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#### UNITED STATES NUCLEAR REGULATORY COMMISSION WASHINGTON, D.C. 20555-0001

October 5, 1998

LICENSEE: GPU Nuclear, Inc.

FACILITY: Three Mile Island Nuclear Generating Station, Unit No. 1 (TMI-1)

SUBJECT: SUMMARY OF SEPTEMBER 17, 1998, MEETING WITH GPU NUCLEAR, INC., AMERGEN, AND NRC STAFF REGARDING SALE AND LICENSE TRANSFER OF THREE MILE ISLAND NUCLEAR GENERATING STATION, UNIT NO. 1 (TMI-1)

On September 17, 1998, a public meeting was held at the U. S. Nuclear Regulatory Commission (NRC) with GPU Nuclear, Inc., (GPUN or the licensee) and AmerGen (formed by PECO and British Energy), the prospective licensee which has entered into a letter of intent to negotiate an agreement for the purchase of TMI-1. The meeting was held at NRC headquarters. The purpose of the meeting was to discuss the status of the sale and proposed license transfer of the TMI-1 Operating License No. DPR-50 to the prospective owner, AmerGen. The meeting was transcribed. Enclosure 1 is a list of attendees. Enclosure 2 is a copy of the licensee's handout used at the meeting. Enclosure 3 is a copy of the meeting transcription.

After the licensee, AmerGen, and the NRC senior staff members provided opening remarks, the licensee and AmerGen provided a summary of the terms of the TMI-1 sale, and a discussion of the content of the proposed license transfer and amendment application, including ownership and control of AmerGen, maintaining continuity of operations at TMI-1, AmerGen technical and financial qualifications, and other required regulatory approvals. The licensee stated that there would be no environmental impact associated with the sale and license transfer and that since TMI-1 was a Section 104 plant, no antitrust review was required. The licensee provided a discussion of the level of detail to be included in its application including a description of supporting appendices and exhibits such as annual reports for PECO and AmerGen, financial projections, a legal analysis of foreign ownership issues, and conforming amendments and safety analyses. The licensee also provided its proposed schedule for the sale and transfer activities. It expects to submit an application by October 16, 1998.

The NRC staff provided comments on the content of the proposed application with respect to the technical and financial qualifications issues and suggested some additional levels of detail for the supporting information. The staff also acknowledged the TMI-1 status as a Section 104 plant and that it would be excluded from antitrust considerations under the Atomic Energy Act for this proposed licensing action.

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Three Mile Island Nuclear Station, Unit No. 1

CC:

Michael Ross Director, O&M, TMI GPU Nuclear, Inc. P.O. Box 480 Middletown, PA 17057

John C. Fornicola Director, Planning and Regulatory Affairs GPU Nuclear, Inc. 100 Interpace Parkway Parsippany, NJ 07054

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Ernest L. Blake, Jr., Esquire Shaw, Pittman, Potts & Trowbridge 2300 N Street, NW. Washington, DC 20037

Chairman Board of County Commissioners of Dauphin County Dauphin County Courthouse Harrisburg, PA 17120

Chairman Board of Supervisors of Londonderry Township R.D. #1, Geyers Church Road Middletown, PA 17057

Wayne L. Schmidt Senior Resident Inspector (TMI-1) U.S. Nuclear Regulatory Commission P.O. Box 219 Middletown, PA 17057

Regional Administrator, Region I U.S. Nuclear Regulatory Commission 475 Allendale Road King of Prussia, PA 19406 Robert B. Borsum B&W Nuclear Technologies Suite 525 1700 Rockville Pike Rockville, MD 20852

William Dornsife, Acting Director Bureau of Radiation Protection Pennsylvania Department of Environmental Resources P.O. Box 2063 Harrisburg, PA 17120

Dr. Judith Johnsrud National Energy Committee Sierra Club 433 Orlando Avenue State College, PA 16803

Mr. James W. Langenbach, Vice President and Director - TMI-1 GPU Nuclear, Inc. P.O. Box 480 Middletown, PA 17057

Mr. Eric Epstein TMI Alert 315 Peffer Street Harrisburg, PA 17102 The staff, AmerGen, and the licensee all agreed that frequent communication will be needed during the review of the application in order for the review to remain on schedule. The licensee, AmerGen, and the NRC senior staff members provided closing remarks and the meeting was concluded.

Original signed by

Timothy G. Colburn, Senior Project Manager Project Directorate I-3 Division of Reactor Projects - I/II Office of Nuclear Reactor Regulation

#### Docket No. 50-289

Enclosures: 1. List of attendees

- 2. Licensee/AmerGen Handout
- 3. Meating Transcript

cc w/enclosures: See next page

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### SEPTEMBER 17, 1998

### MEETING WITH GPU NUCLEAR INCORPORATED AND AMERGEN

### SALE AND LICENSE TRANSFER OF THREE MILE ISLAND UNIT-1

#### ATTENDEES

### Name

.

### Affiliation

Τ.	Colburn	NRC/NRR/DRPE/PDI-3
L.	Chandler	NRC/OGC
P.	Eselgroth	NRC/RI
R.	Wood	NRC/NRR/DRPM/PGEB
D.	Matthews	NRC/NRR/DRPM
S.	Hom	NRC/OGC
B.	Buckley	NRC/NRR/PDI-2
J.	Bongarra	NRC/NRR/DRCH/HOHB
	Architzel	NRC/NRR/DRPM/PGEB
A.	McKeigney	NRC/NRR/DRPM/PGEB
	Davis	NRC/NRR/DRPM/PGEB
M.	Dusaniwskys	NRC/NRR/DRPM/PGEB
D.	Carl	GPUN/Sr. Public Affairs Representative
D.	Distel	GPUN/Licensing
J.	Fornicola	GPUN/Director Nuclear Safety Assessment
D.	Brauer	GPUN/VP Corporate Restructure
J.	Langenbach	GPUN/VP and Director TMI
J.	Wetmore	GPUN/TMI Nuclear Safety and Licensing Manager
E,	O'Donnell	GPUN/Director - TMI-1 Divestiture
J.	Young	AmerGen
J.	William Jones	AmerGen
S.	Ross	AmerGen
E.	Cullen	AmerGen/PECO Energy
J.	Cotton	AmerGen/PECO Energy
D.	Lewis	Shaw Pittman
J.	Silberg	Shaw Pittman
M.	Wetterhahn	Winston & Strawn
J.	Lamberski	Troutman Sanders
J.	Matthews	Morgan, Lewis & Bockius
K.	Gallen	Morgan, Lewis & Bockius
J.	Reiss	Swidler Berlin
C.	Shanks	Entergy/VP - Finance/Administration
S.	Mangi	State of PA/Bureau of Radiation Protection

Enclosure 1

### GPU NUCLEAR INC./AMERGEN

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### TMI-1 SALE AND LICENSE TRANSFER MEETING

SEPTEMBER 17, 1998

HANDOUT MATERIAL USED AT THE MEETING

Enclosure 2

# AGENDA FOR NRC BRIEFING ON SALE OF TMI-1 FROM GPU TO AMERGEN

- 1. INTRODUCTION
- 2. SUMMARY OF TERMS OF TMI-1 SALE
- 3. CONTENTS OF PROPOSED LICENSE TRANSFER REQUEST
- 4. PROPOSED SCHEDULE





# 2. SUMMARY OF TERMS OF TMI-1 SALE A. AMERGEN PURCHASES TMI-1 FROM GPU SUBSIDIARIES (MET-ED, JCP&L, AND PENELEC) AND BECOMES THE **OWNER/OPERATOR OF TMI-1** 1 11 **B.** GRUN EMPLOYEES AT TMI-1 SITE AND SELECTED GPUN **CORPORATE SUPPORT PERSONNEL BECOME AMERGEN EMPLOYEES** C. GPU BUYS ALL POWER FROM TMI-1 FOR 2 YEARS FOLLOWING CLOSING D. GPU PROVIDES BACK-UP POWER AND INTERCONNECTION **SERVICES TO TMI-1**



# 2. SUMMARY OF TERMS OF TMI-1 SALE (CONT'D)

### E. GPU MAY SHARE IN TMI-1 POWER SALES REVENUES IN 2002 - 2010 BASED UPON MARKET PRICE

## F. GPU PREPAYS TMI-1 DECOMMISSIONING FUND AT CLOSING

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### G.º GPU SUBSIDIARIES RETAIN OWNERSHIP OF TMI-2 AND REMAIN LICENSEES FOR TMI-2

**H. AMERGEN PROVIDES TMI-2 SUPPORT SERVICES** 

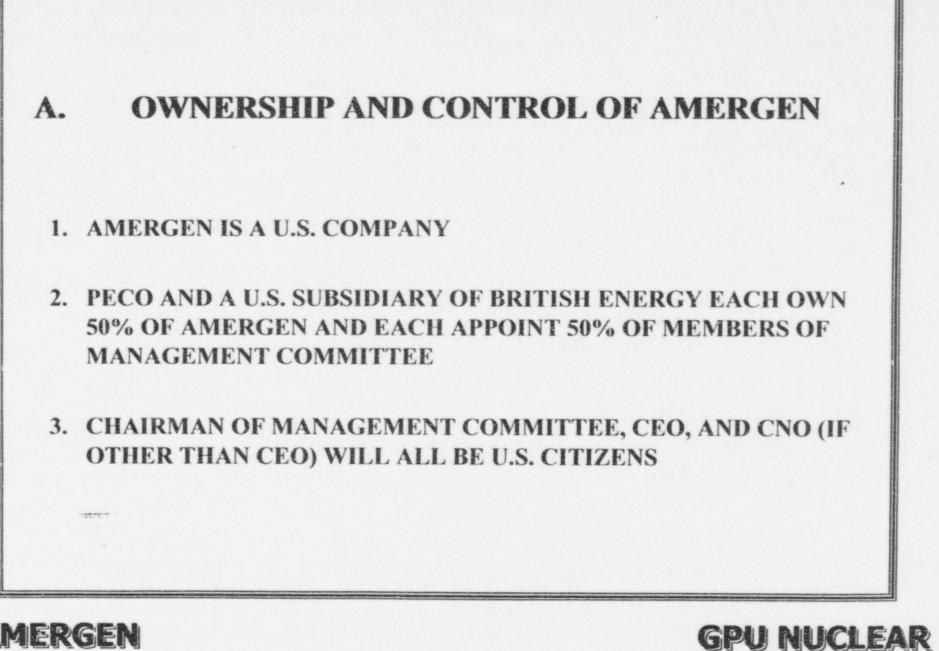




# 3. CONTENTS OF PROPOSED LICENSE TRANSFER REQUEST

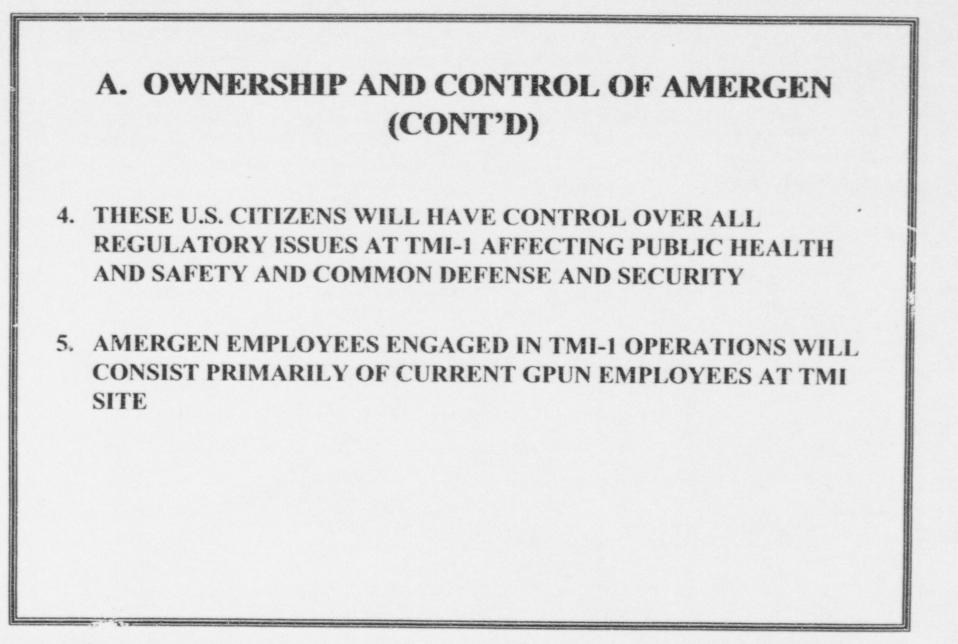
- A. BACKGROUND INFORMATION ON TMI-1 SALE AND OWNERSHIP AND CONTROL OF AMERGEN
- **B. CONTINUITY OF TMI-1 OPERATIONS**
- C. TECHNICAL QUALIFICATIONS OF AMERGEN
- **D. FINANCIAL QUALIFICATIONS OF AMERGEN**
- **E. OTHER ITEMS**
- F. OTHER REQUIRED REGULATORY APPROVALS
- G. SUPPORTING APPENDICES AND EXHIBITS





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# **B. CONTINUITY OF TMI-1 OPERATIONS**

- 1. CONTINUITY OF DAY-TO-DAY OPERATION AND MAINTENANCE OF TMI-1
- 2. CONFORMING CHANGES TO LICENSE TO REFLECT TRANSFER TO AMERGEN
- 3. ADMINISTRATIVE AND ORGANIZATIONAL CHANGES ONLY, WITH NO OTHER CHANGE IN LICENSING BASIS
- 4. NO REDUCTION IN COMMITMENTS IN QA PLAN AND NO REDUCTION IN EFFECTIVENESS OF EP AND SECURITY PLANS



# **C. TECHNICAL QUALIFICATIONS OF AMERGEN**

- 1. GPUN ORGANIZATION AT TMI SITE WILL JOIN AMERGEN AND CONTINUE TO OPERATE TMI-1
- 2. CEO IS FORMER CHIEF NUCLEAR OFFICER AT PECO
- 3. OTHER EXPERIENCED NUCLEAR PERSONNNEL FROM PECO, GPUN AND BRITISH ENERGY WILL JOIN/SUPPORT AMERGEN
- 4. ADDITIONAL TECHNICAL SUPPORT FROM GPUN, PECO, AND BRITISH ENERGY





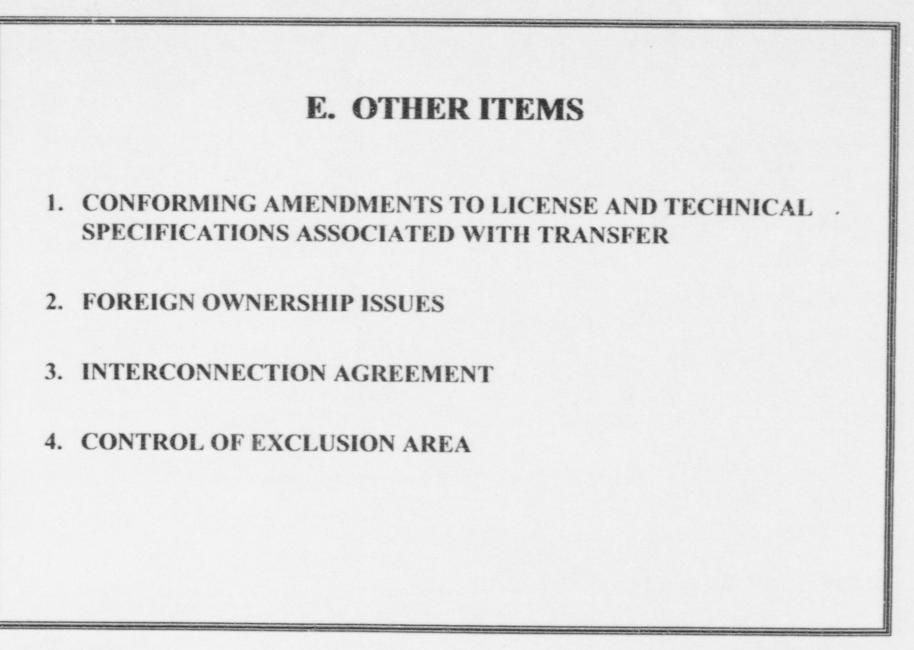
# **D. FINANCIAL QUALIFICATIONS OF AMERGEN**

- 1. PREPAID DECOMMISSIONING FUND FOR TMI-1 WHICH MEETS NRC REQUIREMENTS
- 2. 2 YEAR POWER PURCHASE AGREEMENT WITH GPU
- 3. FINANCIAL PROJECTIONS DEMONSTRATING THAT POWER SALES REVENUES WILL COVER TMI-1 OPERATING COSTS
- 4. CAPITAL COMMITMENTS FROM PECO AND BRITISH ENERGY SUFFICIENT TO COVER EXTENDED OUTAGE



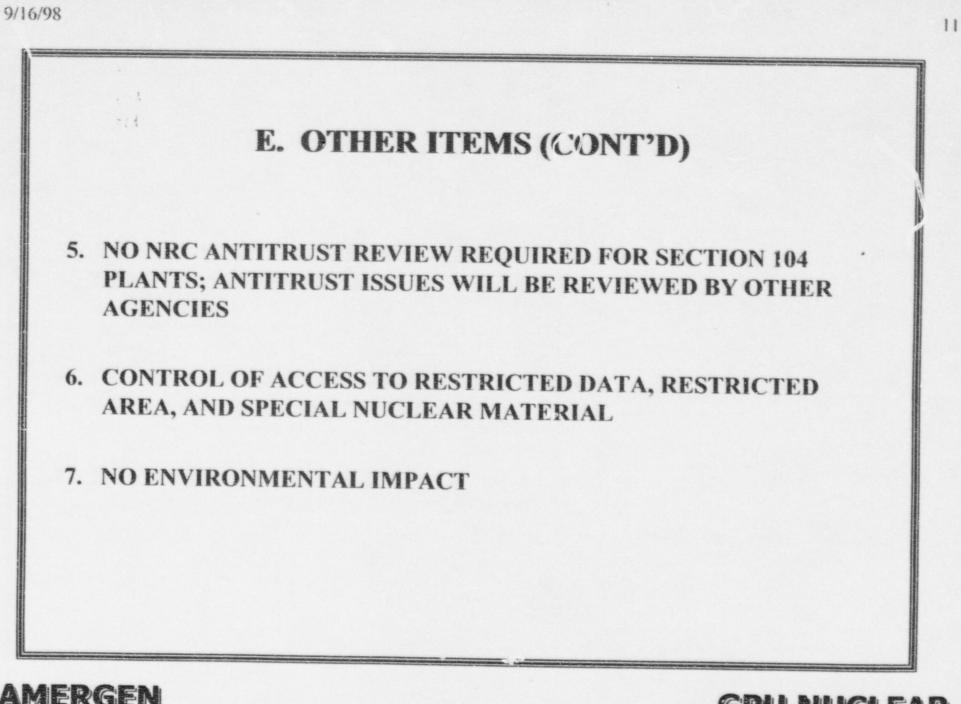












AMERGEN

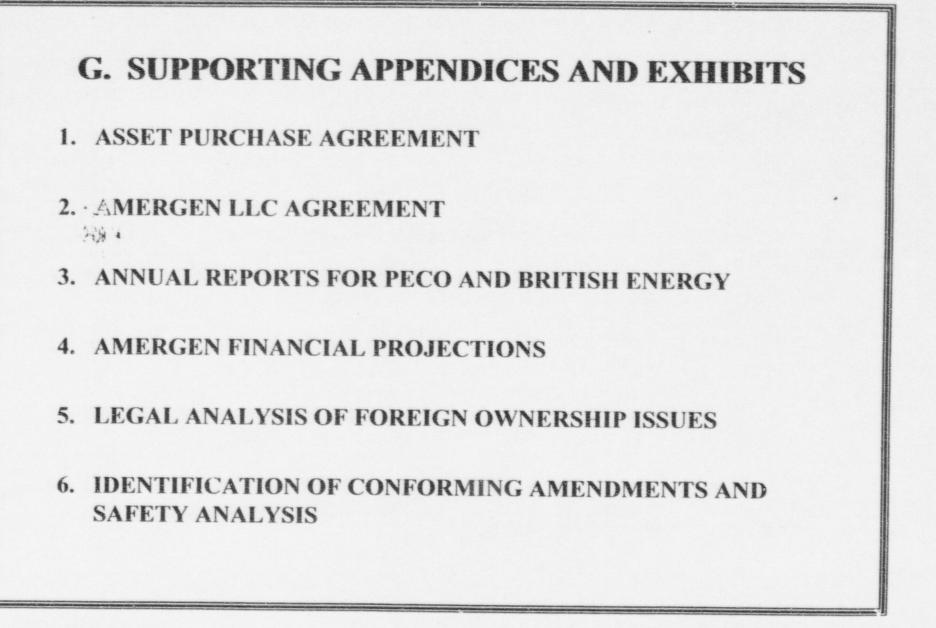


# F. OTHER REQUIRED REGULATORY APPROVALS

1. EXPIRATION OF HART-SCOTT-RODINO WAITING PERIOD

- 2. APPROVALS OF PENNSYLVANIA PUC, NEW JERSEY BPU, AND NEW YORK PSC
- 3. VARIOUS FERC APPROVALS (e.g., EXEMPT WHOLESALE GENERATOR (EWG) DETERMINATION, APPROVAL OF POWER PURCHASE AGREEMENT, APPROVAL OF TRANSFER OF JURISDICTIONAL ASSETS)
- 4. POSSIBLE IRS RULING ON TAX ISSUES RELATED TO DECOMMISSIONING FUND









# 4. PROPOSED SCHEDULE

- 1. EXECUTE ASSET PURCHASE AGREEMENT BY OCT. 15, 1998
- 2. SUBMIT NRC LICENSE TRANSFER REQUEST ON OCT. 16, 1998
- 3. SUBMIT OTHER REGULATORY APPLICATIONS AS SOON AS POSSIBLE
- 4. DEQUESTING ALL REQUIRED REGULATORY APPROVALS BY APRIL 15, 1999
- 5. CLOSING OF TRANSAC ON FOLLOWING RECEIPT OF ALL REQUIRED REGULATORY APPROVALS
- 6. WILL KEEP NRC INFORMED OF DEVELOPMENTS AFFECTING SCHEDULE

