

May 31, 2001

Mr. Ron J. DeGregorio
Vice President Oyster Creek
AmerGen Energy Company, LLC
Oyster Creek Generating Station
P.O. Box 388
Forked River, New Jersey 08731

SUBJECT: ANNUAL ASSESSMENT LETTER - OYSTER CREEK GENERATING STATION

Dear Mr. DeGregorio,

On May 8, 2001, the NRC staff completed its end-of-cycle plant performance assessment of Oyster Creek Generating Station. The end-of-cycle review for Oyster Creek Generating Station involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period April 1, 2000, to March 31, 2001. 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. On June 20, 2001, at 2:00 p.m. we plan to discuss this assessment with you and your staff in a meeting at the Oyster Creek site Administration Building Cafeteria. The meeting will be open for public observation.

Overall, Oyster Creek Generating Station 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 Licensee Response Column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct only baseline inspections at your facility through May 31, 2002.

Additionally, our review identified a potential adverse trend in the cross-cutting area of Problem Identification and Resolution, based on staff identified findings. The trend involves insufficient rigor by station personnel in the identification of some adverse conditions and in developing adequate corrective actions. Examples of problems that were not promptly identified include: two fire doors for the 4160 volt rooms mechanically blocked open, adverse conditions associated with a service water valve mis-positioning, an inoperable reactor building differential pressure transmitter, and inadequate procedural adherence regarding improper lube oil documentation in maintenance job orders. Examples in the area of inadequate corrective actions include: two examples associated with a long standing water hammer in the containment spray piping, and failure to evaluate operating experience regarding the main steam line break analysis.

The staff recognizes that you have also identified and initiated corrective actions for these cross-cutting areas as part of your excellence plan focus areas. These focus areas include corrective action program, material condition, human performance, and organizational development initiatives. Because Oyster Creek performance is currently in the licensee response column, these cross-cutting areas will continue to be inspected through the baseline inspection program.

Mr. Ron J. DeGregorio
Oyster Creek

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The enclosure details the scheduled inspections that will occur through May 31, 2002. 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.

For your information, the NRC is in the process of aligning the inspection and assessment cycle with the calendar year. In order to transition to a calendar year cycle (January 1 - December 31), the next inspection and assessment cycle will consist of only three quarters (i.e. the second, third and fourth calendar quarters of CY 2001). As a result, a quarterly review will be conducted for the third calendar quarter (July 1 - September 30) in lieu of a mid-cycle review. The impact on the inspection plan, which is included as an enclosure, is minimal.

In accordance with 10 CFR 2.790 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/NRC/ADAMS/index.html> (the Public Electronic Reading Room). Our assessment process and terminology are further described in the NRC Reactor Oversight Process Web site at <http://www.nrc.gov/NRR/OVERSIGHT/index.html>

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 me at (610)-337-5146 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

John F. Rogge, Chief
Projects Branch 7
Division of Reactor Projects

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

Enclosure: Oyster Creek Generating Station Inspection/Activity Plan

Mr. Ron J. DeGregorio
Oyster Creek

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cc w/encl:

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DATE	5/31/01		5/31/01		5/31/01			

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Oyster Creek
Inspection / Activity Plan
06/01/2001 - 05/31/2002

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	711111B - LIC. OPER. REQUAL INSP		2			
1	IP 711111B	Licensed Operator Requalification		06/04/2001	06/08/2001	Baseline Inspections
	711107B - HEAT SINK		1			
1	IP 7111107B	Heat Sink Performance		07/09/2001	07/13/2001	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		07/23/2001	07/27/2001	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		07/23/2001	07/27/2001	Baseline Inspections
1	IP 71151	Performance Indicator Verification		07/23/2001	07/27/2001	Baseline Inspections
	7113003 - SECURITY - RESPONSE		2			
1	IP 7113003	Response to Contingency Events (Protective Strategy and Implementation of Protective Strategy)		09/10/2001	09/14/2001	Baseline Inspections
	7111401 - EP EXERCISE EVALUATION		6			
1	IP 7111401	Exercise Evaluation		10/15/2001	10/19/2001	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/15/2001	10/19/2001	Baseline Inspections
	7112103 - OCC RAD SAFETY - INSTRUMENTATION		1			
1	IP 7112103	Radiation Monitoring Instrumentation		11/05/2001	11/09/2001	Baseline Inspections
	7112201 - RETS		1			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		12/10/2001	12/14/2001	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/18/2002	03/22/2002	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/18/2002	03/22/2002	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation		03/18/2002	03/22/2002	Baseline Inspections
1	IP 71151	Performance Indicator Verification		03/18/2002	03/22/2002	Baseline Inspections
	71130 - SECURITY		1			
1	IP 7113001	Access Authorization Program (Behavior Observation Only)		03/25/2002	03/29/2002	Baseline Inspections
1	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorization)		03/25/2002	03/29/2002	Baseline Inspections
	5/13EXAM - INIT OPER LIC EXAM		5			
1	U01440	OYSTER CREEK O/L INITIAL EXAM 5/13-17/2002		04/15/2002	04/19/2002	Not Applicable
1	U01440	OYSTER CREEK O/L INITIAL EXAM 5/13-17/2002		05/13/2002	05/17/2002	Not Applicable
	7111117B - PERMANENT PLANT MODS		3			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		04/22/2002	04/26/2002	Baseline Inspections
1	IP 7111117B	Permanent Plant Modifications		04/22/2002	04/26/2002	Baseline Inspections
	71152 - PROBLEM IDENTIFICATION & RESOLUTION		4			
1	IP 71152	Identification and Resolution of Problems		05/21/2002	05/25/2002	Baseline Inspections

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