

AmerGen

A PECO Energy/British Energy Company

AmerGen Energy Company, LLC
965 Chesterbrook Blvd, 61A-3
Wayne, PA 19087-5691
Telephone: 610 640 6900
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December 7, 1999
1920-99-20563

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

Ladies and Gentlemen:

Subject: Three Mile Island Nuclear Station, Unit 1 (TMI-1)
Operating License No. DPR-50
Docket No. 50-289
Order Approving Transfer of License for TMI-1 from GPU Nuclear, Inc.,
et al., to AmerGen Energy Company, LLC, dated April 12, 1999 – Additional
Information

Pursuant to the requirements of § III (10) of the above captioned Order, this letter serves as notification to the Director, Office of Nuclear Reactor Regulation, that as of December 7, 1999, GPU Nuclear, Inc., et al., and AmerGen Energy Company, LLC (AmerGen) have received all required regulatory approvals of the sale and transfer of TMI-1 (certain administrative approvals and/or actions related to the transfer, e.g. certain environmental permits, are expected to occur prior to, on or around the closing date, and certain conditions of closing may be waived). As of this date, the Board of Public Utilities for the State of New Jersey (NJ-BPU) has issued a verbal ruling and approval of the sale and transfer, to be subsequently documented in a written Order. This letter also serves as notification to the Director, Office of Nuclear Reactor Regulation, pursuant to the requirements of § III (10) of the above captioned Order, that the date of the closing of the sale and transfer of TMI-1 from GPU Nuclear, Inc., et al., to AmerGen has been established as December 20, 1999, pending expected prior receipt of a written Order from the NJ-BPU. As stated in the above captioned Order, the conforming license amendment for the sale and license transfer is to be issued by NRC and made effective as of the date of the closing of the sale and transfer.

This letter also serves as notification to the following parties:

- 1) NRC Office of Nuclear Material Safety and Safeguards, Spent Fuel Project Office, Licensing and Inspection Directorate, Transportation and Storage Inspection Section. This notification is associated with NRC approval of the AmerGen Quality Assurance Program for Radioactive Material Packages No. 0902, Revision 0, which was provided in the NRC letter to AmerGen, dated March 26, 1999, to become effective as of the date of closing of the sale and transfer of TMI-1 to AmerGen.

ADD1

PDL ADDCK 05000289

- 2) NRC Region I. This notification is associated with the transfer of TMI-1 Materials License Nos. 37-17257-02 and 37-30199-01 to AmerGen. Transfer of these Materials Licenses was approved in the NRC letter to AmerGen, dated May 11, 1999, to become effective as of the date of closing of the sale and transfer of TMI-1 to AmerGen.
- 3) NRC Office of Nuclear Reactor Regulation, Division of Reactor Program Management. This notification is associated with issuance of the modification to Indemnity Agreement B-64. The modification to Indemnity Agreement B-64 is hereby requested to be issued and made effective as of the date of closing of the sale and transfer of TMI-1 to AmerGen.

The conditions in the NRC's April 12, 1999 Order require AmerGen to provide decommissioning funding assurance of no less than \$303 million, and the NRC's approval permits this assurance to be provided through decommissioning trusts held either by AmerGen or GPU Energy (if necessitated by tax considerations). Thus, this letter also serves to inform you that GPU Energy and AmerGen have elected to proceed by transferring \$303 million in trust funds (prepaid, net of taxes) from GPU Energy to AmerGen at the time of the closing. These funds will be held by AmerGen in its decommissioning trusts for TMI-1 following the transfer of the TMI-1 license to AmerGen.

Because certain rulings of the Internal Revenue Service are different from the rulings originally anticipated, AmerGen and GPU Nuclear, Inc., et al., have chosen to implement their agreement in a manner that facilitates the immediate transfer of the trust funds at closing. The tax rulings will permit GPU Energy to transfer the funds to AmerGen, but will require AmerGen to forego certain planned near-term income tax benefits relating to depreciation of plant, equipment and fuel, because the purchase price paid by AmerGen for plant, equipment and fuel will become the tax basis for the non-qualified trust funds. Thus, AmerGen and GPU Energy have agreed that \$303 million in trust funds will be transferred, and GPU Energy will transfer to AmerGen other negotiable financial instruments which will offset AmerGen's near-term loss of tax benefits.

It is requested that upon closure of the sale and transfer of TMI-1 on December 20, 1999, subsequent NRC correspondence related to TMI-1 be addressed as follows:

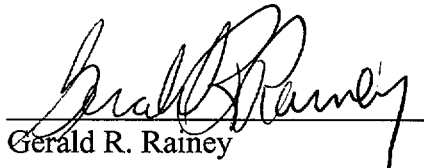
Mr. John B. Cotton
Vice President TMI Unit 1
AmerGen Energy Company, LLC
P. O. Box 480
Middletown, PA 17057

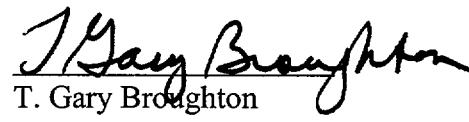
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Upon closure of the sale and transfer of TMI-1, GPU Nuclear, Inc., et al., and AmerGen Energy Company, LLC intend to withdraw the request for extension of the NRC Order approving the transfer of the TMI-1 license, previously submitted on November 24, 1999. If any additional information is needed, please contact Mr. David J. Distel, Nuclear Licensing and Regulatory Affairs at (973) 316-7955.

Sincerely,


Gerald R. Rainey
AmerGen Energy Company, LLC


T. Gary Broughton
GPU Nuclear, Inc.

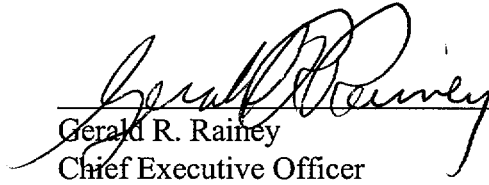
/DJD

cc: See attached
File No. 98152

AFFIRMATION

I, Gerald Rainey, being duly sworn, state that I am Chief Executive Officer of AmerGen Energy Company, LLC (AmerGen), that I am authorized to sign and file this "Order Approving Transfer of License for TMI-1 from GPU Nuclear, Inc., et al., to AmerGen Energy Company, LLC, dated April 12, 1999 – Additional Information," providing notification of receipt of all required regulatory approvals, establishment of the closing date for the sale and transfer of TMI-1, and additional information related to the TMI-1 decommissioning trust funds, with the Nuclear Regulatory Commission on behalf of AmerGen, and that the statements made and the matters set forth herein pertaining to AmerGen are true and correct to the best of my knowledge and belief.

AmerGen Energy Company, LLC


Gerald R. Rainey
Chief Executive Officer

STATE OF Pennsylvania

COUNTY OF Chester

Subscribed and sworn to me, a Notary Public, in and for the County and State above named, this 7th th day of December 1999.





My Commission Expires: _____

Notarial Seal
Carol A. Walton, Notary Public
Tredyffrin Twp., Chester County
My Commission Expires May 28, 2002
Member, Pennsylvania Association of Notaries

AFFIRMATION

I, T. Gary Broughton, being duly sworn, state that I am President and Chief Executive Officer of GPU Nuclear, Inc. (GPUN), that I am authorized to sign and file this "Order Approving Transfer of License for TMI-1 from GPU Nuclear, Inc., et al., to AmerGen Energy Company, LLC, dated April 12, 1999 - Additional Information," providing notification of receipt of all required regulatory approvals, establishment of the closing date for the sale and transfer of TMI-1, and additional information related to the TMI-1 decommissioning trust funds, with the Nuclear Regulatory Commission on behalf of GPUN, Metropolitan Edison Company, Jersey Central Power and Light Company, and Pennsylvania Electric Company, and that the statements made and the matters set forth herein pertaining to these current TMI-1 licensees are true and correct to the best of my knowledge and belief.

GPU Nuclear, Inc.

T. Gary Broughton
T. Gary Broughton
President and Chief Executive Officer

STATE OF Pennsylvania

COUNTY OF Dauphin

Subscribed and sworn to me, a Notary Public, in and for the County and State above named this 7 th day of December, 1999.

Suzanne C. Miklosik

My Commission Expires: 11/22/2003

Notarial Seal
Suzanne C. Miklosik, Notary Public
Londonderry Twp., Dauphin County
My Commission Expires Nov. 22, 2003
Member, Pennsylvania Association of Notaries

cc: Mr. Timothy G. Colburn
TMI-1 Senior Project Manager
U.S. Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, MD 20852-2738

Ms. Sally Klein
Chairman
Board of County Commissioners
of Dauphin County
Dauphin County Courthouse
Front & Market Streets
Harrisburg, PA 17101

Mr. Eric Epstein
TMI Alert
315 Peffer Street
Harrisburg, PA 17102

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

Licensing Assistant Section
Nuclear Materials Safety Branch
U.S. Nuclear Regulatory Commission
Region I
475 Allendale Road
King of Prussia, PA 19406

Ms. Patricia L. Eng.
U.S. Nuclear Regulatory Commission
Section Chief, Transportation and Storage
Inspection Section Licensing and Inspection
Directorate Spent Fuel Project Office, NMSS
11555 Rockville Pike
Rockville, MD 20852-2738

Mr. Stan Maingi
Director, Bureau of Radiation Protection
PA Dept. of Environmental Resources
Rachael Carson State Office Building
P.O. Box 8469
Harrisburg, PA 17105-8469

Dr. Edward Swartz
Chairman
Board of Supervisors
Of Londonderry Township
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Regional Administrator, Region I
U.S. Nuclear Regulatory Commission
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