

March 4, 2002

Mr. Oliver D. Kingsley
President and CNO
Exelon Nuclear
Exelon Generation Company, LLC
200 Exelon Way, KSA 3-E
Kennett Square, PA 19348

SUBJECT: ANNUAL ASSESSMENT LETTER - OYSTER CREEK GENERATING STATION
(REPORT 50-219/02-01)

Dear Mr. Kingsley:

On January 29, 2002, the NRC staff completed its end-of-cycle plant performance assessment of Oyster Creek Generating Station (Oyster Creek). The end-of-cycle review for Oyster Creek involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period from April 1 through December 31, 2001. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities.

As discussed in our previous annual assessment letter dated May 31, 2001, this inspection and assessment cycle consisted of three quarters (i.e., the second, third, and fourth calendar quarters of calendar year 2001) instead of the usual four quarters. This change was implemented in order to align the inspection and assessment cycle with the calendar year beginning on January 1, 2002.

Overall, Oyster Creek operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter was within the Regulatory Response Column of the NRC's Action Matrix, based on a finding of low to moderate safety significance (White), effective May 10, 2001, in the Physical Protection cornerstone. During an Operational Safeguards Response Evaluation (OSRE) in May 2001, the NRC staff identified a weakness in Amergen's response strategy during one of four force-on-force exercises. Before completing the OSRE, we confirmed that you immediately implemented appropriate compensatory measures and initiated a review to determine long term corrective actions. The NRC has scheduled a follow-up supplemental inspection for March 25, 2002, to review your assessment and corrective actions regarding this finding. Additionally, we note that you have appealed the staff's determination of significance for this White finding. That appeal is currently under review.

In our Annual Assessment Letter dated May 31, 2001, we had advised you of a potential adverse trend in the cross-cutting area of Problem Identification and Resolution, based on staff-identified findings. The trend involved insufficient rigor by station personnel in the identification of some adverse conditions and in the development of adequate corrective actions. The staff acknowledges that you have implemented a number of corrective actions to address these issues. Since that time, the NRC staff has noted some improvement, based on a reduction in the number and significance of inspection findings in this area. Therefore, the NRC staff does not deem the recent findings to constitute a substantive cross-cutting issue. These cross-cutting areas nevertheless will continue to be inspected through our baseline inspection program.

The enclosed inspection plan details the inspections scheduled through March 31, 2003. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The schedule for the last six months of the inspection plan is tentative and may be revised at the Mid-Cycle Review meeting.

Immediately following the terrorist attacks on the World Trade Center and the Pentagon, the NRC issued safeguards advisories recommending that nuclear power plant licensees go to the highest level of security, and all promptly did so. With continued uncertainty about the possibility of additional terrorist activities, the Nation's nuclear power plants, including Oyster Creek, remain at a high level of security. On February 25, 2002, the NRC issued an Order to all nuclear power plant licensees, requiring them to take certain additional interim compensatory measures to address the generalized high-level threat environment. These additional compensatory requirements will provide the NRC with reasonable assurance that public health and safety and the common defense and security continue to be adequately protected in the current generalized high-level threat environment. These requirements will remain in effect pending notification from the Commission that a significant change in the threat environment occurs, or until the Commission determines that other changes are needed following a more comprehensive re-evaluation of current safeguards and security programs. To date, we have monitored Oyster Creek's actions in response to the terrorist attacks through a series of audits. With the issuance of the Order, we will evaluate Oyster Creek's compliance with these interim requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

Mr. Oliver D. Kingsley

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If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact John Rogge at (610) 337-5146 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

A. Randolph Blough, Director
Division of Reactor Projects
Region I

Docket No. 50-219
Licensee No. DPR-16

Enclosure: Oyster Creek Generating Station Inspection/ Activity Plan

cc w/encl: Amergen Energy Company - Correspondence Control Deck
Ron J. DeGregorio, Vice President
J. A. Benjamin, Licensing - Vice President, Exelon Corporation
M. Gallagher, Director-Licensing
B. Stewart, Acting Regulatory Affairs Manager
R. Shadis, New England Coalition Staff
State of New Jersey
N. Cohen, Coordinator - Unplug Salem Campaign
E. Gbur, Coordinator - Jersey Shore Nuclear Watch
E. Zobian, Coordinator - Jersey Shore Anti Nuclear Alliance

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Oyster Creek
Inspection / Activity Plan
12/30/2001 - 03/31/2003

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	ISFSI - ISFSI		5			
1	IP 60854	Preoperational Testing Of An ISFSI		02/04/2002	02/08/2002	Other Routine
1	IP 60854	Preoperational Testing Of An ISFSI		03/25/2002	04/12/2002	Other Routine
	71121 - OCC RAD SAFETY		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/18/2002	03/22/2002	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/18/2002	03/22/2002	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation		03/18/2002	03/22/2002	Baseline Inspections
1	IP 71151	Performance Indicator Verification		03/18/2002	03/22/2002	Baseline Inspections
	711117B - PERMANENT PLANT MODS		3			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		03/18/2002	03/22/2002	Baseline Inspections
1	IP 711117B	Permanent Plant Modifications		03/18/2002	03/22/2002	Baseline Inspections
	71130 - SECURITY		1			
1	IP 7113001	Access Authorization Program (Behavior Observation Only)		03/25/2002	03/29/2002	Baseline Inspections
1	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizati		03/25/2002	03/29/2002	Baseline Inspections
	95001 - F/U WHITE OSRE FINDING		1			
1	IP 95001	Supplemental Inspection For One Or Two White Inputs In A Strategic Performance Area		03/25/2002	03/29/2002	Supplemental Program
	5/13EXAM - OPERATOR LICENSING INITIAL EXAMS		7			
1	U01440	OYSTER CREEK O/L INITIAL EXAM 5/13-17/2002		04/15/2002	04/19/2002	Not Applicable
1	U01440	OYSTER CREEK O/L INITIAL EXAM 5/13-17/2002		05/13/2002	05/17/2002	Not Applicable
	60855 - ISFSI		2			
1	IP 60855	Operation Of An ISFSI		04/08/2002	04/12/2002	Other Routine
	60854 - ISFSI		1			
1	IP 60854	Preoperational Testing Of An ISFSI		04/28/2002	05/03/2002	Other Routine
	71152B - PROBLEM IDENTIFICATION & RESOLUTION		4			
1	IP 71152B	Identification and Resolution of Problems		05/20/2002	05/24/2002	Baseline Inspections
1	IP 71152B	Identification and Resolution of Problems		06/03/2002	06/07/2002	Baseline Inspections
	7111401 - EP EXERCISE EVALUATION		4			
1	IP 7111401	Exercise Evaluation		06/04/2002	06/08/2002	Baseline Inspections
1	IP 71151	Performance Indicator Verification		06/04/2002	06/08/2002	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		06/10/2002	06/14/2002	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		06/10/2002	06/14/2002	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation		06/10/2002	06/14/2002	Baseline Inspections
1	IP 71151	Performance Indicator Verification		06/10/2002	06/14/2002	Baseline Inspections

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.

Oyster Creek
Inspection / Activity Plan
12/30/2001 - 03/31/2003

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	71114	- EP PROGRAM REVIEW	1			
1	IP 7111402	Alert and Notification System Testing		08/04/2002	08/08/2002	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		08/04/2002	08/08/2002	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		08/04/2002	08/08/2002	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		08/04/2002	08/08/2002	Baseline Inspections
	7112203	- PUB RAD SAFETY - REMP	1			
1	IP 7112203	Radiological Environmental Monitoring Program		08/12/2002	08/16/2002	Baseline Inspections
	7111105T	- FIRE PROTECTION	3			
1	IP 7111105T	Fire Protection		12/16/2002	12/20/2002	Baseline Inspections
	71130	- SECURITY-RESPONSE ATT3	2			
1	IP 7113003	Response to Contingency Events (Protective Strategy and Implementation of Protective Strategy)		10/07/2002	10/11/2002	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		10/21/2002	10/25/2002	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		10/21/2002	10/25/2002	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation		10/21/2002	10/25/2002	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/21/2002	10/25/2002	Baseline Inspections
	7111108	- INSERVICE INSPECTION	1			
1	IP 7111108	Inservice Inspection Activities		10/21/2002	10/25/2002	Baseline Inspections
	7112202	- PUB RAD SAFETY - RADWASTE	1			
1	IP 7112202	Radioactive Material Processing and Transportation		12/09/2002	12/13/2002	Baseline Inspections
	7111105T	- FIRE PROTECTION	3			
1	IP 7111105T	Fire Protection		01/06/2003	01/10/2003	Baseline Inspections
	7111112B	- MAINTENANCE RULE	1			
1	IP 7111112B	Maintenance Rule Implementation		01/13/2003	01/17/2003	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/17/2003	03/21/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/17/2003	03/21/2003	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation		03/17/2003	03/21/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		03/17/2003	03/21/2003	Baseline Inspections
	71130	- SECURITY	1			
1	IP 7113001	Access Authorization Program (Behavior Observation Only)		03/24/2003	03/28/2003	Baseline Inspections
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