



RECEIVED

JUN 29 AM 9:29

Rules and Directives  
Branch

5/13/04

69FR26624

17

June 21, 2004

Chief, Rules and Directives Branch  
Division of Administration Services, Office of Administration  
Mailstop T-6D59  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

ATTN: Federal Registrar 5.13.04 Pg.

Dear Sir/Madame:

I am writing to express our support for the license renewal of Units 1 and 2 of the Point Beach Nuclear facilities located at Two Creeks, Wisconsin.

Sustaining the economic future of our state will require that we are capable of meeting the demand for electricity. We must insure we can meet our future energy requirements by providing a reliable and affordable generating and distribution system to serve the state. Clearly, our strategy will need to depend upon a variety of generating sources; coal, nuclear, hydroelectric, wind, solar, and natural gas all need to be a part of the equation.

We believe that extending the license of nuclear facilities like Point Beach is a key component of the strategy we need to employ. During the period 2000 to 2015 a total of 47 U.S. nuclear power plants are scheduled to reach the end of their 40 year operating licenses. Those 47 plants represent a net electric generating capacity of 34.5 GWe, approximately 35% of installed nuclear generation. These plants have established a strong track record—both from the standpoint of safety and from the standpoint of operating efficiency. It is critical that we extend the life of facilities like Point Beach, so we can continue to derive the substantial benefits that accrue to society based upon their low operating cost and strong record of successful operation.

In Wisconsin, Point Beach produces about one-sixth of all electrical power in the state, and approximately 24 percent of We Energies' total generation. The base-load energy produced at Point Beach is needed to meet the current customer demands. As the state's energy demand continues to grow at a rate of 2.5 to 3 percent annually, reliance on clean, affordable, and safe nuclear power is critical.

Template = ADM-013

E-LIDS = ADM-03  
Add = Stacy J. Amboden (SXF)

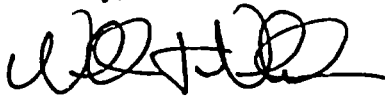
If Point Beach were no longer part of the We Energies' generating portfolio, it would be necessary to either import more power from other states or build more base-load generating capacity in the state to replace Point Beach. Both of these alternatives face significant challenges due to a severely constrained transmission system, the need for generation near the Point Beach site for electric grid stability, the financial capital necessary to build new base-load generation, as well as public siting challenges.

The most economical and responsible energy choice for WE Energies customers is to seek license renewal of the Point Beach Nuclear Plant. Initial studies have shown that the continued operation of this facility would save customers approximately \$474 million in today's dollars compared to other options.

The Fox Cities Chamber of Commerce and Industry supports license renewal for Point Beach because it believes nuclear power can meet the economic requirement of a deregulated market. This is especially true if performance continues to improve. License renewal can pay for itself by increasing plant performance over the short term, and reducing maintenance costs in the long term.

While the decision to use a nuclear plant for an additional 20 years is not a simple one, with prudent management and long term vision, nuclear power can give utilities the bulk economies of scale they will need to be competitive in the next century.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. J. Welch', with a stylized, cursive flourish at the end.

William J. Welch  
President & CEO