

1800 M Street, N.W.  
Washington, D.C. 20036-5869  
202-467-7000  
Fax: 202-467-7176

**Morgan, Lewis  
& Bockius LLP**  
C O U N S E L O R S   A T   L A W

**John E. Matthews**  
202-467-7524

February 18, 2000

**VIA HAND DELIVERY**

U.S. Nuclear Regulatory Commission  
ATTN: Samuel J. Collins, Office of Nuclear Reactor Regulation  
Mail Stop O-5 E7  
One White Flint North  
11555 Rockville Pike  
Rockville, MD 20852-2738

Re: Vermont Yankee Nuclear Power Station  
Facility Operating License No. DPR-28, Docket No. 50-271  
Supplemental Information for Application for Order and Conforming Administrative  
License Amendments for License Transfer

Dear Mr. Collins:

On behalf of AmerGen Vermont, LLC (AmerGen Vermont), we are submitting copies of the following documents related to the above-captioned application:

1. Assignment and Assumption Agreement between AmerGen Energy Company, LLC, and AmerGen Vermont, LLC, dated February 17, 2000 (Enclosure 3 to the License Transfer Application);
2. Revised Letter Agreement Assuring Financial Obligations of AmerGen Vermont, LLC, dated February 17, 2000 (to replace Enclosure 8 to the License Transfer Application);  
and
3. Certificate of Organization for AmerGen Vermont, dated January 6, 2000.

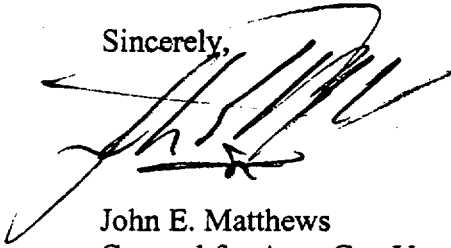
1-WA/1366039.1

Philadelphia   Washington   New York   Los Angeles   Miami   Harrisburg   Pittsburgh   Princeton  
London   Brussels   Frankfurt   Tokyo   Singapore   Jakarta

A001

U.S. Nuclear Regulatory Commission  
February 18, 2000  
Page 2

Sincerely,

A handwritten signature in black ink, appearing to read "John E. Matthews", with a stylized flourish at the end.

John E. Matthews  
Counsel for AmerGen Vermont

Enclosures

cc: Document Control Desk, NRC (3 copies)  
Hubert J. Miller, Administrator, Region I  
Brian J. McDermott, VYNPS Senior Resident Inspector  
Richard P. Croteau, NRC HQ Project Manager  
Vermont Department of Public Service

# ATTACHMENT 1

**ASSIGNMENT AND ASSUMPTION AGREEMENT**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT, made as of this 17<sup>th</sup> day of February, 2000, by and between AmerGen Energy Company, L.L.C., a Delaware limited liability company (the "Assignor"), and AmerGen Vermont, LLC, a Vermont limited liability company (the "Assignee").

**WITNESSETH:**

WHEREAS, the Assignor is party to the following agreements and contracts each as amended to date and as in effect on the date hereof (the "Agreements") relating to the acquisition of Vermont Yankee Nuclear Power Station ("VYNPS"):

1. Asset Purchase Agreement By and Between Vermont Yankee Nuclear Power Corporation, as Seller, and AmerGen Energy Company, L.L.C., as Buyer, dated as of November 17, 1999 (the "APA");
2. Consent to Assignment and Amendment Agreement By and Among Green Mountain Power Corporation, Vermont Yankee Nuclear Power Corporation, and AmerGen Energy Company, L.L.C., dated as of November 17, 1999;
3. Interconnection Agreement By and Between AmerGen Energy Company, L.L.C., and Vermont Electric Power Company, Inc., dated as of November 17, 1999;
4. Power Purchase Agreement By and Between AmerGen Energy Company, L.L.C., and Vermont Yankee Nuclear Power Corporation, dated as of November 17, 1999;
5. Power Purchase Agreement Cash-Out Election Agreement by and Among AmerGen Energy Company, L.L.C., Vermont Yankee Nuclear Power Corporation, and New England Power Company, dated as of November 17, 1999;
6. Power Purchase Agreement Cash-Out Election Agreement by and Among AmerGen Energy Company, L.L.C., Vermont Yankee Nuclear Power Corporation, and Montaup Electric Company, dated as of November 17, 1999;
7. Power Purchase Agreement Cash-Out Election Agreement by and Among AmerGen Energy Company, L.L.C., Vermont Yankee Nuclear Power Corporation, and The Connecticut Light and Power Company, dated as of November 17, 1999;
8. Power Purchase Agreement Cash-Out Election Agreement by and Among AmerGen Energy Company, L.L.C., Vermont Yankee Nuclear Power Corporation, and Western Massachusetts Electric Company, dated as of November 17, 1999;

152210v04

9. Power Purchase Agreement Cash-Out Election Agreement by and Among AmerGen Energy Company, L.L.C., Vermont Yankee Nuclear Power Corporation, and Public Service Company of New Hampshire, dated as of November 17, 1999, and;

WHEREAS, Assignor deems it desirable to have a Vermont-based entity to acquire, own and operate VYNPS; and

WHEREAS, Assignor wishes to assign to the Assignee, and the Assignee wishes to assume from the Assignor, the Agreements and the rights and obligations thereunder as hereinafter provided; and

WHEREAS, Assignor and Assignee intend to take all steps necessary to effect the assignment, including seeking transfer of the Operating License for VYNPS to Assignee; and

WHEREAS, the Agreements are by their terms assignable.

NOW, THEREFORE, in consideration of the mutual representations and agreements hereinafter set forth, and intending to be legally bound, the Assignor and the Assignee agree as follows:

1. The Assignor hereby assigns and delegates to the Assignee the Agreements and all of Assignor's rights and obligations thereunder, except that the Assignor shall become the employer of VYNPS employees and the sponsor of employment plans and policies. Assignor further agrees to make the VYNPS employees available to the Assignee under a mutually agreeable Services Agreement for the operation of VYNPS.
2. The Assignee hereby confirms that it accepts the Agreements as in effect on the date hereof and hereby assumes and covenants to perform all of the obligations of the Assignor under the Agreements.
3. This Assignment and Assumption Agreement may be executed in two or more counterparts, each of which shall be deemed an original.
4. This Assignment and Assumption Agreement is a present assignment and assumption but the effectiveness hereof, and the obligations of each party herein, are expressly subject to receipt of all necessary regulatory approvals. If, in the opinion of Assignor's Management Committee after consultation with legal counsel, an approval is not received or is received but contains conditions which make the use of a Vermont-based entity impossible or impractical, the parties may, by mutual written agreement, terminate and cancel this Agreement as a whole or in part, subject to all necessary regulatory approvals. Upon cancellation and termination of this Assignment and Assumption Agreement in its entirety, the Agreements and the rights and obligations thereunder assigned to the Assignee under this Assignment and Assumption Agreement will revert to the Assignor as if no assignment and assumption had been made. In the event the Assignor and the Assignee cancel and terminate only part of this Assignment and Assumption Agreement, the writing effecting such cancellation and termination

shall specify which Agreements, rights, and obligations will remain with the Assignee and which will revert to the Assignor.

5. The Assignor acknowledges that the foregoing assignment of the Agreements does not relieve the Assignor of its liability and financial responsibility for the due performance of the obligations it originally assumed upon execution and delivery of each of the Agreements or the obligation to provide funds to Assignee to assure that Assignee will have sufficient funds available to meet its expenses in connection with the operation, maintenance and decommissioning of VYNPS.

IN WITNESS WHEREOF, the Assignor and the Assignee have caused their respective authorized representatives to execute this Assignment and Assumption Agreement.

AMERGEN ENERGY COMPANY, L.L.C.

AMERGEN VERMONT, LLC

By: [Signature]

By: [Signature]

Name: \_\_\_\_\_

Name: Charles P Lewis

Title: \_\_\_\_\_

Title: Vice President

# **ATTACHMENT 2**



A PECO Energy/British Energy Company

AmerGen Energy Company, LLC  
965 Chesterbrook Blvd, 63C-3  
Wayne, PA 19087-5691  
Telephone: 610 640 6600  
Fax: 610 640 6611

February 17, 2000

AmerGen Vermont, LLC  
185 Old Ferry Road  
Brattleboro, VT 05301

Re: Letter Agreement Assuring Financial Obligations of AmerGen Vermont, LLC

Ladies and Gentlemen:

Reference is made to the Asset Purchase Agreement dated as of November 17, 1999 by and between Vermont Yankee Nuclear Power Corporation and AmerGen Energy Company, LLC ("AmerGen") involving the sale of Vermont Yankee Nuclear Power Station ("VYNPS"). AmerGen has assigned or will assign its rights in this agreement and certain other agreements to AmerGen Vermont, LLC ("AmerGen Vermont") under the terms of an Assignment and Assumption Agreement. Reference is also made to the Letter Agreement Assuring Financial Obligations of AmerGen Vermont, LLC dated January 6, 2000 by and between AmerGen and AmerGen Vermont. This Letter Agreement supplements, clarifies and replaces the Letter Agreement dated January 6, 2000.

In consideration of the benefits to be derived by AmerGen from the Assignment and Assumption Agreement and from AmerGen Vermont's ownership and operation of VYNPS, the mutual benefits to be derived by AmerGen and AmerGen Vermont from the commitments contemplated hereunder, and in furtherance of the Limited Liability Company Agreement of AmerGen Vermont (the "LLC Agreement") dated as of January 1, 2000, and any provision in the LLC Agreement which could limit application of this letter agreement notwithstanding, AmerGen hereby agrees that, subject to the terms and conditions of this Agreement, it will provide funds to AmerGen Vermont to assure that AmerGen Vermont will have sufficient funds available to meet its expenses in connection with the operation, maintenance and decommissioning of VYNPS.

AmerGen represents and warrants that it will provide funding to AmerGen Vermont, at any time that the Management Committee of AmerGen Vermont determines that, in order to protect the public health and safety and/or to comply with NRC requirements, such funds are necessary to meet the ongoing expenses at VYNPS or such funds are necessary to safely maintain VYNPS.

This agreement shall take effect upon the transfer of VYNPS to AmerGen Vermont, as approved by the NRC, and will remain in effect and remain irrevocable until such time as decommissioning is completed.

I-WA/1334458.5



AmerGen shall have the right to demand that AmerGen Vermont permanently cease operations at VYNPS rather than using funds available under this Agreement for continued operations, provided that, in such event, AmerGen Vermont will nevertheless have the right to continue to obtain the funds necessary to assure the safe and orderly shutdown of VYNPS and continue the safe maintenance of VYNPS until AmerGen Vermont can certify to the NRC that the fuel has been permanently removed from the reactor vessel. The foregoing is intended to assure AmerGen Vermont's rights under this agreement to obtain funds to support continued operations until such time as AmerGen Vermont can make the required certification regarding the permanent removal of fuel, even in the event that AmerGen has demanded that AmerGen Vermont permanently cease operations. However, it is in no way intended to limit AmerGen Vermont's right to continue to obtain funds under this Agreement until such time as decommissioning is completed.

AmerGen hereby represents and warrants to AmerGen Vermont that its obligations under this Agreement are valid, binding and enforceable obligations of AmerGen in accordance with their terms (subject to bankruptcy, insolvency, reorganization and similar laws affecting creditors' rights generally and general equitable principles) and do not require the consent, approval or authorization of any Governmental Agency or third party other than those which have been obtained and are in full force and effect (or will be obtained on or prior to the Closing Date).

AmerGen hereby irrevocably, unconditionally and expressly waives, and agrees that it shall not at any time assert any claim or take the benefit or advantage of, any appraisal, valuation, stay, extension, marshaling of assets or redemption laws, any bankruptcy, insolvency or similar proceedings, or exemption, whether now or any time hereafter in force, which may delay, prevent or otherwise affect the performance by AmerGen of its obligations hereunder.

This Agreement shall be governed and construed in accordance with the laws of the State of Vermont without giving effect to conflict of law principles.

Very truly yours,



AmerGen Energy Company, LLC

# **ATTACHMENT 3**



STATE OF VERMONT  
OFFICE OF SECRETARY OF STATE

*The Office of Secretary of State hereby grants a*

*Certificate of Organization*

*to*

**AMERGEN VERMONT, LLC**

*a Vermont domestic LLC, effective on January 6, 2000.*

*January 6, 2000*

*Given under my hand and the seal  
of the State of Vermont, at  
Montpelier, the State Capital*

A handwritten signature in black ink, appearing to read "Deborah L. Markowitz".

*Deborah L. Markowitz  
Secretary of State*

