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April 30, 2002

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

Oyster Creek Nuclear Generation Station
Facility Operating License No. DPR-16
NRC Docket No. 50-219

Subject: Request for Exemption from 10CFR2.109(b) and 10CFR50.75(f)(2)

Dear Sir or Madam:

The Facility Operating License for Oyster Creek Nuclear Generating Station expires on April 9, 2009. In accordance with 10CFR50.12, AmerGen Energy Company, LLC (AmerGen) hereby requests an exemption from 10CFR2.109(b) which requires a sufficient application for renewal of an operating license to be filed at least 5 years prior to the expiration of the existing license for the existing license to not be deemed to have expired until the application has been finally determined. Specifically, AmerGen requests an exemption to submit a sufficient application for renewal of the operating license by March 2006 so that the existing license will not be deemed to have expired until the application has been finally determined.

Additionally, in accordance with 10CFR50.12, AmerGen requests an exemption from 10CFR50.75(f)(2) which requires submittal of a preliminary decommissioning cost estimate at or about 5 years prior to the projected end of operations. Specifically, AmerGen requests an exemption to submit a preliminary decommissioning cost estimate by March 2006.

The exemption requests provided as Attachments 1 and 2 will not endanger life or property or the common defense and security and are otherwise in the public interest. Approval of these requests for exemption is desired by September 2002.

AP01

Request for Exemption from 10CFR2.109(b) and 10CFR50.75(f)(2)

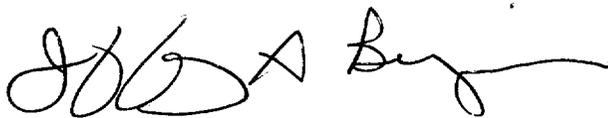
April 30, 2002

Page 2

The exemption requests and the requested schedule are considered proprietary in accordance with 10CFR2.790. Accordingly, pursuant to 10CFR2.790 and 10CFR9.17, AmerGen requests that this letter be withheld from public disclosure because this information is considered confidential "commercial or financial" information, the release of which could be harmful to the economic interests of AmerGen. In accordance with 10CFR2.790 and 10CFR9.17, attached is an affidavit providing the basis for withholding the information from public disclosure. A redacted version of this letter, suitable for public disclosure, is provided as Attachment 3. If the NRC receives a request for disclosure of this information from any source, whether individual or government agency, or otherwise is unable to honor AmerGen's application for withholding, we respectfully request that the NRC notify AmerGen in advance of any possible public disclosure in order to provide us the opportunity to consider withdrawing this letter.

If you have any questions or require additional information, please do not hesitate to contact us.

Very truly yours,

A handwritten signature in black ink, appearing to read "J.A. Benjamin". The signature is fluid and cursive, with the first name "Jeffrey" and last name "Benjamin" clearly distinguishable.

Jeffrey A. Benjamin
Vice President - Licensing and Regulatory Affairs

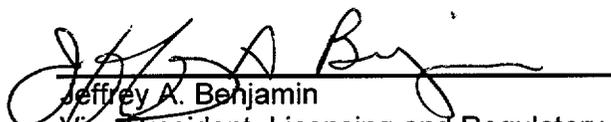
Enclosures: Affidavit, Attachments1 through 3

cc: H. J. Miller, Administrator, Region I, USNRC
L. A. Dudes, USNRC Senior Resident Inspector, OCNCS
K. Tosch, Director, Bureau of Nuclear Engineering, State of New Jersey

Affidavit of Jeffrey A. Benjamin

I, Jeffrey A. Benjamin, Vice President, Licensing and Regulatory Affairs, do hereby affirm and state:

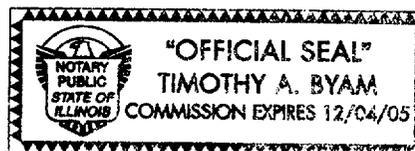
1. I am authorized to execute this affidavit on behalf of AmerGen Energy Company, LLC (AmerGen).
2. AmerGen is providing this information with respect to its intent to seek exemption from regulations governing the Oyster Creek Nuclear Generating Station ("OCNGS," NRC Facility Operating License No. DPR-16; Docket No. 50-219). This information constitutes proprietary commercial and financial information that should be held in confidence by the NRC under 10CFR2.790(a)(4) and 10 C.F.R. 9.17(a)(4), because:
 - i. This information is and has been held in confidence by AmerGen.
 - ii. This information is being transmitted voluntarily to the NRC in confidence.
 - iii. This information is not available in public sources and could not be gathered readily from other publicly available information.
 - iv. Public disclosure of this information would create substantial harm to the competitive position of AmerGen by prematurely making public AmerGen's decisions regarding OCNGS, thereby providing information to parties whose commercial or other interests may be adverse to those of AmerGen.
3. Accordingly, AmerGen requests that the foregoing document and the information contained therein be withheld from public disclosure under 10CFR2.790(a)(4) and 10CFR9.17 (a)(4).


Jeffrey A. Benjamin
Vice President, Licensing and Regulatory
Affairs

Commonwealth of State of Illinois
County of DuPage

Subscribed and sworn to before me, a Notary Public, in and for the County and State above named, this 30th day of April, 2002.


Notary Public
My Commission Expires:
12/04/05



ATTACHMENT 1

Oyster Creek Nuclear Generating Station

10CFR2.109(b) Exemption Request

Specific Exemption Requested

In accordance with the provisions of 10CFR50.12, "Specific exemptions," AmerGen Energy Company, LLC (AmerGen) requests an exemption from certain requirements of 10CFR2.109, "Effect of timely renewal application." Specifically, we request exemption from the portion of 10CFR2.109(b) which requires a sufficient application for renewal of an operating license to be filed at least 5 years prior to the expiration of the existing license for the existing license to not be deemed to have expired until the application has been finally determined.

10CFR2.109(b) was revised at the time that 10CFR54, "Requirements for Renewal of Operating Licenses for Nuclear Power Plants," was added. 10CFR2.109(b) was revised at that time because the NRC did not believe that the 30-day deadline for timely renewal would provide reasonable time to review an application for a renewed operating license for a nuclear power plant. Because the review of a renewal application may involve complex technical issues, the NRC estimated that the technical review would take approximately 2 years. Any necessary hearing could likely add an additional year. Therefore, in the proposed rule, the NRC modified 10CFR2.109(b) to require that nuclear power plant operating license renewal applications be submitted at least 3 years prior to their expiration in order to take advantage of the timely renewal doctrine. No specific comment was received concerning the proposal to add a 3-year provision for the timely renewal provision for license renewal. However, the NRC concluded that for consistency with another regulation, 10CFR50.75(f)(2), that at the time required licensees to submit decommissioning plans and related financial assurance information on or about 5 years prior to the expiration of their operating licenses, the deadline for the submittal of a license renewal application should be 5 years prior to the expiration of the current operating license. The timely renewal provisions of 10CFR2.109(b) now reflect the decision that a 5-year time limit is more appropriate.

The NRC has demonstrated that their original estimate of 3 years to review a renewal application and issue a renewed license is a sufficient period of time. To date, renewed operating licenses have been issued for Calvert Cliffs Nuclear Power Plant Units 1 and 2, Oconee Nuclear Station Units 1,2, and 3, Arkansas Nuclear One Unit 1, and Edwin I. Hatch Nuclear Plant Units 1 and 2 within 3 years from submittal of their renewal applications.

The expiration date of the Operating License of Oyster Creek Nuclear Generating Station (OCNGS) is April 9, 2009. AmerGen proposes this exemption request to allow submittal of a sufficient application for renewal of the operating license for OCNGS by March 2006 for the existing license to not be deemed to have expired until the application has been finally determined.

Satisfaction of Exemption Criteria

Exemptions from the requirements of NRC regulations are authorized by 10CFR50.12, "Specific exemptions." An exemption will be granted if it is authorized by law; will not present an undue risk to the public health and safety; is consistent with the common defense and security; and is supported by one or more of the special circumstances identified in 10CFR50.12(a)(2).

The exemption is authorized by law because the underlying requirement is established by an NRC rule for which an exemption may be granted under 10CFR50.12. Allowing submittal of a sufficient application for renewal of the operating license for OCNGS by March 2006 for the existing license to not be deemed to have expired until the application has been finally determined will not present an undue risk to the public health and safety and is consistent with the common defense and security. Two of the special circumstances recognized by 10CFR50.12(a)(2) are applicable, as described below.

Submittal of a sufficient application for renewal of the operating license for OCNGS by April 9, 2004 for the existing license to not be deemed to have expired until the application has been finally determined is not necessary to achieve the underlying purpose of the rule. The NRC has demonstrated that submittal of a sufficient application for renewal of the operating license for OCNGS by March 2006 for the existing license to not be deemed to have expired until the application has been finally determined is adequate. 3 years has proven to be sufficient to issue a renewed operating license following submittal of a sufficient application for renewal of an operating license. Additionally, submittal of a sufficient application for renewal of the operating license for OCNGS by April 9, 2004 would result in an undue hardship. To satisfy the date of April 9, 2004 for submittal of a sufficient application as required by 10CFR2.109(b) necessitates imminent initiation of application development. Business uncertainties exist that prevent commitment of the necessary resources to develop a sufficient renewal application. We expect the uncertainties to be resolved by January 2004 to support submittal of a sufficient application for renewal of the operating license for OCNGS by March 2006.

In conclusion, the exemption to submit a sufficient application for renewal of the operating license for OCNGS by March 2006 for the existing license to not be deemed to have expired until the application has been finally determined will achieve the underlying purpose of 10CFR2.109(b) without undue hardship. Therefore, because the criteria of 10CFR50.12 have been satisfied, AmerGen respectfully requests that the NRC grant the requested exemption.

ATTACHMENT 2

Oyster Creek Nuclear Generating Station

10CFR50.75(f)(2) Exemption Request

Specific Exemption Requested

In accordance with the provisions of 10CFR50.12, "Specific exemptions," AmerGen Energy Company, LLC (AmerGen) requests an exemption from certain requirements of 10CFR50.75, "Reporting and recordkeeping for decommissioning planning."

Specifically, we request exemption from the portion of 10CFR50.75(f)(2) which requires that each power reactor licensee shall at or about 5 years prior to the projected end of operations submit a preliminary decommissioning cost estimate which includes an up-to-date assessment of the major factors that could affect the cost to decommission.

10CFR50.75(f)(2), previously required licensees to submit decommissioning plans and related financial assurance information on or about 5 years prior to the expiration of their operating licenses. 10CFR50.75(f) was revised to require each power reactor licensee to report at least once every 2 years and in some cases annually on decommissioning financial assurance information. Additionally, 10CFR50.75(f)(2) was revised to require preliminary decommissioning cost estimates in lieu of a more comprehensive decommissioning plan.

The NRC has demonstrated that 3 years to review a site-specific decommissioning cost estimate is a sufficient period of time. The NRC reviewed a site-specific decommissioning cost estimate that was submitted on July 17, 2000 for the Millstone Nuclear Power Station Unit 1 and on March 1, 2001 found that Northeast Utilities had complied with the regulatory requirement associated with submittal of a site-specific decommissioning cost estimate.

The expiration date of the Operating License of Oyster Creek Nuclear Generating Station (OCNGS) is April 9, 2009. AmerGen proposes this exemption request to allow submittal of a preliminary decommissioning cost estimate which includes an up-to-date assessment of the major factors that could affect the cost to decommission OCNGS by March 2006.

Satisfaction of Exemption Criteria

Exemptions from the requirements of NRC regulations are authorized by 10CFR50.12, "Specific exemptions." An exemption will be granted if it is authorized by law; will not present an undue risk to the public health and safety; is consistent with the common defense and security; and is supported by one or more of the special circumstances identified in 10CFR50.12(a)(2).

The exemption is authorized by law because the underlying requirement is established by an NRC rule for which an exemption may be granted under 10CFR50.12. Allowing submittal of a preliminary decommissioning cost estimate which includes an up-to-date assessment of the major factors that could affect the cost to decommission will not present an undue risk to the public health and safety and is consistent with the common defense and security. Two of the special circumstances recognized by 10CFR50.12(a)(2) are applicable, as described below.

Submittal of a preliminary decommissioning cost estimate which includes an up-to-date assessment of the major factors that could affect the cost to decommission OCNGS by April 9, 2004 is not necessary to achieve the underlying purpose of the rule. The NRC

has demonstrated that submittal of a preliminary decommissioning cost estimate which includes an up-to-date assessment of the major factors that could affect the cost to decommission OCNGS by March 2006 is adequate. 3 years has proven to be sufficient to find that a site-specific decommissioning cost estimate complies with NRC rules. Additionally, submittal of a preliminary decommissioning cost estimate which includes an up-to-date assessment of the major factors that could affect the cost to decommission OCNGS by April 9, 2004 would result in an undue hardship. To satisfy the date of April 9, 2004 for submittal of a preliminary decommissioning cost estimate which includes an up-to-date assessment of the major factors that could affect the cost to decommission OCNGS as required by 10CFR50.75(f)(2) necessitates imminent initiation of a decommissioning cost estimate including an assessment of the major factors affecting the cost to decommission OCNGS. Business uncertainties exist that prevent commitment of the necessary resources to develop a preliminary decommissioning cost estimate which includes an up-to-date assessment of the major factors that could affect the cost to decommission OCNGS. We expect the uncertainties to be resolved by January 2004 to support submittal of a preliminary decommissioning cost estimate which includes an up-to-date assessment of the major factors that could affect the cost to decommission OCNGS by March 2006.

In conclusion, the exemption to submit a preliminary decommissioning cost estimate which includes an up-to-date assessment of the major factors that could affect the cost to decommission OCNGS by March 2006 will achieve the underlying purpose of 10CFR50.75(f)(2) without undue hardship. Therefore, because the criteria of 10CFR50.12 have been satisfied, AmerGen respectfully requests that the NRC grant the requested exemption.