin A. McNeill, Jr., will be the CEO. His address is 965 Chesterbrook Boulevard, Wayne, Pennsylvania 19807-5691. Mr. Oliver D. Kingsley, Jr., will be CNO and President of GENCO's Nuclear Group. His address is 1400 Opus Place, Suite 900, Downers Grove, Illinois 60515. As noted above, Messrs. McNeill and Kingsley are U.S. citizens. The names, addresses, and citizenship of additional executives and officers will be provided after they become available.

E. FOREIGN PARTICIPATION

GENCO will not be owned, dominated, or controlled by foreign interests. GENCO will be a U.S. corporation that is a wholly-owned subsidiary of Exelon, a U.S. corporation. Pursuant to the Merger Agreement between PECO and Unicom, Exelon's stock will initially be held by the current shareholders of PECO and Unicom, and will continue to be widely held and traded on the New York Stock Exchange.

IV. NUCLEAR REGULATORY CONSIDERATIONS

A. FOREIGN OWNERSHIP, CONTROL, OR DOMINATION

The NRC recently concluded that AmerGen is not subject to foreign ownership, control, or domination within the meaning of the Atomic Energy Act of 1954, as amended (the Act), and that the transfer of NRC operating licenses for commercial nuclear power plants to AmerGen is consistent with the Act. *See* TMI-1 Order, 64 *Fed. Reg.* 19202 (April 19, 1999); *Safety Evalua-*

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tion by the Office of NRR, Transfer of Facility Operating License from GPUN, Inc., et al. to AmerGen (Three Mile Island, Unit No. 1), Docket No. 50-289 (April 12, 1999) (TMI-1 Safety Evaluation); Clinton Order, 64 Fed. Reg. 67598 (December 2, 1999); Safety Evaluation by the Office of NRR, Transfer of Facility Operating License from Illinois Power Company to AmerGen (Clinton Power Station), Docket No. 50-461 (Nov. 24, 1999) (Clinton Safety Evaluation). The proposed PECO/Unicom merger and the acquisition of PECO's ownership interest in AmerGen by GENCO will have no effect on the nature or extent of the foreign participation in AmerGen as reviewed by the NRC and documented in the TMI-1 and Clinton Safety Evaluations.

Neither PECO nor Unicom are currently subject to foreign ownership or control within the meaning of the Act. The shares of common stock of PECO and Unicom are widely held and all of the persons anticipated to be directors and officers of Exelon and GENCO are U.S. citizens. Upon completion of the merger, PECO and Unicom's existing shareholders will own 100% of the common stock of Exelon. Therefore, neither Exelon, GENCO, AmerGen, nor AmerGen Vermont will be owned, controlled or dominated by any alien, foreign corporation, or foreign government.

In approving the transfers of the TMI-1 and CPS operating licenses to AmerGen, the NRC Staff imposed four license conditions to ensure that AmerGen will not be subject to foreign ownership, control, or domination. AmerGen and AmerGen Vermont agreed to accept similar license conditions in connection with the proposed transfers of the NMP 1 and 2, Oyster Creek,

and Vermont Yankee licenses. The indirect transfer of control of the licenses held or to be held by AmerGen and AmerGen Vermont will not diminish the effectiveness of these commitments.^{5/}

B. TECHNICAL QUALIFICATIONS OF AMERGEN AND AMERGEN VERMONT

The NRC Staff previously determined that AmerGen possesses the requisite technical qualifications to own and operate commercial nuclear power plants. *See* TMI-1 Safety Evaluation, at 21; Clinton Safety Evaluation, at 20. AmerGen and AmerGen Vermont will remain technically qualified to own and operate TMI-1, CPS, NMP Units 1 and 2, Oyster Creek, and Vermont Yankee following the proposed merger.

The overriding philosophy that governs AmerGen's and AmerGen Vermont's management of their nuclear plants is to assure that they manage, operate, and maintain these plants in accordance with the conditions and requirements established by the NRC. This will not change as a result of the merger or the transfer of ownership interests from PECO to GENCO. The personnel at these plants, including senior managers, will not change as a result of the indirect license transfers, and the existing technical support organizations at these plants will continue to

^{5/} In this regard, one of these current license commitments requires AmerGen to provide the NRC with any Schedules 13D or 13G filed pursuant to the Securities and Exchange Act of 1934 that disclose a beneficial ownership of any registered class of PECO stock. AmerGen proposes to broaden this license condition to include any affiliate, successor, or assignee of PECO's ownership interest in AmerGen, or the parent or owner of such affiliate, successor, or assignee, whichever entity is the issuer of such registered class of stock.

perform their functions on behalf of, and at the direction of AmerGen or AmerGen Vermont.^{6/} Technical functions relating to the operation of these nuclear plants which are being performed by PECO, or are planned to be performed by PECO, will be transferred to equivalent GENCO organizations. The functions and responsibilities of these organizations, especially as they relate to activities important to the safe operation of these nuclear plants, will continue to be clear and unambiguous. The AmerGen and AmerGen Vermont Management Committees will retain control and final decisionmaking authority over operation of their respective nuclear plants.

Upon completion of the PECO/Unicom merger and the transfer of PECO's interests in AmerGen to GENCO, certain changes will be made to the management of AmerGen and AmerGen Vermont. These changes include the changes described in Section II above. The structure resulting from these changes is presented in Enclosure 3. In particular:

1. Mr. Oliver D. Kingsley, Jr., will become the Chairman of the AmerGen and AmerGen Vermont Management Committees.
2. The CEO of AmerGen and AmerGen Vermont will be the senior executive with all the necessary authority and full responsibility for the safe and reliable operation of the nuclear facilities operated by AmerGen and AmerGen Vermont. He will report to the Management Committee of AmerGen with respect to the plants owned by AmerGen, and to the Management Committee of AmerGen Vermont with respect to Vermont Yankee.

^{6/} The personnel at each nuclear plant owned and operated by AmerGen or AmerGen Vermont will be essentially unchanged as a result of the transfer of PECO's interest in AmerGen to GENCO. However, as is common for the management and staff at operating nuclear power plants, individuals routinely transfer to other positions within the same company, resign, retire, or transfer to positions at other sites. Similar changes may occur within other parts of the AmerGen or AmerGen Vermont nuclear organizations.

3. The COO of the GENCO Nuclear Group (NG) will serve as the CEO of AmerGen and AmerGen Vermont. Reporting to the CEO will be three Regional Operating Group (ROG) Vice Presidents. The ROG Vice Presidents will be responsible and accountable for the safe and reliable operation of the nuclear plants within their particular ROG. The ROG Vice President positions will be filled by individuals who possess senior nuclear management experience.
4. The Site Vice President for each nuclear plant will report to the appropriate ROG Vice President. The Site Vice President will be the senior executive on site responsible for overall plant nuclear safety and for compliance with the NRC Operating License(s). The Site Vice President will provide day-to-day direction and management oversight of activities associated with the safe and reliable operation of the facility. It is expected that the existing AmerGen and AmerGen Vermont Site Vice Presidents will remain following the transfer of PECO's interests in AmerGen to GENCO.
5. The offsite independent review boards for the AmerGen and AmerGen Vermont plants will report to and advise the Chairman of the AmerGen Management Committee, or the AmerGen Vermont Management Committee, as appropriate, on nuclear safety matters, and will also report to and advise the AmerGen or AmerGen Vermont CEO on nuclear safety matters.

As has been the case with PECO, a number of senior management personnel at GENCO will perform similar functions for AmerGen and AmerGen Vermont. In this regard, Mr. Kingsley will serve as President and CNO of the GENCO NG, and as Chairman of the AmerGen and AmerGen Vermont Management Committees. The COO of the GENCO NG will serve as the CEO of AmerGen and AmerGen Vermont. The individuals serving as ROG Vice Presidents for GENCO will also serve as ROG Vice Presidents for AmerGen or AmerGen Vermont, as appropriate. In addition, various support and oversight functions previously provided to AmerGen by the PECO nuclear organization will now be provided by the GENCO nuclear organization.

C. FINANCIAL QUALIFICATIONS OF AMERGEN AND AMERGEN VERMONT

Neither the PECO/Unicom merger nor the transfer of PECO's ownership interest in AmerGen to GENCO will affect AmerGen's or AmerGen Vermont's financial qualifications with respect to their ownership and operation of TMI-1, CPS, NMP 1 and 2, Oyster Creek, or Vermont Yankee. AmerGen and AmerGen Vermont will continue to possess, or have reasonable assurance of obtaining, the funds necessary to cover estimated operating costs for the period of their respective operating licenses in accordance with 10 CFR § 50.33(f)(2) and the Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance (NUREG-1577, Rev. 1).

Upon the transfer of PECO's ownership interest in AmerGen to GENCO, GENCO will assume PECO's portion of 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. Copies of these two letter agreements, as well as supplemental letter agreements that increased the total amount of funds available to AmerGen to \$110 million applicable to all plants owned and operated by AmerGen were previously provided to the NRC and are incorporated by reference. *See* References 1 and 2. Upon consummation of the merger, letter agreements from GENCO will be substituted for the existing PECO letter agreements. GENCO's ability to meet its obligations under these letter agreements is amply demonstrated in Section V and Proprietary

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Enclosure 7P of PECO's Application for License Transfers and Conforming Administrative License Amendments for the Peach Bottom, Limerick, and Salem Nuclear Stations, which is incorporated by reference. *See Reference 6.*^{7/}

The PECO/Unicom merger and the transfer of PECO's ownership interest in AmerGen to GENCO will also have no adverse effect on the ability of AmerGen or AmerGen Vermont to provide the funds necessary to cover their share of the costs for the decontamination and decommissioning of TMI-1, CPS, NMP 1 and 2, Oyster Creek, and Vermont Yankee. No change in AmerGen's or AmerGen Vermont's existing or proposed decommissioning funding arrangements for these facilities are anticipated to result from the proposed merger and transfer other than the fact that any additional funding assurances that may be provided by PECO will be assumed by GENCO.

D. ANTITRUST CONSIDERATIONS

The NRC has determined that antitrust review of post-operating license transfers is not required by the Act, and that from a policy as well as a legal perspective, such a review should not be conducted. *See Kansas Gas and Electric Company (Wolf Creek Generating Station, Unit 1)*, CLI-99-19, 49 NRC 441 (1999).

^{7/} The NRC placed a condition on the TMI-1 and CPS licenses transferred to AmerGen prohibiting AmerGen from taking any action that would "void, cancel, or diminish" the financial commitment made by PECO in its letter agreements. AmerGen proposes to broaden this condition to encompass equivalent financial commitments that, after notification to and approval of the NRC, may be made by successors to the ownership interests in AmerGen held by PECO and BE, Inc. *See Enclosures 1 and 2.*

E. RESTRICTED DATA AND CLASSIFIED NATIONAL SECURITY INFORMATION

This application does not contain any Restricted Data or classified National Security Information, and it is not expected that licensed activities will involve such information. However, in the event that such information does become involved, and in accordance with 10 CFR § 50.37, AmerGen and AmerGen Vermont agree that they will appropriately safeguard such information and will not permit any individual to have access to such information until the individual has been appropriately approved for such access under the provisions of 10 CFR Part 25 and/or Part 95.

F. ENVIRONMENTAL CONSIDERATIONS

This application and accompanying administrative amendments are exempt from environmental review because they fall within the categorical exclusion appearing at 10 CFR § 51.22(c)(21) for which neither an Environmental Assessment nor an Environmental Impact Statement is required. Moreover, the proposed indirect license transfers and conforming amendments do not involve any license amendment or other change that would directly affect the actual operation of the facilities involved in any substantive way. The proposed indirect transfers and license amendments do not involve an increase in the amounts, or a change in the types, of any radiological or non-radiological effluents that may be allowed to be released off-site by the facilities involved. No increase in the individual or cumulative occupational radiation exposure at these facilities is expected.

V. OTHER REGULATORY APPROVALS

The transfer of PECO's ownership interest in AmerGen to GENCO is associated with and dependent upon the merger between PECO and Unicom, and the transfer of PECO's and Unicom's other nuclear assets to GENCO. The proposed merger and associated license transfers are subject to the approval of the Pennsylvania Public Utility Commission and notification to the Illinois Commerce Commission. Additionally, Exelon will become a registered holding company subject to approval and regulation by the SEC under the PUHCA. PECO and ComEd are also requesting Federal Energy Regulatory Commission (FERC) approval for the transfer of jurisdictional assets pursuant to Section 203 of the Federal Power Act, and acceptance of Interconnection Agreements and other rate schedules under Section 205 of the Federal Power Act. GENCO will also apply for FERC authorization under Section 205 of the Federal Power Act to sell electric generating capacity and energy at wholesale and market-based rates.

PECO and ComEd have also filed notifications with the Federal Trade Commission and the Department of Justice that are required in connection with the merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (HSR Act), and applicable rules and regulations. Any additional information required will be supplied with a goal towards the termination or expiration of the HSR Act waiting period at the earliest possible date after the date of filing.

Certain rulings by the Internal Revenue Service under the Internal Revenue Code may also be necessary to assure that the current PECO and ComEd decommissioning funds accumula-

ted in qualified and non-qualified decommissioning trust funds may be transferred by PECO and ComEd to GENCO on a tax-efficient basis. Other regulatory approvals may also be required.

VI. CONCLUSION AND REQUESTED NRC ACTION

For the reasons stated above, the indirect transfer of control of the licenses held by AmerGen and AmerGen Vermont to GENCO will not have an adverse impact on (1) AmerGen's ownership or operation of TMI-1, CPS, NMP 1 and 2, Oyster Creek, or AmerGen Vermont's ownership or operation of Vermont Yankee; (2) the managerial, technical, or financial qualifications of AmerGen and AmerGen Vermont; or (3) the level of foreign participation in AmerGen that has previously been reviewed and approved by the Commission. The indirect transfer of control of these licenses will also 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 applicable provisions of law, regulations, and orders issued by the NRC pursuant thereto.

The consummation of the corporate transactions associated with the proposed PECO/Unicom merger is dependent upon the receipt of various regulatory and shareholder approvals. Accordingly, AmerGen and AmerGen Vermont respectfully request that the NRC expedite its review of this matter and provide any required consents by June 30, 2000. AmerGen and AmerGen Vermont also request that the NRC consents be immediately effective upon issuance and remain valid and effective for 12 months after they are granted, or such later date as the NRC may permit, to provide a reasonable time for completion of the merger.

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AmerGen

Safety Determination and 50.59 Review

| | | |
|---|--|--------------------------|
| Division Licensing - Chesterbrook | Doc. No. LAR #293 SE No. 945100-334 | Rev. No. 0 Rev. No. 0 |
| Document/Activity Title PECO/Unicom Merger | | |

This determination form (or equivalent) is required for all documents in Section I and II of the Matrices in procedure 1000-ADM-1291.01:

1. Does this document/activity have the potential to result in any environmental concern?
If YES, refer to Procedure 1000-ADM-4500.03 and perform an Environmental Determination. If unsure of the potential environmental effects, consult with Environmental Affairs for assistance. If NO, further environmental review is not required.

Yes No

CONTINUE WITH SAFETY REVIEW PROCESS

2. Safety Review Process Applicability

2a. Is this a new document or activity or a substantive revision to an existing document?
(Refer to Section 2.3 for examples of non-substantive changes. A new document is considered equivalent to a substantive revision.) If YES, proceed to answer Question 2b. If NO, then procedure 1000-ADM-1291.01 is not applicable and documentation of nuclear safety determination is not required. Refer to Section 4.1.5 for further information and guidance.

2b. Is this document or activity within the nuclear safety scope of Section 2.2?
If YES, proceed to answer Question 3. If NO, then Procedure 1000-ADM-1291.01 is not applicable and documentation of nuclear safety determination is not required. Refer to Section 4.1.5 for further information and guidance.

3. Does this document or activity have the potential to adversely affect nuclear safety or safe plant operations? (Refer to 4.2)

4. Does the document or activity change the design or description of the facility, even temporarily, from that which is contained in the SAR?

5. Does the document or activity change a procedural or operating description, even temporarily, from that which is contained in the SAR?

6. Does the document or activity involve any tests or experiments that are not described in the SAR?

7. Does this document or activity conflict with the requirements of the plant Technical Specifications?

If any of the answers to Questions 3, 4, 5, 6, or 7 are YES, prepare a written safety evaluation by addressing items 1-5 of Exhibit 7. If the answers to Questions 3, 4, 5, 6 AND 7 are NO, this precludes the occurrence of the Unreviewed Safety Question or Technical Specification change. Provide written statements which support the determination that no unreviewed Safety Question or Technical Specification change is involved. These written statements shall provide justification for the NO answers to Questions 3, 4, 5, 6, and 7. Specify the Licensing Basis documents and sections which were researched during this review. Use separate sheets for documenting your statements and attach them to this form. Provide page numbers (with this form identified as "Page 1 of ").

| PRINT OR TYPE NAME AND SIGN | DATE |
|--|--------|
| Originator/Preparer E. A. Liden | 2/1/00 |
| Responsible Technical Reviewer D. J. Distel | 2/1/00 |
| Other Reviewer(s) G. B. Rembold | 2/1/00 |

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Safety Evaluation

| | | |
|---|-------------------|------------|
| Division Licensing - Chesterbrook | Doc. No. LAR #293 | Rev. No. 0 |
| | SE No. 945100-334 | Rev. No. 0 |
| Document/Activity Title PECO/Unicom Merger | | |

The purpose of this Safety Evaluation is to provide the basis for determining whether a document or activity involves an Unreviewed Safety Question, a change to the FSAR, Technical Specifications or an impact on nuclear safety or safe plant operation.

The following items must be answered, and reason(s) for each answer must be provided. A simple statement of conclusion in itself is not sufficient. The scope and depth of each reason should be commensurate with the safety significance and complexity of the proposed change.

- | | | |
|--|-------------------------------------|-------------------------------------|
| | Yes | No |
| 1. Will implementation of the document or activity adversely affect nuclear safety or safe plant operations? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| The following questions comprise the 50.50 considerations and evaluation to determine if an Unreviewed Safety Question exists or if any change to the FSAR or Technical Specifications is required. As a result of this document or activity: | | |
| 2. Is it likely that the probability of occurrence or the consequences of an accident or malfunction of equipment important to safety previously evaluated in the Safety Analysis Report may be increased? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| In providing justification for the answer to this question, address any potential increase in each of the following: | | |
| a. The probability of occurrence of an accident ... | | |
| b. The probability of occurrence of a malfunction of equipment important to safety ... | | |
| c. The consequences of an accident ... | | |
| d. The consequences of a malfunction of equipment important to safety ... | | |
| 3. Is there now a possibility that an accident or malfunction of a different type than any evaluated previously in the Safety Analysis Report may be created? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| In providing justification for the answer to this question, address the possible creation of each of the following: | | |
| a. An accident of a different type ... | | |
| b. A malfunction of a different type ... | | |
| 4. Is the margin of safety as defined in the basis for any Technical Specification reduced? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Is a Technical Specification change required? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| The reasons for answers above constitute a written safety evaluation. Use and attach additional sheets. Provide page numbers and list of effective pages. Indicate SE No. and Rev. No. on each page. | | |
| If unsure of answer or if a NO answer is not fully justifiable, then the answer must be checked YES. If any answer above is YES, an impact on nuclear safety or an Unreviewed Safety Question exists, or a Technical Specifications change is required. Revise or redesign, or forward to Regulatory Engineering with any additional documentation to support a request for NRC approval prior to implementing approval. (e.g., Technical Specification Change Request.) | | |
| 6. Is an update/revision of the FSAR required? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| If FSAR change is required, identify PFU or forward to Configuration Control. | | |
| 7. Site Engineering Only: Does the document/activity require a Quality Classification List (QCL) Amendment? If YES, an Engineering Task Tracking System (ETTS) action item shall be issued. (Identify ETTS # _____) | <input type="checkbox"/> | <input type="checkbox"/> |

| PRINT OR TYPE NAME AND SIGN | DATE |
|--|--------|
| Originator/Preparer E. A. Liden <i>E. A. Liden</i> | 2/1/00 |
| Responsible Technical Reviewer D. J. Distel <i>Daniel J. Distel</i> | 2/1/00 |
| Other Reviewer(s) G. B. Rombold <i>G. B. Rombold</i> | 2/1/00 |

List of Effective Pages

| <u>Page No.</u> | <u>Revision No.</u> |
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| 1 | 0 |
| 2 | 0 |
| 3 | 0 |
| 4 | 0 |
| 5 | 0 |

1.0 Purpose

The purpose of this Safety Evaluation is to consider the License Amendment Request No. 293 requested revisions to the TMI-1 Facility Operating License (FOL) No. DPR-50. License Amendment Request No. 293 requests NRC approval of conforming administrative changes that add generic language to the license's transfer conditions that is sufficient to encompass potential affiliates, assignees, parents, owners, or successors to PECO Energy Company or British Energy, plc. These conforming administrative changes were necessitated by the changes in ownership of PECO's share in AmerGen that are associated with the proposed merger of PECO and Unicom Corporation, and will become part of a license transfer application to be filed by AmerGen.

2.0 System Affected

There are no plant structures, systems or components affected by this License Amendment Request.

The following Operating License changes are made:

- 1) FOL Page 7, Item 2.c.(13) — replace "PECO stock" with "stock of PECO or any affiliate, successor, or assignee of PECO to which PECO's ownership interest in AmerGen may be subsequently assigned or transferred with the prior written consent of the NRC, or the parent or owner of such affiliate, successor, or assignee, whichever entity is the issuer of such stock."
- 2) FOL Page 8, Item 2.c.(16), Line 1 — after "British Energy, plc." insert "(or successors or assigns of PECO or British Energy, plc approved by the NRC)."
- 3) FOL Page 8, Item 2.c.(16), Lines 2-3 — after "British Energy," insert "(or successors or assigns of PECO or British Energy, plc approved by the NRC)."

3.0 Effects on Safety

- 3.1 **The proposed changes to the Operating License are administrative in nature. These changes only reflect the changes in ownership of PECO's share in AmerGen associated with the proposed merger of PECO and Unicom Corporation. These proposed changes are considered to be administrative since they will not adversely impact the technical qualifications of the merged corporation to own or operate the plant. No physical changes will be made, there will be no meaningful change in the day-to-day operations of TMI-1, and personnel will meet all existing qualification requirements in accordance with the TMI-1 Operating License and Technical Specifications. Therefore, this change does not adversely impact nuclear safety or safe plant operations.**

- 3.2 The proposed changes to the Operating License do not increase the probability of occurrence or the consequences of an accident or malfunction of equipment important to safety previously evaluated in the SAR. The proposed changes are administrative and have no direct effect on any plant systems. All Limiting Conditions for Operation, Limiting Safety System Settings, and Safety Limits specified in the Technical Specifications remain unchanged. The proposed changes do not affect any accident conditions or assumptions. Therefore, the change has no effect on the probability of occurrence or consequences of an accident or malfunction of equipment important to safety previously evaluated in the SAR.
- 3.3 The proposed changes to the Operating License do not create the possibility of an accident or malfunction of a different type than any evaluated previously in the SAR. The proposed changes do not introduce any new accident initiators or assumptions. The proposed changes are administrative and have no effect on any plant systems. Therefore, this change does not create the possibility of a new or different kind of accident from any previously evaluated in the SAR.
- 3.4 The proposed changes to the Operating License do not reduce the margin of safety as defined in the basis for any Technical Specification. The proposed changes do not involve changes to the initial conditions contributing to accident severity or consequences. The proposed changes are administrative and have no direct effect on any plant systems. Therefore, this change does not reduce any margin of safety as defined in the basis for any Technical Specification.

4.0 Conclusion

Implementation of the proposed changes to the Operating License does not adversely impact nuclear safety or safe plant operations and does not constitute an unreviewed safety question. The proposed change is a change to the Operating License and thereby requires NRC review and approval prior to implementation.

5. The licensee shall provide routine reporting of the long-term corrosion "lead tests" test results on a quarterly basis as well as more timely notification if adverse corrosion test results are discovered.

(9) Long Range Planning Program

The revised "Plan for the Long Range Planning Program for the Three Mile Island Nuclear Station - Unit 1" (the Plan) submitted by GPUN letter C311-94-2124 dated September 26, 1994 is approved.

- a. The Plan shall be followed by the Licensee from and after November 28, 1994.
- b. The Category A schedule shall not be changed without prior approval from the NRC. Categories B and C schedules may be changed without prior approval by NRC.

Sale and License Transfer Conditions

- (10) The Limited Liability Company Agreement dated August 18, 1997, may not be modified in any material respect concerning decision-making authority over "safety issues" as defined therein without the prior written consent of the Director, Office of Nuclear Reactor Regulation.
- (11) At least half of the members of AmerGen's Management Committee shall be appointed by a non-foreign member group, all of which appointees shall be U.S. citizens.
- (12) The Chief Executive Officer (CEO), Chief Nuclear Officer (CNO) (if someone other than the CEO), and Chairman of the Management Committee of AmerGen shall be U.S. citizens. These individuals shall have the responsibility and exclusive authority to ensure, and shall ensure, that the business and activities of AmerGen with respect to the TMI-1 license are at all times conducted in a manner consistent with the protection of the public health and safety and common defense and security of the United States.
- (13) AmerGen shall cause to be transmitted to the Director, Office of Nuclear reactor Regulation within 30 days of filing with the Securities and Exchange Commission, any Schedules 13D or 13G filed pursuant to the Securities and Exchange Act of 1934 that **disclose beneficial ownership of a registered class of PECO stock of PECO or any affiliate, successor, or assignee of PECO to which PECO's ownership interest in AmerGen may be subsequently assigned or transferred with the prior written consent of the NRC, or the parent or owner of such affiliate, successor, or assignee, whichever entity is the issuer of such stock.**
- (14) AmerGen shall provide decommissioning funding assurance of no less than \$303 million, after payment of any taxes, to be held in the decommissioning trust(s) for TMI-1 at the time of the transfer of the TMI-1 license to AmerGen, including any amounts held in any decommissioning trust(s) that may continue to be maintained by GPU Energy for TMI-1 after such license transfer.

- (15) AmerGen shall take all necessary steps to ensure that the decommissioning trust is maintained in accordance with the application, the requirements of the Order Approving Transfer of License and Conforming Amendment, dated April 12, 1999, and the related Safety Evaluation dated April 12, 1999.
- (16) AmerGen shall take no action to cause PECO or British Energy, plc (or successors or assigns of PECO or British Energy, plc approved by the NRC) to void, cancel, or diminish the \$65 million contingency fund commitment from PECO and British Energy (or successors or assigns of PECO or British Energy, plc approved by the NRC) for TMI-1, the existence of which is represented in the application, or cause them to fail to perform or impair their performance under the commitment, or remove or interfere with AmerGen's ability to draw upon the commitment. Further, AmerGen shall inform the Director, Office of Nuclear Reactor Regulation, in writing, at such time that it draws upon the \$65 million contingency fund. This provision does not affect the NRC's authority to assure that adequate funds will remain available to fund the transition to safe shutdown, should any question arise regarding availability of funds for such a purpose.
6. This license is effective as of the date of issuance and shall expire at midnight, April 19, 2014.

FOR THE ATOMIC ENERGY COMMISSION

Original Signed by A. Giambusso

A. Giambusso, Deputy Director
for Reactor Projects
Directorate of Licensing

Attachment: Appendix A Technical
Specifications

Date of Issuance: April 19, 1974

Conforming Amendment Reflecting Changes in Ownership of AmerGen Energy Company, LLC

Introduction

AmerGen Energy Company, LLC (AmerGen) is requesting a conforming license amendment for Clinton Power Station (CPS) to support a license transfer application being filed by AmerGen. The conforming amendment will incorporate changes to the CPS Operating License that have been prompted by changes in PECO Energy Company's (PECO's) ownership share in AmerGen due to the proposed merger of PECO and Unicom Corporation. The affected marked-up pages of the CPS Operating License are attached to this enclosure. A discussion and description of the proposed changes, information supporting a basis for no significant hazards consideration, and an environmental impact consideration are provided as follows.

Proposed Changes

The conforming license amendment to the CPS Operating License will add generic language to the license transfer conditions that were incorporated into the CPS Operating License upon transferring the license from Illinois Power to AmerGen (as reflected in Amendment No. 123 to the CPS Operating License). With regard to PECO's (or British Energy's) ownership share in AmerGen, this added language is sufficient to encompass potential affiliates, assignees, parents, owners, or successors to PECO Energy Company or British Energy. These conforming administrative changes are necessitated by the changes in ownership of PECO's share in AmerGen that are associated with the proposed merger of PECO and Unicom Corporation, and will become part of a license transfer application to be filed by AmerGen.

System Affected

There are no CPS structures, systems, or components affected by this conforming License Amendment Request.

The following Operating License changes are proposed:

- 1) **Page 6, Item 2.C. (13)** — replace "PECO Energy Company stock" with "stock of PECO Energy Company, or any affiliate, successor, or assignee of PECO Energy Company to which PECO's ownership interest in AmerGen may be subsequently assigned or transferred with the prior written consent of the NRC, or the parent or owner of such affiliate, successor, or assignee, whichever entity is the issuer of such stock."
- 2) **Page 7, Item 2.C. (21)**, — after "British Energy, Inc." add "(or successors or assigns of PECO Energy Company or British Energy, Inc. approved by the NRC)."

- 3) **Page 7, Item 2.C. (21), — after “British Energy, plc” add “(or successors or assigns of PECO Energy Company or British Energy, plc approved by the NRC).”**

Basis for No Significant Hazards Consideration

In accordance with 10 CFR 50.92, a proposed change to the operating license involves no significant hazards consideration if operation of the facility in accordance with the proposed change would not: (1) involve a significant increase in the probability or consequences of any accident previously evaluated, (2) create the possibility of a new or different kind of accident from any accident previously evaluated, or (3) involve a significant reduction in a margin of safety.

The proposed changes, i.e., adding generic language to the license transfer conditions to accommodate affiliates, assignees, parents, owners, or successors to PECO Energy Company or British Energy, have been evaluated against each of these three criteria, and it has been determined that the changes do not involve a significant hazard because:

- (1) The proposed activity does not involve a significant increase in the probability or consequences of any accident previously evaluated.

The proposed changes to incorporate the noted generic language in the license transfer conditions are purely administrative in nature, and involve no physical or operational changes to the facility. The initial conditions and methodologies used in the accident analyses consequently remain unchanged. Further, the proposed changes do not change or alter the design assumptions for the systems or components used to mitigate the consequences of an accident. Therefore, accident analyses results are not impacted. On this basis, the proposed amendment does not involve a significant increase in the probability or consequences of an accident previously evaluated.

- (2) The proposed activity does not create the possibility of a new or different kind of accident from any accident previously evaluated.

As noted above, the proposed changes are purely administrative and involve no physical or operational changes to the facility. As such, the proposed changes do not affect the design or operation of any system, structure, or component in the plant. The safety functions of the related structures, systems, or components are not changed in any manner, nor is the reliability of any structures, systems or components reduced. No new or different type of equipment will be installed, and consequently, no new failure modes are introduced. Therefore, the proposed amendment does not create the possibility of a new or different kind of accident from any previously evaluated.

- (3) The proposed activity does not involve a significant reduction in the margin of safety.

The proposed changes are administrative in nature and have no impact on the margin of safety of any Technical Specification. There is no impact on safety limits or limiting safety system settings. The changes do not affect any plant safety parameters or setpoints. All active/applicable license conditions set forth in the CPS Operating License will remain in effect, and no physical or operational changes to the facility will result from these changes. Therefore, the proposed changes do not involve a significant reduction in the margin of safety.

Based upon the above analysis, the proposed changes will not increase the probability or consequences of an accident previously evaluated, create the possibility of a new or different kind of accident previously evaluated, or involve a reduction in a margin of safety. Further, for administrative license amendments involving transfers of ownership or operating authority of a licensee, the NRC has determined that such transfer actions involve no significant hazards consideration (ref. 10 CFR 2.1315, 63 FR 66721-66735, dated December 3, 1998). Therefore, the proposed conforming license amendment meets the requirements of 10 CFR 50.92(c) and involves no significant hazards consideration.

Environmental Impact Consideration

The proposed license amendment was evaluated against the criteria of 10 CFR 51.22 for environmental considerations. Since the proposed changes are strictly administrative in nature and involve no change to the design or operation of the facility, the proposed changes (1) do not significantly increase individual or cumulative occupational exposures, (2) do not significantly change the types or significantly increase the amounts of effluents that may be released off site, and (3) as discussed in this enclosure, do not involve a significant hazards consideration. Considering the foregoing, it has been concluded that the proposed changes meet the criteria given in 10 CFR 51.22(c)(9) for categorical exclusion from the requirement for an Environmental Impact Statement.

**MARKED-UP PAGES OF THE CPS OPERATING LICENSE FOR
AMENDMENT REFLECTING CHANGES IN OWNERSHIP
OF AMERGEN ENERGY COMPANY, LLC**

therein without the prior written consent of the Director, Office of Nuclear Reactor Regulation.

- (11) At least half of the members of AmerGen's Management Committee shall be appointed by a nonforeign member group, all of which appointees shall be U.S. citizens.
- (12) The Chief Executive Officer, Chief Nuclear Officer (if someone other than the Chief Executive Officer), and Chairman of the Management Committee of AmerGen Energy Company, LLC shall be U.S. citizens. These individuals shall have the responsibility and exclusive authority to ensure, and shall ensure, that the business and activities of AmerGen Energy Company, LLC with respect to the CPS license are at all times conducted in a manner consistent with the protection of the public health and safety and common defense and security of the United States.
- (13) AmerGen Energy Company, LLC shall cause to be transmitted to the Director, Office of Nuclear Reactor Regulation, within 30 days of filing with the U.S. Securities and Exchange Commission, any Schedules 13D or 13G filed pursuant to the Securities Exchange Act of 1934 that disclose beneficial ownership of any registered class of ~~PECO Energy Company stock~~ stock of PECO Energy Company, or any affiliate, successor or assignee of PECO Energy Company to which PECO's ownership interest in AmerGen may subsequently be assigned or transferred with prior written consent of the NRC, or the parent or owner of such affiliate, successor, or assignee, whichever entity is the issuer of such stock.
- (14) AmerGen is required to provide decommissioning funding assurance of no less than \$210 million, after payment of any taxes, that will be deposited in the decommissioning trust fund for CPS at the time of CPS's transfer to AmerGen.
- (15) The decommissioning trust agreement for CPS must be in a form acceptable to the NRC.
- (16) With respect to the decommissioning trust fund, investments in the securities or other obligations of PECO Energy Company, British Energy, Inc., AmerGen Energy Company, LLC or affiliates thereof, or their successors or assigns shall

be prohibited. Except for investments tied to market indexes or other nonnuclear sector mutual funds, investments in any entity owning one or more nuclear power plants are prohibited.

- (17) The decommissioning trust agreement for CPS must provide that no disbursements or payments from the trust shall be made by the trustee until the trustee has first given the NRC 30 days prior written notice of payment. The decommissioning trust agreement shall further contain a provision that no disbursements or payments from the trust shall be made if the trustee receives prior written notice of objection from the Director, Office of Nuclear Reactor Regulation.
- (18) The decommissioning trust agreement must provide that the agreement cannot be amended in any material respect without the prior written consent of the Director, Office of Nuclear Reactor Regulation.
- (19) The appropriate section of the decommissioning trust agreement shall reflect that the trustee, investment advisor, or anyone else directing the investments made in the trust shall adhere to a "prudent investor" standard, as specified in 18 CFR 35.32(a)(3) of the Federal Energy Regulatory Commission's regulations.
- (20) AmerGen Energy Company, LLC shall take all necessary steps to ensure that the decommissioning trust is maintained in accordance with the application for approval of the transfer of the Clinton license to it and the requirements of the Order approving the transfer, and consistent with the safety evaluation supporting the Order.
- (21) AmerGen Energy Company, LLC shall take no action to cause PECO Energy Company or British Energy, Inc., (or successors or assigns of PECO Energy Company or British Energy, Inc. approved by the NRC) to void, cancel, or diminish the \$110 million contingency commitment from PECO Energy Company and British Energy, plc, (or successors or assigns of PECO Energy Company or British Energy, plc approved by the NRC) the existence of which is represented in the application for the transfer of the Clinton license to AmerGen Energy

AFFIRMATION

Michael T. Coyle, being first duly sworn, deposes and says: That he is Site Vice President for Clinton Power Station; that this application for amendment of Facility Operating License No. NPF-62 has been prepared under his supervision and direction; that he knows the contents thereof; and that the letter and the statements made and the facts contained therein are true and correct to the best of his knowledge and belief.

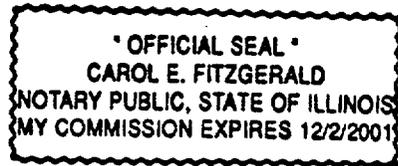
Date: This 10th day of February 2000.

Signed: Michael T. Coyle
Michael T. Coyle
Site Vice President

STATE OF ILLINOIS

DEWITT COUNTY

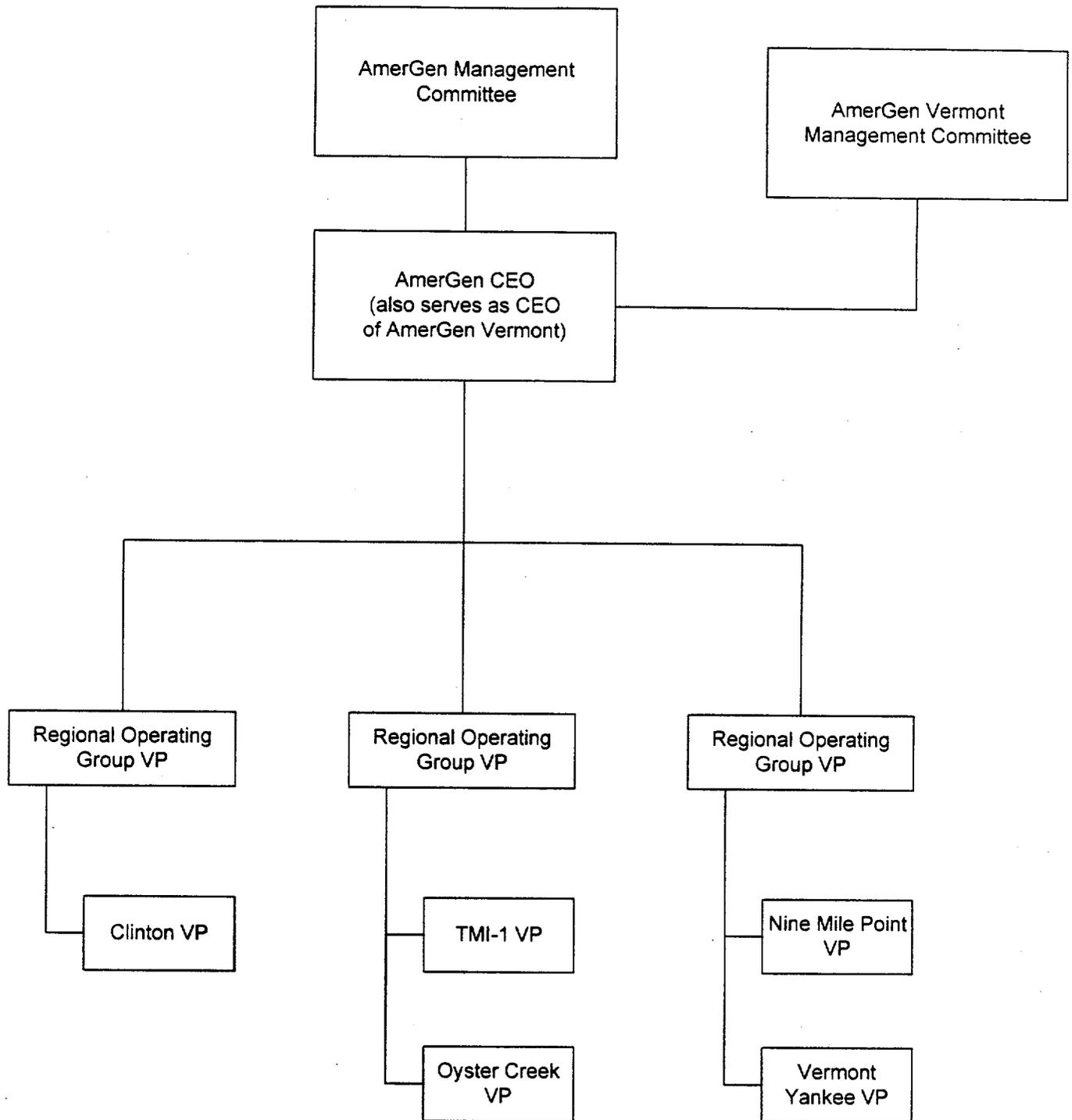
SS.



Subscribed and sworn to before me this 10th day of February 2000.

Carol E. Fitzgerald
(Notary Public)

Post-Merger Management Structure of AmerGen and AmerGen Vermont



Note: Additional regional operating groups may be formed if plants are added or for current plants. Plants may also be moved between Regional Operating Groups. These organizational changes may be made in order to ensure effective management control, support, and oversight.

AFFIRMATION

I, Gerald R. Rainey, being duly sworn, state as follows: I am Chief Executive Officer and Chief Nuclear Officer of AmerGen Energy Company, LLC (AmerGen), and am authorized to sign and submit this Application for NRC Consent to Indirect Transfer of Control of Licenses on behalf of AmerGen. I am also Chief Executive Officer and Chief Nuclear Officer of AmerGen Vermont, LLC (AmerGen Vermont), and am authorized to sign and submit this Application on behalf of AmerGen Vermont. The statements made in this Application are true and correct to the best of my knowledge, information, and belief.



Gerald R. Rainey
Chief Executive Officer and Chief Nuclear Officer
AmerGen Energy Company, LLC
AmerGen Vermont, LLC

STATE OF Pennsylvania

COUNTY OF Philadelphia

Subscribed and sworn to me, a Notary Public, in and for the County and State above named, this 28th day of February, 2000.



My Commission Expires: _____

Notarial Seal
Charles M. Thomas, Notary Public
Philadelphia, Philadelphia County
My Commission Expires June 24, 2000
Member, Pennsylvania Association of Notaries

