

AmerGen

A PECO Energy/British Energy Company

AmerGen Energy Company, LLC
965 Chesterbrook Blvd, 63C-3
Wayne, PA 19087-5691

Telephone: 610 640 6600
Fax: 610 640 6611

May 24, 2000

10 CFR 50.80

10 CFR 50.90

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 20853-2738

Subject: Withdrawal of Application for Indirect Transfers of Licenses of Nine Mile Point, Units 1 and 2, NRC Docket Nos. 50-220 and 50-410.

References: (1) 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 Corporation 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), dated February 28, 2000.

(2) Letter to Mr. Samuel J. Collins, Director, Office of Nuclear Reactor Regulation, U.S. NRC, from AmerGen Energy Company, LLC, Niagara Mohawk Power Corporation, and New York State Electric & Gas Corporation, dated May 24, 2000, regarding Withdrawal of Application for Transfer of Nine Mile Point Licenses From Niagara Mohawk and New York Electric to AmerGen.

Dear Mr. Collins:

By Reference 1, AmerGen Energy Company, LLC ("AmerGen") and its wholly-owned subsidiary, AmerGen Vermont, LLC ("AmerGen Vermont"), requested 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 and Unicom Corporation. This application covered two nuclear plants currently owned by AmerGen (Three Mile Island, Unit 1 and Clinton Power Station), as well as other plants that

A001

U.S. Nuclear Regulatory Commission
ATTN: Mr. Samuel J. Collins, Director
Page 2

AmerGen or AmerGen Vermont has been in the process of acquiring (Oyster Creek Nuclear Power Plant, Vermont Yankee Nuclear Power Station, and Nine Mile Point, Units 1 and 2). AmerGen and AmerGen Vermont are proceeding with the license transfers for the Oyster Creek Nuclear Power Plant and the Vermont Yankee Nuclear Power Station.

However, pursuant to Reference 2, the pending application for transfers of the operating licenses for Nine Mile Point Units 1 and 2 to AmerGen is being withdrawn. Accordingly, AmerGen and AmerGen Vermont are hereby withdrawing only the portion of their application for indirect license transfers (Reference 1) that pertains to the Nine Mile Point facility. AmerGen and AmerGen Vermont request that the NRC continue to expeditiously process that application with respect to Three Mile Island, Unit 1, Clinton Power Station, Oyster Creek Nuclear Power Plant, and Vermont Yankee Nuclear Power Station. Please note that this withdrawal with respect to Nine Mile Point does not affect the application or the conforming amendments with respect to the other AmerGen facilities.¹

Please call me or Mr. James A. Hutton, Jr. at (610) 640-6722 should you have any questions.

Sincerely,



Edward J. Cullen, Jr.
Secretary
AmerGen Energy Company, LLC
AmerGen Vermont, LLC

- cc: Document Control Desk, NRC (3)
Mr. S. Singh Bajwa, Director, Project Directorate III, NRR/DLPM, NRC
Mr. Peter S. Tam, NRC Project Manager, NMP
Mr. Gordon K. Hunegs, NMP Senior Resident Inspector, NRC
Ms. Donna M. Skay, NRC, PECO/Unicom Merger
Mr. John A. Zwolinski, Director, NRR DLPM, NRC
Mr. Hubert J. Miller, Regional Administrator, NRC Region I

¹ On May 12, 2000, AmerGen submitted a Response to an April 12, 2000 NRC Request for Additional Information (RAI) regarding Reference 1. That RAI response contained information premised upon AmerGen's contemplated acquisition of interests in the Nine Mile Point units. That response remains accurate with the exception of references to Nine Mile Point, which should be disregarded.

May 24, 2000

10 CFR 50.80
10 CFR 50.90

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 20853-2738

Subject: Withdrawal of Application for Transfer of Nine Mile
Point Licenses from Niagara Mohawk and NYSEG to
AmerGen

Reference: Application for Order and Conforming Administrative
License Amendments for License Transfers (NRC
Facility Operating License Nos. DPR-63 and NPF-69),
September 10, 1999, NRC Docket Nos. 50-220 and
50-410 (Nine Mile Point, Units 1 and 2)

Dear Mr. Collins:

By the above-referenced Application, AmerGen Energy Company, LLC
("AmerGen"), Niagara Mohawk Power Corporation ("Niagara Mohawk"), and
New York State Electric & Gas Corporation ("NYSEG"), requested NRC approval

for transfer of the NRC licenses for Nine Mile Point Units 1 and 2 held by Niagara Mohawk and NYSEG to AmerGen.¹

Recent developments before the New York Public Service Commission ("PSC") have led Applicants to decide not to proceed with the license transfers described in their application at this time. On April 25, 2000, the New York PSC issued an order urging the owners of the Nine Mile Point units to determine the market value of these units through a competitive bidding process. At the same time, the PSC approved withdrawal of NYSEG's and Niagara Mohawk's petitions for PSC authorization to transfer their ownership interests in the Nine Mile Point units to AmerGen. As a result, there is no reasonable prospect that the transfer of these interests will proceed in accordance with the schedule anticipated at the time Applicants filed their application for NRC approval of the transfer of the Nine Mile Point licenses to AmerGen. Accordingly, Applicants hereby withdraw their September 10, 1999 Application for Order and Conforming Administrative License Amendments for License Transfers for License Numbers DPR-63 and NPF-69.

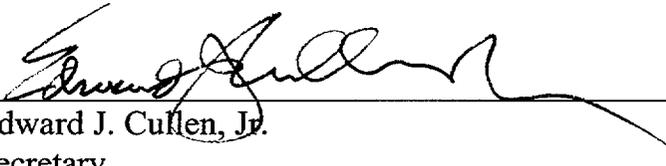
Notwithstanding the withdrawal of the current application, AmerGen will participate in the competitive bidding process suggested by the New York PSC. In the event that this process leads any of the current owners of Nine Mile Point to transfer their interests to AmerGen, AmerGen would submit a renewed application for transfer of the Nine Mile Point licenses. AmerGen therefore requests the NRC Staff to retain the September 10, 1999 application, and the analyses that have been performed in connection with processing that application, so that in the event a similar application is filed in the future, the knowledge gained and effort expended by the NRC Staff can be applied to the processing of such an application and support the efficient use of both Staff and applicant resources in evaluating the application.

¹ Collectively, Niagara Mohawk, NYSEG, and AmerGen are the "Applicants." Niagara Mohawk is the sole owner of Nine Mile Point Unit 1, holds a 41% undivided ownership interest in Unit 2, and is the licensed operator of both units. NYSEG holds an 18% undivided ownership interest in Unit 2.

U.S. Nuclear Regulatory Commission
ATTN: Mr. Samuel J. Collins, Director
Page 3

Please call Mr. James A. Hutton, Jr., at (610) 640-6722 should you have any questions or require further information.

Very truly yours,



Edward J. Cullen, Jr.
Secretary
AmerGen Energy Company, LLC

John H. Mueller
Senior Vice President and Chief Nuclear Officer
Niagara Mohawk Power Corporation

Jeffrey K. Smith
Senior Vice President - Corporate Development
New York State Electric & Gas Corporation

cc: Document Control Desk, NRC (3 Copies)
Mr. William D. Travers, Executive Director for Operations, NRC
Mr. Hubert J. Miller, Regional Administrator, Region I, NRC
Mr. Gordon K. Hunegs, NMP Senior Resident Inspector, NRC
Mr. Peter S. Tam, NMP Project Manager, NRC
Ms. Donna M. Skay, Project Directorate III, NRR/DLPM, NRC
Ms. Marsha K. Gamberoni, Acting Section Chief, Project Directorate I,
NRR/DLPM, NRC
Mr. Frank J. Miraglia, Jr., Deputy Executive Director for Operations, NRC
Mr. John A. Zwolinski, Director, NRR/ DLPM, NRC
Mr. David B. Matthews, Director, NRR/DRIP, NRC

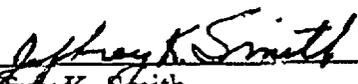
U.S. Nuclear Regulatory Commission
ATTN: Mr. Samuel J. Collins, Director
Page 3

Please call Mr. James A. Hutton, Jr., at (610) 640-6722 should you have any questions or require further information.

Very truly yours,

Edward J. Cullen, Jr., Esq.
Secretary
AmcrGen Energy Company, LLC

John H. Mueller
Senior Vice President and Chief Nuclear Officer
Niagara Mohawk Power Corporation


Jeffrey K. Smith
Senior Vice President - Corporate Development
New York State Electric & Gas Corporation

cc: Document Control Desk, NRC (3 Copies)
Mr. William D. Travers, Executive Director for Operations, NRC
Mr. Hubert J. Miller, Regional Administrator, Region I, NRC
Mr. Gordon K. Hunegs, NMP Senior Resident Inspector, NRC
Mr. Peter S. Tam, NMP Project Manager, NRC
Ms. Donna M. Skay, Project Directorate III, NRR/DLPM, NRC
Ms. Marsha K. Gamberoni, Acting Section Chief, Project Directorate I,
NRR/DLPM, NRC
Mr. Frank J. Miraglia, Jr., Deputy Executive Director for Operations, NRC
Mr. John A. Zwolinski, Director, NRR/DLPM, NRC
Mr. David B. Matthews, Director, NRR/DRIP, NRC

Execvjkscollins.doc

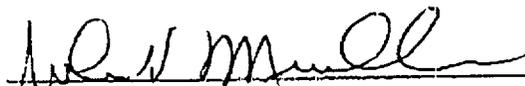
1-WA/1414522.1

U.S. Nuclear Regulatory Commission
ATTN: Mr. Samuel J. Collins, Director
Page 3

Please call Mr. James A. Hutton, Jr., at (610) 640-6722 should you have any questions or require further information.

Very truly yours,

Edward J. Cullen, Jr., Esq.
Secretary
AmerGen Energy Company, LLC



John H. Mueller
Senior Vice President and Chief Nuclear Officer
Niagara Mohawk Power Corporation

Jeffrey K. Smith
Senior Vice President - Corporate Development
New York State Electric & Gas Corporation

cc: Document Control Desk, NRC (3 Copies)
Mr. William D. Travers, Executive Director for Operations, NRC
Mr. Hubert J. Miller, Regional Administrator, Region I, NRC
Mr. Gordon K. Huncgs, NMP Senior Resident Inspector, NRC
Mr. Peter S. Tam, NMP Project Manager, NRC
Ms. Donna M. Skay, Project Directorate III, NRR/DLPM, NRC
Ms. Marsha K. Gamberoni, Acting Section Chief, Project Directorate I,
NRR/DLPM, NRC
Mr. Frank J. Miraglia, Jr., Deputy Executive Director for Operations, NRC
Mr. John A. Zwolinski, Director, NRR/DLPM, NRC
Mr. David B. Matthews, Director, NRR/DRIP, NRC

1-WA/1414522.1