

April 12, 2004

Mr. Christopher M. Crane
President and CEO
AmerGen Energy Company, LLC
200 Exelon Way, KSA 3-E
Kennett Square, PA 19348

SUBJECT: ASSESSMENT FOLLOW UP LETTER - OYSTER CREEK NUCLEAR POWER
PLANT

Dear Mr. Crane:

On April 9, 2004, the NRC staff completed a quarterly plant performance review of the Oyster Creek Nuclear Plant. The assessment evaluated the performance indicator (PI) input and inspection results for the period from January 1, 2004 through March 31, 2004. 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 March 15, 2004, the NRC staff forwarded a letter to you concerning the final significance determination of a White inspection finding in the mitigating systems and barrier integrity cornerstones, having low to moderate safety significance. Specifically, the finding involved the failure to identify and take prompt and adequate corrective action for a condition adverse to quality involving the 4160 volt feeder cable from the No. 1 emergency diesel generator output breaker to the 1C 4160 volt electrical bus. As a result, the cable failed on May 20, 2003, causing a loss of the 1C 4160 volt bus that was not recoverable without repairing the cable and forcing a plant shutdown due to the loss of the bus and multiple pieces of safety-related equipment.

Based on this White finding, we have assessed Oyster Creek performance to be in the Regulatory Response column of the NRC's Action Matrix. Therefore, we plan to conduct supplemental inspection procedure 95001 during the week of September 12, 2004. This inspection procedure is conducted to provide assurance that the root causes and contributing causes of the risk significant performance issue are understood, the extent of condition is identified, and the corrective actions are sufficient to prevent recurrence.

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/reading-rm/adams.html> (the Public Electronic Reading Room).

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 Mr. Peter Eselgroth of my staff at (610) 337-5234 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

A. Randolph Blough, Director
Division of Reactor Projects, Region I

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

cc w/encl:

Chief Operating Officer, AmerGen
Site Vice President, Oyster Creek Nuclear Generating Station, AmerGen
Plant Manager, Oyster Creek Generating Station, AmerGen
Regulatory Assurance Manager Oyster Creek, AmerGen
Senior Vice President - Nuclear Services, AmerGen
Vice President - Mid-Atlantic Operations, AmerGen
Vice President - Operations Support, AmerGen
Vice President - Licensing and Regulatory Affairs, AmerGen
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Mayor of Lacey Township
K. Tosch - Chief, New Jersey Department of Environmental Protection
R. Shadis, New England Coalition Staff
N. Cohen, Coordinator - Unplug Salem Campaign
W. Costanzo, Technical Advisor - Jersey Shore Nuclear Watch
E. Zobian, Coordinator - Jersey Shore Anti Nuclear Alliance
Institute of Nuclear Power Operations (INPO)

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Region I Docket Room (with concurrences)

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*R. Pascarelli has concurred by e-mail