

August 30, 2004

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 5, 2004, the NRC staff completed its mid-cycle plant performance assessment of the Oyster Creek Nuclear Plant. The mid-cycle review for Oyster Creek involved the participation of all technical divisions in evaluating performance for the first half of the calendar year 2004 assessment cycle. The process included a review of 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 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. This performance review and enclosed inspection plan do not include physical protection information. A separate letter designated and marked as "Proprietary Information in accordance with 10 CFR 2.390(d)(1)" will include the physical protection review and resultant inspection plan.

Plant performance for the most recent quarter was within the Regulatory Response column of the NRC's Action Matrix, based on one inspection finding in the Mitigating Systems Cornerstone being classified as having low to moderate safety significance (White) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). This White finding involved failure to identify and correct a deficient 4KV safety cable. Due to this inspection finding, a supplemental inspection to review your root cause evaluation and corrective actions in this matter has been scheduled for September 2004. Also in the Mitigating Systems Cornerstone, an inspection finding related to not following emergency diesel generator maintenance procedures, has preliminarily been determined to be Greater Than Green. This issue was described in our letter of August 12, 2004, which afforded you the opportunity to provide the NRC with your position on this finding before we finalize the NRC significance determination. If the finding is ultimately determined to be greater than Green, the appropriate supplemental inspection will be scheduled and other actions taken in accordance with the NRC's Action Matrix.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through March 31, 2006. 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 twelve months of the inspection plan

Mr. Christopher M. Crane

2

are tentative and may be revised at the end-of-cycle review meeting. Lastly, a Radwaste inspection begun in June 2004, as previously scheduled in our letter dated March 3, 2004, could only be partially completed and has been rescheduled in the enclosed plan in November 2004, to allow AmerGen additional time to be able to support the inspection.

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 Mr. Peter Eselgroth of my staff at (610) 337-5234 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

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

Director Licensing, AmerGen

Manager Licensing - Oyster Creek, AmerGen

Vice President, General Counsel and Secretary, AmerGen

Correspondence Control Desk, AmerGen

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Mayor of Lacey Township

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R. Shadis, New England Coalition Staff

N. Cohen, Coordinator - Unplug Salem Campaign

W. Costanzo, Technical Advisor - Jersey Shore Nuclear Watch

E. Zobian, Coordinator - Jersey Shore Anti Nuclear Alliance

Institute of Nuclear Power Operations (INPO)

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OFFICE	RI/DRP		RI/DRP		RI/DRP		
NAME	RSummers/ PWE for		PEselgroth/ PWE		ABlough/ ARB		
DATE	08/26/04		08/26/04		08/27/04		

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Oyster Creek
Inspection / Activity Plan
07/01/2004 - 03/31/2006

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	71114	- EP PROGRAM INSPECTION & PI VERIF.	1			
1	IP 7111402	Alert and Notification System Testing		08/23/2004	08/27/2004	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		08/23/2004	08/27/2004	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		08/23/2004	08/27/2004	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		08/23/2004	08/27/2004	Baseline Inspections
1	IP 711151	Performance Indicator Verification		08/23/2004	08/27/2004	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		09/06/2004	09/10/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		09/06/2004	09/10/2004	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		09/06/2004	09/10/2004	Baseline Inspections
	71152	- PIR SAMPLE- LHR AREA AFFECTS ECCS SURV	1			
1	IP 71152	Identification and Resolution of Problems		09/13/2004	09/17/2004	Baseline Inspections
	95001	- CABLE FAILURE SUPPLEMENTAL	1			
1	IP 95001	Supplemental Inspection For One Or Two White Inputs In A Strategic Performance Area		09/13/2004	09/17/2004	Supplemental Program
	7112203	- PUB RAD SAFETY - REMP	1			
1	IP 7112203	Radiological Environmental Monitoring Program		10/04/2004	10/08/2004	Baseline Inspections
	10/04EXM	- OPERATOR LICENSING EXAM RETAKE	2			
1	U01618	OYSTER CREEK RETAKE EXAM (10/04)		11/19/2004	11/19/2004	Not Applicable
	7111108G	- INSERVICE INSPECTION	2			
1	IP 7111108G	Inservice Inspection Activities - BWR		11/08/2004	11/12/2004	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		11/08/2004	11/12/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		11/08/2004	11/12/2004	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		11/08/2004	11/12/2004	Baseline Inspections
	7112202	- RADWASTE	1			
1	IP 7112202	Radioactive Material Processing and Transportation		11/29/2004	12/03/2004	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		12/13/2004	12/17/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		12/13/2004	12/17/2004	Baseline Inspections
1	IP 711151	Performance Indicator Verification		12/13/2004	12/17/2004	Baseline Inspections
	7111112B	- MAINTENANCE RULE	2			
1	IP 7111112B	Maintenance Effectiveness		01/31/2005	02/04/2005	Baseline Inspections
	7112201	- PUB RAD SAFETY - RETS	1			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		03/07/2005	03/11/2005	Baseline Inspections

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07/01/2004 - 03/31/2006

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	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/28/2005	04/01/2005	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/28/2005	04/01/2005	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		03/28/2005	04/01/2005	Baseline Inspections
	7111121	- SSDI	6			
1	IP 7111121	Safety System Design and Performance Capability		05/09/2005	05/13/2005	Baseline Inspections
1	IP 7111121	Safety System Design and Performance Capability		05/23/2005	05/27/2005	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		06/06/2005	06/10/2005	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		06/06/2005	06/10/2005	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		06/06/2005	06/10/2005	Baseline Inspections
1	IP 7112202	Radioactive Material Processing and Transportation		06/06/2005	06/10/2005	Baseline Inspections
	7111111B	- LO REQUAL PROGRAM INSPECTION	2			
1	IP 7111111B	Licensed Operator Requalification Program		06/12/2005	06/17/2005	Baseline Inspections
	7111107B	- HEAT SINK	1			
1	IP 7111107B	Heat Sink Performance		09/19/2005	09/23/2005	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		10/03/2005	10/07/2005	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		10/03/2005	10/07/2005	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		10/03/2005	10/07/2005	Baseline Inspections
	7111105T	- TRIENNIAL FIRE PROTECTION INSPECTION	3			
1	IP 7111105T	Fire Protection		10/17/2005	10/21/2005	Baseline Inspections
1	IP 7111105T	Fire Protection		10/31/2005	11/04/2005	Baseline Inspections
	7111401	- EXERCISE EVALUATION & EP PI VERIFICATION	1			
1	IP 7111401	Exercise Evaluation		10/17/2005	10/21/2005	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/17/2005	10/21/2005	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		12/12/2005	12/16/2005	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		12/12/2005	12/16/2005	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		12/12/2005	12/16/2005	Baseline Inspections
1	IP 71151	Performance Indicator Verification		12/12/2005	12/16/2005	Baseline Inspections
	71121	- OCCUPATIONAL RADIATION PROTECTION	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		01/23/2006	01/27/2006	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		01/23/2006	01/27/2006	Baseline Inspections

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	71121	- OCCUPATIONAL RADIATION PROTECTION	1			
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		01/23/2006	01/27/2006	Baseline Inspections
1	IP 71151	Performance Indicator Verification		01/23/2006	01/27/2006	Baseline Inspections
	4/3 EXM	- OPERATOR LICENSING INITIAL EXAMS	1			
1	U01537	OYSTER CREEK INITIAL EXAM (3/1-5/05)		03/06/2006	03/11/2006	Not Applicable
	71002	- LICENSE RENEWAL - SCOPING	1			
1	IP 71002	License Renewal Inspection		03/16/2006	03/20/2006	License Renewal Insp

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