

May 23, 2000

Mr. Gerald Rainey
Chief Executive Officer and
Chief Nuclear Officer
AmerGen Energy Company, LLC
965 Chesterbrook Boulevard
63C-3
Wayne, PA 19087

Dear Mr. Rainey:

As you are aware, the NRC is in the initial implementation phase of its new Reactor Oversight Process (ROP) which was proposed to the Commission on February 24, 2000, in SECY-00-0049. During our transition to this process, we have continued to adhere to the revisions in the Senior Management Meeting (SMM) process that were first implemented for the April 1999 SMM. The NRC senior managers conducted this meeting on May 10 and 11, 2000, to determine if the safety performance of various licensees exhibits sufficient weaknesses to warrant increased NRC attention.

Clinton had been previously classified as a regional-focus plant as a result of the April 1999 SMM. As a result of the May 2000 SMM, and consistent with the assessment and agency actions as described in the Plant Performance Review letter dated March 31, 2000, the NRC senior managers determined that Clinton should be classified as a routine oversight plant. Under the new ROP, this term will not be used and the level of regulatory oversight and agency actions to monitor plant performance will be commensurate with that described in the ROP Action Matrix.

A summary of NRC discussions related to Clinton follows:

The senior managers considered an evaluation matrix that analyzes current licensee performance in determining the appropriate agency response to the identified performance concerns. All evaluation factors were considered to have been met. The senior managers noted that Clinton had demonstrated sustained, successful plant performance since it was restarted in May 1999 and reached full power on June 2. The unit has operated continuously since then, with only two brief, non-routine power reductions to address equipment issues. No significant plant transients have occurred since plant restart. The transition from ownership by Illinois Power Company to AmerGen in December 1999, occurred without problems.

The senior managers noted that Clinton management has demonstrated its commitment to improve licensee performance through (1) the development of a strategic plan to sustain and improve licensee performance in key areas, and (2) the allocation of sufficient resources for the strategic plan to be implemented as part of the business plan. NRC inspections verified the licensee's corrective action program had been effective in ensuring that previously identified performance weaknesses did not develop

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into significant programmatic concerns. However, some process weaknesses continued to exist in operations and selected aspects of the corrective action program. The senior managers recognized that initiatives to improve these areas have been included in the licensee's strategic plan.

The senior managers determined that assessment activities for Clinton will be conducted using the NRC ROP as described in Inspection Manual Chapter 0305, "Operating Reactor Assessment Program."

James E. Dyer, the Region III Administrator, has discussed the bases for our conclusions with regard to Clinton with members of your staff. An NRC Commission meeting, open to the public, is scheduled to be held in the Commissioners' Conference Room in Rockville, Maryland, on May 25, 2000, to review the results of the latest meeting of the NRC senior managers.

If you have any questions regarding this matter, do not hesitate to call me.

Sincerely,

/RA/

William D. Travers
Executive Director for Operations

Docket No. 50-461
License No. NPF-62

cc: See Attached List

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into significant programmatic concerns. However, some process weaknesses continued to exist in operations and selected aspects of the corrective action program. The senior managers recognized that initiatives to improve these areas have been included in the licensee's strategic plan.

The senior managers determined that assessment activities for Clinton will be conducted using routine oversight consistent with the NRC ROP as described in Inspection Manual Chapter 0305, "Operating Reactor Assessment Program."

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Executive Director for Operations

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