



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

March 2, 2006

Mr. Christopher M. Crane
President and CEO
AmerGen Energy Company, LLC
200 Exelon Way, KSA 3-E
Kennett Square, PA 19348

SUBJECT: ANNUAL ASSESSMENT LETTER - OYSTER CREEK GENERATING
STATION (REPORT 05000219/2006001)

Dear Mr. Crane:

On February 7, 2006, the NRC staff completed its performance review of Oyster Creek Generating Station (Oyster Creek). Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2005. 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.

This performance review and enclosed inspection plan do not include physical protection information. A separate letter designated and marked as "Official Use Only - Security-Related Information" will include the physical protection review and resultant inspection plan.

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 one inspection finding being classified as having low to moderate safety significance (White) in the Emergency Planning (EP) Cornerstone and all PIs indicating performance at a level requiring no additional NRC oversight (Green). The White finding, documented in a letter dated January 9, 2006, involved Oyster Creek staff not recognizing that plant parameters met emergency action level (EAL) thresholds during an event in August 2005.

Looking back, safety performance for Oyster Creek was in the Degraded Cornerstone Column of NRC's Action Matrix in the third quarter 2005, based on a previously identified White inspection finding in the EP Cornerstone "overlapping" the current White finding. This previous finding involved an inadequate EP event classification procedure, which was closed in an inspection report issued July 15, 2005. In May 2006, the NRC plans to conduct a 95002 supplemental inspection to evaluate the effectiveness of your corrective actions to address performance in the EP Cornerstone.

In our mid-cycle assessment letter, dated August 30, 2005, we advised you of the continuation of a substantive cross-cutting issue in the area of problem identification and resolution (PI&R). During this assessment period, there were six inspection findings that were attributable, at least in part, to weaknesses in PI&R. Based on the findings not sharing a common performance theme, and that in general, you have demonstrated timely and effective corrective actions following implementation of program improvements in June 2005, we have concluded that the

cross-cutting issue is closed.

In summary, Oyster Creek was operated safely and is currently in the Regulatory Response column of the NRC's Action Matrix. The NRC closed the PI&R substantive cross-cutting issue, which had been open for calendar year 2005.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through September 30, 2007. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last nine months of the inspection plan are tentative and may be revised at the mid-cycle review.

In accordance with 10 CFR 2.390 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 Dr. Ronald R. Bellamy, Branch Chief, at 610-337-5200 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Samuel J. Collins
Regional Administrator

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

ADAMS References:

New White finding finalized in a letter dated January 9, 2006 [ML060090428]
Previous White finding closed by the 95001 supplemental inspection report
dated July 15, 2005 [ML051960459]
Mid-cycle assessment letter dated August 30, 2005 [ML052420727]

Enclosure:
Oyster Creek Generating Station
Inspection/ Activity Plan

cc w/encl:

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Site Vice President, Oyster Creek Nuclear Generating Station, AmerGen

Plant Manager, Oyster Creek Generating Station, AmerGen

Regulatory Assurance Manager, Oyster Creek, AmerGen

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Vice President - Mid-Atlantic Operations, AmerGen

Vice President - Operations Support, AmerGen

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Distribution w/encl: VIA E-MAIL

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SISP Review Complete: DMK (Reviewer's Initials)

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NAME	MFerdas/DMK	Furhmeister/DMK	RBellamy/DMK	BHolian/BEH	RBlough/ARB
DATE	02/24/06	02/27/06	02/28/06	03/01/06	03/01/06

RI/RA	
SCollins/SJC	
03/02/06	

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Oyster Creek
Inspection / Activity Plan
03/01/2006 - 09/30/2007

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	71002	- LICENSE RENEWAL - AGING MGMT	10			
1	IP 71002	License Renewal Inspection		03/13/2006	03/17/2006	License Renewal Insp
1	IP 71002	License Renewal Inspection		03/27/2006	03/31/2006	License Renewal Insp
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/13/2006	03/17/2006	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/13/2006	03/17/2006	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		03/13/2006	03/17/2006	Baseline Inspections
	MODS	- MODS AND 50.59	3			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		04/10/2006	04/14/2006	Baseline Inspections
1	IP 7111117B	Permanent Plant Modifications		04/10/2006	04/14/2006	Baseline Inspections
	71152B	- PI&R	4			
1	IP 71152B	Identification and Resolution of Problems		04/24/2006	04/28/2006	Baseline Inspections
1	IP 71152B	Identification and Resolution of Problems		05/15/2006	05/19/2006	Baseline Inspections
	95002	- SUPPLEMENTAL FOR TWO WHITE EP ISSUES	2			
1	IP 95002	Inspection For One Degraded Cornerstone Or Any Three White Inputs In A Strategic Perform		04/30/2006	05/05/2006	Supplemental Progra
	7112202	- PUB RAD SAFETY - RADWASTE	1			
1	IP 7112202	Radioactive Material Processing and Transportation		05/01/2006	05/05/2006	Baseline Inspections
	71122	- PUBLIC RAD SAFETY - REMP	1			
1	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control F		05/15/2006	05/19/2006	Baseline Inspections
	71114	- EP PRGM INSP & PI VERIFICATION	1			
1	IP 7111402	Alert and Notification System Testing		08/07/2006	08/11/2006	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		08/07/2006	08/11/2006	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		08/07/2006	08/11/2006	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		08/07/2006	08/11/2006	Baseline Inspections
1	IP 71151	Performance Indicator Verification		08/07/2006	08/11/2006	Baseline Inspections
	9/18 EXM	- OPERATOR LICENSING INITIAL EXAMS	3			
1	U01537	OYSTER CREEK INITIAL EXAM (3/1-5/05)		08/21/2006	08/25/2006	Not Applicable
1	U01537	OYSTER CREEK INITIAL EXAM (3/1-5/05)		09/18/2006	09/22/2006	Not Applicable
	71121	- OCC RAD SAFETY PRE-OUTAGE	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		09/11/2006	09/15/2006	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		09/11/2006	09/15/2006	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		09/11/2006	09/15/2006	Baseline Inspections
	10/1 INI	- INITIAL OPERATOR LICENSING EXAM	1			
1	U01665	FY07-OYSTER CREEK INITIAL OPERATOR EXAM		10/01/2006	10/04/2006	Not Applicable

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

Oyster Creek
Inspection / Activity Plan
03/01/2006 - 09/30/2007

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	71121 - OCC RAD SAF		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		10/23/2006	10/27/2006	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		10/23/2006	10/27/2006	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		10/23/2006	10/27/2006	Baseline Inspections
	7111108G - INSERVICE INSPECTION		1			
1	IP 7111108G	Inservice Inspection Activities - BWR		10/31/2006	11/02/2006	Baseline Inspections
	71121 - OCC RAD SAF POST OUTAGE		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		12/04/2006	12/08/2006	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		12/04/2006	12/08/2006	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		12/04/2006	12/08/2006	Baseline Inspections
1	IP 71151	Performance Indicator Verification		12/04/2006	12/08/2006	Baseline Inspections
	7111111B - L.O. REQUAL. PROG. + P/F REVIEW		3			
1	IP 7111111B	Licensed Operator Requalification Program		06/04/2007	06/08/2007	Baseline Inspections
1	IP 7111111B	Licensed Operator Requalification Program		06/11/2007	06/15/2007	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/19/2007	03/23/2007	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/19/2007	03/23/2007	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		03/19/2007	03/23/2007	Baseline Inspections
	7111121 - CDBI		7			
1	IP 7111121	Component Design Bases Inspection		04/16/2007	04/20/2007	Baseline Inspections
1	IP 7111121	Component Design Bases Inspection		04/30/2007	05/04/2007	Baseline Inspections
1	IP 7111121	Component Design Bases Inspection		05/14/2007	05/18/2007	Baseline Inspections
1	IP 7111121	Component Design Bases Inspection		05/21/2007	05/25/2007	Baseline Inspections
	7111401 - EP EXERCISE & PI VERIFICATION		4			
1	IP 7111401	Exercise Evaluation		05/07/2007	05/11/2007	Baseline Inspections
1	IP 71151-EP01	Drill/Exercise Performance		05/07/2007	05/11/2007	Baseline Inspections
1	IP 71151-EP02	ERO Drill Participation		05/07/2007	05/11/2007	Baseline Inspections
1	IP 71151-EP03	Alert & Notification System		05/07/2007	05/11/2007	Baseline Inspections
	7112201 - PUB RAD SAFETY - RETS		1			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		05/07/2007	05/11/2007	Baseline Inspections
	7/23 EXM - OPERATOR LICENSING EXAM		3			
1	U01665	FY07-OYSTER CREEK INITIAL OPERATOR EXAM		06/25/2007	06/29/2007	Not Applicable
1	U01665	FY07-OYSTER CREEK INITIAL OPERATOR EXAM		07/23/2007	07/27/2007	Not Applicable
	71121 - OCC RAD SAFETY		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		07/16/2007	07/20/2007	Baseline Inspections

This report does not include INPO and OUTAGE activities.
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03/01/2006 - 09/30/2007

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				Start	End	
	71121	- OCC RAD SAFETY	1			
1	IP 7112102	ALARA Planning and Controls		07/16/2007	07/20/2007	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		07/16/2007	07/20/2007	Baseline Inspections
	7111107	- HEAT SINK INSP	1			
1	IP 7111107B	Heat Sink Performance		08/13/2007	08/17/2007	Baseline Inspections