

April 6, 2004

Mr. Daniel J. Hennessy
Clerk of the Board
Board of Chosen Freeholders
County of Ocean
P.O. Box 2191, Administration Bldg.
Toms River, NJ 08754-2191

Dear Mr. Hennessy:

I am responding on behalf of the Nuclear Regulatory Commission (NRC) to the February 18, 2004, Resolution by the County of Ocean Board of Chosen Freeholders. The resolution stated that the NRC should not approve a license renewal request for the Oyster Creek Nuclear Generating Station (OCNGS) unless it meets current criteria for operational and safety standards. You also expressed concern about the integrity of the plant's construction, storage of spent fuel, and implementation of evacuation plans in the event of an accident.

The resolution stated concerns about the integrity of OCNGS during its initial construction, but gave no specifics about the issues. However, the fact that OCNGS had been granted a license and continues to hold the license means that those issues had been acceptably resolved to meet all regulatory requirements and that there is reasonable assurance that OCNGS is currently operating in compliance with NRC requirements. Issues regarding initial construction that were resolved as part of issuance of the current operating license do not need to be addressed again during license renewal.

The current license for OCNGS expires on April 9, 2009. 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 an application for NRC review. 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. All NRC technical and environmental review results, and records of adjudicatory hearings will be fully documented and published.

License renewal rests on the determination that current operating plants continue to maintain an adequate level of safety. Over the plant's life, this level of safety has been enhanced through maintenance of the licensing basis, with appropriate adjustments to address new information from industry operating experience. Additionally, the NRC's regulatory activities have provided ongoing assurance that the current licensing basis will continue to provide an acceptable level of safety. The license renewal review process was developed to provide continued assurance that this level of safety will be maintained for the period of extended operation if a renewed license is issued.

For license renewal, the NRC will review all systems, structures and components within the scope of the applicable regulations to identify "passive" and "long-lived" structures and components. The licensee must demonstrate that the effects of aging will be managed in such a way that the intended functions of those structures and components will be maintained for the period of extended operation. Passive and long-lived structures and components include components such as the reactor vessel, reactor coolant system piping, pump casings, and valve bodies. The detrimental effects of aging on "active" components are more readily detected and corrected by routine surveillance, testing, and maintenance. Surveillance, testing, and maintenance programs for active components continue to be required throughout the period of extended operation. The renewal review also verifies that analyses that are based on the current operating term have been evaluated and shown to be valid for the period of extended operation. The NRC website on license renewal provides more information at <http://www.nrc.gov/reactors/operating/licensing/renewal.html> .

You raised a concern about emergency evacuation. It is important to note that emergency preparedness (EP) is one of many layers of NRC's defense-in-depth approach to protecting public health and safety. The NRC has established requirements to design, operate, and maintain nuclear facilities, such as OCNCS, to minimize the likelihood of a severe accident that would result in a release of radioactive material and necessitate initiation of the emergency plan. However, to ensure readiness for the unlikely occurrence of a significant release, Federal regulations require that comprehensive emergency plans be prepared and periodically exercised to assure that actions can and will be taken to notify and protect the public in the vicinity of a nuclear facility in the event of a radiological emergency. While the NRC has overall responsibility for nuclear safety, the Federal Emergency Management Agency (FEMA) takes the lead in reviewing and assessing offsite planning and response and in assisting State and local governments. Federal evaluation of emergency preparedness is an ongoing process. Commercial nuclear power plants and offsite response authorities are required to regularly conduct exercises to demonstrate their ability to implement their emergency plans. EP, including evacuation planning, is an ongoing and dynamic process with the objective to continuously ascertain that it is effective. For instance, the most recent full-scale emergency exercise for OCNCS was conducted in September 2003; both FEMA and NRC determined that the plans in place for OCNCS provide reasonable assurance that the public would be protected. EP is considered a current operating plant issue, being addressed by the NRC's normal program of licensing reviews and inspections during the current term of licensed operation, and will continue to be addressed during the period of extended operation if the license is renewed. Therefore, EP is not reassessed as part of license renewal.

The issue of temporary storage of spent nuclear fuel had been generically addressed in the Generic Environmental Impact Statement for License Renewal of Nuclear Power Plants (NUREG-1437) and in NRC regulation at 10 CFR 51.23. Specifically, the regulation states that "if necessary, spent fuel generated in any reactor can be stored safely and without significant environmental impacts for at least 30 years beyond the licensed life for operation (which may include the term of a revised or renewed license) of that reactor at its spent fuel storage basin or at either onsite or offsite independent spent fuel storage installations." Absent the introduction of any new and significant information, the conclusions of NUREG-1437 regarding spent nuclear fuel are adopted in the license renewal environmental impact statements. More information regarding spent fuel storage can be found at <http://www.nrc.gov/waste/spent-fuel-storage.html>.

Mr. D. Hennessy

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If you have any further questions regarding these issues, 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

Mr. D. Hennessy

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