

March 3, 2004

Ms. Virginia A. Lampman
Assistant Township Clerk
Township of Brick
401 Chambers Bridge Road
Brick Township, NJ 08723

Dear Ms. Lampman:

I am responding on behalf of the Nuclear Regulatory Commission (NRC) to the Township of Brick Council's Resolution dated January 27, 2004. The resolution expressed the Township Council opposition to extending the operating license of the Oyster Creek Nuclear Generating Station (OCNGS), owned and operated by AmerGen Energy Company, LLC (AmerGen), in Lacey Township, New Jersey, and requested that OCNGS be decommissioned immediately.

OCNGS is licensed by the NRC to operate until April 9, 2009, when the current license expires. The NRC requires that AmerGen (the licensee) comply with all the conditions set forth in the license as well as all applicable NRC regulations. NRC ensures that the licensee fully complies with the conditions in the license and all applicable regulations through our Reactor Oversight Program, and documents findings in inspection reports and other assessment documents. In our most recent summary assessment of OCNGS dated March 3, 2004, we found that plant performance for the most recent quarter was within the Licensee Response Column of the NRC Action Matrix. This classification indicates that OCNGS has operated safely and merits no regulatory attention beyond our baseline inspection program. Information on our Reactor Oversight Program (ROP), including additional information on Oyster Creek performance, can be found on the NRC's website at <http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/index.html>.

In your resolution, you raised concerns about the age of OCNGS. NRC requires plant operators to continuously test and monitor the condition of safety equipment and to keep equipment in top condition. NRC has also required licensees to correct design deficiencies that could impact plant safety. While OCNGS has been in operation since December 1969, over the years, the licensee has replaced many pieces of equipment and performed overhauls of other plant equipment. The licensee has also installed new, more modern systems to replace or supplement original systems that are obsolete or no longer considered adequate. Thus, while the plant is thirty-four (34) years old, it has continuously changed over its operational lifetime. Unless the NRC concludes that the licensee is not operating with adequate safety margins or in accordance with the terms of the license, it is a business decision on the part of AmerGen whether it elects to decommission the facility prior to the end of its operating license.

When the operating license for OCNGS expires, it will be AmerGen's responsibility to decommission this nuclear plant in accordance with applicable NRC regulations and using the financial resources AmerGen has accumulated in accordance with 10 CFR 50.75 to fund decommissioning. In a press release dated February 19, 2004, AmerGen announced its intention to seek renewal of the OCNGS operating license for a period of up to twenty (20) years. However, AmerGen has not yet submitted any application and supporting information for NRC review. Accordingly, NRC cannot at this time make any statement about a pending application. Should the NRC receive an application in the future, the NRC staff will review both

the safety and environmental issues associated with this license renewal. Specifically, the licensee must provide the NRC with an evaluation that addresses the technical aspects of plant aging and must describe how the aging will be managed. In addition, the licensee must prepare an evaluation of the potential impact on the environment to support plant operation for the additional 20 years. License renewal is a process open to public participation in a number of ways, including public meetings and the opportunity for adjudicatory hearings (see the NRC website at <http://www.nrc.gov/reactors/operating/licensing/renewal.html> for more information).

You also raised a concern that OCNGS could be a target for terrorist attacks. The NRC applies a fundamental defense-in-depth strategy for nuclear facilities such as Oyster Creek to protect public health and safety. The strategy encompasses design, construction, operation, training, event mitigation, and contingency planning, including emergency planning. Nuclear facilities are robust structures, constructed of thick concrete-reinforced walls and stainless steel liners, where appropriate. As a result of the terrorist attacks of September 11, 2001, the NRC has increased its focus on emergency preparedness at nuclear power plants. Contingency measures are in place to address situations associated with a terrorist attack on the facility. Additional information on emergency preparedness, potential health effects, and actions taken since September 11th can also be found on the NRC website (<http://www.nrc.gov>).

Regarding the issue of strontium-90 in your resolution, we note that the facility operates within NRC regulations regarding such releases to the environment. Your resolution did not provide any information regarding strontium-90 releases from OCNGS that indicated that these requirements are not being met.

Regarding your concern that the containment system would be bypassed in the event of a severe reactor accident, we note that OCNGS installed appropriate equipment in the early 1990s to address this concern. In the remote event that the containment will require venting after an accident, the hardened plant vent design will greatly reduce the magnitude of any radioactive exposure to the public.

Regarding the issue of alternative energy sources, the NRC does not have jurisdiction over this matter. The conversion to other sources of electrical energy would be an economic decision made by utility companies and would involve meeting requirements and expectations of governmental groups such as the Department of Energy, the Public Service Commissions, and the Environmental Protection Agency.

If you have any further questions regarding this matter, please call the NRC Project Manager for OCNGS, Mr. Peter Tam, at 301-415-1451.

Sincerely,

/RA/

Allen G. Howe, Acting Director
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

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