

March 18, 2004

The Honorable Bradley M. Campbell  
State of New Jersey  
Department of Environmental Protection  
P.O. Box 402  
Trenton, New Jersey 08625-0402

Dear Mr. Campbell:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am writing in response to your letter dated February 13, 2004, in which you expressed the opposition of the State of New Jersey, Department of Environmental Protection (DEP), to the AmerGen Energy Company's (AmerGen's) request for an exemption dated April 30, 2002. AmerGen's request sought an exemption from the NRC's timely renewal provision in paragraph 2.109(b) of Title 10 of *Code of Federal Regulations* (10 CFR 2.109(b)) so that the existing operating license for the Oyster Creek Nuclear Generating Station will not be deemed to have expired until the NRC has decided whether to grant or deny AmerGen's application for renewal of the operating license. The timely renewal provision in 10 CFR 2.109(b) states that, if the licensee of a nuclear power plant files a sufficient license renewal application at least 5 years prior to the expiration of the existing operating license, the existing license will not be deemed to have expired until the NRC makes a final decision on the application. The existing operating license for Oyster Creek expires on April 9, 2009.

We appreciate the DEP's views on the AmerGen's request as expressed in your letter and the letter dated July 30, 2002, from Mr. Kent Tosch of your staff. Mr. Tosch also expressed an objection to the exemption request to 10 CFR 50.75(f)(2) regarding the submission of a preliminary decommissioning cost estimate. However, AmerGen withdrew the exemption requests by a letter dated September 25, 2002, citing "the current business environment" as the reason for withdrawal. Therefore, the NRC staff terminated its review of AmerGen's requests.

Since September 25, 2002, AmerGen has not submitted new exemption requests. However, the NRC has learned that on February 19, 2004, AmerGen made a public announcement of its intention to submit to the NRC a license renewal application for Oyster Creek in mid-2005. The NRC will include you on its service list to keep you informed of correspondence related to license renewal activities at Oyster Creek. In addition, the license renewal process includes public participation at several points. Additional information on NRC's license renewal process is available at [www.nrc.gov/reactors/operating/licensing/renewal.html](http://www.nrc.gov/reactors/operating/licensing/renewal.html).

If you have any questions or want further information, please call Dr. P.T. Kuo of the Office of Nuclear Reactor Regulation at (301) 415-1183.

Sincerely,

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Nils J. Diaz