

March 4, 2003

Mr. John L. Skolds  
Chairman and CEO  
AmerGen Energy Company, LLC  
4300 Winfield Road  
5<sup>th</sup> Floor  
Warrenville, IL 60555

SUBJECT: ANNUAL ASSESSMENT LETTER - OYSTER CREEK NUCLEAR POWER PLANT  
(REPORT 50-219/2003-001)

Dear Mr. Skolds:

On February 6, 2003, the NRC staff completed its end-of-cycle plant performance assessment of the Oyster Creek Nuclear Plant. 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 January 1 through December 31, 2002. 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.

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, as well as for the first three quarters of the assessment period, was within the Licensee Response Column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct only baseline inspections at your facility through March 31, 2004.

Additionally, the staff identified a substantive cross-cutting issue at Oyster Creek in the area of human performance. Specifically, the staff noted instances of lapses in human performance in procedure adherence. Procedure adherence inadequacies were identified in the initiating events, mitigating systems, barrier integrity, and occupational radiation safety cornerstones involving several findings of very low safety significance (Green). The findings involved procedures controlling test activities, modification activities, alignment of plant components, equipment performance monitoring, and repeat errors involving personnel not responding to alarming electronic dosimetry while working in High Radiation Areas. Personnel procedure adherence is important because a lapse in this area could initiate plant transients and may affect the operability, availability, and reliability of risk-significant systems. The NRC staff is aware that these findings have been individually addressed in your corrective action program, and that you had previously

listed human performance as a station focus area. However, we are concerned that most of the related findings occurred in the last quarter of this assessment period, indicating the need for additional human performance improvement. This human performance cross-cutting issue will be closely monitored during our normal baseline inspection program.

The enclosed inspection plan details the inspections scheduled through March 31, 2004. 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 inspections in the last six months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

As you are aware, since the terrorist attacks on September 11, 2001, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force readiness. We have conducted inspections to review your implementation of these requirements and have monitored your actions in response to changing threat conditions. For calendar year 2003, we plan to continue these inspections, conduct portions of the security baseline inspection program, as well as perform additional inspections to evaluate your compliance with new requirements that may be ordered. Based on our final determinations in this regard, we will notify you of any inspection plan changes.

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/reading-rm/adams.html> (the Public Electronic Reading Room).

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 Mr. Robert Summers of my staff at (610) 337-5109 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  
License No. DPR-16

Enclosure: Oyster Creek Inspection/ Activity Plan

Mr. John L. Skolds

3

cc w/encl:

AmerGen Energy Company - Correspondence Control Deck  
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Vice President - Oyster Creek  
Licensing and Regulatory Affairs-Vice President, Exelon Corporation  
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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  
Institute of Nuclear Power Operations (INPO)

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DATE	02/27/03		03/04/03		03/04/03		

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**Oyster Creek**  
**Inspection / Activity Plan**  
**12/29/2002 - 03/27/2004**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	<b>711111B - L.O. REQUALIFICATION PROGRAM</b>		<b>2</b>			
1	IP 711111B	Licensed Operator Requalification		06/02/2003	06/06/2003	Baseline Inspections
	<b>711105T - FIRE PROTECTION</b>		<b>3</b>			
1	IP 7111105T	Fire Protection		01/06/2003	01/10/2003	Baseline Inspections
	<b>711112B - MAINTENANCE RULE</b>		<b>1</b>			
1	IP 711112B	Maintenance Effectiveness		01/13/2003	01/17/2003	Baseline Inspections
	<b>71121 - OCC RAD SAFETY</b>		<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		04/28/2003	05/02/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		04/28/2003	05/02/2003	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		04/28/2003	05/02/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		04/28/2003	05/02/2003	Baseline Inspections
	<b>711121 - SSDI</b>		<b>7</b>			
1	IP 711121	Safety System Design and Performance Capability		05/19/2003	05/23/2003	Baseline Inspections
1	IP 711121	Safety System Design and Performance Capability		06/02/2003	06/06/2003	Baseline Inspections
	<b>71121 - OCC RAD SAFETY</b>		<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		06/09/2003	06/13/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		06/09/2003	06/13/2003	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		06/09/2003	06/13/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		06/09/2003	06/13/2003	Baseline Inspections
	<b>71151 - EP PI VERIFICATION</b>		<b>1</b>			
1	IP 71151	Performance Indicator Verification		06/23/2003	06/27/2003	Baseline Inspections
	<b>T1148BC - SEC ICM</b>		<b>7</b>			
1	IP 2515/148	Inspection of Nuclear Reactor Safeguards - Interim Compensatory Measures		06/23/2003	06/27/2003	Safety Issues
	<b>71121 - OCC RAD SAFETY</b>		<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		07/28/2003	08/01/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		07/28/2003	08/01/2003	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		07/28/2003	08/01/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		07/28/2003	08/01/2003	Baseline Inspections
	<b>12/8+EXM - OPERATOR LICENSING INITIAL EXAMS</b>		<b>3</b>			
1	U01496	OYSTER CREEK INITIAL EXAM (7/21-26/03)		11/10/2003	11/14/2003	Not Applicable
1	U01496	OYSTER CREEK INITIAL EXAM (7/21-26/03)		12/08/2003	12/19/2003	Not Applicable
	<b>7111401 - EP EXERCISE &amp; PI VERIFICATON</b>		<b>2</b>			
1	IP 7111401	Exercise Evaluation		09/08/2003	09/12/2003	Baseline Inspections

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**12/29/2002 - 03/27/2004**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	<b>7111107B - HEAT SINK</b>		<b>1</b>			
1	IP 7111107B	Heat Sink Performance		09/08/2003	09/12/2003	Baseline Inspections
	<b>7112201 - OCC RAD SAFETY - RETS</b>		<b>1</b>			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		11/03/2003	11/07/2003	Baseline Inspections
	<b>71121 - OCC RAD SAFETY</b>		<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		12/08/2003	12/12/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		12/08/2003	12/12/2003	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		12/08/2003	12/12/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		12/08/2003	12/12/2003	Baseline Inspections
	<b>71121 - OCC RAD SAFETY</b>		<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		02/16/2004	02/20/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		02/16/2004	02/20/2004	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		02/16/2004	02/20/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		02/16/2004	02/20/2004	Baseline Inspections