

April 15, 2002

EA-01-141

Mr. Jack Skolds
President and CNO
Exelon Nuclear
Exelon Generation Company, LLC
4300 Winfield Road
5th Floor
Warrenville, IL 60555

SUBJECT: RESULTS OF YOUR APPEAL - FINAL SIGNIFICANCE DETERMINATION FOR
A WHITE FINDING AT OYSTER CREEK (NRC INTEGRATED REPORT
05000219/2001-011)

Dear Mr. Skolds:

In a letter dated September 12, 2001, you appealed the NRC's final significance determination that we issued on August 28, 2001, concerning a finding identified during an Operational Safeguards Response Evaluation (OSRE) at the Oyster Creek facility. The finding involved a vulnerable protective strategy that resulted in the loss of a target set. The vulnerability in the protective strategy was considered to be potentially predictable and occasionally repeatable, and was preliminarily characterized as White.

In your appeal letter, you stated that the NRC did not adequately consider the specific plant conditions and configurations that caused this outcome, did not act consistently with applicable Significance Determination Process (SDP) guidance, and did not provide sufficient written basis for its conclusion. Subsequently, we initiated processing of your appeal in accordance with NRC Manual Chapter 0609, Attachment 2, "Process for Appealing NRC Characterization of Inspection Findings." However, as we indicated in our letter of October 3, 2001, completion of our review was delayed as a result of the NRC's efforts related to the heightened security status at the nation's nuclear plants due to the events of September 11, 2001.

The Panel has completed its review and concluded that the finding is appropriately characterized as White.

The basis for the White finding involved Safeguards Information, and, therefore, the NRC did not include specific detail in either the inspection report or the letter of August 28, 2001, because, due to our practice at the time, both documents were to be publically released. However, to more fully describe the basis for the White finding, we are providing the Enclosure to this letter. The Enclosure contains Safeguards Information that must be protected against unauthorized disclosure in accordance with 10 CFR 73.21.

If you have any questions concerning this letter, you may contact Mr. Wayne Lanning of my staff directly at (610) 337-5126. As indicated in NRC Manual Chapter 0609, Attachment 2, if

Mr. Jack Skolds

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you desire to pursue your appeal further, you should contact the NRC Executive Director for Operations, directly.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter without the Safeguards Information enclosure will be 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).

Sincerely,

/RA by J. T. Wiggins for/

Hubert J. Miller
Regional Administrator

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

Enclosure: Appeal Decision-Oyster Creek Operational Safeguards Response Evaluation
(Contains Safeguards Information)

cc w/encl: R. DeGregorio, Vice President - Oyster Creek

cc w/o encl: Amergen Energy Company - Correspondence Control Deck
Licensing and Regulatory Affairs - Vice President, Exelon Corporation
Director-Licensing
Regulatory Assurance Manager
R. Shadis, New England Coalition Staff
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* Concurrence rec'd via phone from J. Dixon-Herrity, OE, 4/15/02