



December 29, 1997

Attention: Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Subject: Sale of Two Commonwealth Edison Fossil Stations
Braidwood Units 1 and 2 (NRC Docket Nos. 50-456/457)
Byron Units 1 and 2 (NRC Docket Nos. 50-454/455)
Dresden Units 2 and 3 (NRC Docket Nos. 50-237/249)
LaSalle Units 1 and 2 (NRC Docket Nos. 50-373/374)
Quad Cities Units 1 and 2 (NRC Docket Nos. 50-254/265)
Zion Units 1 and 2 (NRC Docket Nos. 50-295/304)

References: Letter to D.L. Farrar, (ComEd) from J.W. Roe (NRC) dated
June 13, 1994 regarding restructuring of Commonwealth Edison

This letter is to notify you of the sale of two of Commonwealth Edison Company's (ComEd) fossil stations, State Line Station and Kincaid Station. ComEd plans to transfer ownership of State Line Station to State Line Energy, LLC, an affiliate of the Southern Company, on December 30, 1997. We expect to transfer ownership of Kincaid Station to Kincaid Generation, LLC, an affiliate of Dominion Resources, Inc. on March 31, 1998. ComEd is not affiliated with either of these two organizations. These two fossil stations constitute less than 2% of the consolidated net utility plant for ComEd and its subsidiaries.

On May 13, 1996, we filed petitions before the Illinois Commerce Commission (ICC) under Section 7-102(c) of the Illinois Public Utilities Act requesting approval for the sale of these assets. The ICC approved the sales by an order dated March 31, 1997, and the appeals from this decision were dismissed by the Illinois Appellate Court for the Fourth District on November 19, 1997. In light of the fact that this transfer involves non-nuclear generating facilities, we are providing this notice for your information only.

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We understand that the U.S. Nuclear Regulatory Commission (NRC) Staff has recently determined that notification to the NRC of transfers to affiliates of assets greater than ten percent of consolidated net utility plant is sufficient to enable the NRC to ensure that a licensee will continue to maintain adequate resources for the safe operation and decommissioning of its nuclear plants. Therefore, we would request that the notification commitment documented in the above referenced letter be revised as follows:

“ComEd hereby agrees to provide the Director of Nuclear Reactor Regulation with sixty-day prior notice of the transfer (excluding grants of security interests or liens) from ComEd to its parent, or to any other affiliated company, of facilities for the production, transmission or distribution of electric energy having a depreciated book value exceeding ten percent (10%) of ComEd’s consolidated net utility plant as recorded on ComEd’s books of account.”

We look forward to confirmation of this change to our prior commitments.

We would also like to inform you that, on December 16, 1997, Governor Edgar of the State of Illinois signed the Electric Service Customer Choice and Rate Relief Act of 1997. This law will incorporate changes to Section 7-102 of the Illinois Public Utilities Act, although Section 7-102(c) will remain unchanged.

Sincerely,



Michael J. Wallace
Senior Vice President

cc: S. Collins, Director of Nuclear Reactor Regulation
R. Capra, Director of Directorate III - 2