TMIA: THREE MILE ISLAND ALERT, INC.
315 Peffer St., Harrisburg, Penna. 17102 (717) 233-7897

50-289

September 10, 2002

Timothy Colburn,
Three Mile Island Directorate
U.S. Nuclear Regulatory Commission
Mail Stop 8C2A
Washington, D.C. 2055-0001

Dear Mr. Colburn:

With Exelon and British Energy's shares of AmerGen being on the market, I respectfully request that the Nuclear Regulatory Commission postpone and hold abeyance any decision on the relocation of thee Mile Island Emergency Operations facility from Susquehanna Township to Coatesville, Pennsylvania.

Any sale of TMI-1 will likely be conditioned on unused decommissioning funds flowing back to the rate payer, i.e., Entergy/Vermont Yankee.

A001
Br Pm

In addition, the purchase price of TMI-1 will likely fetch Full Market Value, i.e., $350 - $600 million, which will trigger a revaluation of the The Public Utility Realty Tax Assessment (PURTA) (1). After deregulation, the utilities claimed that their large centralized generation stations assessed were disproportionate to the value of their facilities, i.e., nuclear as well as other sources of electrical generation. Nuclear plants were being sold at a fraction of their book value, e.g., TMI,$99 million /$512 million ("Annual Report Value") and the Companies relied on these figures to calculate their tax base. Nuclear plants now sell for the same value as traditional fossil stations, e.g., Fitzpatrick and Nine-Mile Point.

Respectfully submitted,

Eric Joseph Epstein, Chairman
4100 Hillsdale Road
Harrisburg, PA 17112
(717)-541-1101 Phone
(717)-541-5487 Fax
eepstein@igc.apc.org

Mr. Epstein is the Chairman of Three Mile Island Alert , Inc., a safe-energy organization based in Harrisburg, Pennsylvania and founded in 1977. http://www.tmia.com.

---

1 The Public Utility Realty Tax Assessment (PURTA) is the tax assessment formula used prior to, and after, deregulation. The formula was predicated on a statewide distribution plan. The utilities influenced the legislature to "restructure" PURTA in the Deregulation Act (1998). The utilities claimed that local communities would increase their revenues, and allow utilities to decrease the amount of taxes paid by focusing on local school districts and municipalities.

Generating Station(s)	*1985 Study/1995 Study*	*$ Increase*
Limerick 1& 2	$272m/$986m	$714m
Peach Bottom 2& 3	$273m/$947m	$674m
Salem 1 & 2	$271m/$701m	$430m
Three Mile Island 1 (a)	**$60m(b)/$368m or $431m(c)**	**$308-$371**

(a) GPU reported that the cost to decommission TMI-2 more than doubled in 48 months. By 1997, the decommissioning estimate had risen 110% in four years to $433 million. (1997, GPU Annual Report.)

(b) TMI-1 total, projected decommissioning expense based on ENTOMB, (1986, GPU Annual Report, p. 39)

(c) TLG's estimate as referenced in the 1998, Annual Report, p. 59.

Reactor	*Core Size*	*Lose Full Core Off load Capability*
Limerick 1	764	2006
Limerick 2	764	2006
Oyster Creek	560	LOST
Peach Bottom 2	764	2000
Peach Bottom 3	764	2001
Salem 1	183	2012
Salem 2	193	2018
Three Mile Island	**177**	**NA**

Station	*Dry Cask Technology*	*Deployment Date*	*Contractor*
Limerick	BD	Summer 2010	TBD
Oyster Creek	NUHOMS 52B (a)	July, 2010	None
Peach Bottom	Trans-Nuclear TN-68	June, 2000	Raytheon
Salem	None	TBD	None
TMI (b)	**None**	**TBD**	**None**

(a) Holtec is the new vendor chosen to provide dry cask services at Oyster Creek. (PECO's Response to Eric Epstein's Informal I-8.)

(b) TMI-1 plans to increase spent fuel storage capacity by a three-stage re-racking program 2002-2009.

PECO Energy's Response to Eric Epstein's Interrogatories, *BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION,* Eric Joseph Epstein's Testimony APPLICATION OF PECO ENERGY COMPANY, PURSUANT TO CHAPTERS 11, 19, 21, 22 AND 28 OF THE PUBLIC UTILITY CODE, FOR APPROVAL OF (1) A PLAN OF CORPORATE RESTRUCTURING, INCLUDING THE CREATION OF A HOLDING COMPANY AND (2) THE MERGER OF THE NEWLY FORMED HOLDING COMPANY AND UNICOM CORPORATION, DATE: Docket No. A-110550 F014
7, FILED: APRIL 17, 2000.)

via acquisition as well.

In its application it noted it expects to procure around 50 FirstEnergy market support generation accounts using some 205 million kwh/year and is the "preferred bidder" of two separate natural gas books of business from the same firm — "what used to be known as one of the largest retail energy companies."

The gas purchase would put Accent at the 20,000 mmbtu/day level of deliveries to customers in Columbia Gas of Ohio, Dominion East Ohio and Cincinnati Gas & Electric territories.

The company will use its own direct sales reps and agent/dealers to build its business.

ACI Capital, a private investment firm, is a major investor in Access.

Accent has applied for a retail electric license in New York too, planning to sell to C&Is in ConEd's footprint.

Another pioneer gas marketing firm — UGI Energy Services' Gasmark, founded in 1985 — won its license last week to sell gas in the Cincinnati Gas & Electric, Columbia Gas of Ohio and Dominion East Ohio choice programs.

Gasmark of Wyomissing, Pa, is one of the largest gas marketers in the mid-Atlantic region with more than 4,000 C&I customers in the footprints of 18 LDCs in Delaware, Maryland, New Jersey, Virginia, Pennsylvania and Washington, DC.

Annual sales exceed 70 bcf this year.

Neither company sought a license to sell to residential customers.

British Energy weighs selling Amergen share

British Energy (BE) is considering selling its interest in Amergen Energy, the company said yesterday, and has started talking with the UK government about a financial bail-out and long-term restructuring.

"The board has concluded that we had no alternative other than to seek government support," said Robin Jeffrey, BE executive chairman.

The government has confirmed that it is in talks with BE but failure to reach agreement with the Blair administration, the company warned, could lead to bankruptcy.

BE continues to operate its UK and North American power stations, the company said, "to supply electricity and comply with all safety and other regulator requirements."

Barton to present electricity title in about 10 days

Congress will pass an energy bill, Joe Barton, R-Tex, predicted, because of the situation with Iraq.

"It's going to be a broader bill than most people expect. I don't think it's going to be a least-common-denominator bill," he said.

House energy bill conferees will see a "comprehensive electricity proposal" for consideration along with the Senate's electricity title within a week and half, Barton added.

Barton met yesterday with Republican members of the Energy & Commerce Committee and plans to meet conference committee Chairman Billy Tauzin, R-La, "to walk him through it to make sure he's comfortable with it."

House and Senate conferees are to meet again Thursday.

OPUC sets back Nicole plans to market gas

Nicole Energy Marketing — the minority-owned firm that's hit licensing snags recently in Michigan and Ohio (RT, 8/22) has met a new setback in Ohio where it applied for a gas marketer license.

The PUC suspended action on its license for 90 days after Columbia Gas of Ohio filed objections.

Nicole was working on its answer to Columbia's filing last night and planned to deliver it to the PUC immediately, Nicole President Freddie Fulson said in a telephone interview.

Columbia Gas ejected the company — operating as Nicole Energy Services — in January last year from its gas choice program when the marketer failed to deliver gas.

Columbia told the PUC that Nicole Energy Services owes it almost $750,000 in unpaid tariffs — a lawsuit is pending in Franklin County (Ohio) Court of Common Pleas — and that it failed to meet obligations to its customers forcing them to find new suppliers "at the height of the gas price spike during the worst possible time — winter of 2000-2001."

The Westerville, Ohio-based marketer applied to provide gas to C&Is beginning this month in Columbia territory, next month to Cincinnati Gas & Electric customers and in November in Dominion East Ohio territory.

Columbia pointed to what it calls discrepancies in Nicole's application -- failure to mention some $2.3 million it owes the Ohio distributor and affiliated LDCs in Pennsylvania and Kentucky "arising out of the failure of Nicole to meet its delivery obligations and pay its bills in the winter of 2000-2001."

Although Nicole told the commission its subsidiary was no longer doing business in Ohio it still has Ohio State University as a client and only recently has been delivering adequate gas on the school's behalf, Columbia alleged.

OSU was forced to pay 120% of Columbia's standard tariff rate when Nicole has underdelivered.

Columbia is making accusations without having the facts, Fulson said, adding that the company plans to press on.

Ohio denied in June Nicole's application to be a competitive retail electric supplier.

Should FERC get power to site new power lines?

Superconductor maker likes technology much better

Giving FERC power to override state transmission siting inertia won't solve the grid's problems, an American Superconductor official notes in comments on the Electricity Oversight Board subcommittee report on grid congestion (RT, 8/15)

The issues "fundamentally are physical more than political," writes John Howe, vice president, electric industry affairs at the company whose products include grid technology solutions.

What's required is a "framework that will actually attract grid investment" and address environmental issues that often "derail timely grid upgrades," Howe noted.

Independent transmission providers (ITPs) are more likely to invest in a robust grid if, Howe suggests:

- Rate incentives are put in place;
- ITPs are encouraged to use new technologies with low environmental impacts to upgrade the grid;
- ITPs are required to solicit proposals to improve reliability and capacity on existing lines, and
- State and federal impediments to third-party investments in grid upgrades

http://story.news.yahoo.com/news?tmpl=story&u=/nm/20020906/wl_canada_nm/canada_energy_brucepower_col_1

Nuclear Watchdog Seeks Bruce Power Guarantee
Fri Sep 6, 2:50 PM ET

By Scott Anderson

TORONTO (Reuters) - Canada's nuclear watchdog called on Bruce Power on Friday to prove it has the finances to keep running its Ontario nuclear plant, after British Energy PLC, Bruce Power's largest stakeholder, said it was seeking a huge bailout from the British government.

British Energy holds an 82 percent stake in Bruce Power, which operates eight reactors at the Bruce nuclear plant in western Ontario on Lake Huron.

In a letter to Bruce Power in late August, the Canadian Nuclear Safety Commission called for a guarantee that the power plant could operate safely for a six-month period if troubled British Energy ceased operations.

CNSC, which licenses nuclear operations in Canada, requires this type of assurance every three months as part of its standard licensing agreement.

"As one of the conditions of its operating license, Bruce Power is required to have financial guarantees that if ever they should have to cease operations there would be financing available to them to cover their operations for six months to ensure a safe shut down," Michel Cleroux, a spokesman for the CNSC told Reuters.

"We have asked them to provide assurances that either British Energy can continue to meet this guarantee or else to explain how such financing would be available to them in the event that British Energy can't."

Britain's biggest electricity generator was locked in talks with the British government on Friday, after saying it faced liquidation and needed hundreds of millions of pounds to keep its reactors running. The company produces about 25 percent of Britain's electricity.

Bruce Power, a joint venture between British Energy and uranium miner Cameco Corp., holds an 18-year lease on the Ontario facility, formerly part of the giant Ontario Hydro provincial power monopoly.

Cleroux said Bruce Power must guarantee its financial ability by Sept. 10, but refused to say what action the agency would take if it did not meet the conditions.

"I cannot speculate on future decisions that the commission would make, except that the safety of Canadians would be our foremost consideration," he said.

Steve Cannon, a media relations officer with Bruce Power, said the firm would meet the agency's deadline, but refused to comment on what the company's answer would be.

"At Bruce Power we are going through business as usual. We are continuing to deliver our business plan as usual and our primary focus is on safe and reliable generation of electricity to Ontario," Cannon said.

($1=$1.56 Canadian)

Article last updated:
Thursday, September 05, 2002 10:03 AM MST

Index >

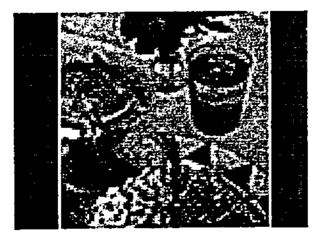
Print this Article E-Mail to a Friend Link to this Article

Top Story

TMI may be up for sale

Exelon Nuclear Corp. could make millions in deal

STAFF REPORT



HARRISBURG -- The operator of Three Mile Island says the company is considering selling its share of the nuclear power plant and two other reactors.

Exelon Nuclear Corp. spokesman Dave Simon said the company would consider a sale of AmerGen Energy, its partnership that owns TMI and two plants in New Jersey and Illinois, only if the price is right.

Analysts said TMI alone could sell for $340 million to $600 million. AmerGen bought TMI from GPU Inc. for $100 million in 1999.

"The plants were purchased at a very, very attractive price. It would be a very positive outcome for Exelon," said utility analyst Daniele Seitz of Salomon Smith Barney Inc. in New York.

'Buyers aware': But state Rep. Bruce Smith, whose district includes TMI, said the potential sale is a "major concern" because it could affect how the plant is operated and what safety precautions are taken.

The Dillsburg Republican is a longtime TMI critic who has advocated shutting the plant.

Smith said the threat to the nation's security after the Sept. 11 terrorist attacks, recent siren malfunctions, TMI's near-melt- down in 1979, and strong community activism should be considerations for any potential buyer. He said those concerns would probably make selling the plant more difficult.

Activist sees opportunity: One local nuclear activist said he plans to seize on any sale to push for the closure of the plant that sits on an island in the Susquehanna River off Goldsboro.

Eric Epstein, chairman of Three Mile Island Alert, said his group would consider intervening in the federal license transfer process and arguing that the plant is unsafe.

"What we can conclude a year after Sept. 11 is that it is still vulnerable from air, land and water," Epstein said.

New security: News of the possible sale came on the heels of an announcement yesterday by Exelon that it has met or exceeded new security standards mandated by the U.S. Nuclear Regulatory Commission after the Sept. 11 attacks.

Simon said the corporation spent $10 million on extra security for 17 reactors at 10 sites in three states, including those at TMI and at the Peach Bottom Atomic Power Station, a York County reactor owned wholly by Exelon.

The NRC ordered nuclear operators to adopt plans by Aug. 31 to protect the plants from vehicle bombs and attacks by water, as well as attacks by insiders and other threats to security.

Simon said the modifications will cost Exelon about $1.2 million extra in operating and maintenance costs at each site.

'Any option': Epstein said that besides intervening in the license transfer, he would consider organizing an environmental trust fund to buy the plant and close it.

Epstein said if the plant continues to operate under new ownership, it would be bad news for those living nearby.

He said other nuclear facilities have sold for full value recently, and he believes the only way a company could make money after paying full value for TMI is to operate with a reduced staff and fewer upgrades.

Smith said he shares Epstein's concerns about a new owner cutting costs and firing workers. "You cannot prejudge, but companies expect to make a profit and cutting personnel would be one of their options," he said.

If TMI is sold, Smith said, he's hopeful the buyer would do a better job operating the plant.

"I won't say AmerGen's ownership has been a disaster, but it certainly hasn't been a honeymoon," he said.

A first: The April 1999 sale of TMI to AmerGen represented the first instance of foreign ownership of a U.S. nuclear power plant and possibly the first outright sale of a commercial reactor in the country.

AmerGen was formed in 1997 by Philadelphia-based PECO Energy Co. and British Energy of Edinburgh, Scotland, the largest electricity generator in the United Kingdom.

The sale, announced in 1998, did not include TMI's Unit 2, which was the site of the nation's worst commercial nuclear accident in 1979, when a portion of the reactor's core melted. GPU still owns the damaged unit.

Public comment: If Exelon makes a deal to sell the plant, the NRC and other federal agencies must approve the license transfer, said NRC spokeswoman Diane Screnci. The public could request a hearing on the sale.

She said the agency would evaluate whether new owners have the financial and technical capability to safely operate and, in time, close it.

The license transfer process usually takes between six months and a year, Screnci said.

The Associated Press contributed to this report.

Home News Sports Business Community Entertainment Going Out Health Travel Visit Lancaster Marketplace

LANCASTER NEW ERA

Site Search Find
Entire Web

News
Columnists
Subscribe
Newsroom Directory
E-mail the New Era
Letter to the Editor
Weddings, Anniversaries & Engagements
New Era Tournament

Local News
Archives
Breaking News
Business
Entertainment
Funeral Invitations
Health
In The Kitchen
Lottery Results
National & World
Sports
TalkBack
Technology
Weather
Week in Review

Active Lifestyles
July Issue
May Issue
March Issue
Armstrong in the News
Comics Survey Results
Convention Center
Crime Report
Education Guide
Destination Lancaster
Home - Your Guide to Design and Gardening
August Issue
July Issue
June Issue
Lisa Michelle Lambert
Movie Guide
Outdoor Guide
Readers Choice 2002
Religion and Spirituality
Resource Guide
Route 30 Traffic Cam
Social Security
Spring Home, Lawn and Garden
Wedding Planner

Email to a friend

TMI may change hands yet again

Thursday, September 5

By Ad Crable
New Era Staff Writer

The Three Mile Island nuclear plant could get its fourth operator in three years.

Exelon Nuclear confirmed Wednesday it is in "the preliminary stages of exploring the possibility of a sale" of its 50 percent share of the plant's direct owner, AmerGen Energy.

PECO Energy Company and British Energy formed AmerGen in 1997. AmerGen purchased TMI from GPU Inc. in 1999 for $100 million and became the plant's operator. PECO and Unicom merged to form Exelon in 2000. Exelon assumed PECO's half share of AmerGen and became its new operator.

AmerGen also owns nuclear plants in Oyster Creek, N.J., and Clinton, Ill.

"We can't stress enough that it's very preliminary, and it's only a possibility. It's too early to make any other judgment what this may or may not mean," said Exelon spokesman Ralph DeSantis.

But some are already speculating.

Eric Epstein, an Exelon shareholder and spokesman for the Three Mile Island Alert anti-nuclear group, said today a change in ownership can only mean bad things for safety at the plant and for the local economy.

"Three Mile Island will fetch market value. The only way new owners can make a profit is to further reduce labor costs and take shortcuts on maintenance and operation," Epstein said.

"I feel they're already operating on the margins of safety. They've cut 25 percent of their staff since 1999."

According to Exelon's figures, TMI had 804 employees in 1998. Current employment includes 540 company workers and 100 to 150 contractors hired by Exelon at the site, DeSantis said this morning.

Epstein wondered how a possible sale would affect Exelon's plans to shift part of its emergency response team from the plant to a Coatesville facility; an expected $100 million replacement of new steam generator tubes; and an anticipated request to extend the life of TMI.

DeSantis said it was premature to address any of those issues.

Updated: 09/05/02 19:00

Temp: 75

Apartments
Automotive
Classifieds
Coupons
Employment
Personals
Real Estate
Shopping
Travel
Yellow Pages

Amazing Spider Man
Baby Blues
Bizarro
Bound And Gagged
Buckles
Classic Peanuts
FoxTrot
Frazz
Fred Basset
Garfield
Grand Avenue
Marmaduke
Non Sequitur
One Big Happy
Over the Hedge
Pooch Cafe
Real Life Adventures
Rose is Rose
Six Chix
Slylock Fox
Zits

Annie's Mailbox

Weekly Poll

Contact Us
Site Index

Exelon CEO John W. Rowe said, "Exelon remains committed to being the nation's largest and best nuclear power plant operator."

The Patriot-News of Harrisburg quotes industry analysts as predicting TMI could bring a sale price of $340 to $600 million.

The newspaper quotes analysts as saying that likely bidders are Dominion Virginia Power, Entergy of New Orleans and Florida Power & Light.

Chicago-based Exelon is the nation's largest operator of nuclear plants. It also operates and is the majority owner of the Peach Bottom plant.