

March 13, 2006

Honorable Leonard T. Connors, Jr.
9th District Legislative Offices
620 West Lacey Road
Forked River, NJ 08731

Dear Assemblyman Connors:

I am responding to your letter dated January 30, 2006, in which you requested that the Nuclear Regulatory Commission (NRC) investigate and provide information related to concerns raised by one of your constituents regarding the Oyster Creek Nuclear Generating Station, owned and operated by AmerGen. These concerns are contained in a December 5, 2005, letter from Kathryn Heller Schwartz to former New Jersey Department of Environmental Protection (NJ DEP) Commissioner Bradley Campbell.

Ms. Schwartz raised a number of issues in this letter, three of which fall within the purview of the NRC. These issues include NRC licensed operator actions during the September 2002 thermal discharge event that caused a large fish kill, the working environment at the plant, and issues related to the August 6, 2005, event involving excessive grassing of the intake structure, resulting in a plant downpower.

Concerning the September 2002 fish kill event at Oyster Creek, we note that the State of New Jersey regulates thermal and chemical discharges from Oyster Creek and that the event involved a violation of Oyster Creek's New Jersey Pollutant Discharge Elimination System (NJPDES) permit. As a result, the state had legal jurisdiction to pursue enforcement action in this matter and, as noted in Ms. Schwartz's letter, imposed and negotiated a large civil penalty and settlement in this matter. Additional information regarding the State of New Jersey's enforcement action in this matter can be obtained by contacting the NJ DEP directly. The NRC would have only taken additional action in this matter if the event had involved a deliberate violation of operating procedures required by NRC regulations.

The NRC Office of Investigations (OI) did open an investigation to determine if the licensee staff in charge of the evolution that caused the fish kill deliberately violated procedures required by the NRC. OI investigators coordinated their investigation with the New Jersey Department of Criminal Justice and participated in joint interviews of current and former employees of AmerGen. This OI investigation did not substantiate that AmerGen staff deliberately violated any procedures.

Regarding the concerns expressed with the working environment at Oyster Creek, many of the statements quoted by the press and Ms. Schwartz were made during the Summer 2003 labor strike at Oyster Creek. The NRC expended significant inspection efforts during and after the 2003 strike to ensure that the plant was operated and maintained by appropriately qualified and trained personnel, and to ensure the issues raised by the striking workers were evaluated and resolved. AmerGen's Employee Concerns Program and the NRC allegation process are in place to ensure that workers can raise safety issues to both AmerGen and the NRC and have these issues reviewed and resolved without revealing their identities to management. As part of the NRC's Reactor Oversight Process, we assess the working environment at the plant. We

note that a new labor agreement was signed in late 2005, several months before the current agreement expired. We have no indication, through our inspection program, of continuing concerns in this area.

Ms. Schwartz was also concerned about what she viewed as contradictory statements regarding the August 6, 2005, event at Oyster Creek involving grassing of the intake structure, which resulted in a plant downpower and an emergency declaration. Reactor operators did take appropriate actions to place the plant in a safe condition during this event. However, an NRC follow up inspection documented a performance deficiency involving not making a proper emergency declaration during a brief portion of this event. The inspection report which documents our review of this event is available in the NRC's Agency Document Access and Management System (ADAMS) under accession numbers ML053110028 and ML053080243. ADAMS can be accessed from the NRC website located at www.nrc.gov. AmerGen took corrective actions for this and other deficiencies identified during this event. A supplemental inspection will be conducted to ensure that the performance deficiencies identified have been appropriately evaluated and that corrective actions to prevent recurrence have been put in place.

We appreciate you bringing these matters regarding the Oyster Creek Generating Station to our attention. If there are any additional concerns or any additional information you would like us to consider, please feel free to contact Dr. Ronald Bellamy, the regional branch chief for the Oyster Creek plant, at (610) 337-5200.

Sincerely,

/RA/

Samuel J. Collins
Regional Administrator

cc: State of New Jersey

March 13, 2006

Honorable Jeffrey W. Moran
9th District Legislative Offices
620 West Lacey Road
Forked River, NJ 08731

Dear Assemblyman Moran:

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Sincerely,

/RA/

Samuel J. Collins
Regional Administrator

cc: State of New Jersey

March 13, 2006

Honorable Christopher J. Connors
9th District Legislative Offices
620 West Lacey Road
Forked River, NJ 08731

Dear Senator Connors:

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Samuel J. Collins
Regional Administrator

cc: State of New Jersey

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Sincerely,

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Samuel J. Collins
Regional Administrator

cc: State of New Jersey
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