

October 10, 2002

Mr. Eric Joseph Epstein, Chairman
Three Mile Island Alert, Inc.
4100 Hillsdale Road
Harrisburg, PA 17112

Dear Mr. Epstein:

I am responding to your letter dated September 10, 2002, which requested that the Nuclear Regulatory Commission (NRC) hold in abeyance any decision on the relocation of the Three Mile Island Nuclear Station, Unit 1 (TMI-1), Emergency Operations Facility (EOF) from Susquehanna Township to Coatesville, Pennsylvania. You stated that any sale of TMI-1 will likely be conditioned on unused decommissioning funds flowing back to the rate payer, i.e. Entergy/Vermont Yankee. You also stated that in addition, the purchase price of TMI-1 will likely bring full market value which will trigger a revaluation of the Public Utility Realty Tax Assessment. You further stated that after deregulation, nuclear plants were being sold for a fraction of their book value, e.g., TMI-1, \$99 million/\$512 million (annual report value) and that companies relied on these figures to calculate their tax base. You then stated that nuclear plants now sell for the same value as traditional fossil stations, e.g., FitzPatrick and Nine Mile Point.

Until a prospective buyer comes forward and the licensee submits a licensing application for the sale and transfer of TMI-1, I believe your accompanying statements contain varying degrees of speculation. Additionally, your statements regarding a future potential sale of TMI-1 do not appear to relate either directly or indirectly to the application before the Commission to relocate the EOF to Coatesville, Pennsylvania. Therefore, the NRC cannot comply with your request to hold in abeyance the EOF relocation application review. If the licensee submits an application for the sale and transfer of the TMI-1 operating license, that application will be noticed in the *Federal Register* in accordance with applicable regulatory requirements. A hearing or intervention petition may be filed at that time in accordance with Title 10 of the *Code of Federal Regulations*, Section 2.1306.

I trust the above information has been responsive to your concerns. If you have additional questions or concerns, please contact the TMI-1 Project Manager, Mr. Timothy G. Colburn, at 301-415-1402, or tgc@nrc.gov.

Sincerely,

/RA/

Stuart A. Richards, Director
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-289

cc: see next page

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Project Directorate I
Division of Licensing Project Management
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Three Mile Island Nuclear Station, Unit No. 1

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