ANNUAL ASSESSMENT MEETING

Nuclear Regulatory Commission

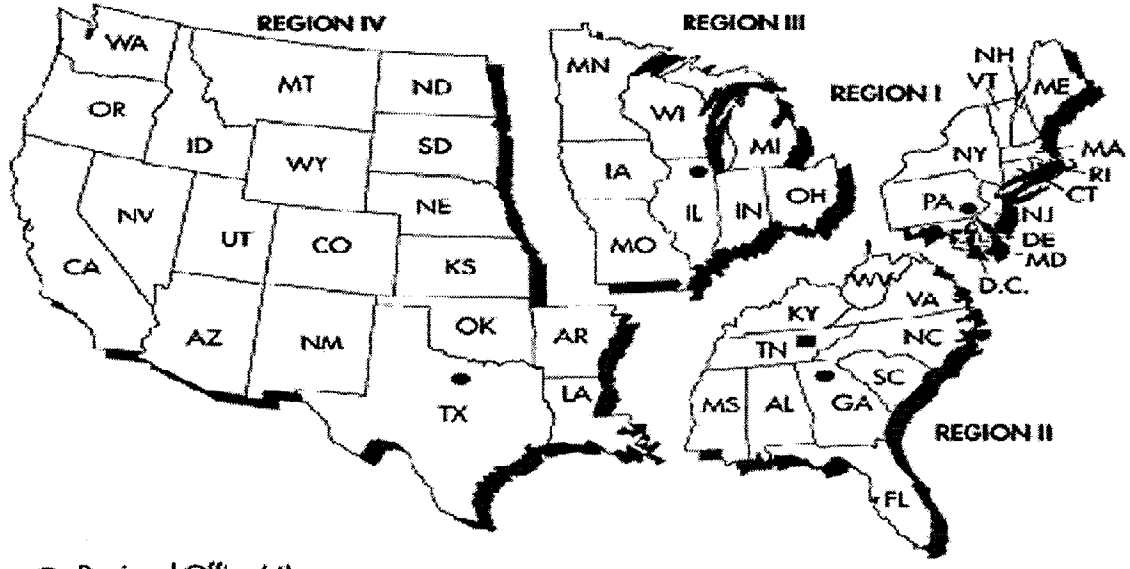
Agenda

- Introduction
- Review of Reactor Oversight Process
- Discussion of Plant Performance Results
- Licensee Remarks
- NRC Closing Remarks

NRC Activities

- Ensure nuclear plants are designed, constructed, and operated safely
- Issue licenses for the peaceful use of nuclear materials in the U.S.
- Ensure licensees use nuclear materials and operate plants safely, and are prepared to respond to emergencies

NRC REGIONAL OFFICES



Note: Alaska and Hawaii are included in Region IV.
Source: Nuclear Regulatory Commission

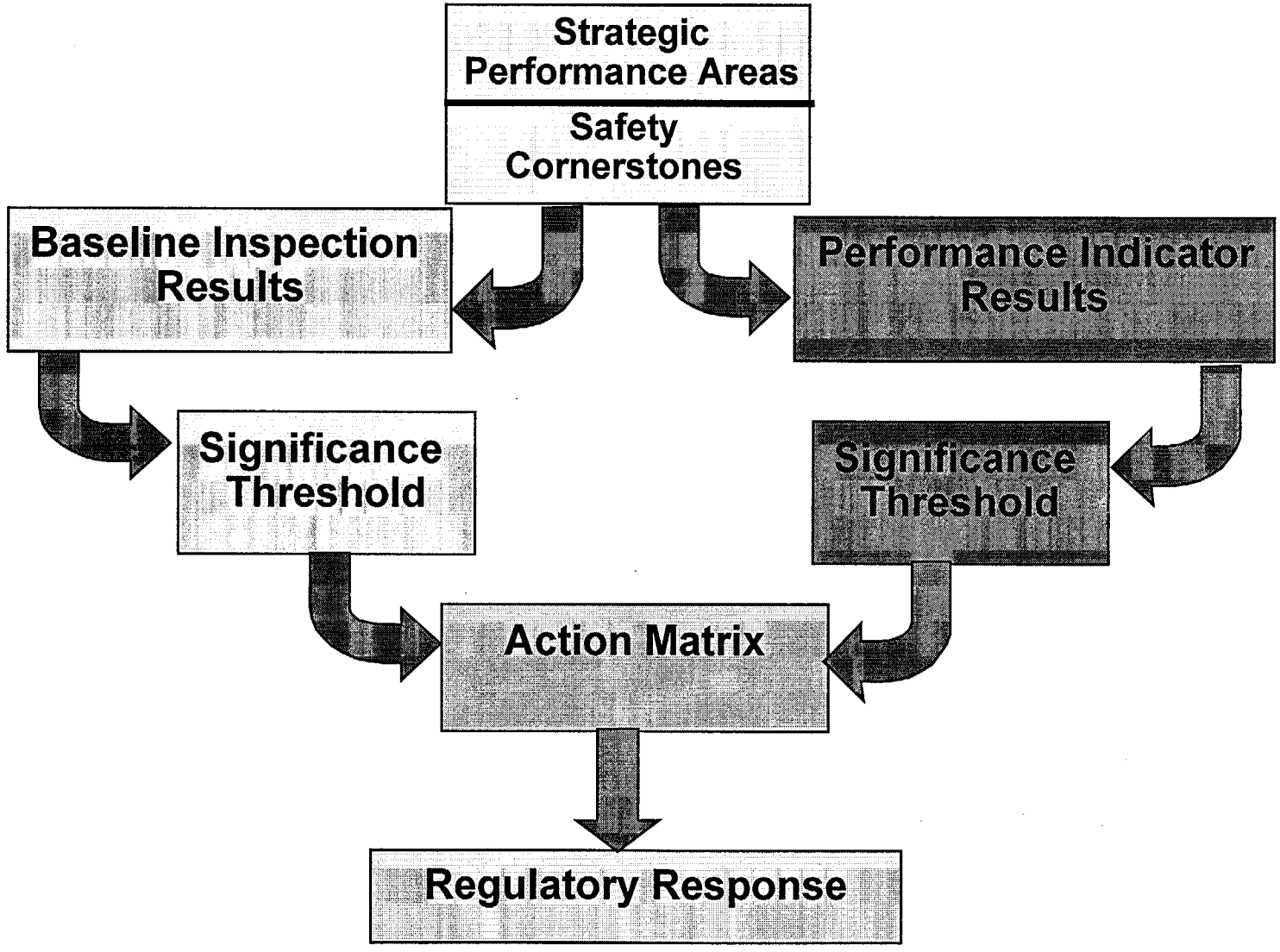
NRC Performance Goals

- Maintain safety and protect the environment
- Enhance public confidence
- Improve effectiveness, efficiency, and realism of processes and decision making
- Reduce unnecessary regulatory burden

NRC Oversight Activities

- Provides assurance plants are operating safely and in accordance with the regulations
- Risk informed process
- Objective indicators of performance
- Inspections focused on key safety areas
- Defines expected NRC and licensee actions

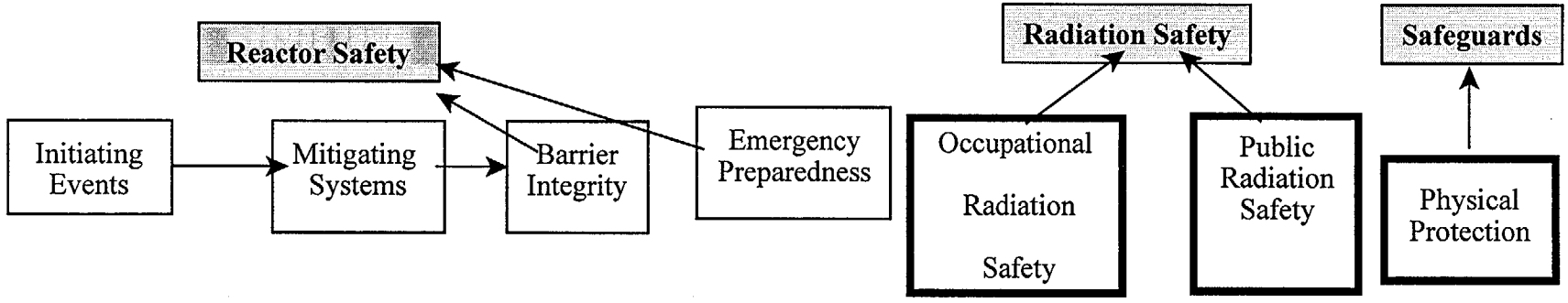
Reactor Oversight Process



Strategic Performance Areas
Safety Cornerstones

- Reactor Safety
  - Initiating Events
  - Mitigating Systems
  - Barrier Integrity
  - Emergency Preparedness
- Radiation Safety
  - Occupational Radiation Safety
  - Public Radiation Safety
- Safeguards
  - Physical protection

Relationship of Strategic Performance Areas, Safety Cornerstones and Performance Indicators



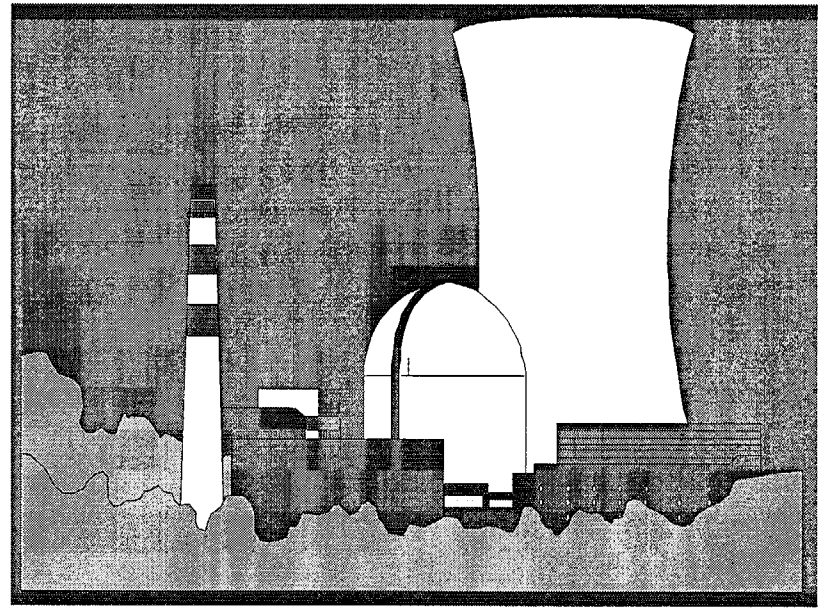
Performance Indicators

- Unplanned Scrams
- Scrams with Loss of Normal Heat Removal
- Unplanned Power Change
- Emergency AC Power System Unavailability
- High Pressure Injection System Unavailability
- Heat Removal System Unavailability
- Residual Heat Removal System Unavailability
- Safety System Functional Failure
- Reactor Coolant System Specific Activity
- Reactor Coolant System Leakage
- Drill/Exercise Performance
- ERO Drill Participation
- Alert and Notification System
- Occupational Exposure Control Effectiveness
- RETS/ODCM Radiological Effluents
- Protected Area Equipment
- Personnel Screening Program
- FFD/Personnel Reliability Program

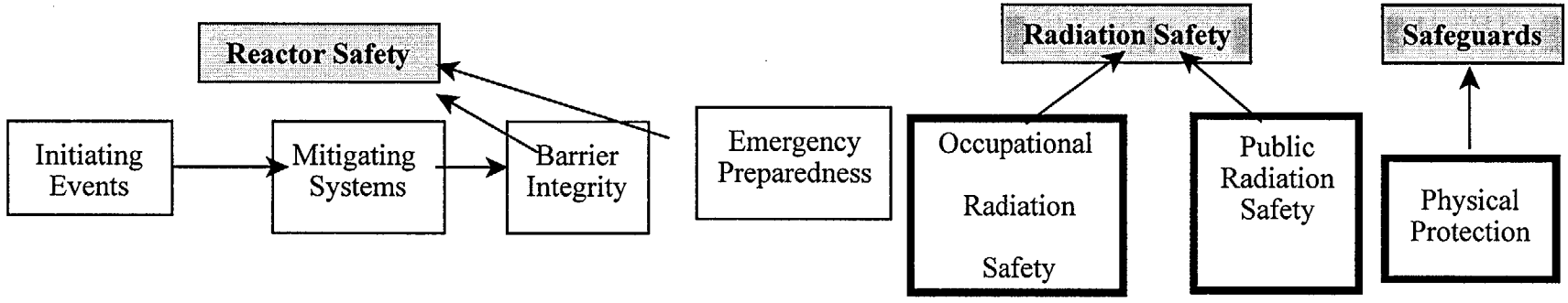
NRC Resident and Regional Inspectors Conduct Safety Inspections

Baseline Inspections at all reactor sites to monitor plant safety performance in each of the Strategic Performance Areas

Event Follow-up and Supplemental Inspections when required



Inspection Areas



Inspection Procedures

- Adverse Weather
- Evaluation of Changes
- Equipment Alignment
- Fire Protection
- Flood Protection
- Heat Sink
- In Service Inspection
- Operator Requalification
- Maintenance Rule Imp
- Maintenance Risk Assessment
- Non-Routine Events

- Operability Evaluation
- Operator Workarounds
- Permanent Mods-Online
- Permanent Mods
- Post Maintenance Test
- Refueling Outage
- SSDI
- Surveillance Testing
- Temporary Modifications
- PI&R
- Event Follow-up
- PI Verification

- Excercise Evaluation
- Alert and Notice
- ERO Augment
- EAL
- EP Preparation
- Drill Evaluation

- RAD Access
- ALARA Plan
- RAD monitoring
- RAD Effluents
- RAD Transport
- RAD Environmental

- Sec Authorization Access
- Sec Search
- Sec Response
- Sec Plan change

Key Aspects of Baseline Inspection Program

- Objective evidence of plant safety
- Conducted at all plants
- Emphasizes safety significant systems, components, activities, and events
- Monitors licensee effectiveness in finding and fixing safety issues
- Inspection reports describe significant findings and non-compliance
- Inspection reports are publically accessible

Examples of Baseline Inspections

- Plant safety tours
- Plant control room tours
- Maintenance and alignment of equipment
- Operator response during simulated emergency conditions
- Worker radiation protection
- Controls for radiation releases
- Plant security

Event Follow-up and Supplemental Inspection

- Review events for significance
- Follow-up significant inspection findings
- Determine causes of performance declines
- Provides for graduated response

Significance Threshold

Performance Indicators

Green: Performance requiring no NRC oversight beyond baseline Inspection

White: Performance may result in increased NRC oversight

Yellow: Performance that minimally reduces safety margin and requires more NRC oversight

Red: Performance that represents significant reduction in safety, requires more NRC oversight, but provides adequate protection to public health and safety

Inspection Findings

Green: Very Low safety issue
White: Low to moderate safety issue
Yellow: Substantial safety issue
Red: High safety issue

Key Aspects of Assessment Program

- Objective assessment of peformance
- "Action Matrix" to determine agency response to performance
  - Inspection level increases
  - Management involvement increases
  - Regulatory actions increase
- Plant specific assessment letters
- Information on NRC public web site

Action Matrix Concept

Licensee Response	Regulatory Response	Degraded Cornerstone	Multiple/Degraded Cornerstone	Unacceptable Performance

Increasing Safety Significance

Increasing NRC Inspection Efforts

Increasing NRC/Licensee Management Involvement

Increasing Regulatory Actions

National Summary

First Quarter Calendar Year 2001 Performance Indicator Results

Green: 1818
White: 14
Yellow: 0
Red: 0

Total Inspection Findings (April 2000 - March 2001)

Green: 1031
White: 20
Yellow: 1
Red: 1

National Summary Of Plant Performance - 102 Plants End of First Quarter Calendar Year 2001

Licensee Response	83
Regulatory Response	15
Degraded Cornerstone	3
Multiple/Repetitive Degraded Cornerstone	1
Unacceptable	0

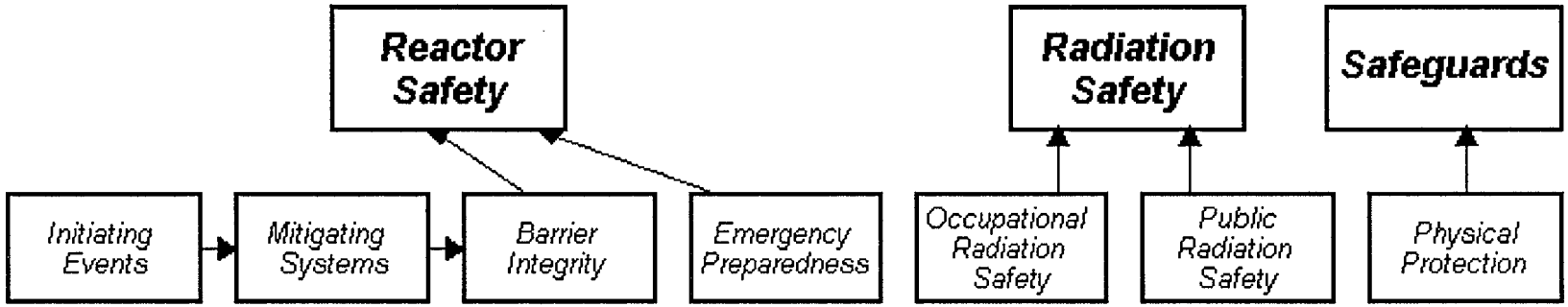
Oyster Creek Annual Assessment

- Operated safely
- Fully met all cornerstone objectives
- Current performance within Licensee Response column of Action Matrix
  - All Inspection Findings of very low safety significance (Green)
  - All Performance Indicators require no additional NRC oversight (Green)
- NRC Plans to conduct baseline inspections

Oyster Creek Annual Assessment

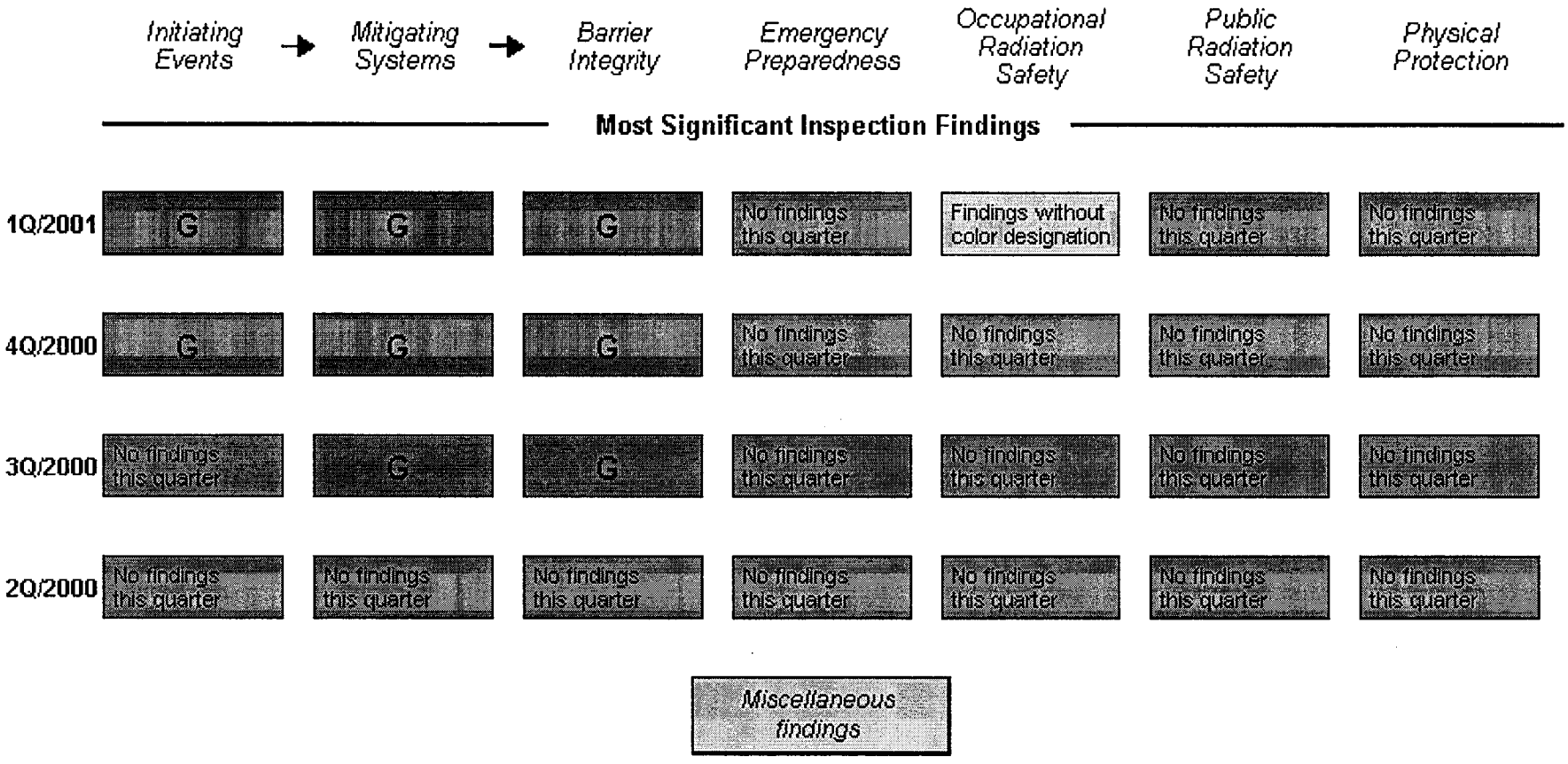
- Potential adverse trend identified with Problem Identification and Resolution
  - Insufficient rigor in the identification of some adverse conditions
  - Insufficient rigor in developing corrective actions
- AmerGen has also identified and initiated corrective actions for these areas

Oyster Creek
1Q/2001 Performance Summary



Performance Indicators

Unplanned Scrams (G)	Emergency AC Power System Unavailability (G)	Reactor Coolant System Activity (G)	Drill/Exercise Performance (G)	Occupational Exposure Control Effectiveness (G)	RETS/ODCM Radiological Effluent (G)	Protected Area Equipment (G)
Scrams With Loss of Normal Heat Removal (G)	High Pressure Injection System Unavailability (T)	Reactor Coolant System Leakage (G)	ERO Drill Participation (G)			Personnel Screening Program (G)
Unplanned Power Changes (G)	Heat Removal System Unavailability (T)		Alert and Notification System (G)			FFD/Personnel Reliability Program (G)
	Residual Heat Removal System Unavailability (G)					
	Safety System Functional Failures (G)					



- **Assessment Reports/Inspection Plans:**
  - 1Q/2001
  - 4Q/2000
  - 3Q/2000
  - 2Q/2000

- **List of Inspection Reports**

NRC Representatives

- John Rogge, Chief Reactor Projects Branch
  - (jfr@nrc.gov (610) 337-5146)
- Neil Perry, Senior Project Engineer
  - (nsp@nrc.gov (610) 337-5225)
- Laura Dudes, Senior Resident Inspector
  - (lad@nrc.gov (609) 693-0702)
- Thomas Hipschman, Resident Inspector
  - (trh@nrc.gov (609) 693-0702)
- Jeffrey Herrera, Project Engineer
  - (jxh4@nrc.gov (610) 337-5399)

Reactor Oversight Process
NRC Web site

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http://www.nrc.gov/NRR/OVERSIGHT/index.html

Documentation also available via ADAMS or by contacting the PDR at 1-800-397-4209

June 20, 2001
Nuclear Regulatory Commission End of Cycle Review

Attendance Sheet

DANIEL MCMILLAN (IRNC DEPT)

ERNEST J. HARKNESS (PLANT MANAGER)

WILLIAM V. STEWART (REGULATORY ASSURANCE)

Ron DeGregorio Site VP

John Rogge Branch Chief NRC

Laura Dudes Senior Resident Inspector NRC

Jeffery Herrera Reactor Engineer NRC

June 20, 2001
Nuclear Regulatory Commission End of Cycle Review

Attendance Sheet

John Winton	Dover Twp	OEM	
Paul Daley	Dover Twp.	OEM	
Rebecca Hendricks	LEHT	newspaper - Press of Atlantic City	x
Rod Sterling	Mayor	Lacey Twp	
Rich Pinney	New Jersey	DEP	
Vinod Aggarwal	Oyster Creek	Engineering	
Darryl Lequia	Oyster Creek	Site Support	
Karen Sudol	Stafford	APP	x
Richard Ewart	Lacey Twp -	AmerGen	Security Dept.
Debra L Plane	AmerGen	Sr. Communications	Rep
David W Larsen	AmerGen		EP

June 20, 2001
Nuclear Regulatory Commission End of Cycle Review

Attendance Sheet

JEROME S. RENNER - NJSP - OEM

TIMOTHY W. KEENAN - NJSP - OEM

Steve Healey - Ocean County Sheriff - OEM

MICHAEL MASSARO - EXELON - WORK MANAGEMENT DIR.

George Vanderheyden - V.P. Operations Support - Exelon Nuclear

BOB TILTON - MGR PLANT SUPPORT - AMERGEN

GEORGE ROMBOLD - MANAGER LICENSING - EXELON NUCLEAR

John Rogers SR Licensing Engineer - OC