

April 5, 2004

MEMORANDUM TO: Richard Laufer, Section Chief  
Project Directorate I-1  
Division of Project Management  
Office of Nuclear Reactor Regulation

FROM: Brian Thomas, Section Chief */RA/*  
Financial and Regulatory Analysis Section  
Policy and Rulemaking Program  
Division of Regulatory Improvement Programs  
Office of Nuclear Reactor Regulation

SUBJECT: REQUEST FOR CONFORMING ADMINISTRATIVE LICENSE  
AMENDMENTS TO REFLECT AMERGEN ENERGY COMPANY, LLC  
OWNERSHIP CHANGES (TAC NOS.: MC1888, MC1889, MC1890)

Attached is the subject review in response to AmerGen Energy Company, LLC's (AmerGen) letter dated January 30, 2004, requesting Conforming Administrative License Amendments to reflect AmerGen's parent company ownership changes. AmerGen is the sole licensee for Clinton Power Station, Unit 1 (Clinton), Oyster Creek Generating Station (Oyster Creek), and Three Mile Island Nuclear Station, Unit 1 (TMI-1). The NRC staff has reviewed the request by AmerGen, and finds no objections to the Conforming Administrative License Amendments for Clinton, Oyster Creek, TMI-1. This concludes our contribution to TAC's MC1888, MC1889, and MC1890.

Attachment: As stated

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**REVIEW BY THE OFFICE OF NUCLEAR REACTOR REGULATION**  
**RELATED TO AMENDMENT NO. TO OPERATING LICENSE NPF-62**  
**AND AMENDMENT NO. TO OPERATING LICENSE DPR-16**  
**AND AMENDMENT NO. TO OPERATING LICENSE DPR-50**  
**REQUEST FOR CONFORMING ADMINISTRATIVE LICENSE AMENDMENTS**  
**TO REFLECT AMERGEN ENERGY COMPANY, LLC OWNERSHIP CHANGE**  
**CLINTON POWER STATION, UNIT 1, OYSTER CREEK GENERATING STATION**  
**AND THREE MILE ISLAND NUCLEAR STATION, UNIT 1**  
**DOCKET NOS. 50-461, 50-219, 50-289**

On January 30, 2004, AmerGen Energy Company, LLC, (AmerGen) as licensee, submitted a request for Conforming Administrative License Amendments for Clinton Power Station, Unit 1 (Clinton), Oyster Creek Generating Station (Oyster Creek), and Three Mile Island, Unit 1 (TMI-1), to reflect the recent change in ownership of AmerGen.

On December 22, 2003, Exelon Generation Company, LLC, (Exelon) purchased 100% of the stock of British Energy US Holdings, Inc. (BE Holdings) which indirectly owned 50% of AmerGen. BE Holdings was formerly owned by British Energy, plc, a foreign corporation. Exelon now owns 100% of AmerGen both directly (50%) through its previous ownership, and indirectly (50%) through its ownership of BE Holdings. (British Energy US Holdings, Inc. will be renamed Nuclear US Holdings, Inc.) The purchase of BE Holdings by Exelon ended all foreign ownership issues that were previously addressed by conditions incorporated into the licences.

Given that Exelon through its rights under the AmerGen Limited Liability Company Agreement, already effectively controlled AmerGen prior to its acquisition of BE Holdings, the NRC staff finds that the acquisition did not result in any transfer of control of the license under 10 CFR 50.80. Therefore, no further Safety Evaluations are needed to determine whether the acquisition affected AmerGen's qualifications to hold the licenses prior to Exelon purchasing the other 50% of AmerGen through Exelon's purchase of BE Holdings.

In a previous submittal, the licensee proposed to eliminate British Energy, plc's and Exelon's agreements to provide up to \$100 million each in standby funds to AmerGen, and to replace it with a new commitment by Exelon alone to provide up to \$200 million in standby funds to

AmerGen for operational uses. The NRC staff found that to be acceptable because the full commitment of \$200 million reflects Exelon's 100% ownership of AmerGen, with all the associated rights and revenue.

In this submittal, AmerGen also requests that certain License Transfer Conditions for Clinton, (Numbers 10, 11, 12, and 13), Oyster Creek, (Letters A, B, C, and D), and TMI-1, (Numbers 10, 11, 12, and 13), be eliminated because the referenced License Transfer Conditions were imposed to address foreign ownership issues that originally arose because BE Holdings was a subsidiary of a foreign corporation. The NRC staff finds that since Exelon, a domestic company, now owns 100% of AmerGen through direct and indirect means, the License Transfer Conditions for Clinton, Oyster Creek and TMI-1, are no longer needed, and may be eliminated. The submittal also presented other Conforming Administrative License Amendments (as markups to the Facility Operating Licenses) which reflect Exelon's purchase of British Energy plc's ownership interest in AmerGen, Exelon's commitment to provide up to \$200 million in standby funds to AmerGen for operational uses, and the elimination of the original standby fund commitments.

In summary, the NRC staff finds no objections to the Conforming Administrative License Amendments for Clinton, Oyster Creek, and TMI-1, to reflect the recent change in ownership of AmerGen by Exelon and substitution of the standby fund commitments. The proposed Conforming Amendments will change the operating licenses to accurately reflect the current Exelon ownership structure of AmerGen and the current standby fund arrangement. Therefore, the Conforming Administrative License Amendments for Clinton, Oyster Creek, and TMI-1, requested in the January 30, 2004 AmerGen letter are acceptable.

Principal Contributor: Michael A. Dusaniwskyj

Dated: 4/5/2004