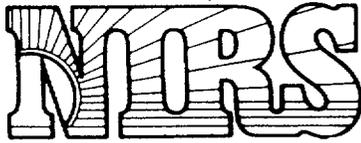


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## Nuclear Information and Resource Service

1424 16th St. NW, Suite 404, Washington, DC 20036; 202-328-0002; Fax: 202-462-2183; E-mail: nirsnet@nirs.org; Web: www.nirs.org

April 26, 2000

Secretary of the Commission  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555

Attn: Docket No. 50-219-LT  
Oyster Creek License Transfer Proceeding

Dear Secretary:

We have received applicant's letter of April 6, 2000, which confirms PECO Energy and British Energy's agreement to raise their financial commitment to AmerGen from \$110 million to \$200 million, to cover unanticipated costs, Price-Anderson coverage, and any other costs arising from their purchase of several nuclear power plants, including Oyster Creek.

This is a nice gesture, and is indicative of the weakness of their original proposal. \$110 million as basic funds for the operation of four aging nuclear power plants was ludicrously low, and we are pleased to see that PECO Energy and British Energy now agree with us on this point.

However, a \$200 million commitment from these two giant corporations for their subsidiary, which so far wants to operate six reactors (TMI-2, Clinton, Oyster Creek, Vermont Yankee, and Nine Mile Point-1 and -2) and publicly has stated its intent to purchase more reactors, still raises a basic question that is of interest to residents of the Oyster Creek area and ratepayers across the country alike: if PECO Energy and British Energy are so sure that their nuclear power investments will pay off, why not—given these corporations tremendous existing assets—simply drop the Limited Liability Corporation approach and apply their assets toward their joint venture?

The reason is simple: Amergen, British Energy, and PECO Energy realize that the potential liabilities associated with their purchases of these ailing reactors could far outweigh the potential benefits, and they wish to shield their shareholders (and corporate executives) from these liabilities.

However, establishment of this type of shield also ensures that residents and ratepayers will have to shoulder the burden if and when things go wrong. Moreover, although the increased commitment from PECO Energy and British Energy is welcome, it is still insufficient to cover

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absolutely foreseeable costs arising from any lengthy plant shutdowns, invoking of the Price-Anderson Act (which could occur at any reactor, not just AmerGen's), necessary major capital expenditures for safety reasons, etc., particularly given AmerGen's publicly-stated expansionist intents.

In the case of the Oyster Creek proceeding, we continue to argue 1) that AmerGen has an insufficient financial commitment to protect residents and ratepayers from foreseeable (and unforeseen) costs; 2) AmerGen has an insufficient financial commitment to meet its potential obligations under the Price-Anderson Act (with the six reactors mentioned in applicants' letter, this exposure alone could amount to more than \$420 million—and those liabilities could begin tomorrow); 3) license transfers of nuclear power plants should not be made to corporations using the Limited Liability Corporation model.

We also note that nothing in applicant's letter changes any of our contentions relating to the condition and/or safety aspects of the Oyster Creek reactor, nor to our contentions stating that British Energy, by virtue of its unacceptable nuclear safety record and disregard of British nuclear safety regulations, is not qualified to operate a nuclear plant in the United States, nor to any other contentions not specifically mentioned here.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Mariotte". The signature is written in a cursive, flowing style.

Michael Mariotte  
Executive Director

I hereby certify that copies of the attached letter were served upon the persons listed below by first class mail, this 26<sup>th</sup> day of April 2000. Copies were also served by e-mail where possible.

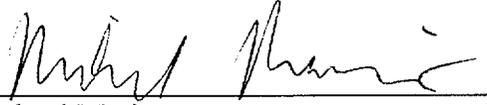
Office of the Secretary  
U.S. Nuclear Regulatory Commission  
Attn: Rulemakings and Adjudication Staff  
Washington, DC 20555

Office of the General Counsel  
Mail Stop- O-15 D21  
U.S. Nuclear Regulatory Commission  
Washington, DC 2055

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Executive Director  
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