

Mr. Brian Kube  
137 Topsail Lane  
Marlborough, NJ 08050

50-219

Dear Mr. Kube:

I have been asked to respond to your letter to Senator Connors, dated August 28, 1998, regarding the possible closure of Oyster Creek Nuclear Generating Station (OCNGS) and the possible impact that closure may have on the economy and the environment of the community.

Primarily because of the established economic regulatory process, the U.S. Nuclear Regulatory Commission (NRC) has exercised limited financial oversight of electric utility licensees. The electric industry's move away from traditional rate-based regulation toward increased competition in a deregulated marketplace could have an adverse impact on the long-term ability of utilities to adequately finance safe operation and decommissioning of their nuclear power plants.

Although the NRC is not usually involved in economic or rate regulation, over the years the agency has recognized a possible relationship between adequate financing and safe operations. Licensees' efforts to reduce spending could result in smaller, less-experienced workforces; reductions in maintenance and capital budgets; shorter refueling outages, during which certain maintenance is performed; and a decline in training resources. The NRC must ensure that economic pressures do not result in reduced safety margins at operating nuclear plants and do not impair a licensee's ability to fully finance decommissioning at a plant after it is shut down.

It also should be noted that the staff has historically not found a strong correlation between levels of operation and maintenance (O&M) and capital additions expenditure and measures of safety performance. Many plants have increased capacity factors and reduced O&M costs and continues to demonstrate excellent safety performance. The NRC will continue to monitor OCNGS through the inspection process and other plant performance indicators used to assess safe plant operation.

With respect to some other issues you raised, and as indicated by your 9th District representatives in a letter to you dated August 31, 1998, there is considerable activity at the State level to develop long-term strategies to address the socioeconomic and environmental issues surrounding the OCNGS facility.

I hope this letter is responsive to your concerns regarding the safe operation of OCNGS until a final decision is made regarding the future operation of the facility.

Sincerely,

Original signed by

Samuel J. Collins, Director  
Office of Nuclear Reactor Regulation

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PDR ADDCK 05000219  
H PDR

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DATE	9/24/98	9/24/98	09/28/98	9/30/98	09/30/98

OFFICE	ADP/A	NRR/D
NAME	BBoger	SCollins
DATE	10/1/98	10/1/98

OFFICIAL RECORD COPY

080025

GPU Nuclear Corporation  
Oyster Creek Nuclear Generating Station

cc:

Ernest L. Blake, Jr., Esquire  
Shaw, Pittman, Potts & Trowbridge  
2300 N Street, NW  
Washington, DC 20037

State of New Jersey  
9th District Legislative Offices  
620 West Lacey Road  
Forked River, NJ 08731

Regional Administrator, Region I  
U.S. Nuclear Regulatory Commission  
475 Allendale Road  
King of Prussia, PA 19406-1415

BWR Licensing Manager  
GPU Nuclear Corporation  
1 Upper Pond Road  
Parsippany, NJ 07054

Mayor  
Lacey Township  
818 West Lacey Road  
Forked River, NJ 08731

Licensing Manager  
Oyster Creek Nuclear Generating Station  
Mail Stop: Site Emergency Bldg.  
P.O. Box 388  
Forked River, NJ 08731

Resident Inspector  
c/o U.S. Nuclear Regulatory Commission  
P.O. Box 445  
Forked River, NJ 08731

Kent Tosch, Chief  
New Jersey Department of  
Environmental Protection  
Bureau of Nuclear Engineering  
CN 415  
Trenton, NJ 08625

Mr. Michael B. Roche  
Vice President and Director  
GPU Nuclear Corporation  
Oyster Creek Nuclear Generating Station  
P. O. Box 388  
Forked River, NJ 08731

DISTRIBUTION

Docket File (50-219 w/orig. inc.)

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# ACTION

## EDO Principal Correspondence Control

FROM: DUE: 10/08/98

EDO CONTROL: G980589  
DOC DT: 08/31/98  
FINAL REPLY:

Senator Leonard T. Connors, Jr.  
Jeffrey W. Moran  
Christopher J. Connors  
State of New Jersey

TO:  
Taggart/Kube

FOR SIGNATURE OF : \*\* GRN \*\*  
Collins, NRR

CRC NO: 98-0889

DESC:  
OYSTER CREEK NUCLEAR GENERATING STATION

ROUTING:  
Callan  
Travers  
Thompson  
Norry  
Blaha  
Burns  
Bangart, SP  
Miller, RI  
Cyr, OGC

DATE: 09/24/98

ASSIGNED TO: NRR  
CONTACT: Collins

*FOR ACTION  
EATON/THOMAS*

SPECIAL INSTRUCTIONS OR REMARKS:  
SP to acknowledge letters.  
Ref. G980537.

NRR ACTION: DRPE:Zwolinski  
NRR RECEIVED: September 25, 1998  
NO ROUTING: Collins/Miraglia  
Sheon  
Boger  
Roe  
Zimmerman  
NRR Mailroom

ACTION  
DUE TO NRR DIRECTOR'S OFFICE  
BY 10/5/98

OFFICE OF THE SECRETARY  
 CORRESPONDENCE CONTROL TICKET

PAPER NUMBER: CRC-98 0889 LOGGING DATE: Sep 22 98  
 ACTION OFFICE: EDO  
 AUTHOR: LEONARD CONNORS, MORAN, CON  
 AFFILIATION: NEW JERSEY  
 ADDRESSEE: JAMES TAGGERT / BRIAN KUBE  
 LETTER DATE: Aug 31 98 FILE CODE:  
 SUBJECT: OYSTER CREEK  
 ACTION: Appropriate  
 DISTRIBUTION: CHAIRMAN, COMRS  
 SPECIAL HANDLING: NONE  
 CONSTITUENT:  
 NOTES:  
 DATE DUE:  
 SIGNATURE: DATE SIGNED:  
 AFFILIATION:



STATE OF NEW JERSEY

LEONARD T. CONNORS, JR.  
SENATOR — 9TH DISTRICT

9TH DISTRICT LEGISLATIVE OFFICES  
620 WEST LACEY ROAD  
FORKED RIVER, NJ 08731  
609-693-6700

JEFFREY W. MORAN  
ASSEMBLYMAN — 9TH DISTRICT  
CHRISTOPHER J. CONNORS  
ASSEMBLYMAN — 9TH DISTRICT

August 31, 1998

Mr. James M. Taggart  
194 Inlet Avenue  
Manahawkin, New Jersey 08050

Dear Mr. Taggart:

This brief note is to acknowledge a copy of your recent letter to our Legislative Office.

By way of this reply, our Delegation would like to reach out to convey to you our appreciation for your interest and concerns about the future of the Oyster Creek Nuclear Generating Station, the impact on jobs and careers and the economic effects of the possible decommissioning of this facility on your community. We completely share these and many other profound concerns. That is why we have pushed so hard for legislation to establish a Task Force for the decommissioning of this Nuclear Generating Station to develop long-term strategies to address the socioeconomic and environmental issues surrounding this facility. To save precious jobs and careers. To diminish the potential economic effects on many communities here in the region.

As you may know, the overall oversight of the Oyster Creek Nuclear Generating Station rests within the Federal Nuclear Regulatory Commission. The NRC has the responsibility to oversee this facility during its operation and eventual closure at some point in the future, hopefully, at the conclusion of its full licensure expectation in 2009 or beyond. In an effort to try to be of assistance to you in looking into your concerns as they pertain to the NRC, by copy of this reply, we are forwarding a copy of your letter to NRC Commissioner Shirley Ann Jackson. This conveyance formally requests Commissioner Jackson to thoroughly review the issues you raise.

In the area of state responsibility, you may rest assured that many efforts are underway to establish a deregulation process for the electric industry that both reflects the changing marketplace for electricity, as well as the needs of consumers, based upon federal laws and court decisions. You will also be encouraged to know that Lacey Township's state funding, in lieu of property taxes for this facility, has been safeguarded by recent changes in state law. Our Delegation led the fight to protect Lacey Township from any diminished funding of its gross receipts and franchise revenues.

31, 1998  
Mr. James M. Taggart  
Page 2

In an effort to obtain some perspective for you as to New Jersey's role in this process and what steps are underway here for electric deregulation, etc., by copy of this reply, we are sending a copy of your letter to Office of Legislative Services Senior Fiscal Analyst George J. LeBlanc. This transmittal authorizes Mr. LeBlanc to put together a comprehensive briefing on these very complex issues.

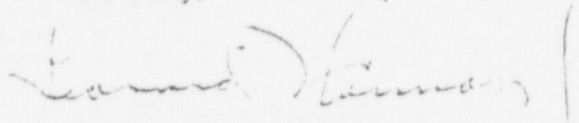
Finally, the New Jersey Board of Public Utilities will play a prominent role in the decision making process to chart Oyster Creek's future. The input of citizens, such as yourself, merits strong consideration by the BPU during its hearing process on this facility. Therefore, we are forwarding a copy of your comments to the personal attention of BPU President Herbert Tate, Jr. This conveyance formally requests your statement to be entered into the official public record of testimony on this facility.

Thank you, once again, for your proactive efforts as a concerned citizen about the future of the Oyster Creek Nuclear Generating Station. We welcome this opportunity to work with you to obtain the latest available information on this evolving issue of concern to each and every citizen of our state.

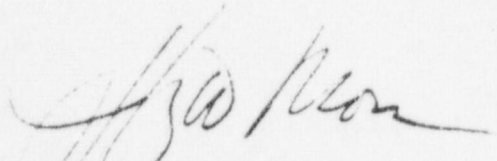
Please know, we will keep you apprised as findings are received from the NRC, OLS and the BPU.

Best regards.

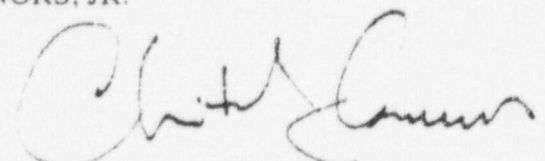
Sincerely,



LEONARD T. CONNORS, JR.  
Senator - 9th District



JEFFREY W. MORAN  
Assemblyman - 9th District



CHRISTOPHER J. CONNORS  
Assemblyman - 9th District

LTCJR/JWM/CJC/gpl/cmn

c: Honorable Shirley Ann Jackson, Commissioner, Federal Nuclear Regulatory Commission  
George J. LeBlanc, Senior Fiscal Analyst, Office of Legislative Services  
Herbert Tate, Jr., President, Board of Public Utilities  
(With Enclosure)

August 28, 1998

New Jersey Board of Public Utilities

Honorable Herb Tate

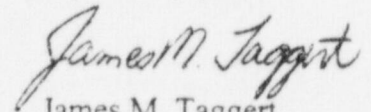
AUG 31 1998

Dear Mr. Tate,

Over the past ten years that I have lived in Southern Ocean County, I have seen how much the county, and Lacey Township in particular, has financially benefited from the revenues generated from the Oyster Creek Nuclear Generating Station being in operation. Many of the things that the township has now, would not have ever been possible if the Power Plant did not exist. In addition to that, the closure of Oyster Creek would put close to eight hundred voters out of work, which needless to say, would put even a greater strain on the local economy. Something needs to be done and deregulation is far from being the correct answer! If this source of base load is done away with, the people of this county will be forced into getting their power from possibly an out of state supplier, which will INCREASE not decrease their BILLS. Where is there the sanity in that?

As a fellow resident of New Jersey, I hope you will agree that, betting on such an unsure thing like deregulation, should only take place at the casinos in Atlantic City, and not at the expense of the majority of the voting public!

Respectfully yours,



James M. Taggart  
194 Inlet Ave.  
Manahawkin, NJ 08050





STATE OF NEW JERSEY

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August 31, 1998

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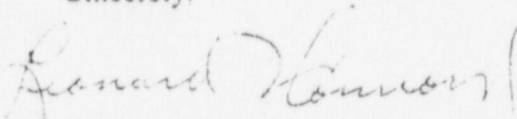
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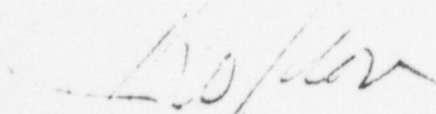
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Best regards.

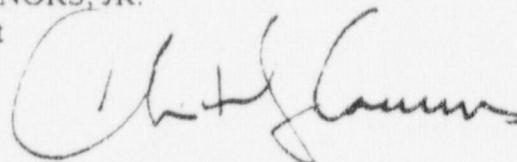
Sincerely,



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CHRISTOPHER J. CONNORS  
Assemblyman - 9th District

LTCJR/JWM/CJC/gpl/cmn

c: Honorable Shirley Ann Jackson, Commissioner, Federal Nuclear Regulatory Commission  
George J. LeBlanc, Senior Fiscal Analyst, Office of Legislative Services  
Herbert Tate, Jr., President, Board of Public Utilities  
(With Enclosure)

August, 28, 1998

AUG 31 1998

Senator Leonard F. Conners, Jr.

Dear: Senator

I AM writing this letter to Express my concern about deregulation and how it will effect the environment we live in. This deregulation Plan does not recognize the positive impact Oyster Creek Nuclear Generating Station has to the environment. If Oyster Creek is prematurely closed it will threaten our base load and increase production of our coal and gas plants, increasing carbon pollutant and present a decommission cost to the rate payers.

The great loss of revenue to the County and Township will be devastating. New Jersey can not afford the loss of thousand of jobs and jeopardize the reliability of electricity for deregulation plan with false promises of saving the rate payer money.

Thank you

Brian Kube  
137 TOPSOIL LANE  
MANHAWATON N.J.