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UNITED STATES OF AMERICA  
BEFORE THE  
NUCLEAR REGULATORY COMMISSION

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July 28, 2000

In the Matter of )  
 )  
Vermont Yankee Nuclear Power Corporation )  
 )  
and )  
 )  
AmerGen Vermont, LLC )  
 )  
(Vermont Yankee Nuclear Power Station) )

Docket No. 50-271  
License No. DPR-28  
(License Transfer)

**APPLICANTS' RESPONSE TO COMMISSION ORDER  
CONCERNING STATUS OF  
TRANSFER-RELATED PROCEEDINGS**

By Order dated July 24, 2000 (Order), the Commission directed Vermont Yankee Nuclear Power Corporation and AmerGen Vermont (Applicants) "to file, within five working days of the date of this [O]rder, a status report on their transfer-related proceedings before the Vermont Public Service Board (VPSB), the Federal Energy Regulatory Commission (FERC), and any other governmental entity, and also a status report on AmerGen's private letter ruling request to the Internal Revenue Service (IRS) regarding the tax consequences of acquiring the decommissioning trust funds for the Vermont Yankee and other plants." The requested status report is provided below.

Template = SECY-049

SECY-02

The principal remaining state regulatory ruling is that involving the VPSB. All proceedings and briefing have been completed, a request for a prompt VPSB decision has been made, and an order could be issued at any time.

With regard to transfer-related approvals needed by Vermont Yankee sponsors, approvals from the Massachusetts Department of Telecommunications and Energy, and Connecticut Department of Public Utilities Control are pending. Applicants expect these agencies will move expeditiously to decision following a determination by the VPSB. On June 2, 2000, the Maine Public Utilities Commission concluded that its review of the Maine sponsor's participation was not required. The New Hampshire Public Utilities Commission approved the New Hampshire sponsor's transfer if completed by July 15, 2000, but is expected to extend this approval to accommodate a later closing. Finally, regulatory approval requested of the Pennsylvania Public Utility Commission by PECO Energy Company is expected in the near future.

Last month the FERC approved applications under Section 203 of the Federal Power Act (FPA) relating to the transfer, and the FERC also accepted agreements related to the transaction under Section 205 of the FPA. With respect to one such set of agreements, the 1999 Amendatory Agreements between Vermont Yankee and its sponsoring utilities, the FERC accepted the agreements and established a proceeding to review their rates, which proceeding is pending. An application regarding AmerGen Vermont's Exempt Wholesale Generator (EWG) status will be submitted to FERC once certain requested findings are made by the VPSB. EWG status will be effective upon filing, subject to issuance of a final order by FERC within 60 days. Securities and Exchange Commission (SEC) transfer-related approvals are either pending or

await a decision by the VPSB. Appropriate Hart-Scott-Rodino filings were made with the Federal Trade Commission and Department of Justice on March 10, 2000, and the waiting period expired April 9, 2000.

Applicants' private letter ruling request to the Internal Revenue Service regarding the tax consequences of acquiring the Decommissioning Trust Fund for the Vermont Yankee Nuclear Power Station and certain other matters is pending, with final action expected by the end of September 2000. Other than the Vermont Yankee Nuclear Power Station, all AmerGen requests for IRS rulings related to other plants have been issued.

The Commission's Order also directs Applicants to "provide the Commission, during the remainder of the instant proceeding, with copies of any orders issued by VPSB, FERC or other governmental entities regarding the [A]pplicants' transfer-related proceedings, as well as any letter rulings from the IRS in response to AmerGen's above-referenced request." Accordingly, Applicants will promptly transmit such future orders and the anticipated IRS ruling to the Commission as they are issued.

Applicants are optimistic that all approvals can be obtained in a timely fashion, and the closing of the transaction could occur shortly thereafter. Therefore, Applicants respectfully request that the Commission take no action to stay or otherwise limit the

effectiveness of the NRC Staff Order, dated July 7, 2000, which approved the proposed transfer. As discussed in Applicants' Answer to Citizens Awareness Network's Request for Hearing and Petition to Intervene (March 3, 2000), pp. 6-7, and Applicants' Answer Opposing Citizens Awareness Network's Motions for Stay, Clarification and Request for Investigation (July 21, 2000), p. 5, the NRC has repeatedly held that it will not stay its approvals pending completion of related proceedings before other agencies, and such a stay in this case could prejudice the Applicants.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the "Applicants' Response to Commission Order Concerning Status of Transfer-Related Proceedings" were served upon the persons listed below by deposit in the U.S. mail, first class, postage prepaid, this 28th day of July, 2000.

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