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November 15, 1999

Docket No. 50-461

**BY E-MAIL AND U.S. MAIL**

The Honorable Annette Vietti-Cook  
Secretary of the Commission  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001  
(secy@nrc.gov)

Re: *Clinton Power Station*  
Facility Operating License No. NPF-62  
Application for License Transfer and Conforming Administrative License Amendment

Dear Secretary Vietti-Cook:

This letter contains AmerGen Energy Company, LLC's (AmerGen) response to a late-filed second round of comments submitted by the Environmental Law & Policy Center (ELPC) to the NRC on November 2, 1999. In its comments, ELPC requests that the NRC "suspend all further action" relating to the review of Illinois Power's and AmerGen's License Transfer Application for Clinton Power Station (hereafter "Clinton Application"). As explained below, the NRC should continue review of the Clinton Application under its current schedule and promptly issue its decision.

On September 20, 1999, the ELPC submitted its first round of comments addressing AmerGen's financial qualifications and requesting that the NRC "reject the proposed [Clinton] license transfer." ELPC's comments on AmerGen's financial qualifications were related to issues that were also the subject of the NRC's Request For Additional Information (RAI), dated September 17, 1999, and AmerGen jointly responded to ELPC's comments and the RAI on October 7, 1999.

ELPC admits that its second round of comments, dated November 2, 1999, is untimely, but attempts to justify this untimeliness based on recent announcements related to the proposed merger of Unicom and PECO Energy and AmerGen's proposed acquisition of Oyster Creek and

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Vermont Yankee. ELPC claims that these announcements "have raised significant new questions about AmerGen's financial qualifications." However, AmerGen does not believe that any new issues are raised affecting NRC's review of the pending application.

The announcements of the proposed merger between Unicom and PECO and the proposed acquisition of two more nuclear plants by AmerGen do not justify the late filing of comments. ELPC's comments regarding the proposed PECO Energy - Unicom merger are not germane to AmerGen's proposed ownership and operation of Clinton. AmerGen would not own any of the Unicom plants under the proposed merger. Moreover, AmerGen and Illinois Power plan to proceed to closing on the sale of Clinton in December, 1999, if the required approvals are obtained in time. The regulatory applications associated with the merger have not yet been filed, and the closing of the merger will not occur until all necessary approvals for that transaction are obtained, presumably some time in the year 2000.

ELPC's concerns regarding AmerGen's acquisition of other plants are also misplaced. These acquisitions do not raise the specter of adverse effects on safety suggested by ELPC. Rather, as suggested in the Clinton Application, such additional acquisitions are likely to enhance safety at all of AmerGen's plants. Revenues from these additional plants will strengthen AmerGen's financial position by both adding to its income and diversifying its sources of revenues. Moreover, with each acquisition, AmerGen increases its resources by adding skilled workers and management expertise from each new plant. AmerGen will be able to pool these resources to its advantage and will also be in a position to adopt best practices from each site and use them at other sites. In addition, AmerGen will continue to benefit from the substantial resources and expertise of PECO Energy and British Energy. In reviewing the pending application, the NRC need not rely on the future benefits to be derived by acquisitions of other plants. However, if anything, these benefits provide additional assurance of AmerGen's financial and technical qualifications.

Finally, the Commission has not viewed each license transfer application in a vacuum. ELPC ignores the fact that AmerGen has already provided the NRC with information regarding its operation of multiple reactors both in the CPS Application and in response to the NRC's RAI, dated September 17, 1999. The NRC's questions about AmerGen's financial qualifications have been addressed and will be further addressed in connection with AmerGen's future acquisitions.

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In conclusion, it is not appropriate for the NRC to suspend its review of the Clinton Application. The issues raised by ELPC either have been addressed by AmerGen or are outside the scope of the NRC's review for the Clinton Application.

Sincerely,



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Counsel for  
AmerGen Energy Company, LLC

Enclosures

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