



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

August 12, 1999

50-219

Mr. Kent W. Tosch, Manager
Bureau of Nuclear Engineering
Department of Environmental Protection
P. O. Box 415
Trenton, NJ 08625-0415

Dear Mr. Tosch:

I am responding to your letter dated January 11, 1999, regarding Technical Specification Change Request (TSCR) 264 from Oyster Creek Nuclear Generating Station. You asked two questions related to the proposed sale of property within the site boundary and exclusion area.

Your first question concerns the applicable regulatory requirements for the areas designated the site and the exclusion area and, in particular, the NRC's regulatory authority and requirements for continued operation and for decommissioning.

For continued operation, the licensee is bound by the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act) and the Commission's rules and regulations. In particular, the licensee is subject to the provisions of 10 CFR Parts 30, 40, 50, and 70. The specific provisions of their license are contained in their full power license issued July 2, 1991. With respect to decommissioning, when the facility permanently ceases operation, 10 CFR 50.82 specifies the requirements and process to follow.

Your second question concerns NRC's position on whether the sale of a large portion of the site, which includes part of the exclusion area, will be handled as a partial license termination under the NRC's regulations. The NRC's regulations in 10 CFR Part 50 do not explicitly provide for partial termination of a license. In the specific context of the proposed transaction, as we understand it, the provisions of 10 CFR 50, 30 and 20 are applicable. Under these provisions, the release criteria of 10 CFR Part 20, Subpart E apply to the prospective sale of the portion of the Oyster Creek site.

The licensee has been informed that the sale of the property is a matter of concern to the NRC and that they must apply the criteria of 10 CFR Part 20 Subpart E. We will communicate with the licensee, regarding the process for satisfying these criteria.

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August 12, 1999

K. Tosch

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The NRC will review existing documents and documents in progress, such as the licensee's Safety Evaluation pursuant to 10 CFR 50.59.

I hope these answers have been responsive to your concerns. If I can be of further help please contact me at (301) 415-3041.

Sincerely,

Original signed by:

Ronald B. Eaton, Sr. Project Manager, Section 1
Project Directorate I
Division of Licensing and Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-219

cc: See next page

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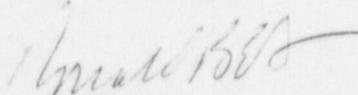
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Ronald B. Eaton, Sr. Project Manager, Section 1
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