

May 27, 2009

Richard Webster, Esq.  
Eastern Environmental Law Center  
744 Broad Street, Suite 1525  
Newark, NJ 07102

Dear Mr. Webster:

Thank you for your letter dated April 17, 2009. In that letter, you expressed disappointment with: (1) the response to your letter of March 24<sup>th</sup>, (2) the opportunities for public participation in the licensing process, and (3) the preliminary outcome of the latest Oyster Creek license renewal inspection. In addition, you raised several concerns regarding the three dimensional finite element analysis performed on the Oyster Creek drywell, as submitted by Exelon to the NRC.

Public involvement in the NRC's activities is a cornerstone of strong, fair, and transparent regulation of the nuclear industry. The NRC recognizes the public's interest in the appropriate regulation of nuclear activities and provides opportunities for citizens to make their opinions known. The NRC elicits public involvement early in the regulatory process so that safety, security, and environmental concerns that may affect a community can be resolved in a timely and practical manner. The NRC considers this process to be vital to assuring the public that the NRC is making sound, balanced decisions about nuclear safety.

Consistent with our policy of openness, the NRC has provided numerous opportunities for public participation in the Oyster Creek license renewal process. The open house held before the Oyster Creek Annual Assessment Meeting on May 28 will give the public an opportunity to ask the NRC questions regarding the NRC's license renewal decision, license renewal inspections, and other related issues. The exit meeting for the recent license renewal inspection with the licensee was attended by representatives of the State of New Jersey, in accordance with our Memorandum of Understanding with the State. The preliminary results of that inspection were sent to you as an attachment to the April 10<sup>th</sup> letter and the final results are contained in an NRC inspection report, dated May 18, 2009, that is provided as Enclosure 1 to this letter.

Your April 17 letter suggests that there are some technical issues that the NRC has not resolved, for example, the monitoring of any water intrusion into the drywell exterior bays and whether the three dimensional finite element analysis of the drywell shell meets Exelon's (the licensee) commitments. The NRC reviewed the information provided in your letter and determined that the issues you raised were considered in our license renewal process. We also put certain conditions in the license that address ongoing actions by the licensee to ensure they continue to be addressed. NRC inspection reports (50-219/2006-07, 2006-013, 2008-07 & 2009-06), available publicly through the Agency Document Access and Management System ("ADAMS"), thoroughly address Exelon's efforts going forward to manage the effects of aging on the drywell shell, including corrective actions to address the NRC and Exelon observations of the drywell monitoring program noted during the Fall 2008 outage. Inspection report 50-219/2009-06 provides a comprehensive summary of the actions taken to enhance the drywell monitoring program, including measures to better monitor water intrusion into the drywell exterior bays and examine the drywell exterior coating condition. We will continue to closely monitor Exelon's

aging management efforts regarding the drywell and evaluate any observations made during future nondestructive examinations of the drywell shell.

In response to the Commission direction that the NRC Staff should respond to your January 26, 2009, letter regarding the three-dimensional finite element analysis ("3-D FEA") in their April 1, 2009, decision, I would direct you to the Office of Nuclear Reactor Regulation letter to you dated May 18, 2009, and the "Staff Assessment of the Oyster Creek 3-D Finite Element Analysis of the Drywell Shell," which is provided in the letter and is available in ADAMS. A complete discussion on the licensee's proper use of the modified capacity reduction factor, and the sensitivity studies the licensee conducted, is provided in the assessment. Your April 17, 2009, letter stated that Becht Nuclear Services (Becht), the State of New Jersey's consultant, concluded that the 3-D FEA utilized an overly optimistic capacity reduction factor. However, Becht's review clearly stated that the capacity reduction factor introduced some negative conservatisms into the 3-D FEA that were more than compensated for by its very conservative treatment of the drywell shell's imposed stresses. Of note, the Becht analysis concluded that the 3-D FEA "presents a modern, up-to-date deterministic evaluation of the Oyster Creek drywell in accordance with ASME Section III, Subsection NE. The analysis demonstrates that Code requirements are satisfied for the drywell ...." Independently, the staff's analysis discussed in detail the basis for the conclusion that the 3-D FEA analysis was based on realistic, but conservatively biased, assumptions and that it was conducted using good engineering practices and judgment.

To address the Commission's instructions, which were based on the Board's recommendation that the staff should conduct a thorough examination of the 3-D FEA by appropriate technical expertise, the NRC engaged registered professional structural engineers on its staff to perform the assessment. One of the engineers has 35 years of structural engineering experience in nuclear power plant applications and the other engineer has 40 years of experience (37 years in nuclear power plant applications). Both engineers represent the NRC in a number of standards-developing organizations, including the American Society of Mechanical Engineers (ASME), American Concrete Institute (ACI), and American Institute of Steel Construction. One of the engineers is a fellow member of the ACI and the American Society of Civil Engineers.

Finally, the 3-D FEA was performed to provide more accurate quantification of the available margin above ASME Code requirements. Three independent assessments of Oyster Creek's drywell shell have been performed by GE, Sandia National Laboratories, and Structural Integrity Associates, as well as one independent review by Becht Nuclear Services. All the assessments and reviews concluded that the drywell shell meets the applicable ASME Code requirements.

Regarding the Asbury Park Press opinion piece, the associated editorial suggested the NRC had not performed a thorough review of the potential safety issues surrounding the Oyster Creek license renewal application, and that the NRC had not provided stakeholders adequate opportunity for public input into the process. Given that this was not an accurate characterization of the NRC's approach to, and level of engagement in, reviewing the Oyster Creek license renewal application, it was important to address this matter publicly. As noted in my opinion piece, the NRC completed an extensive review and concluded reasonable assurance exists that Oyster Creek can operate for an additional 20 years without endangering the health and safety of the public.

I thank you for your interest in these matters. If you have any further questions, please contact Richard Conte of my staff at (610) 337-5183. Mr. Conte and several members of NRC staff will be available at the Annual Assessment Meeting and subsequent open house forum on May 28, 2009, to discuss these issues.

Sincerely,

/RA/

Samuel J. Collins  
Regional Administrator

Enclosure:

Oyster Creek License Renewal Inspection Report 50-219/2009-006, dated May 18, 2009

cc: See next page

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Sincerely,

**/RA/**

Samuel J. Collins  
Regional Administrator

Enclosure:

Oyster Creek License Renewal Inspection Report 50-219/2009-006, dated May 18, 2009

cc: See next page

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