

January 12, 2001

Mr. Gerald R. Rainey,
Chief Nuclear Officer
AmerGen Energy Company, LLC
200 Exelon Way
Kennett Square, PA 19348

SUBJECT: THREE MILE ISLAND, UNIT 1 - ISSUANCE OF CONFORMING AMENDMENT
RE: TRANSFER OF PECO'S OWNERSHIP OF LICENSES TO EXELON
GENERATION COMPANY (TAC NO. MB0823)

Dear Mr. Rainey:

By application dated February 28, 2000, as supplemented by letters dated May 12, May 24, June 1, and June 28, 2000, AmerGen requested approval of the transfer of control of the Three Mile Island Nuclear Station, Unit 1, Title 10 of the *Code of Federal Regulations* (10 CFR) Part 50 Facility Operating Licenses held by AmerGen Energy Company, LLC (AmerGen), pursuant to 10 CFR 50.80. AmerGen requested the Nuclear Regulatory Commission's (NRC's) consent so that Exelon Generation Company, LLC, a new company to be formed as an indirect subsidiary of Exelon Corporation which was created in connection with the recent merger of PECO Energy Company (PECO, a co-owner of AmerGen) and Unicom Corporation, may acquire PECO's 50-percent ownership interest in AmerGen. AmerGen would continue to possess, use, and operate the Three Mile Island, Unit 1, facility. The application also requested NRC approval of conforming license amendments. On December 21, 2000, the NRC issued an Order approving the transfer. The Order also approved a conforming license amendment to be issued at the time the transfer was completed.

In a letter dated December 21, 2000, PECO notified the NRC that the closings of the license transfers were anticipated to occur as early as January 5, 2001.

Accordingly, the Commission has issued the enclosed Amendment No. 228 to Facility Operating License No. DPR-50 for Three Mile Island Nuclear Station, Unit 1. The conforming amendment reflects the transfer of PECO's ownership interest in this unit to Exelon Generation

G. Rainey

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Company, LLC. The safety evaluation supporting the conforming amendment was enclosed with the Order issued on December 21, 2000.

Notice of Issuance will be included in the Commission's Biweekly *Federal Register* Notice.

Sincerely,

/RA/

Timothy Colburn, Senior Project Manager, Section 1
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-289

Enclosure: Amendment No. 228 to DPR-50

cc w/encl: See next page

G. Rainey

- 2 -

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DATE	1/8/01		1/5/01		1/8/01	

Official Record Copy

Three Mile Island Nuclear Station, Unit No. 1

cc:

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AMERGEN ENERGY COMPANY, LLC

DOCKET NO. 50-289

THREE MILE ISLAND NUCLEAR STATION, UNIT NO. 1

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 228
License No. DPR-50

1. The Nuclear Regulatory Commission (the Commission or NRC) has found that:
 - A. The application for amendment by AmerGen Energy Company, LLC, dated February 28, 2000, as supplemented by letters dated May 12, May 24, June 1, and June 28, 2000, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance: (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.
2. Accordingly, the Facility Operating License No. DPR-50 is amended as indicated in the attachment to this license amendment.

3. This license amendment is effective as of the date of its issuance and shall be implemented within 30 days.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Attachment: Changes to the License

Date of Issuance: January 12, 2001

ATTACHMENT TO LICENSE AMENDMENT NO. 228

FACILITY OPERATING LICENSE NO. DPR-50

DOCKET NO. 50-289

Revise the License by removing the pages identified below and inserting the attached pages. The revised pages are identified by the captioned amendment number and contain marginal lines indicating the area of change.

Remove Pages

7
8

Insert Pages

7
8

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 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