



A PECO Energy/British Energy Company

10 CFR 50.80

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

Telephone: 610 640 6600
Fax: 610 640 6611

August 14, 2000

U.S. Nuclear Regulatory Commission
ATTN: Samuel J. Collins, Director, Office of Nuclear Reactor Regulation
Washington, DC 20555-0001

Vermont Yankee Power Station
Facility Operating License No. DPR-28
NRC Docket No. 50-271

Subject: Application for License Transfers

References:

- (1) "Order Approving Transfer of License and Conforming Amendment" and accompanying Safety Evaluation dated July 7, 2000
- (2) 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), 50-219 (Oyster Creek Nuclear Generating Station), and 50-271 (Vermont Yankee Nuclear Power Station), dated February 28, 2000.
- (3) Letter to Mr. Samuel J. Collins, Director, Office of Nuclear Reactor Regulation, USNRC, from AmerGen Energy Company, LLC, and AmerGen Vermont, LLC, "Response to Request for Additional Information Regarding Indirect Transfer of Licenses Held By AmerGen Energy Company, LLC and AmerGen Vermont, LLC in Connection With Proposed Merger of PECO Energy Company and Unicom Corporation," dated June 1, 2000

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- (4) Letter to Mr. Samuel J. Collins, Director, Office of Nuclear Reactor Regulation, USNRC, from AmerGen Energy Company LLC and AmerGen Vermont, LLC, "Additional Information Regarding Exelon and GENCO in Support of Application for NRC Consent to Indirect Transfer of Control of Licenses Submitted by AmerGen Energy Company, LLC and AmerGen Vermont, LLC," dated June 28, 2000
- (5) Letter to Mr. Samuel J. Collins, Director, Office of Nuclear Reactor Regulation, USNRC, from AmerGen Energy Company, LLC, and AmerGen Vermont, LLC, "Response to Request for Additional Information Regarding Indirect Transfer of Licenses Held By AmerGen Energy Company, LLC and AmerGen Vermont, LLC in Connection With Proposed Merger of PECO Energy Company and Unicom Corporation," dated May 12, 2000

Dear Mr. Collins:

Pursuant to 10 CFR 50.80, AmerGen Vermont, LLC (AmerGen Vermont), with the consent of Vermont Yankee Nuclear Power Corporation (VYNPC), hereby requests that the NRC consent to the transfer of Facility Operating License No. DPR-28 for Vermont Yankee Nuclear Power Station (Vermont Yankee) to AmerGen Vermont, consistent with the approval granted in Reference 1, but subject to possible changes in the ownership structure of AmerGen Vermont's corporate parents as described in this application. AmerGen Vermont also requests NRC consent to other transfers that may occur in connection with possible changes in the ownership structure of AmerGen Vermont's corporate parents as described below. As such AmerGen Vermont requests NRC consent to complete the following transfers, that may occur in addition to the transfer that was approved in Reference 1 or the consent sought by Reference 2:

1. Transfer of Vermont Yankee from VYNPC to AmerGen Vermont, under circumstances where AmerGen is 50% owned by Exelon Generating Company, LLC (EGC), and EGC is a wholly owned subsidiary of Exelon Ventures Company (EVC), which is a wholly owned subsidiary of Exelon Corporation (Exelon).
2. Transfer of Vermont Yankee from VYNPC to AmerGen Vermont, under circumstances where AmerGen is 50% owned by PECO Energy Company (PECO), and PECO is a wholly owned subsidiary of Exelon.

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3. Transfer of AmerGen Vermont's interest in Vermont Yankee as a result of PECO becoming a wholly owned subsidiary of Exelon following the merger, i.e., if the transfer of Vermont Yankee from VYNPC to AmerGen Vermont occurs prior to the merger.
4. Transfer of AmerGen Vermont's interest in Vermont Yankee, as a result of PECO's interest in AmerGen being transferred to EGC after the merger occurs, i.e., if the transfer of Vermont Yankee from VYNPC to AmerGen Vermont occurs before or after the merger, but prior to PECO's interest in AmerGen being transferred to EGC.

Changes in the ownership of AmerGen Energy Company, LLC (AmerGen) are anticipated as a result of the merger of PECO, owner of a 50% interest in AmerGen, with Unicom Corporation (Unicom). This merger may initially result in PECO becoming a wholly-owned subsidiary of Exelon for an interim period until PECO's interest in AmerGen is transferred to EGC. EGC is a new generating company that will be a wholly-owned subsidiary of EVC, which will be a wholly-owned subsidiary of Exelon. Reference 2 was submitted by AmerGen and AmerGen Vermont to obtain NRC consent to the indirect license transfers that will occur as a result of the transfer of PECO's 50% ownership interest in AmerGen to EGC. References 3, 4 and 5 provide additional information in support of Reference 2.

Initially, it was contemplated that the acquisition of Vermont Yankee by AmerGen Vermont would be completed prior to closure of the PECO/Unicom merger. Also, transfer of PECO's interest in AmerGen to EGC was expected to occur at the time the PECO/Unicom merger was consummated. However, certain of the regulatory approvals required for transfer of Vermont Yankee to AmerGen Vermont remain pending and may not be obtained prior to the PECO/Unicom merger. Therefore, the ownership of AmerGen Vermont may be different than was assumed in Reference 1. Additionally, the PECO/Unicom merger may be consummated prior to the time certain regulatory rulings are received relating to the transfer of PECO's generating assets, including its interest in AmerGen, to EGC. As a result, PECO may continue, as a subsidiary of Exelon, to hold its 50% interest in AmerGen for an interim period prior to transfer of that interest to EGC.

Information Supporting the Requested Transfers

AmerGen Vermont requests that the NRC consent to the proposed transfers and authorize AmerGen Vermont to possess, use, and operate Vermont Yankee under essentially the same conditions and authorizations approved in Reference 1. No physical changes will be made to the Vermont Yankee facility as a result of the proposed transfer(s), and there will be no significant change in the day-to-day operations of Vermont Yankee.

AmerGen Vermont is a Vermont limited liability company established by AmerGen to own and operate Vermont Yankee. AmerGen Vermont is a wholly owned subsidiary of AmerGen. AmerGen is a Delaware limited liability company formed by PECO, British Energy plc (British Energy), and British Energy, Inc. (BE Inc.) to acquire and operate nuclear power plants in the United States. British Energy is a party to the Limited Liability Company Agreement of AmerGen, dated August 18, 1997, as amended, but only PECO and BE Inc. are members of AmerGen; each currently holds a 50% ownership interest in AmerGen.

This application requests NRC consent to the transfer of control of Vermont Yankee under potential changed circumstances with respect to PECO's 50% ownership interest in AmerGen that may occur prior to or after VYNPC transfers Vermont Yankee to AmerGen Vermont. As a result of the merger, all of the stock of PECO will be owned by Exelon, and PECO may continue to own its 50% ownership interest in AmerGen, or its interest may be transferred to EGC. Under any of these scenarios, at the time of transfer of Vermont Yankee to AmerGen Vermont, or any transfer of control of AmerGen, there would be no corresponding proposed changes to the Facility Operating License or the Technical Specifications, other than those previously approved in Reference 1.

General corporate information concerning the organization, management, and businesses of Exelon, and its respective directors and officers was provided in References 2,3 and 5. Other than the possible changes in ownership interests described in this application, the organization, management and business of AmerGen and AmerGen Vermont, and their respective Management Committees and officers, will be consistent with the descriptions provided in References 2, 3 and 5, and the information submitted in support of Reference 1. As this information demonstrates, all of the directors and officers of Exelon will be U.S. citizens and neither AmerGen, AmerGen Vermont, PECO nor Exelon will be subject to foreign ownership, control, or domination.

Regardless of whether PECO's 50% ownership interest in AmerGen is retained by PECO for an interim period, or transferred to EGC, AmerGen would continue to own and operate the nuclear units it is licensed by the NRC to own and operate, and AmerGen Vermont would acquire and

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thereafter operate Vermont Yankee as approved by Reference 1. The 50% ownership interest in AmerGen held by BE Inc. will remain unchanged.

If PECO retains its 50% ownership interest in AmerGen, the only significant change that will occur is that, upon the consummation of the merger, PECO's current shareholders will become shareholders of Exelon, and PECO will become a direct, wholly-owned subsidiary of Exelon. Although the size and membership of the Board of Directors of PECO may change following the merger, all of the Directors of PECO and the principal officers of PECO will be U.S. citizens.

When PECO's 50% ownership interest in AmerGen is transferred to EGC, EGC's management, organization and corporate relationships will be as described in References 2 through 5. In any event, the Management Committees and principal officers of AmerGen and AmerGen Vermont will be consistent with what has previously been described in References 2 through 5 and/or the information submitted in support of Reference 1.

The technical and financial qualifications of AmerGen Vermont to carry out its licensed responsibilities will be as approved in Reference 1, with the only exception being that when PECO's 50% ownership interest in AmerGen is transferred to EGC, EGC will assume responsibility for the financial commitments previously made by PECO, i.e., PECO's \$100 million share of the \$200 million funding commitment available to AmerGen and AmerGen Vermont. A form of the applicable letter agreement was provided as an attachment to Reference 3. The decommissioning funding arrangements for Vermont Yankee will be as approved in Reference 1.

In summary, the establishment of Exelon as the parent holding company of PECO, or the transfer of PECO's 50% ownership interest to EGC prior to, or after, the transfer of Vermont Yankee to AmerGen Vermont, will not result in any change in the terms and conditions of the license transfer approved in Reference 1 requiring NRC review with respect to: (a) the management or technical qualifications of AmerGen Vermont; (b) the design or licensing basis of Vermont Yankee; (c) the Vermont Yankee license or Technical Specifications; (d) the day-to-day operation or maintenance of Vermont Yankee; or (e) the financial qualifications of AmerGen Vermont with respect to operating costs and decommissioning assurance.

This application does not contain any Restricted Data or any change in access to Restricted Data. Vermont Yankee's existing restrictions on access to Restricted Data will remain in place.

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Conclusion

The consummation of the proposed merger between PECO and Unicom is currently scheduled to occur as soon as possible after receipt of all required regulatory approvals, and the transfer of Vermont Yankee to AmerGen Vermont is also scheduled to occur as soon as possible after receipt of all required regulatory approvals. AmerGen Vermont requests that NRC review of this application proceed in parallel with the completion of the review of the application for indirect license transfer to EGC requested in Reference 2. AmerGen Vermont requests that NRC approve this application and the reference 2 application before the end of September 2000.

If you have any questions about this letter, please contact Mr. James A. Hutton at (610) 765-5520.

Sincerely,



Joseph J. Hagan
Senior Vice President Nuclear Operations
AmerGen Vermont, LLC

Attachments:

1. Affidavit

cc: Document Control Desk, NRC (3)
NRC Licensing Project Managers
R. P. Croteau, Vermont Yankee
D. M. Skay, PECO/Unicom Merger
S. R. Hom, Esq., OGC, NRC
R. S. Wood NRR, NRC
NRC Regional Administrator
H. J. Miller, Region I
NRC Resident Inspector
B. J. McDermott, VY
Richard Sedano, VT Department of Public Service

COMMONWEALTH OF PENNSYLVANIA :

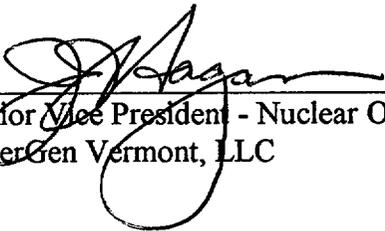
: SS

COUNTY OF CHESTER :

AFFIDAVIT

Joseph J. Hagan, being first duly sworn, deposes and says:

That he is Senior Vice President Nuclear Operations, AmerGen Vermont, LLC, the Applicant herein; that he has read the enclosed letter dated August 14, 2000, "Application for License Transfer" regarding Vermont Yankee Nuclear Power Station (VY), and knows the contents thereof; and that the statements and matters set forth therein are true and correct to the best of his knowledge, information and belief.


Senior Vice President - Nuclear Operations
AmerGen Vermont, LLC

Subscribed and sworn to

before me this 14th day

of August, 2000.


Notary Public

Notarial Seal
Vivia V. Gallimore, Notary Public
Tredyffrin Twp., Chester County
My Commission Expires Oct. 6, 2003

Member, Pennsylvania Association of Notaries