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DOCTYPE: LETTER NOTARIZED: NO  
SUBJECT:

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FORWARDING SIGNED COPY OF AMEND NO 7 TO INDEMNITY AGREEMENT NO. B-64,  
INCLUDING NEW AMENDED "ARTICLE VIII (AS LISTED), BETWEEN LISTED APPLICANT'S  
AND ATOMIC ENERGY COMMISSION.

PLANT NAME: THREE MILE ISLAND -- UNIT 1  
THREE MILE ISLAND -- UNIT 2

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METROPOLITAN EDISON COMPANY SUBSIDIARY OF GENERAL PUBLIC UTILITIES CORPORATION

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September 6, 1978  
GQL 1487

1978 SEP 12 PM 12 5  
DISTRIBUTION SERVICES UNIT  
GENERATION SERVICES BRANCH

Mr. J. Saltzman, Chief  
Antitrust & Indemnity Group  
Office of Nuclear Reactor Regulation  
U. S. Nuclear Regulatory Commission  
Washington, D. C. 20555

Dear Sir:

Three Mile Island Nuclear Station, Units 1 & 2 (TMI-1 & TMI-2)  
Operating License Nos. DPR-50 and DPR-73  
Docket Nos. 50-289 and 50-320

Attached please find one (1) copy of the signed Amendment No. 7 to Indemnity Agreement No. B-64 as requested per your letter of August 14, 1978.

Sincerely,

J. G. Herbein  
Vice President-Generation

JGH:DGM:cjg

Attachment

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Mool  
S/11



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

Docket Nos. 50-289  
50-320

AMENDMENT TO INDEMNITY AGREEMENT NO. B-64

AMENDMENT NO. 7

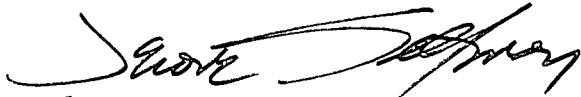
Effective August 1, 1977, Indemnity Agreement No. B-64, between Metropolitan Edison Company, Jersey Central Power & Light Company, and Pennsylvania Electric Company, and the Atomic Energy Commission, dated December 11, 1973, as amended, is hereby further amended by adding a new Article VIII to read as follows:

"ARTICLE VIII

- "1. If the licensee fails to pay assessed deferred premiums, the Commission reserves the right to pay those premiums on behalf of the licensee and to recover the amount of such premiums from the licensee.
- "2. The Commission shall require the immediate submission of financial statements by those licensees who indicate, after an assessment of the retrospective premium by the insurance pools, that they will not pay the assessment. Such financial statements shall include, as a minimum, exhibits indicating internally generated funds from operations and accumulated retained earnings. Subsequent submission of financial statements by such licensees may be requested by the Commission, as required.
- "3. If premiums are paid by the Commission as provided in paragraph 1, payment by the Commission shall create a lien in the amount paid in favor of the United States upon all property and rights to property, whether real or personal, belonging to such licensee. The lien shall arise at the time payment is made by the Commission and shall continue until the liability for the amount (or a judgment against the licensee arising out of such liability) is satisfied or becomes unenforceable. The Commission will issue a certificate of release of any such lien if it finds that the liability for the amount has been fully satisfied or has become legally unenforceable.

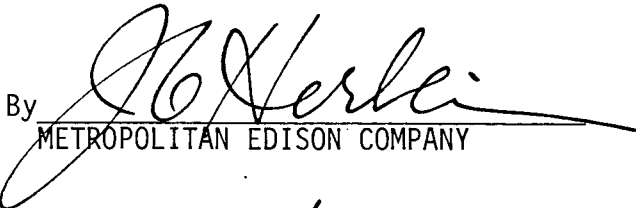
"4. If the Commission determines that the licensee is financially able to reimburse the Commission for a deferred premium payment made in its behalf, and the licensee, after notice of such determination by the Commission fails to make such reimbursement within 120 days, the Commission will take appropriate steps to suspend the license for 30 days. The Commission may take any further action as necessary if reimbursement is not made within the 30-day suspension period including, but not limited to, termination of the operating license."

FOR THE UNITED STATES NUCLEAR REGULATORY COMMISSION



Jerome Saltzman, Chief  
Antitrust and Indemnity Group  
Office of Nuclear Reactor Regulation

Accepted August 24, 1978

By   
METROPOLITAN EDISON COMPANY

Accepted 9/1, 1978

By   
JERSEY CENTRAL POWER & LIGHT COMPANY

Accepted 8/28, 1978

By   
PENNSYLVANIA ELECTRIC COMPANY