

OFFICE OF ENFORCEMENT
NOTIFICATION OF SIGNIFICANT ENFORCEMENT ACTION

Licensee: AmerGen Energy Company, LLC (EA-04-033)
Oyster Creek Generating Station
Docket No. 50-219

Subject: ISSUANCE OF FINAL SIGNIFICANCE DETERMINATION AND NOTICE OF VIOLATION

This is to inform the Commission that a White Significance Determination Process (SDP) finding and associated Notice of Violation will be issued on or around March 15, 2004, to AmerGen Energy Company, LLC, as a result of inspections at the Oyster Creek Generating Station. This WHITE finding, an issue with low to moderate increased importance to safety, which may require additional NRC inspections, involved the failure to identify and take prompt and appropriate corrective actions for a significant condition adverse to quality involving power cables at the licensee's facility. In 2001, a power cable to the 480V unit substation, and in 1996, a power cable from the #2 emergency diesel generator output breaker to its associated 4kV emergency bus, both the same type cable, failed as a result of water intrusion and cable insulation breakdown. The licensee failed to take adequate corrective actions in order to prevent recurrence. Subsequently, on May 20, 2003, a ground fault caused by water intrusion and cable insulation breakdown in the same type cable from the #1 emergency diesel generator output breaker to its associated 4kV emergency bus caused a loss of one of the 4kV emergency buses and a plant shutdown. The licensee's failure to identify and take prompt and appropriate corrective actions to preclude repetition of the 2001 and 1996 failures is identified as a violation of 10CFR50, Appendix B, Criterion XVI. Accordingly, a Notice of Violation associated with the WHITE finding is being issued.

It should be noted that the licensee has not been specifically informed of this action. The schedule of issuance and notification are:

Mailing of Final Significance Determination	March 15, 2004
Telephone Notification of Licensee	March 15, 2004

The State of New Jersey will be informed.

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VERIFICATION THAT LICENSEE HAS RECEIVED ACTION**