AmerGen Energy Company, LLC
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AmerGen
An Exelon Company

10 CFR 50.71(b)

December 7, 2006
5928-06-20599
2130-06-20435

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555-0001

Three Mile Island (TMI), UNIT 1
Operating License No. DPR-50
NRC Docket No. 50-289

Clinton Power Station (CPS)
Operating License No. NPF-62
NRC Docket No. 50-461

Oyster Creek Generating Station (Oyster Creek)
Operating License No. DPR-16
NRC Docket No. 50-219

Subject: AMERGEN ENERGY COMPANY, LLC (AmerGen)
Consolidated Financial Statements

Attached is the 2005 Consolidated Financial Statements for AmerGen Energy Company, LLC, operator of Three Mile Island, Unit 1, Clinton Power Station, and Oyster Creek Generating Station. This report contains the consolidated financial statements for 2005 and 2004 (Restated). This information is being submitted in accordance with the requirements of 10 CFR 50.71(b) and 10 CFR 50.4.

If you have any questions or require additional information, please do not hesitate to contact us.

Very truly yours,

D. P. Helker

David P. Helker
Manager - Licensing

Enclosure: AmerGen Energy Company, LLC Consolidated Financial Statements – December 31, 2005 and 2004 (Restated)

M004

cc:	USNRC, Regional Administrator, Region I	w/ Enclosure
	USNRC, Regional Administrator, Region III	"
	USNRC, Project Manager, NRR – Three Mile Island	w/o Enclosure
	USNRC, Project Manager, NRR – Oyster Creek	"
	USNRC, Project Manager, NRR – Clinton Station	"
	USNRC, Senior Resident Inspector – Three Mile Island	"
	USNRC, Senior Resident Inspector, Oyster Creek	"
	USNRC, Senior Resident Inspector, Clinton Station	"

PRICEWATERHOUSECOOPERS

AmerGen Energy Company, LLC

Consolidated Financial Statements
December 31, 2005 and 2004 (Restated)

AmerGen Energy Company, LLC
Index
December 31, 2005 and 2004 (Restated)

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
One North Wacker
Chicago IL 60606
Telephone (312) 298 2000
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Report of Independent Auditors

To the Members of
AmerGen Energy Company, LLC:

In our opinion, the accompanying consolidated statements of financial position and the related consolidated statements of operations, members' equity and comprehensive income and cash flows, after the restatement described in Note 2, present fairly, in all material respects, the financial position of AmerGen Energy Company, LLC and its subsidiaries at December 31, 2005 and 2004, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 2, the consolidated financial statements as of December 31, 2004 and for the year then ended have been restated.

PricewaterhouseCoopers LLP

December 1, 2006

AmerGen Energy Company, LLC
Consolidated Statements of Financial Position
As of December 31, 2005 and 2004 (Restated)

(dollars in thousands)

	2005	2004 (Restated)
Assets		
Current assets:		
Cash and cash equivalents	$ 2,163	$ 24,960
Accounts receivable	1,407	21,661
Receivables from affiliates, net	64,845	29,398
Materials and supplies, net	47,101	35,642
Deferred income taxes	-	-
Prepaid expenses and other	5,030	5,469
Total current assets	120,546	117,130
Fixed assets:		
Property, plant and equipment, net of accumulated depreciation of $25,813 and $24,918 in 2005 and 2004, respectively	188,262	217,403
Construction work in progress	135,027	48,610
Nuclear fuel, net of accumulated amortization of $43,243 and $56,411 in 2005 and 2004, respectively	137,200	54,111
Total fixed assets	460,489	320,124
Other non-current assets:		
Nuclear decommissioning trust funds	1,261,022	1,216,929
Other	6,685	2,357
Total non-current assets	1,267,707	1,219,286
Total assets	$ 1,848,742	$ 1,656,540
Liabilities and members' equity		
Current liabilities:		
Long-term debt due within one year	$ 9,861	$ 10,361
Book overdrafts	5,348	3,584
Accounts payable	48,638	32,349
Accrued expenses	53,811	47,716
Total current liabilities	117,658	94,010
Non-current liabilities:		
Asset retirement obligations	613,170	602,726
Long-term debt	25,512	33,140
Pension obligations	25,094	23,498
Other postretirement benefit obligations	99,462	89,852
Deferred income taxes	2,278	10,662
Other	5,528	5,495
Total non-current liabilities	771,044	765,373
Total liabilities	888,702	859,383
Members' equity		
Member's capital - Exelon Generation Company, LLC	137,227	124,678
Member's capital - Nuclear, L.P. (a wholly owned subsidiary of Exelon Generation Company, LLC)	148,141	135,592
Undistributed earnings	598,863	445,631
Accumulated other comprehensive income, net	75,809	91,256
Total members' equity	960,040	797,157
Total liabilities and members' equity	$ 1,848,742	$ 1,656,540

The accompanying notes are an integral part of these consolidated financial statements.

AmerGen Energy Company, LLC
Consolidated Statements of Operations
For the Years Ended December 31, 2005 and 2004 (Restated)

(dollars in thousands)

	2005	2004 (Restated)
Operating revenues		
Operating revenues	$ -	$ 189,367
Operating revenues from affiliates	641,518	435,802
Other revenues	2,851	288
Total operating revenues	644,369	625,457
Operating expenses		
Fuel	39,380	36,906
Operating and maintenance	424,180	411,372
Depreciation and amortization	7,543	4,095
Taxes other than income	24,099	18,656
Total operating expenses	495,202	471,029
Operating income	149,167	154,428
Interest expense	(2,233)	(3,864)
Investment income on decommissioning trust funds, net	74,628	36,903
Other loss, net	(8,330)	(9,422)
Net income	$ 213,232	$ 178,045

The accompanying notes are an integral part of these consolidated financial statements.

AmerGen Energy Company, LLC
Consolidated Statements of Members' Equity and Comprehensive Income
For the Years Ended December 31, 2005 and 2004 (Restated)

(dollars in thousands)

	Exelon Generation Company, LLC Equity	Nuclear, L.P. Equity	Undistributed Earnings	Accumulated Other Comprehensive Income (Loss)	Comprehensive Income
Balance, December 31, 2003 (restated)	$ 121,128	$ 132,042	$ 293,586	$ 19,668	
Net income (restated)			178,045	-	$ 178,045
Net unrealized gains on marketable securities, net of income taxes of $2,852	-	-	-	72,810	72,810
Recognition of additional minimum liability	-	-	-	(1,222)	(1,222)
Comprehensive income (restated)					$ 249,633
Contribution from members	3,550	3,550			
Dividend to members	-	-	(26,000)	-	
Balance, December 31, 2004 (restated)	124,678	135,592	445,631	91,256	
Net income			213,232	-	213,232
Net unrealized losses on marketable securities, net of income taxes of $(5,427)	-	-	-	(11,581)	(11,581)
Change in additional minimum liability	-	-	-	(3,866)	(3,866)
Comprehensive income					$ 197,785
Contribution from members	12,549	12,549	-	-	
Dividend to members	-	-	(60,000)	-	
Balance, December 31, 2005	$ 137,227	$ 148,141	$ 598,863	$ 75,809	

The accompanying notes are an integral part of these consolidated financial statements.

AmerGen Energy Company, LLC
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2005 and 2004 (Restated)

(dollars in thousands)

	2005	2004 (Restated)
Cash flows from operating activities		
Net income	$ 213,232	$ 178,045
Adjustments to reconcile net income to net cash provided by operating activities:		
Accretion expense	45,077	40,331
Amortization of nuclear fuel	18,796	15,633
Depreciation and amortization expense	7,543	9,297
Change in pension obligation	(7,054)	804
Net realized gains on decommissioning trust funds	(37,392)	(2,599)
Change in postretirement benefits obligation	9,610	10,767
Amortization of debt discount	2,234	3,106
Deferred income taxes	(2,956)	2,282
Other	3,133	3,884
Changes in working capital:		
Accounts receivable	20,254	(10,051)
Materials and supplies	(11,459)	(3,066)
Other current assets	439	1,222
Accounts payable and accrued expenses	24,833	(28,548)
Due from affiliates, net	(40,970)	(8,842)
Net cash provided by operating activities	245,320	212,265
Cash flows from investing activities		
Capital expenditures	(88,375)	(97,539)
Purchase of nuclear fuel	(101,885)	(37,548)
Proceeds from note receivable	-	4,986
Proceeds from sales of decommissioning trust fund investments	1,791,328	667,680
Purchase of decommissioning trust fund investments	(1,831,208)	(712,145)
Net cash used in investing activities	(230,140)	(174,566)
Cash flows from financing activities		
Book overdraft	1,764	(3,361)
Issuance of note payable to affiliate	9,500	-
Repayment of long-term debt	(10,362)	(26,237)
Contribution from members	21,121	-
Distribution to members	(60,000)	(26,000)
Net cash used in financing activities	(37,977)	(55,598)
Net decrease in cash and cash equivalents	(22,797)	(17,899)
Cash and cash equivalents		
Beginning of year	24,960	42,859
End of year	$ 2,163	$ 24,960

The accompanying notes are an integral part of these consolidated financial statements.

(Amounts in tables in thousands)

1. Significant Accounting Policies

Description of Business

In 1997, AmerGen Energy Company, LLC (AmerGen or the Company) was formed by PECO Energy Company, Inc. (PECO), now a wholly owned subsidiary of Exelon Corporation (Exelon), and British Energy, Inc. (BE), a wholly owned subsidiary of British Energy, plc, to pursue opportunities to acquire and operate nuclear power generating stations in the United States. In January 2001, PECO assigned its interest in AmerGen to an affiliate, Exelon Generation Company, LLC (Generation), and both Generation and BE held 50% ownership shares in AmerGen.

On December 22, 2003, Nuclear, L.P., an indirect wholly owned subsidiary of Generation was formed to purchase the 50% interest in AmerGen previously held by BE. Generation continued to own its original 50% interest in AmerGen. Nuclear, L.P. and Generation share equally in all net income or losses of the Company. Other activity such as Member contributions or tax benefits may be allocated on a different basis.

AmerGen owns and operates the Clinton Nuclear Power Station (CNPS) located in Clinton, Illinois, Three Mile Island Unit No. 1 (TMI) located in Middletown, Pennsylvania and the Oyster Creek Nuclear Generating Station (OC) located in Forked River, New Jersey.

Basis of Presentation

The consolidated financial statements of AmerGen include the accounts of all of its subsidiaries after the elimination of intercompany transactions. AmerGen, either directly or indirectly, owns 100% of all consolidated subsidiaries.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Areas in which significant estimates have been made include, but are not limited to, the accounting for asset retirement obligations, inventory reserves, fixed asset depreciation, pension and other postretirement benefits, and unbilled energy revenue.

Revenues

During 2004, electricity generated by AmerGen was sold to Generation and AmerenIP, an unaffiliated third party, at wholesale rates under Purchase Power Agreements (PPAs). Wholesale electric revenues were recorded as the energy was delivered to Generation and AmerenIP by AmerGen and AmerGen accrued an estimate for unbilled energy provided to AmerenIP at the end of each month.

For the year ended December 31, 2004, AmerenIP accounted for approximately 30% of AmerGen's energy revenues. AmerGen's PPA with AmerenIP expired on December 31, 2004. Upon termination of the PPA, all of AmerGen's output is sold to Generation for wholesale marketing.

(Amounts in tables in thousands)

AmerGen has entered into PPAs with Generation dated June 26, 2003, December 18, 2001, and November 22, 1999. Under the 2003 PPA, AmerGen has agreed to sell Generation all of the energy generated by OC through April 9, 2009. Under the 2001 PPA, AmerGen has agreed to sell to Generation all the energy generated by TMI through December 31, 2014. Under the 1999 PPA, AmerGen has agreed to sell to Generation all of the residual energy generated by CNPS through December 31, 2006. For the years ended December 31, 2005 and 2004, operating revenues from affiliate are recorded as the energy is provided to Generation. For the years ended December 31, 2005 and 2004, Generation accounted for approximately 100% and 70%, respectively, of AmerGen's energy revenues. See Note 11 for further information regarding AmerGen's transactions with affiliates.

AmerGen's other revenue is comprised of revenue from service agreements, the recognition of which is dependent upon when the services are rendered. Service agreements representing a cost recovery arrangement are presented gross within revenues for the amounts due from the party receiving the service, and the costs associated with providing the service are presented within operating and maintenance expenses.

Income Taxes
A provision for income taxes is not included in the accompanying consolidated financial statements as AmerGen is treated as a partnership for Federal and state income tax purposes. Earnings or losses of AmerGen are allocated to the equity members for inclusion in each of the members' separate tax returns.

AmerGen holds investments in several qualified decommissioning trust funds, which are taxable entities under Federal tax laws. Taxes on the taxable income of the qualified decommissioning trusts are included in investment income in the Consolidated Statements of Operations. Such taxes are determined at a 20% Federal rate. Taxable income includes interest, dividends and capital gains. Deferred taxes based on the unrealized gains and losses of the qualified decommissioning trusts are included in AmerGen's accumulated other comprehensive income. Income tax expense of $9.6 million and $8.2 million (restated) related to the qualified decommissioning trusts are included in other loss, net for the years ended December 31, 2005 and 2004, respectively.

Generation and Nuclear L.P. are included in the Federal consolidated income tax return of Exelon. The deferred taxes associated with their investments in AmerGen as of December 31, 2005 are $37.3 million and $28.4 million, respectively. The deferred taxes are primarily attributable to differences in the book and tax treatment of depreciation of property, plant, and equipment and decommissioning activities.

Comprehensive Income
Comprehensive income includes all changes in equity during a period except those resulting from investments by and distributions to the partners. Other comprehensive income relates to unrealized gains or losses on securities held in nuclear decommissioning trust funds and changes in the additional minimum pension liability.

Cash and Cash Equivalents
AmerGen considers all temporary cash investments purchased with an original maturity of three months or less to be cash equivalents.

(Amounts in tables in thousands)

Accounts Receivable
Customer accounts receivable at December 31, 2004 included $14 million of operating revenues related to amounts of energy delivered to customers but not billed in the month then ended. At December 31, 2005, there were no operating revenues related to amounts of energy delivered to customers but not billed in the months then ended included in customer accounts receivable.

Materials and Supplies
Materials and supplies are recorded at the lower of cost or market and provisions are made for excess and obsolete inventory when appropriate. Materials and supplies inventory generally includes the average costs of generating plant materials. Materials are generally charged to inventory when purchased and then expensed or capitalized to plant, as appropriate, when installed.

Marketable Securities
Marketable securities held by the nuclear decommissioning trust funds are classified as available-for-sale securities and reported at fair value pursuant to Statement of Financial Accounting Standards (SFAS) No. 115, "Accounting for Certain Investments in Debt and Equity Securities" (SFAS No. 115). Unrealized gains and losses, net of tax, on nuclear decommissioning trust funds are reported in other comprehensive income. At December 31, 2005 and 2004, AmerGen had no held-to-maturity or trading securities. Investment income on decommissioning trust funds includes interest, dividends and realized gains and losses and is net of income taxes on the qualified decommissioning trust funds and investment management and custodian fees.

Property, Plant and Equipment
Property, plant and equipment is recorded at cost. The cost of maintenance, repairs and minor replacements of property are charged to maintenance expense as incurred. AmerGen evaluates the carrying value of long-lived assets to be held and used for impairment whenever indications of impairment exist in accordance with the requirements of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" (SFAS No. 144). The carrying value of long-lived assets is considered impaired when the projected undiscounted cash flows are less than the carrying value. In that event, a loss would be recognized based on the amount by which the carrying value exceeds the fair value. Fair value is determined primarily by available market valuations or, if applicable, discounted cash flows. Upon retirement, the cost of property is charged to accumulated depreciation.

(Amounts in tables in thousands)

The following is a summary of property, plant and equipment as of December 31, 2005 and 2004:

Asset Category	2005	2004 (Restated)
Electric-generation	$ 151,568	$ 145,181
Nuclear fuel	180,443	110,522
Asset retirement cost (ARC)	62,507	97,140
Construction work in progress	135,027	48,610
Total property, plant and equipment	529,545	401,453
Less accumulated depreciation (including accumulated amortization of nuclear fuel of $43,243 and $56,411 as of December 31, 2005 and 2004, respectively)	(69,056)	(81,329)
Property, plant and equipment, net	$ 460,489	$ 320,124

Leases
AmerGen accounts for leases in accordance with SFAS No. 13, "Accounting for Leases." At the inception of the lease, or upon subsequent modification, AmerGen determines whether the lease is an operating or capital lease based upon its terms and characteristics.

Nuclear Fuel
The cost of nuclear fuel is capitalized and charged to fuel expense using the unit-of-production method. The estimated cost of disposal of Spent Nuclear Fuel (SNF) is established per the Standard Waste Contract with the Department of Energy (DOE) and is expensed at one mill ($.001) per kWh of net nuclear generation. On-site temporary SNF storage costs are capitalized or expensed, as incurred, based upon the nature of the work performed. Fully amortized spent nuclear fuel is written off when removed from the reactor.

Nuclear Outage Costs
Costs associated with nuclear outages are recognized in the period incurred.

Depreciation and Amortization
Depreciation is provided over the estimated service lives of the property, plant and equipment on a straight-line basis using the composite method. Nuclear power stations operate under a license granted by the Nuclear Regulatory Commission (NRC) for a fixed period of time. Plant service lives may be limited by the expiration of the license.

(Amounts in tables in thousands)

Service life extensions are subject to approval by the NRC of the renewals of the existing NRC operating licenses. AmerGen has applied for a license renewal for OC and is planning on filing for license renewals for TMI and CNPS on a timeline consistent and integrated with the other planned license renewal filings for units in Generation's nuclear fleet. Based on engineering and economic feasibility analyses performed, in December 2003, AmerGen changed its accounting estimates related to the depreciation of its generating stations and the estimated service lives of each station were extended by 20 years. The depreciable lives for financial reporting purposes for each asset category are presented in the table below:

Asset Category	CNPS	TMI	OC
Generation and common plant	43 years	30 years	25 years
Other property and equipment	10 years	10 years	10 years

Nuclear Generating Station Decommissioning

AmerGen accounts for the costs of decommissioning its nuclear generating stations in accordance with SFAS No. 143, "Accounting for Asset Retirement Obligations" (SFAS No. 143). See Note 3, Nuclear Decommissioning and Spent Fuel Storage, for information regarding the application of SFAS No. 143.

Fair Value of Financial Instruments

As of December 31, 2005 and 2004, AmerGen's carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are representative of fair value because of the short-term nature of these instruments. Fair values of the trust accounts for decommissioning nuclear plants are estimated based on quoted market valuation model which is based on conventional discounted cash flow methodology and utilizes assumptions of current market pricing curves.

The carrying amounts and fair values of AmerGen's financial liabilities as of December 31, 2005 and 2004 were as follows:

	2005		2004	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Liabilities				
Long-term debt				
(including amounts due within one year)	$ 35,373	$ 40,132	$ 43,501	$ 44,751

Severance Benefits

AmerGen participates in Exelon's ongoing severance plans, which are accounted for in accordance with SFAS No. 112, "Employer's Accounting for Postemployment Benefits, an amendment of Financial Accounting Standards Board (FASB) Statements No. 5 and 43," and SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits." Amounts associated with severance benefits that are considered probable and can be reasonably estimated are accrued.

(Amounts in tables in thousands)

Retirement Benefits

Through its postretirement benefit plans, AmerGen provides retirees with prescription drug coverage. The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Prescription Drug Act) was enacted on December 8, 2003. The Prescription Drug Act introduced a prescription drug benefit under Medicare as well as a Federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to the Medicare prescription drug benefit. Management believes the prescription drug benefit provided under AmerGen's postretirement benefit plans is at least actuarially equivalent to the Medicare prescription drug benefit. In response to the enactment of the Prescription Drug Act, in May 2004, the FASB issued FASB Staff Position (FSP) FAS 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003" (FSP FAS 106-2), which provides transition guidance for accounting for the effects of the Prescription Drug Act and supersedes FSP FAS 106-1, which had been issued in January 2004. FSP FAS 106-1 permitted a plan sponsor of a postretirement health care plan that provides a prescription drug benefit to make a one-time election to defer the accounting for the effects of the Prescription Drug Act. AmerGen made the one-time election allowed by FSP FAS 106-1 during the first quarter of 2004. During 2004, AmerGen early adopted the provisions of FSP FAS 106-2, resulting in a remeasurement of its postretirement benefit plans' assets and accumulated postretirement benefit obligations as of December 31, 2003. In 2005, AmerGen recognized savings of $1 million related to the adoption of FSP FAS 106-2 for the postretirement welfare plan.

2. Restatement of Prior Year Financial Statements

In connection with the preparation of the Company's financial statements as of December 31, 2005 and for the year then ended, certain accounting errors related to prior years were identified. Accordingly, the Company has restated its previously issued financial statements as of December 31, 2004 and for the year then ended. The errors identified related primarily to 1) revenue recognized by AmerGen that should have instead been recognized by Generation, 2) revenue recognized by AmerGen that should have instead been reflected as a contribution from Generation, 3) inappropriately capitalized interest, 4) certain deferred tax adjustments and 5) the recognition of an alternative minimum pension liability. The effect of correcting these errors was to decrease previously reported 2004 net income by $15,577 and increase total assets and total liabilities and members' equity both by $7,318. The alternative minimum pension liability discussed above was established through other comprehensive income in 2004 and had no impact on net income in any period presented.

(Amounts in tables in thousands)

The following tables reconcile the amounts previously reported to the amounts currently being reported in the accompanying statement of operations for the year ended December 31, 2004 and the statement of financial position as of December 31, 2004:

Adjustments to Statement of Operations	As Previously Reported	Adjustments	As Restated
Operating revenues from affiliates	$ 445,669	$ (9,867)	$ 435,802
Other revenues	-	288	288
Depreciation and amortization	3,695	400	4,095
Interest expense	(1,554)	(2,310)	(3,864)
Other loss, net	(6,134)	(3,288)	(9,422)
Net income	**193,622**	**(15,577)**	**178,045**

Adjustments to Statement of Financial Position	As Previously Reported	Adjustments	As Restated
Receivable from affiliate	$ 32,165	$ (2,767)	$ 29,398
Deferred income taxes	3,393	(3,393)	-
Property, plant & equipment, net	217,803	(400)	217,403
Construction work-in-progress	35,684	12,926	48,610
Other non-current assets	1,405	952	2,357
Total assets	**1,649,222**	**7,318**	**1,656,540**
Pension obligations	21,324	2,174	23,498
Deferred income taxes	6,734	3,928	10,662
Member's capital - Exelon Generation Company, LLC	121,128	3,550	124,678
Member's capital - Nuclear, LP	121,127	14,465	135,592
Undistributed earnings	461,208	(15,577)	445,631
Accumulated other comprehensive income	92,478	(1,222)	91,256
Total members' equity	795,941	1,216	797,157
Total liabilities and member's equity	**1,649,222**	**7,318**	**1,656,540**

In addition, consolidated members' equity as of December 31, 2003 has been restated to reflect the impact of a purchase accounting error, which also impacted property, plant and equipment and deferred income taxes on the statement of financial position. The impact of this adjustment was a $10.9 million increase in members' equity as of December 31, 2003.

All financial information included in these notes to consolidated financial statements reflects the above-described restatements.

(Amounts in tables in thousands)

3. Nuclear Decommissioning and Spent Fuel Storage

Overview

AmerGen has a legal obligation imposed by the NRC to decommission its nuclear power plants following the expiration of their operating licenses. This obligation is reflected as an asset retirement obligation (ARO), which is classified as a non-current liability. Based on the actual or anticipated extended license lives of the nuclear plants, decommissioning expenditures for AmerGen's nuclear power plants are expected to begin after 2029. The cost of nuclear decommissioning will be funded by investments held in trust funds that have been established for each nuclear station. AmerGen had nuclear decommissioning trust funds totaling $1,261 million and $1,217 million as of December 31, 2005 and 2004, respectively. AmerGen is financially responsible for the decommissioning of these plants and bears all risks and benefits related to the funding levels if these plants' decommissioning trusts are not sufficient to fully fund the decommissioning costs.

The following tables show the amortized cost bases, gross unrealized gains and losses and fair values of the securities held in these trust accounts as of December 31, 2005 and 2004.

	December 31, 2005			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Cash and cash equivalents	$ 7,421	$ -	$ -	$ 7,421
Equity securities	707,724	76,977	(3,220)	781,481
Debt securities:				
Federal government obligations	395,352	9,534	(1,304)	403,582
Other debt securities	67,882	1,327	(671)	68,538
Total debt securities	463,234	10,861	(1,975)	472,120
Total available-for-sale securities	$ 1,178,379	$ 87,838	$ (5,195)	$ 1,261,022

	December 31, 2004			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Cash and cash equivalents	$ 13,704	$ -	$ -	$ 13,704
Equity securities	428,321	84,244	(6,331)	506,234
Debt securities:				
Federal government obligations	523,056	17,792	(546)	540,302
Other debt securities	152,197	4,857	(365)	156,689
Total debt securities	675,253	22,649	(911)	696,991
Total available-for-sale securities	$ 1,117,278	$ 106,893	$ (7,242)	$ 1,216,929

(Amounts in tables in thousands)

Update of ARO
AmerGen updates its ARO cost estimates on a periodic basis. AmerGen recorded a $35 million decrease and a $75 million increase to the ARO resulting from revisions to estimated future nuclear decommissioning cash flows during 2005 and 2004, respectively. These updates also resulted in an adjustment to the basis of property, plant and equipment by recording a corresponding change to the asset retirement cost (ARC). These increases to the ARO were primarily a result of updated decommissioning cost studies and changes in cost escalation factors used to estimate future undiscounted costs, both of which were provided by independent third-party appraisers. Decommissioning cost studies are updated, on a rotational basis, for each of AmerGen's nuclear units at a minimum of every five years. Cost escalation studies are updated on an annual basis.

The following table provides a roll forward reconciliation of the ARO reflected on AmerGen's Statements of Financial Position from January 1, 2004 to December 31, 2005:

Asset retirement obligations at January 1, 2004	$ 486,900
Incremental liability resulting from updates to estimated future cash flows	75,495
Accretion expense	40,331
Asset retirement obligations at December 31, 2004	602,726
Incremental liability resulting from updates to estimated future cash flows	(34,633)
Accretion expense	45,077
Asset retirement obligations at December 31, 2005	$ 613,170

Subsequent Event - 2006
During 2006, AmerGen recorded a net decrease in the ARO of approximately $202 million resulting from revisions to estimated future nuclear decommissioning cash flows, primarily due to the following:

- Revised management assumptions concerning an increased likelihood of successful nuclear license renewal efforts due to an increasingly favorable environment for nuclear power and, therefore, an increased likelihood of operating the nuclear plants through a full license renewal period; and

- A change in management's expectation of when the U.S. Department of Energy (DOE) will establish a repository for and begin accepting spent nuclear fuel.

The impact of the above items is effectively to push the estimated future nuclear decommissioning cash flows further into the future and, therefore, reduce the present value of the ARO. This decrease in the ARO resulted in the following corresponding impacts in 2006:

- A decrease in AmerGen's ARC, which is included in property, plant and equipment in AmerGen's Consolidated Balance Sheets, of approximately $57 million; and

- The recognition of other operating income of $145 million, which is included in operating and maintenance expense in AmerGen's Consolidated Statements of Operations and

(Amounts in tables in thousands)

Statements of Members' Equity and Comprehensive Income, representing the reduction in the ARO in excess of the existing ARC balance.

As a result of the reductions in the ARC and ARO described above, AmerGen expects to record reduced depreciation and amortization expense of approximately $17 million to $19 million per year in comparison to the annual depreciation and amortization expense previously recorded before the ARO update.

Spent Fuel Storage
Under the Nuclear Waste Policy Act of 1982 (NWPA) and Standard Contracts entered pursuant to the NWPA, the DOE is required to take possession of all spent nuclear fuel generated by AmerGen's nuclear units for long-term storage. AmerGen pays the DOE one mill ($.001) per kilowatt-hour of net nuclear generation for the cost of nuclear fuel long-term storage and disposal. This fee may be adjusted prospectively to ensure full cost recovery. The NWPA and the Standard Contracts required the DOE to begin taking possession of spent nuclear fuel generated by nuclear generating units by no later than January 31, 1998. The DOE, however, failed to meet that deadline and its performance is expected to be delayed significantly. In the third quarter of 2006, the DOE announced its anticipated schedule for applying for a permit from the NRC for the construction of spent nuclear fuel facility. AmerGen expects the DOE to begin accepting spent nuclear fuel in 2018. This extended delay has led to AmerGen's use of dry storage at Oyster Creek.

On July 21, 2004, Exelon and the U.S. Department of Justice, in close consultation with the DOE, reached a settlement under which the government will reimburse AmerGen for costs associated with storage of spent fuel at AmerGen's nuclear stations pending DOE's fulfillment of its obligations. Under the agreement, AmerGen immediately received $11 million in reimbursements for storage costs already incurred, of which approximately $10 million was recorded as a reduction to operating and maintenance expense, with additional amounts to be reimbursed annually for future costs. In 2005, AmerGen received $9 million in reimbursements for storage costs incurred between October 1, 2003 and June 30, 2005. As of December 31, 2005, AmerGen had $131,000 of spent fuel storage costs for which reimbursement was requested from the DOE in 2006 under the settlement agreement. Reimbursements will be made only after costs are incurred and only for costs resulting from DOE delays in accepting the fuel.

4. Commitments and Contingencies

Capital Expenditures
AmerGen estimates that it will spend approximately $175 million on capital expenditures, including nuclear fuel, in 2006 for its existing facilities.

Nuclear Insurance
The Price-Anderson Act limits the liability of nuclear reactor owners for claims that could arise from a single incident. As of December 31, 2005, the limit is $10.76 billion and is subject to change to account for the effects of inflation and changes in the number of licensed reactors. AmerGen carries the maximum available commercial insurance of $300 million for each operating site and the remaining $10.46 billion is provided through mandatory participation in a financial protection pool. Under the Price-Anderson Act, all nuclear reactor licensees can be assessed a maximum charge per reactor per incident. The maximum assessment for all nuclear operators per

(Amounts in tables in thousands)

reactor per incident (including a 5% surcharge) is $100.6 million, payable at no more than $15 million per reactor per incident per year. This assessment is subject to inflation and state premium taxes. Exelon guarantees AmerGen's potential obligation for nuclear liability insurance premiums and assessments. BE remains a guarantor in proportion to their ownership interest for any incidents prior to December 21, 2003, the date BE's interest in AmerGen was sold to Exelon. In addition, the U.S. Congress could impose revenue-raising measures on the nuclear industry to pay claims. The Price-Anderson Act was extended to December 31, 2025 under the Energy Act Policy.

AmerGen is a member of an industry mutual insurance company, Nuclear Electric Insurance Limited (NEIL), which provides property damage, decontamination and premature decommissioning insurance for each station for losses resulting from damage to its nuclear plants. In the event of an accident, insurance proceeds must first be used for reactor stabilization and site decontamination. If the decision is made to decommission the facility, a portion of the insurance proceeds will be allocated to a fund, which AmerGen is required by the NRC to maintain, to provide for decommissioning the facility. AmerGen is unable to predict the timing of the availability of insurance proceeds to AmerGen and the amount of such proceeds that would be available. Under the terms of the various insurance agreements, AmerGen could be assessed up to $38 million for losses incurred at any plant insured by the insurance companies. In the event that one or more acts of terrorism cause accidental property damage within a twelve-month period from the first accidental property damage under one or more policies for all insured plants, the maximum recovery for all losses by all insureds will be an aggregate of $3.2 billion plus such additional amounts as the insurer may recover for all such losses from reinsurance, indemnity and any other source, applicable to such losses. The $3.2 billion maximum recovery limit is not applicable, however, in the event of a "certified act of terrorism" as defined in the Terrorism Risk Insurance Act of 2002, as extended, as a result of government indemnity. Generally, a "certified act of terrorism" is defined in the Terrorism Risk Insurance Act to be any act, certified by the U.S. government, to be an act of terrorism committed on behalf of a foreign person or interest.

Additionally, NEIL provides replacement power cost insurance in the event of a major accidental outage at a nuclear station. The premium for this coverage is subject to assessment for adverse loss experience. AmerGen's maximum share of any assessment is $9 million per year. Recovery under this insurance for terrorist acts is subject to the $3.2 billion aggregate limit and secondary to the property insurance described above. This limit would also not apply in cases of certified acts of terrorism under the Terrorism Risk Insurance Act, as extended, as described above.

For its insured losses, AmerGen is self-insured to the extent that losses are within the policy deductible or exceed the amount of insurance maintained. Such losses could have a material adverse effect on AmerGen's financial condition, results of operations and liquidity.

TMI Contingency Payment

In connection with the purchase of Unit No. 1 of the TMI facility by AmerGen in 2000, AmerGen entered into an agreement with the seller whereby the seller would receive additional consideration based upon future power purchase prices through 2009. Under the terms of the agreement, approximately $11 million and $7 million was accrued as of December 31, 2005 and December 31, 2004, respectively, which was paid to the former owner of the TMI facility. Additionally, under the terms of AmerGen's PPA with Generation, AmerGen will receive an amount equal to the contingent price adjustment. As such, AmerGen also recorded an $11 million and $7 million

(Amounts in tables in thousands)

receivable from Generation for the periods ended December 31, 2005 and December 31, 2004, respectively. The amounts paid to the former owner of the TMI facility represent contingent consideration for the acquisition of TMI by AmerGen and, accordingly, have been reflected as an increase to the long-lived assets associated with the TMI facility, and will be depreciated over the remaining useful life of the facility. Also, the amounts received from Generation represent equity contributions and, consequently, have been recorded as an increase in Member's capital.

Pennsylvania Real Estate Tax Appeal
AmerGen was involved in an appeal of its property tax assessment with the County of Dauphin, Pennsylvania (the County) associated with TMI. In February 2005, AmerGen entered into a settlement with the County and AmerGen and the County agreed to an adjusted Assessed Value of the TMI facilitiy. AmerGen has also agreed to not pursue the collection of excess taxes paid. As of December 31, 2004, AmerGen had accrued $5.9 million based upon its estimated liability. As a result of the settlement with the County, AmerGen's release of the accrual related to its estimated liability is reflected in AmerGen's consolidated financial statements as of December 31, 2004.

Environmental Litigation
On December 11, 2002, AmerGen received a notice of violation from the New Jersey Department of Environmental Protection (NJDEP) of a substantial fish kill, which occurred on September 23, 2002 at OC, resulting from the shutdown of dilution pumps during maintenance. In March 2004, AmerGen, NJDEP and the Attorney General of New Jersey agreed in principle to globally resolve the alleged violations in exchange for a $1.0 million payment allocated to civil fines, natural resource damages and charitable contributions to environmental groups.

On April 7, 2004 AmerGen entered into a settlement with the State of New Jersey. AmerGen agreed to pay a civil penalty to the State of New Jersey of $0.2 million and natural resource damages of $0.2 million to the New Jersey Hazardous Discharge Site Cleanup Fund. In addition, AmerGen agreed to make contributions totaling $0.1 million to two environmental organizations. A second settlement is between AmerGen and the New Jersey Division of Criminal Justice, Environmental Crimes Bureau. Pursuant to that agreement, AmerGen agreed to pay a $0.3 million fine to the New Jersey Clean Water Enforcement Fund and an additional $0.3 million contribution to an environmental organization in the community near the plant.

In July 2004, the EPA issued the final Phase II rule implementing Section 316(b) of the Clean Water Act. This rule establishes national requirements for reducing the adverse environmental impacts from the entrainment and impingement of aquatic organisms at existing power plants. The rule identifies particular standards of performance with respect to entrainment and impingement and requires each facility to monitor and validate this performance in future years. The requirements will be implemented through state-level National Pollutant Discharge Elimination System (NPDES) permit programs. All of AmerGen's power generation facilities are subject to the regulations. Facilities without closed-cycle recirculating systems (e.g., cooling towers) are potentially most affected. Those facilities are Clinton and Oyster Creek. AmerGen is currently evaluating compliance options at its affected plants. At this time, AmerGen cannot estimate the effect that compliance with the Phase II rule requirements will have on the operation of its generating facilities and its future results of operations, financial condition and cash flows. There are many factors to be considered and evaluated to determine how AmerGen will comply with the Phase II rule requirements and the extent to which such compliance may result in financial and

(Amounts in tables in thousands)

operational impacts. The considerations and evaluations include, but are not limited to obtaining clarifying interpretations of the requirements from state regulators, resolving outstanding litigation proceedings concerning the requirements, completing studies to establish biological baselines for each facility and performing environmental and economic cost benefit evaluation of the potential compliance alternatives in accordance with the requirements.

In a pre-draft permit dated May 13, 2005 and a draft permit issued on July 19, 2005, as part of the pending National Pollution Discharge Elimination System permit renewal process for Oyster Creek, the New Jersey Department of Environmental Protection (NJDEP) preliminarily determined that closed-cycle cooling and environmental restoration are the only viable compliance options for Section 316(b) compliance at Oyster Creek. AmerGen has not made a determination regarding how it will demonstrate compliance with the Section 316(b) regulations, but believes that other compliance options under the final Phase II rule are viable and will be analyzed as part of the plant's comprehensive demonstration study. If application of the Section 316(b) regulations requires the retrofitting of Oyster Creek's cooling water intake structure or system, or extensive wetlands restoration, this could result in material costs of compliance and increased depreciation expense. In addition, the amount of the costs required to retrofit Oyster Creek may negatively impact AmerGen's decision to renew the operating license.

General
AmerGen is involved in various other litigation matters. The ultimate outcome of such matters, while uncertain, is not expected to have a material adverse effect on the Company's financial condition or results of operations.

5. Intangible Assets

AmerGen's intangible assets, included in other non-current assets, consisted of the following:

	December 31, 2005			December 31, 2004		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Amortized intangible assets:						
Energy purchase agreement	$ -	$ -	$ -	$ 5,540	$ (5,540)	$ -
Total intangible assets	$ -	$ -	$ -	$ 6,492	$ (5,540)	$ 952

An intangible asset of $5.5 million related to AmerGen's PPA with AmerenIP, formerly Illinois Power Company, was recorded on December 22, 2003. The PPA with AmerenIP expired December 31, 2004. Amortization related to amortized intangible assets was $5.5 million for the year ended December 31, 2004, which was reflected as a reduction in operating revenues. No amortization related to amortizable intangible assets was recorded in 2005.

(Amounts in tables in thousands)

6. Long-Term Debt

During 2000, in connection with the acquisition of OC, AmerGen entered into a financing agreement with GPU, the former owners of OC. In accordance with the asset purchase agreement, GPU funded AmerGen's outage expenditures up to $88.7 million for the 2000 refueling outage. The loan is to be repaid in nine annual installments with the final payment due no later than August 8, 2009. As of December 31, 2005, $39.4 million is due to GPU and has been recorded at its net present value based on an imputed rate of 6.33%. The amounts due on this loan as of December 31, 2005 are uncollateralized.

Maturities of long-term debt are as follows:

Years ended December 31,	
2006 (scheduled payment made in August 2006)	$ 9,861
2007	9,861
2008	9,861
2009	9,860
2010 and thereafter	-
Total long-term debt	39,443
Unamortized debt discount	(4,070)
Due within one year	(9,861)
Total long-term debt	$ 25,512

7. Leases

AmerGen has entered into operating leases involving certain facilities and equipment. Rental expense under operating leases was approximately $1 million for the years ended December 31, 2005 and December 31, 2004. AmerGen has not entered into any lease that would be classified as a capital lease.

Minimum future payments under noncancelable operating leases as of December 31, 2005 were as follows:

Years ended December 31,	
2006	$ 975
2007	227
2008	9
2009 and thereafter	-
	$ 1,211

(Amounts in tables in thousands)

8. Taxes Other than Income

Taxes other than income for the years ended December 31, 2005 and 2004 were as follows:

	2005	2004
Real estate	$ 10,074	$ 5,814
Capital stock	729	2,072
Payroll	13,247	10,770
Use tax and other	49	-
	$ 24,099	$ 18,656

See Note 4, Commitments and Contingencies, for additional information about real estate taxes for the year ended December 31, 2005.

9. Pension and Other Postretirement Benefits

Effective January 1, 2000, AmerGen established defined benefit pension and postretirement benefit plans. The plans are applicable to all employees with at least one year of service.

During the first quarter of 2005, all AmerGen employees hired prior to 2005, except for Clinton bargaining unit employees, were eligible to elect to participate in a new cash balance pension plan formula or elect to continue participation under the current traditional pension formula. New hires after January 1, 2005 will participate in the cash balance formula. Clinton bargaining unit employees are not eligible for this choice under the terms of their current collective bargaining agreement.

During 2005, AmerGen changed the benefit provisions of its postretirement welfare benefit plans for non-represented employees to be consistent with non-represented Exelon employees. The plans changed eligibility requirements for benefits, cost sharing and benefits offered, which resulted in a reduction in the accumulated postretirement benefit obligation of $17 million.

(Amounts in tables in thousands)

The following table provides a rollforward of the changes in the benefit obligations and plan assets for the most recent two years:

	Pension Benefits		Other Postretirement Benefits	
	2005	2004 (Restated)	2005	2004
Change in benefit obligations				
Net benefit obligation at beginning of year	$ 89,769	$ 67,312	$ 93,946	$ 79,523
Service cost	10,114	10,550	7,935	6,650
Interest cost	5,555	4,812	4,154	4,678
Plan amendments	5,304	-	(16,978)	-
Actuarial (gain) loss	(1,297)	9,186	(6,240)	3,395
Gross benefits paid	(2,547)	(2,091)	(486)	(300)
Net benefit obligations at end of year	$ 106,898	$ 89,769	$ 82,331	$ 93,946
Change in plan assets				
Fair value of plan assets at beginning of year	$ 53,120	$ 40,652	$ -	$ -
Actual return on plan assets	2,688	4,018	-	-
Employer contributions	16,354	10,541	486	300
Gross benefits paid	(2,547)	(2,091)	(486)	(300)
Fair value of plan assets at end of year	$ 69,615	$ 53,120	$ -	$ -

The following tables provide a reconciliation of the funded status of the plans to the net amounts recognized in the financial statements:

	Pension Benefits		Other Postretirement Benefits	
	2005	2004 (Restated)	2005	2004
Fair value of plan assets at end of year	$ 69,615	$ 53,120	$ -	$ -
Net benefit obligations at end of year	106,898	89,769	82,331	93,946
Funded status (plan assets less plan obligations)	(37,283)	(36,649)	(82,331)	(93,946)
Amounts not recognized				
Unrecognized net actuarial (gain) loss (a)	17,275	14,372	(1,989)	4,094
Unrecognized prior service cost (b)	5,738	953	(15,142)	-
Net amount recognized at end of year	$ (14,270)	$ (21,324)	$ (99,462)	$ (89,852)

(a) Purchase accounting adjustments resulted in a decrease in the unrecognized net actuarial loss in pension benefits and other postretirement benefits of $5.2 million for the year ended December 31, 2004.

(b) Purchase accounting adjustments resulted in a decrease in the unrecognized prior service cost of pension benefits of $1.0 million for the year ended December 31, 2004.

(Amounts in tables in thousands)

	Pension Benefits		Other Postretirement Benefits	
	2005	2004 (Restated)	2005	2004
Accrued benefit cost	$ (14,270)	$ (21,324)	$ (99,462)	$ (89,852)
Additional minimum liability	(10,824)	(2,174)	-	-
Obligation recognized	(25,094)	(23,498)	(99,462)	(89,852)
Intangible asset	5,736	952	-	-
Accumulated other comprehensive income	5,088	1,222	-	-
Net amount recognized at end of year	$ (14,270)	$ (21,324)	$ (99,462)	$ (89,852)

The following table provides the details of the net periodic benefit cost for the most recent two years:

	Pension Benefits		Other Postretirement Benefits	
	2005	2004 (Restated)	2005	2004
Components of net periodic benefit cost				
Service cost	$ 10,114	$ 10,550	$ 7,935	$ 6,650
Interest cost	5,555	4,812	4,154	4,678
Expected return on assets	(6,850)	(4,130)	-	-
Amortization of:				
Prior service cost	521	73	(1,836)	-
Actuarial (gain)	-	-	(157)	(261)
Net periodic benefit cost	$ 9,340	$ 11,305	$ 10,096	$ 11,067

AmerGen's costs of providing pension and postretirement benefit plans are dependent upon a number of factors, such as the rates of return on pension plan assets, discount rate and the rate of increase in health care costs. In 2005, the additional minimum liability was increased by $8.7 million and accumulated other comprehensive income decreased by $3.9 million. In 2004, an additional minimum liability of $2.2 million (restated) was established and accumulated other comprehensive income decreased by $1.2 million (restated).

For measurement purposes, an 8.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2005. The rate was assumed to decrease to 5.0% in 2010 and remain at that level thereafter.

(Amounts in tables in thousands)

The following weighted average assumptions were used to determine the benefit obligations at December 31, 2005:

Weighted average assumptions at December 31, 2005	Pension Benefits	Postretirement Benefits
Discount rate	5.60 %	5.60 %
Expected return on plan assets	9.00 %	-
Rate of compensation increase	4.00 %	4.00 %

In managing its pension and postretirement plan assets, AmerGen utilizes a diversified, strategic asset allocation to efficiently and prudently generate investment returns that will meet the objectives of the investment trusts that hold the plan assets. Asset / liability studies that incorporate specific plan objectives as well as assumptions regarding long-term capital market returns and volatilities generate the specific asset allocations for the trusts. In general, AmerGen's investment strategy reflects the belief that over the long term, equities are expected to outperform fixed-income investments. The long-term nature of the trusts make them well suited to bear the risk of added volatility associated with equity securities, and, accordingly, the asset allocations of the trusts usually reflect a higher allocation to equities as compared to fixed-income securities. Alternative asset classes, such as private equity and real estate, may be utilized for additional diversification and return potential when appropriate. AmerGen's investment guidelines do limit exposure to investments in more volatile sectors.

As of December 31, 2005 AmerGen had 67% of its plan assets in equity securities and 33% of its plan assets in fixed-income securities. On a quarterly basis, AmerGen reviews the actual asset allocations and follows a rebalancing procedure in order to remain within an allowable range of its targeted percentages of 65% and 35% in equity securities and fixed-income securities, respectively.

In selecting the expected rate of return on plan assets, Exelon considers historical returns for the types of investments that its plans hold. Historical returns and volatilities are modeled to determine asset allocations that best meet the objectives of the asset / liability studies. These asset allocations, when viewed over a long-term historical view of the capital markets, yield an expected return on assets in excess of 9%.

AmerGen expects to contribute $11 million to its benefit plans in 2006. These contributions exclude benefit payments expected to be made directly from corporate assets.

(Amounts in tables in thousands)

Estimated future benefit payments to participants in AmerGen's pension and postretirement welfare benefit plans as of December 31, 2005 were:

	Pension Benefits	Postretirement Benefits
2006	$ 3,815	$ 867
2007	4,276	1,202
2008	5,080	1,697
2009	4,716	2,302
2010	5,886	3,036
2011 through 2015	43,047	32,917
Total estimated future benefits payments	$ 66,820	$ 42,021

AmerGen sponsors 401(k) plans for certain eligible employees. Effective February 1, 2004, the 401(k) plans sponsored by AmerGen for its Non-Bargaining employees were merged into The Exelon Corporate Employee Savings Plan. As such, all participant account balances were transferred to this plan. The plans allow employees to contribute a portion of their pre-tax income in accordance with specified guidelines. AmerGen matches a percentage of employees' contributions to the plan up to certain limits. The cost of AmerGen's matching contributions to the savings plans totaled $4 million and $4 million for the years ended December 31, 2005 and December 31, 2004, respectively.

10. Supplemental Cash Flow Information

As discussed in Note 1, AmerGen files a partnership return for Federal and state income taxes. Taxes are paid by its equity members and, as such, no income taxes were paid by AmerGen during 2005 or 2004.

The decommissioning trust funds, which are consolidated within AmerGen's financial statements, paid income taxes for the years ended December 31, 2005 and 2004 in the amount of $13.5 million and $6.4 million, respectively.

Interest was paid on the loan from Generation for the year ended December 31, 2004 in the amount of $0.3 million. AmerGen did not make interest payments in 2005. See Note 11 for additional information on the loan agreement between AmerGen and Generation.

In 2005, AmerGen had non-cash financing activities of $11 million, which related to the TMI contingency payment allocated equally between Generation and Nuclear, L.P. In 2004, AmerGen had non-cash financing activities of $7 million (restated), which related to the TMI contingency payment allocated equally between Generation and Nuclear, L.P. See Note 4 for further information on the TMI contingency payment.

11. Affiliated Company Transactions

For the years ended December 31, 2005 and 2004, the amount of power purchased by Generation recorded as revenue in the Consolidated Statements of Operations was $642 million and

(Amounts in tables in thousands)

$436 million (restated), respectively. At December 31, 2005 and 2004, AmerGen had a receivable due from Exelon Generation of $80 million and $39 million (restated), respectively.

In addition, under a service agreement dated March 1, 1999, Generation provides AmerGen with certain operational and support services to the nuclear facilities owned by AmerGen. This service agreement has an indefinite term and may be terminated by Generation or by AmerGen on 90 days' notice. Generation is compensated for these services at cost. Also, Exelon Business Services Company (BSC) provides certain corporate support services. BSC is compensated for these services at cost. For the years ended December 31, 2005 and 2004, the amount charged to AmerGen for these services was $42 million and $43 million, respectively, which is included in operating and maintenance expense within the Consolidated Statements of Operations. AmerGen also provides certain operating services to Generation's non-AmerGen plants. During 2005 and 2004, AmerGen provided services of approximately $7 million and $6 million, respectively, to Generation, which is included in operating and maintenance expense within the Consolidated Statements of Operations. At December 31, 2005 and 2004, AmerGen had a payable to Generation of $15 million and $10 million, respectively, which is included in receivables from affiliates, net within the Consolidated Statements of Financial Position. The amount payable to Generation as of December 31, 2005 included a $10 million short-term note payable.

On March 24, 2004 AmerGen and Generation amended their original loan agreement dated February 12, 2002. Under this amended agreement, AmerGen has the ability to enter into a revolving demand loan up to but not exceeding $100 million. Principal payments are due upon demand by Generation but no later than April 1, 2005. As of December 31, 2005 and 2004, there were no amounts outstanding under this loan agreement. The interest rate on the loan is one-month London inter-bank offered rate plus 0.625% and is payable monthly. Interest expense related to this loan agreement for year ended December 31, 2004 was $0.3 million, which is included in interest expense within the Consolidated Statements of Operations. There was no interest expense recorded in 2005 related to the previously mentioned loan agreement.

On January 1, 2005, AmerGen and Generation entered into a loan agreement. Under this agreement, Generation has the ability to enter into a revolving demand loan up to but not exceeding $150 million. Principal payments are due upon demand by Generation but no later than December 31, 2006. As of December 31, 2005, there were no amounts outstanding under this loan agreement. The interest rate on the loan is one-month London inter-bank offered rate plus 0.50% and is payable monthly. Interest income related to this loan agreement for year ended December 31, 2005 was $0.3 million, which is included in other loss, net within the Consolidated Statements of Operations.

On July 1, 2005, AmerGen and Generation entered into a $100 million revolving credit facility. Principal payments are due upon demand by Generation but no later than July 1, 2006. As of December 31, 2005, there were no amounts outstanding under this loan agreement. The interest rate on the loan is one-month London inter-bank offered rate plus 0.60% and is payable monthly. There was no interest expense recorded in 2005 related to the previously mentioned loan agreement.