

Timothy S. Rausch
Site Vice President

Telephone 609.971.2300
Fax 609.971.4730
www.exeloncorp.com
timothy.rausch@exeloncorp.com

Oyster Creek Generating Station
US Route 9 South
P. O. Box 388
Forked River, NJ 08731

September 28, 2006

Honorable Christopher H. Smith
2373 House Office Building
U.S. House of Representatives
Washington, D.C. 20515

Honorable Jim Saxton
2217 Rayburn House Office Building
U.S. House of Representatives
Washington, D.C. 20515

Honorable Rob Andrews
2439 Rayburn House Office Building
U.S. House of Representatives
Washington, D.C. 20515

Honorable Rush Holt
1019 Longworth House Office Building
U.S. House of Representatives
Washington, D.C. 20515

Honorable Frank Pallone
420 Cannon House Office Building
U.S. House of Representatives
Washington, D.C. 20515

Honorable Bill Pascrell, Jr.
2464 Rayburn House Office Building
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressmen:

I am writing to clarify for you several inaccuracies in your letter of September 26, 2006 to NRC Chairman Klein, regarding the license renewal of Oyster Creek Generating Station. It is clear that groups opposed to the ongoing operation of Oyster Creek are continuing to mislead policymakers and the public about complex issues regarding nuclear power. I am concerned that these activists are twisting technical facts to instill unnecessary fear in members of the general public.

I would like to alert you to the following examples of misinformation included in your letter:

1. Claim: Oyster Creek, has failed to properly inspect and monitor water leakage and subsequent corrosion found on the main containment wall of the reactor.

This is false. Oyster Creek has an effective aging management program that includes the monitoring of existing and any potential corrosion of the drywell shell (referred to in your letter as the “main containment wall of the reactor”). This has been a primary focus of the NRC’s reviews so far and will need to be verified by the NRC before Oyster Creek’s license can be renewed. This program includes ultrasonic thickness measurements for corrosion monitoring of the drywell shell, visual inspections of the protective epoxy coating on the drywell shell in the sand bed region, and implementing measures to prevent water leakage into the sand bed region. The bottom line effectiveness is measured by the results of the program: the drywell sand bed corrosion has been arrested and the projected life of the drywell shell goes beyond 2029 with adequate safety margin, based on engineering analysis.

2. Claim: According to recent information provided by the Nuclear Regulatory Commission (NRC), “Exelon has not lived up to these operating commitments” made to the NRC.

This is misleading. Oyster Creek has fulfilled multiple commitments regarding the integrity of the drywell. We have monitored corrosion according to all commitments made by the previous owner. Oyster Creek also took steps to prevent leakage into the sand bed region, according to previous commitments. However, Oyster Creek was unable to verify that all drain monitoring (for water) was performed as committed to by the previous owner. This missed commitment was self-identified by Oyster Creek and subsequently implemented. Because of other drywell improvements, the presence of water in these drains would have no safety consequences. According to an NRC inspection report dated Sept. 21, 2006, even missed monitoring of the drains was “determined to be not safety significant.”

3. Claim: The intended testing target is not a large enough area to provide a comprehensive determination about corrosion and adequate safety margin and that corrosion may have already occurred beyond established safety margins.

This is false. Oyster Creek has definitively established that there is adequate safety margin. The inaccurate claim reflected in the letter has been made repeatedly by Oyster Creek detractors and quoted in the media, and corrected each time by Oyster Creek. Again, it is simply not true. Further, the entire surface of the drywell coating in the sand bed region – the “target area” – has been or will be inspected by the end of this year.

September 28, 2006

Page 3

4. Claim: A vital safety structure has been allowed to corrode beyond its safety margin.

This is false. The drywell shell has adequate safety margin today as proven by ongoing monitoring that has been implemented since 1991. The projected life of the drywell shell, based on engineering analysis, goes beyond 2029 with adequate safety margin.

5. Claim: There have been “violations of the operating license which the NRC failed to notice for eight years” relative to drywell corrosion monitoring.

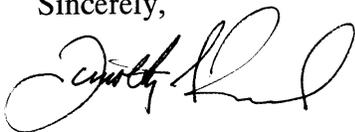
This is false: Oyster Creek has complied with its operating license requirements relative to drywell corrosion monitoring.

I can assure you that the entire Oyster Creek team is fully committed to making certain that the plant continues to operate in a manner that fully protects public health and safety while providing New Jersey with a clean and reliable supply of electricity.

I encourage you and your staff to contact me regarding any questions you may have on this or other matters related to Oyster Creek. Additionally, I would like to invite you or your staff to tour Oyster Creek when your schedules permit. I would also offer to provide you or your staff, at your convenience, a detailed presentation regarding the drywell corrosion issue and our program to manage it.

In closing, let me note that the NRC’s Advisory Committee on Reactor Safeguards (ACRS) has a public meeting scheduled for October 3, 2006, from 1:30 p.m. to 5:00 p.m. at its Rockville, Maryland, headquarters to discuss the Oyster Creek plant license renewal. I would encourage you to have your staff attend to learn more about efforts to address concerns raised by plant opponents.

Sincerely,



Tim Rausch
Site Vice President
Oyster Creek Generating Station
609-971-2300