United States Nuclear Regulatory Commission Official Hearing Exhibit

Entergy Nuclear Operations, Inc. In the Matter of: (Indian Point Nuclear Generating Units 2 and 3)



ASLBP #: 07-858-03-LR-BD01 Docket #: 05000247 | 05000286 Exhibit #: NYS000033-00-BD01

Admitted: 10/15/2012

Rejected: Other:

Identified: 10/15/2012 Withdrawn:

Stricken:

Format Dynamics:: CleanPrint:: http://abcnews.go.com/business/wiresto...

NYS000033

Submitted: December 12, 2011

http://abcnews.go.com/business/wirestory?id=12365227



NJ's Oyster Creek Must Replace New Transformer

By WAYNE PARRY Associated Press

LACEY TOWNSHIP, N.J. December 10, 2010 (AP)

New Jersey's Oyster Creek nuclear power plant, the nation's oldest, will have to replace a brand-new \$16 million electrical component that did not work properly.

The faulty transformer was installed along with another new one on Dec. 3. The new equipment and the cost of installing it totaled \$33 million.

Friday's announcement came two days after officials said the Oyster Creek Nuclear Generating Station in Lacey Township will shut down in 2019, 10 years earlier than expected. The plant is 41 years old.

The rising cost of maintaining Oyster Creek was one reason Chicago-based Exelon Corp. agreed to shut down the plant early

"It (the faulty transformer) is an example of the large cost of capital expenses, but this wasn't part of that decision," said plant spokesman David Benson. "We had expected both of these transformers to work."

A spare transformer was being put into service.

The early closure deal also led New Jersey to drop its demand that the plant install costly cooling towers to prevent harming Barnegat Bay and the marine life that live there

The plant's turbine was taken offline Thursday night as employees prepared to remove the bad transformer. The plant's nuclear reactor remains online, although it is operating at reduced power.

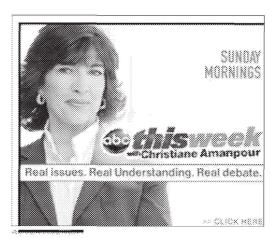
The plant is not currently generating electricity due to the turbine shutdown.

Oyster Creek went online Dec. 1, 1969, the same day as the Nine Mile Point Nuclear Generating Station near Oswego, N.Y. But Oyster Creek's original license was granted first, technically making it the oldest of the nation's 104 commercial nuclear reactors that are still operating.

The U.S. Nuclear Regulatory Commission granted the Oyster Creek station a new 20-year license in April 2009, rejecting concerns by opponents centered on corrosion to a metal enclosure that keeps superheated radioactive steam within a containment building. It would have been 60 years old at the end of that license, had the agreement to close it in 2019 not been reached.

The plant is located about 60 miles east of Philadelphia and 75 miles south of New York City. It produces 636 megawatts of electricity per hour, enough to power 600,000 homes, and provides about 9 percent of New Jersey's electricity.

(Corrects faulty turbine to transformer in 2nd paragraph.))



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