

January 29, 2002

Mr. G. Elliott Giles
75A Water Street
Barnegat, NJ 08005

Dear Mr. Giles:

The State of New Jersey 9th District Legislative Office sent the U.S. Nuclear Regulatory Commission (NRC) a copy of an October 26, 2001, letter that it sent to you in response to your October 3, 2001, letter. The 9th District Legislative Office's letter asked that the NRC review your allegation and concerns about security at the Oyster Creek Nuclear Generating Station (Oyster Creek). Attached to your letter was a letter to the newspaper about the Oyster Creek security force from a former Oyster Creek employee.

The letter to the newspaper states that "the contract security force was ineffective in preventing simulated intrusions into the facility during an NRC-sponsored drill." On June 22, 2001, the NRC sent an inspection report (NRC Integrated Report 50-219/01-011) to AmerGen Energy Company, LLC (AmerGen) stating its findings of an Operational Safeguards Response Evaluation inspection. In an August 28, 2001, letter the NRC notified AmerGen of its final determination that the deficiencies identified during the inspection resulted in a White finding. Under the NRC's revised oversight process, the agency assesses the inspection findings and characterizes their safety significance. As findings become progressively more significant, they lead to commensurately greater NRC oversight. A White finding has a low-to-moderate importance to safety but may require additional NRC inspections. A finding of this type does not indicate that the plant is unsafe. The plant continues to be operated in a safe manner. The finding indicates that an issue needs to be addressed, and this issue has been incorporated into Oyster Creek's corrective action program. AmerGen has taken corrective actions to address this finding.

In your letter, you also state that you are concerned about AmerGen as the new licensee of Oyster Creek. In regulating commercial nuclear power plants, the NRC sets minimum requirements that licensees must meet to assure protection of public health and safety. The NRC reviews each licensee or proposed licensee against these requirements, and did so before it authorized the Oyster Creek license to be transferred from GPU Nuclear, Inc. to AmerGen. Like all licensed power reactors, Oyster Creek is subject to the terms and conditions of its license and the Commission's regulations that specify the technical requirements for, and the restrictions on, plant operation. Any licensee of Oyster Creek must meet these requirements and operate the plant in accordance with its license. NRC oversight of the Oyster Creek licensee did not change with the transfer of the license. Therefore, AmerGen has to operate Oyster Creek in accordance with its license or appropriate action will be taken by the NRC to assure the facility is operated safely.

The NRC shares your interest about the finding at Oyster Creek and recognizes the importance of continued attention to Oyster Creek. The NRC maintains two full-time resident inspectors at Oyster Creek who conduct inspections and investigations to ensure licensee compliance with the provisions of NRC licenses, regulations, and orders.

G. Giles

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I thank you for your interest and trust that this letter addresses your concerns. If you have further questions, please contact Ms. Helen N. Pastis, Senior Project Manager for Oyster Creek, at 301-415-1261.

Sincerely,

/RA/

William D. Travers
Executive Director
for Operations

cc: Senator Leonard T. Connors, Jr.

G. Giles

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