

FACILITY: Oyster Creek Nuclear Generating Station

SUBJECT: SUMMARY OF A MEETING WITH GPU NUCLEAR INCORPORATED AND AMERGEN AND THE NRC STAFF REGARDING THE SALE AND LICENSE TRANSFER OF THE OYSTER CREEK NUCLEAR GENERATING STATION'S (OCNGS) SITE (TAC NO. MA7021)

On November 4, 1999, the U. S. Nuclear Regulatory Commission (NRC) staff held a public meeting with representatives of GPU Nuclear, Incorporated (GPUN or the licensee) and AmerGen (PECO and British Energy), the prospective licensee who has reached an agreement in principle for the purchase of OCNGS. The meeting, transcribed and held at the NRC Headquarters, was to discuss the proposed license transfer of OCNGS Operating License DPR-16 to AmerGen.

After GPUN, AmerGen, and the NRC Senior Project Manager provided opening remarks, GPUN and AmerGen provided a summary of the terms of the OCNGS sale, and a discussion of the content of the proposed license transfer amendment application, including ownership and control of AmerGen, maintaining continuity of operations at OCNGS, AmerGen technical and financial qualifications, and other required regulatory approvals.

The NRC staff, AmerGen, and GPUN all agreed that frequent communication during the review of the application will be necessary to facilitate the evaluation and schedule for review. GPUN, AmerGen, and the NRC staff provided closing remarks and the meeting was concluded.

At the conclusion of the meeting, the NRC staff was available to answer questions from members of the public.

Enclosure 1 is a list of attendees. Enclosure 2 is a copy of the licensee's handout used at the meeting. Enclosure 3 is a copy of the meeting transcription.

Original signed by:

Helen N. Pastis, Sr. Project Manager, Section 1
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-219

- Enclosures: 1. List of Participants
- 2. Licensee/AmerGen Handout
- 3. Meeting Transcription

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H. Pastis

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J. Zwolinski/S. Black

E. Adensam

S. Peterson

V. Nerses

S. Hom

A. Mckeigney

R. Wood

M. Davis

M. Tschiltz

M. Oprendeck, RGN-I

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UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

December 15, 1999

LICENSEE: GPU Nuclear, Inc.

FACILITY: Oyster Creek Nuclear Generating Station

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A handwritten signature in cursive script, appearing to read "Helen N. Pastis".

Helen N. Pastis, Sr. Project Manager, Section 1
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-219

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3. Meeting Transcription

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Forked River, NJ 08731

OYSTER CREEK LICENSE TRANSFER MEETING

November 4, 1999

List of Participants

<u>NAME</u>	<u>ORGANIZATION</u>	<u>TELEPHONE NUMBER</u>
Helen N. Pastis	NRC/NRR	(301) 415-1261
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Sheri R. Peterson	NRC/NRR	(301) 415-1193
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Alex McKeigney	NRC/NRR	(301) 415-1221
Steve Horn	NRC/OGC	(301) 415-1537

Enclosure 2

***NRC Briefing On The Sale Of
Oyster Creek
By AmerGen and GPUN***

November 4, 1999

AmerGen



Agenda

- ◆ Introduction
- ◆ Summary of the Terms of OC Sale
- ◆ Contents of Proposed License Transfer Application
- ◆ Proposed Schedule

Summary Of Terms Of OC Sale

- ◆ AmerGen purchases 100% of OC from JCP&L
- ◆ AmerGen becomes the operator of OC
- ◆ OC site personnel become AmerGen employees
- ◆ Select GPUN Parsippany, NJ, corporate support staff also join AmerGen
- ◆ JCP&L purchases 100% of power from OC until March 31, 2003

Summary of Terms of OC Sale (cont'd)

- ◆ AmerGen obtains back-up power and interconnection services from JCP&L
- ◆ JCP&L makes additional deposits to OC decommissioning trust funds and transfers the trust funds to AmerGen at closing

Contents of Proposed License Transfer Application

- ◆ Background information on AmerGen
- ◆ Continuity of OC operations
- ◆ Technical qualifications of AmerGen
- ◆ Financial qualifications of AmerGen
- ◆ Other regulatory items
- ◆ Other required regulatory approvals
- ◆ Supporting documentation

Background Information on AmerGen

- ◆ AmerGen is a U.S. LLC jointly owned by PECO Energy and British Energy, Inc.
- ◆ No material change in ownership or control of AmerGen since NRC approved the transfer of TMI-1 license to AmerGen in April 1999
- ◆ NRC has previously determined that the level of foreign participation in AmerGen is permissible under the Atomic Energy Act

Continuity of OC Operations

- ◆ Site Organization transferred to AmerGen with no material change in OC operations and maintenance
- ◆ No reduction in commitments in QA plan and no reduction in effectiveness of EP and security plans
- ◆ Assignment, transfer, or reissuance, as appropriate, of commercial and emergency planning agreements and environmental permits to AmerGen

Technical Qualifications of AmerGen

- ◆ NRC found AmerGen technically qualified to own and operate TMI-1
- ◆ Existing OC onsite organization will join AmerGen and continue to operate and maintain OC
- ◆ Vice President - OC Reports to AmerGen CEO/CNO
- ◆ Certain corporate support functions provided by PECO Nuclear (all report to AmerGen CEO/CNO)
 - ❖ Vice President-Station Support
 - ❖ Director-Nuclear Quality Assurance
 - ❖ Chairman-Nuclear Review Board

Financial Qualifications of AmerGen

- ◆ NRC found AmerGen financially qualified to own and operate TMI-1
- ◆ Power purchase agreement with JCP&L for 100% of output until March 31, 2003
- ◆ Financial projections show that power sales revenues will cover OC operating costs
- ◆ Funding commitments from PECO Energy and British Energy are sufficient to cover fixed operating costs during an extended outage

Financial Qualifications of AmerGen

(cont'd)

- ◆ Decommissioning trust funds will be transferred to AmerGen to be held outside AmerGen's administrative control
- ◆ AmerGen will have a pre-paid decommissioning trust fund for OC which exceeds the NRC formula amount *without* taking credit for a 2% annual real rate of return
 - ❖ Actual pre-paid amounts will vary depending upon the Closing Date
 - ❖ AmerGen will assure that the pre-paid amount available is not less than \$400 million

Other Regulatory Items

- ◆ Conforming amendments to licenses associated with transfer
- ◆ Off-site Power/Station Blackout
- ◆ Control of exclusion area
- ◆ OC license has no antitrust conditions and no antitrust review is required under the recent *Wolf Creek Order*
- ◆ Control of access to restricted data, restricted area, and special nuclear material
- ◆ No environmental impact
- ◆ Insurance and Price-Anderson coverage

Other Required Regulatory Approvals

- ◆ Expiration of Hart-Scott-Rodino waiting period
- ◆ Approvals of the NJ Board of Public Utilities
- ◆ Various FERC approvals (e.g., continuation of exempt wholesale generator (EWG) status, approval of interconnection agreement and power purchase agreement and transfer of jurisdictional assets)
- ◆ Certification from New York Public Service Commission

Supporting Documentation

- ◆ Purchase and Sale Agreement and Power Purchase Agreement
- ◆ Decommissioning Funding Calculations
- ◆ Conforming License Amendment and Safety Evaluation
- ◆ Organization Chart
- ◆ Request for Confidential Treatment Pursuant to 10 CFR § 2.790

Proposed Schedule

- ◆ Submit NRC license transfer request November 5, 1999
- ◆ Submit other regulatory applications as soon as possible
- ◆ Requesting NRC approval by March 1, 2000
- ◆ Closing of transaction anticipated March 31, 2000 following receipt of all required regulatory approvals
- ◆ Will keep NRC informed of developments affecting schedule