



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
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August 31, 2006

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

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN - OYSTER
CREEK NUCLEAR POWER PLANT

Dear Mr. Crane:

On August 9, 2006, the NRC staff completed its performance review of Oyster Creek Nuclear Power Plant (Oyster Creek) for the first half of the calendar year 2006 assessment cycle. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results over the previous twelve months. 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 "Exempt from Public Disclosure in accordance with 10 CFR 2.390" will include the physical protection review and resultant inspection plan.

Plant performance for the most recent quarter at Oyster Creek 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 Preparedness (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 the 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. The previous EP finding involved an inadequate event classification procedure, which was closed in an inspection report issued July 15, 2005.

In our End-of-Cycle Assessment letter, dated March 6, 2006, we indicated that we would conduct a supplemental inspection in accordance with Inspection Procedure (IP) 95002 to evaluate the effectiveness of corrective actions to address performance in the EP Cornerstone.

This supplemental inspection was performed at Oyster Creek from May 15 through May 19, 2006. The NRC was unable to close the White inspection finding as documented in our inspection report dated July 25, 2006. Therefore, in addition to the reactor oversight process (ROP) baseline inspections, we will perform a follow-up inspection in accordance with IP 95001.

Additionally, the staff has identified a substantive cross-cutting issue in the area of human performance at Oyster Creek. During this assessment period, there were four inspection findings, one of low safety significance (White) and three of very low safety significance (Green), attributable, in part, to weaknesses in the human performance cross cutting aspect of procedural adherence. These findings involved operators not properly utilizing the EAL matrix to determine if a plant parameter met the threshold for declaring an emergency classification; operators not properly implementing an alarm response procedure for the augmented offgas system; maintenance contractor staff not properly implementing procedures during condenser tube cleaning; and operators not following an abnormal operating procedure. These issues affected multiple reactor safety cornerstones.

We recognize that Oyster Creek has recently conducted a root cause analysis and is implementing corrective actions to address human performance issues; however, we have a concern with the progress of your corrective actions to date, based on the nature of findings and observations during NRC inspections, and the effectiveness of corrective actions taken in response to the operator performance issues during the August 2005 event. We will monitor Oyster Creek's progress in this area through the normal baseline inspection program, by the completion of a Problem Identification and Resolution semi-annual trend review during the fourth quarter of 2006 in accordance with IP 71152, and through the follow up inspection in accordance with IP 95001 discussed above. Effective corrective actions resulting in consistent performance in the area of procedural adherence will support removal of this cross cutting issue.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through March 31, 2008. In addition to our normal baseline inspections, and the 95001 inspection discussion above, we will also perform license renewal commitment inspections. 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 end-of-cycle review.

In accordance with 10 CFR 2.390 of the NRC's "Rules and Practices," 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 Website at <http://www.nrc.gov/reading-rm/adams.html> (The Public Electronic Reading Room).

C. M. Crane

3

If circumstances arise which cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact Dr. Ronald R. Bellamy at 610-337-5200 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Brian E. Holian, Director
Division of Reactor Projects

Docket Nos. 50-219
License Nos. DPR-16

Enclosure: Oyster Creek Nuclear Generating Station Inspection/ Activity Plan

cc w/encl:

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DATE	08/29/06	8/31/06

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Oyster Creek
Inspection / Activity Plan
07/01/2006 - 03/31/2008

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	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
	71114 - EP PRGM INSP & PI VERIFICATION		1			
1	IP 7111402	Alert and Notification System Testing		10/01/2006	10/06/2006	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		10/01/2006	10/06/2006	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		10/01/2006	10/06/2006	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		10/01/2006	10/06/2006	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/01/2006	10/06/2006	Baseline Inspections
	71122 - PUBLIC RAD SAFETY - REMP		1			
1	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control Pr		10/09/2006	10/13/2006	Baseline Inspections
	7111108G - INSERVICE INSPECTION		1			
1	IP 7111108G	Inservice Inspection Activities - BWR		10/23/2006	10/27/2006	Baseline Inspections
	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
1	IP 7112202	Radioactive Material Processing and Transportation		10/23/2006	10/27/2006	Baseline Inspections
	71003 - INSP FOR LICENSE RENEWAL		2			
1	IP 71002	License Renewal Inspection		10/30/2006	11/09/2006	License Renewal Ins
	TI-169 - MSPI VERIFICATION		2			
1	IP 2515/169	Mitigating Systems Performance Index Verification		11/01/2006	12/15/2006	Safety Issues
	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

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

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07/01/2006 - 03/31/2008

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				Start	End	
	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
	7112202	- PUB RAD SAFETY - RADWASTE	1			
1	IP 7112202	Radioactive Material Processing and Transportation		04/23/2007	04/27/2007	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
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		07/16/2007	07/20/2007	Baseline Inspections
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	2			
1	IP 7111107B	Heat Sink Performance		08/13/2007	08/17/2007	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		11/19/2007	11/23/2007	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		11/19/2007	11/23/2007	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		11/19/2007	11/23/2007	Baseline Inspections
1	IP 71151	Performance Indicator Verification		11/19/2007	11/23/2007	Baseline Inspections
	EXM3/3	- INITIAL OPERATOR LICENSING EXAMS	2			
1	U01688	FY08 - OYSTER CREEK INITIAL OPERATOR EXAM		03/03/2008	03/07/2008	Not Applicable
	MODS	- MODS AND 50.59	5			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		01/14/2008	01/18/2008	Baseline Inspections
1	IP 7111117B	Permanent Plant Modifications		01/14/2008	01/18/2008	Baseline Inspections

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07/01/2006 - 03/31/2008

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	71111.12 - MAINTENANCE RULE		1			
1	IP 711112B	Maintenance Effectiveness		02/11/2008	02/15/2008	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/24/2008	03/30/2008	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/24/2008	03/30/2008	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		03/24/2008	03/30/2008	Baseline Inspections