

August 23, 2000

Mr. Joseph J. Hagen
Senior Vice President Nuclear Operations
AmerGen Vermont, LLC
965 Chesterbrook Blvd.
Wayne, Pennsylvania 19087-5691

SUBJECT: VERMONT YANKEE - NOTICE OF CONSIDERATION OF APPROVAL OF
PROPOSED DIRECT AND INDIRECT LICENSE TRANSFERS AND
OPPORTUNITY FOR A HEARING (TAC NO. MA9738)

Dear Mr. Hagen:

Enclosed is a copy of a "Notice of Consideration of Approval of Proposed Direct and Indirect License Transfers and Opportunity for a Hearing" related to the application dated August 14, 2000, from AmerGen Vermont, LLC (AmerGen Vermont). This application seeks approval under 10 CFR 50.80 of certain direct and indirect license transfers such that the direct transfer of the facility operating license for the Vermont Yankee Nuclear Power Station to AmerGen Vermont, and indirect transfer of such license to Exelon Corporation, will be authorized under several possible scenarios. The application has been filed in connection with the pending merger between Unicom Corporation and PECO Energy Company. AmerGen Vermont's ultimate objective following all transactions related to the merger is to hold the license as a subsidiary of AmerGen Energy Company, LLC as 50 percent owned by Exelon Generation Company, LLC, in turn ultimately owned by Exelon Corporation.

This notice is being forwarded to the Office of the Federal Register for publication.

Sincerely,

/RA/

Richard P. Croteau, Project Manager, Section 2
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-271

Enclosure: Notice

cc w/encl: See next page

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Distribution:

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UNITED STATES NUCLEAR REGULATORY COMMISSIONAMERGEN VERMONT, LLCVERMONT YANKEE NUCLEAR POWER STATIONDOCKET NO. 50-271NOTICE OF CONSIDERATION OF APPROVAL OF PROPOSED DIRECTAND INDIRECT LICENSE TRANSFERSAND OPPORTUNITY FOR A HEARING

The U.S. Nuclear Regulatory Commission (the Commission) is considering the issuance of an order or orders under 10 CFR 50.80 approving certain proposed direct and indirect transfers of Facility Operating License No. DPR-28 for Vermont Yankee Nuclear Power Station (Vermont Yankee) currently held by Vermont Yankee Nuclear Power Corporation, as the owner and licensed operator. The facility is located in Vernon, Vermont.

A direct transfer of this license from Vermont Yankee Nuclear Power Corporation to AmerGen Vermont, LLC (AmerGen Vermont) was approved by the Nuclear Regulatory Commission by an order dated July 7, 2000. The approved direct transfer has not yet occurred. At this time, AmerGen Vermont is a wholly-owned subsidiary of AmerGen Energy Company, LLC (AmerGen), which in turn is 50 percent owned by PECO Energy Company (PECO) and British Energy, Inc. PECO and Unicom Corporation intend to merge and create a new holding company, Exelon Corporation, which will become the direct or indirect parent of PECO, Exelon Generation Company, LLC (EGC), and other subsidiaries. PECO intends to transfer to EGC all of its generating assets, including its 50 percent interest in AmerGen, which currently owns and holds the operating licenses for the Three Mile Island, Unit 1, Clinton, and Oyster Creek nuclear facilities. Depending upon the time of the above events, AmerGen Vermont plans to ultimately acquire the license for Vermont Yankee, or, following such acquisition, hold such license, under

the following possible scenarios, which may be in addition to those already approved or subject to a pending application dated February 28, 2000, as supplemented, referenced below:

(1) AmerGen Vermont acquires the license when AmerGen Vermont is wholly owned by AmerGen, which is in turn 50 percent owned by EGC, which in turn is indirectly owned by Exelon Corporation (through Exelon Ventures Company); (2) AmerGen Vermont acquires the license when AmerGen Vermont is a wholly owned subsidiary of AmerGen, which in turn is 50 percent owned by PECO, and PECO is a subsidiary of Exelon Corporation; (3) AmerGen Vermont holds the license, but indirectly transfers the license by reason of PECO becoming a subsidiary of Exelon Corporation; and (4) AmerGen Vermont holds the license, but indirectly transfers the license by reason of PECO, either as a subsidiary of Exelon Corporation or as PECO exists today, transferring its interest in AmerGen to EGC. Under any of the above scenarios, British Energy, Inc.'s interest in AmerGen will remain unchanged.

AmerGen Vermont filed an application dated August 14, 2000, describing the above possible scenarios and seeking Commission approval under 10 CFR 50.80 that would authorize the direct or indirect transfers involved to occur. AmerGen Vermont has previously filed an application dated February 28, 2000, and supplements thereto, seeking approval of a proposed indirect transfer of the license, presuming it has been transferred to AmerGen Vermont, that would occur by virtue of PECO's interest in AmerGen being transferred to EGC. To the extent the February 28, 2000, proposal is not subsumed by the August 14, 2000, application, the proposal in the former application will be considered in conjunction with those presented in the latter.

No physical changes to the facility of operational changes, and no new changes to the license or technical specifications are being proposed in the August 14, 2000, application. According to the application, for the scenarios where EGC acquires PECO's 50 percent interest in AmerGen, no changes from the information provided by the February 28, 2000, application,

as supplemented, with respect to technical or financial qualifications of AmerGen Vermont are being presented in the August 14, 2000, application. The decommissioning funding arrangements will be as presented in the application that was approved by the July 7, 2000, Order.

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. The Commission will approve an application for a direct transfer of a license if the Commission determined that the proposed transferee is qualified to be the license holder, or for an indirect transfer of a license if the Commission determines that the underlying transaction effecting the indirect transfer will not affect the qualifications of the holder of the license, and in either case if, in addition, the Commission determines that the transfer is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

The filing of requests for hearing and petitions for leave to intervene, and written comments with regard to the license transfer application, are discussed below.

By September 20, 2000, any person whose interest may be affected by the Commission's action on the application may request a hearing and, if not, the applicant may petition for leave to intervene in a hearing proceeding on the Commission's action. Requests for a hearing and petitions for leave to intervene should be filed in accordance with the Commission's rules of practice set forth in Subpart M, "Public Notification, Availability of Documents and Records, Hearing Requests and Procedures for Hearings on License Transfer Applications," of 10 CFR Part 2. In particular, such requests and petitions must comply with the requirements set forth in 10 CFR 2.1306, and should address the considerations contained in 10 CFR 2.1308(a). Untimely requests and petitions may be denied, as provided in 10 CFR 2.1308(b), unless good cause for failure to file on time is established. In addition, an

untimely request or petition should address the factors that the Commission will also consider, in reviewing untimely requests or petitions, set forth in 10 CFR 2.1308(b)(1)-(2).

Requests for a hearing and petitions for leave to intervene should be served upon: Kevin P. Gallen, Esq., Morgan, Lewis & Bockius, LLP, 1800 M Street, NW., Washington, DC 20036-5869; the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555 (e-mail address for filings regarding license transfer cases only: OGCLT@NRC.gov); and the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, in accordance with 10 CFR 2.1313.

The Commission will issue a notice or order granting or denying a hearing request or intervention petition, designating the issues for any hearing that will be held and designating the Presiding Officer. A notice granting a hearing will be published in the FEDERAL REGISTER and served on the parties to the hearing.

As an alternative to requests for hearing and petitions to intervene, by October 2, 2000, persons may submit written comments regarding the license transfer application, as provided for in 10 CFR 2.1305. The Commission will consider and, if appropriate, respond to these comments, but such comments will not otherwise constitute part of the decisional record. Comments should be submitted to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, and should cite the publication date and page number of this FEDERAL REGISTER notice.

For further details with respect to this action, see the application dated August 14, 2000, available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and available electronically through the ADAMS Public Electronic Reading Room link at the NRC Web site (<http://www.NRC.gov>).

Dated at Rockville, Maryland this 23rd day of August 2000.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Richard P. Croteau, Project Manager, Section 2
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation