



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

March 2, 2007

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 05000219/2007001)

Dear Mr. Crane:

On February 15, 2007, 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, 2006. 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.

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.

In our previous annual assessment letter, dated March 2, 2006, we indicated that we would conduct a supplemental inspection to evaluate the effectiveness of your corrective actions to address performance in the EP Cornerstone. This supplemental inspection was performed in May 2006 and we were unable to close the White inspection finding during this inspection. Therefore, in addition to the reactor oversight process (ROP) baseline inspections, we will perform a supplemental inspection using inspection procedure (IP) 95001 to assess your actions to address the White EP finding. We plan to complete this inspection within 180 days of the date that you inform us that you are ready for this inspection.

In our mid-cycle assessment letter, dated August 31, 2006, we advised you of a substantive cross-cutting issue in the human performance cross cutting aspect of procedural adherence. We indicated that we would 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 a supplemental inspection as discussed above. We indicated that effective corrective actions resulting in consistent performance in the area of procedural adherence would support removal of this cross cutting issue.

Based on your performance in this assessment period, the NRC has determined that the substantive cross cutting issue in the human performance aspect of procedural adherence will remain open, since consistent performance necessary to support removal of this cross cutting issue has not yet been demonstrated. While some progress has been made in addressing procedural adherence issues, these types of events have continued to occur. Also, you have not yet completed your planned actions in this area, including those sufficient to warrant the scheduling of the aforementioned supplemental inspection. We plan to continue to monitor the effectiveness of your corrective action plan through the normal baseline inspection program, by the completion of a Problem Identification and Resolution semi-annual trend review during the second quarter of 2007, and through the supplemental inspection discussed above using IP 95001. In addition, at the annual assessment meeting, tentatively scheduled for May 17, 2007, we request that you discuss your root cause evaluation of this human performance cross cutting issue, your corrective actions to date, and how the effectiveness of these actions will ensure consistent performance in the area of procedural adherence.

In addition, we identified that there were four green inspection findings during the current assessment period with documented cross-cutting aspects in the area of human performance, and there is a human error prevention techniques cross-cutting theme associated with these findings. In evaluating your scope of efforts and progress in addressing the cross-cutting theme, the staff determined that you appropriately identified the cross-cutting theme and are taking a range of actions to address it. Therefore, the staff has concluded that a substantive cross-cutting issue for this theme does not exist at this time.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through June 30, 2008. 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 during 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).

C. Crane

3

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 of my staff at 610-337-5200 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

David C Lew, Director
Division of Reactor Projects, Region I

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

ADAMS References:

- Final Significant Determination For A White Finding and Notice Of Violation dated January 9, 2006 [ML060090428]
- Oyster Creek Generating Station NRC Intergrated Inspection Report 05000219/2006005 dated January 18, 2007 [ML0701904610]
- Oyster Creek- NRC Emergency Preparedness Supplemental Inspection Report 05000219/2006010 dated July 25, 2006 [ML0620700110]
- Annual Assessment Letter- Oyster Creek Generating Station dated March 2, 2006 [ML0606201301]
- Mid-Cycle Performance Review and Inspection Plan- Oyster Creek Nuclear Power Plant dated August 31, 2006 [ML0624401990]

Enclosure:
Oyster Creek Generating Station Inspection/Activity Plan

cc w/encl:

Chief Operating Officer, AmerGen

Site Vice President, Oyster Creek Nuclear Generating Station, AmerGen

Plant Manager, Oyster Creek Generating Station, AmerGen

Regulatory Assurance Manager, Oyster Creek, AmerGen

Senior Vice President - Nuclear Services, AmerGen

Vice President - Mid-Atlantic Operations, AmerGen

Vice President - Operations Support, AmerGen

Vice President - Licensing and Regulatory Affairs, AmerGen

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E. Gbur, Chairwoman - Jersey Shore Nuclear Watch

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P. Baldauf, Assistant Director, Radiation Protection and Release Prevention,
State of New Jersey

Oyster Creek
Inspection / Activity Plan
01/01/2007 - 06/30/2008

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	OC71114 - EP PROG INSP		4			
1	IP 7111402	Alert and Notification System Testing		01/22/2007	01/26/2007	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		01/22/2007	01/26/2007	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		01/22/2007	01/26/2007	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		01/22/2007	01/26/2007	Baseline Inspections
	4/9EXM - INITIAL EXAM RETAKE		1			
1	U01733	FY07 OYSTER CREEK RETAKE OL EXAM		04/02/2007	04/06/2007	Not Applicable
1	U01733	FY07 OYSTER CREEK RETAKE OL EXAM		04/09/2007	04/13/2007	Not Applicable
	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
	7112202 - PUB RAD SAFETY - RADWASTE		1			
1	IP 7112202	Radioactive Material Processing and Transportation		04/23/2007	04/27/2007	Baseline Inspections
	7112203 - OCC REMP INSP		1			
1	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control Pr		04/23/2007	04/27/2007	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
	7111401 - EP EXERCISE & PI VERIFICATION		4			
1	IP 7111401	Exercise Evaluation		09/17/2007	09/21/2007	Baseline Inspections
1	IP 71151-EP01	Drill/Exercise Performance		09/17/2007	09/21/2007	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
01/01/2007 - 06/30/2008

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	7111401 - EP EXERCISE & PI VERIFICATION		4			
1	IP 71151-EP02	ERO Drill Participation		09/17/2007	09/21/2007	Baseline Inspections
1	IP 71151-EP03	Alert & Notification System		09/17/2007	09/21/2007	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
	EXM4/7 - INITIAL OPERATOR LICENSING EXAMS		2			
1	U01688	FY08 - OYSTER CREEK INITIAL OPERATOR EXAM		02/29/2008	03/04/2008	Not Applicable
1	U01688	FY08 - OYSTER CREEK INITIAL OPERATOR EXAM		04/07/2008	04/11/2008	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 711117B	Permanent Plant Modifications		01/14/2008	01/18/2008	Baseline Inspections
	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	03/28/2008	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/24/2008	03/28/2008	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		03/24/2008	03/28/2008	Baseline Inspections
	4/7 INIT - INITIAL OPERATOR LICENSING EXAM		1			
1	U01665	FY07-OYSTER CREEK INITIAL OPERATOR EXAM		04/07/2008	04/11/2008	Not Applicable
	71152B - PI&R		4			
1	IP 71152B	Identification and Resolution of Problems		04/28/2008	05/02/2008	Baseline Inspections
1	IP 71152B	Identification and Resolution of Problems		05/19/2008	05/23/2008	Baseline Inspections
	TRI FIRE - TRIENNIAL FIRE PROTECTION INSPECTION		3			
1	IP 7111105T	Fire Protection [Triennial]		06/09/2008	06/13/2008	Baseline Inspections
1	IP 7111105T	Fire Protection [Triennial]		06/23/2008	06/27/2008	Baseline Inspections
	7112201 - PUB RAD SAFETY - RETS		1			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		06/09/2008	06/13/2008	Baseline Inspections

Distribution w/encl: **VIA E-MAIL**

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