

November 1, 2007

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

SUBJECT: OYSTER CREEK GENERATING STATION - NRC EVALUATED EMERGENCY
PREPAREDNESS EXERCISE - INSPECTION REPORT NO.
05000219/2007502

Dear Mr. Crane:

On September 25, 2007, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection of the 2007 evaluated emergency preparedness exercise at your Oyster Creek Generating Station (OC). The enclosed inspection report documents the inspection results, which were discussed on September 21, 2007, with Mr. T. Rausch, OC Site Vice President, and other members of your staff. A final exit meeting was conducted via telephone conference with Ms. J. Kandasamy, OC Regulatory Affairs Manager, on September 27, 2007.

The inspection examined activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your license. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

This report documents one NRC-identified finding of very low safety significance (Green). The finding was determined to involve a violation of NRC requirements. However, because of the very low safety significance and because it has been entered into your corrective action program, the NRC is treating the finding as a non-cited violation (NCV) consistent with Section VI.A.1 of the NRC Enforcement Policy. If you contest the NCV in this report, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN.: Document Control Desk, Washington DC 20555-0001; with copies to the Regional Administrator, Region I; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at Oyster Creek Station.

C. Crane

2

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Sincerely,

/RA/

James M. Trapp, Chief
Plant Support Branch 1
Division of Reactor Safety

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

C. Crane

2

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure and your response (if any) 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/

James M. Trapp, Chief
Plant Support Branch 1
Division of Reactor Safety

Docket No: 50-219
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SUNSI Review Complete: JMT (Reviewer's Initials)

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cc w/encl:

Chief Operating Officer, AmerGen

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Plant Manager, Oyster Creek Generating Station, AmerGen

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C. Crane

4

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U. S. NUCLEAR REGULATORY COMMISSION REGION I

REGION I

Docket No: 50-219

License Nos: DPR-16

Report Nos: 05000219/2007502

Licensee: AmerGen Energy Company, LLC (AmerGen)

Facility: Oyster Creek Generating Station

Location: Forked River, New Jersey

Dates: September 17-27, 2007

Inspectors: S. Barr, Senior Emergency Preparedness Inspector, Region I (Lead)
D. Silk, Senior Operations Engineer
T. Jackson, Senior Health Physicist
R. Cureton, Emergency Preparedness Inspector
J. Tomlinson, Project Engineer

Approved by: James M. Trapp, Chief
Plant Support Branch 1
Division of Reactor Safety

Enclosure

SUMMARY OF FINDINGS

IR 05000219/2007502; 09/17/2007 - 09/27/2007; AmerGen Energy Company, LLC, Oyster Creek Generating Station; Exercise Evaluation.

This was an announced inspection conducted by five region-based inspectors. One Green non-cited violation (NCV) was identified. The significance of most findings is indicated by their color (Green, White, Yellow, Red) using Inspection Manual Chapter (IMC) 0609, "Significance Determination Process" (SDP). Findings for which the SDP does not apply may be Green or be assigned a severity level after NRC management review. The NRC's program for overseeing the safe operation of commercial nuclear power reactors is described in NUREG-1649, "Reactor Oversight Process," Revision 4, dated December 2006.

Cornerstone: Emergency Preparedness

A. NRC-Identified and Self-Revealing Findings

Green. A NRC-identified non-cited violation (NCV) of 10 CFR 50.47(b)(5) and 10 CFR Part 50, Appendix E, Section IV.D.3, was identified for failure of the licensee's state and local notifications procedures to require that the notifications of protective action recommendations (PARs) be made to the state within 15 minutes of the declaration of a General Emergency. The licensee's procedures required that the state be notified of a PAR within 15 minutes of the PAR determination, which would occur at some point after the declaration of the General Emergency. The licensee entered the deficiency with the procedures into their corrective action program.

This finding is greater than minor because it is associated with the Emergency Response Organization Performance attribute and affected the objective of the Emergency Preparedness Cornerstone to ensure that the licensee is capable of implementing adequate measures to protect the health and safety of the public in the event of a radiological emergency. In accordance with the Emergency Preparedness Significance Determination Process, this finding is of very low safety significance because licensee expectations and training have resulted in the state being notified of PARs within 15 minutes, and the procedure deficiencies did not affect the outcome of protecting the health and safety of the public. (Section 1EP1)

B. Licensee-Identified Findings

None

Report Details

1. REACTOR SAFETY

Cornerstone: Emergency Preparedness (EP)

1EP1 Exercise Evaluation (71114.01 - 1 Sample)

a. Inspection Scope

Prior to the exercise, an in-office review was conducted of the exercise objectives and scenario submitted to the NRC, to determine if the exercise would test major elements of the emergency plan as required by 10 CFR 50.47(b)(14). A description of the evaluation conducted by the NRC during the exercise is described below. Overall, this inspection activity represented the completion of one sample on a biennial cycle.

The exercise evaluation consisted of the following review and assessment:

- The adequacy of Oyster Creek's (OC's) performance in the biennial full-participation exercise regarding the implementation of the risk-significant planning standards (RSPS) in 10 CFR 50.47 (b)(4), (5), (9), and (10), which are emergency classification, offsite notification, radiological assessment, and protective action recommendations, respectively.
- The overall adequacy of OC's emergency response facilities with regard to NUREG-0696, "Functional Criteria for Emergency Response Facilities," and Emergency Plan commitments. The facilities assessed were the control room simulator, the Technical Support Center (TSC), the Operations Support Center (OSC), the Joint Information Center (JIC), and the Emergency Operations Facility (EOF).
- Other performance areas, such as, the emergency response organization's (ERO's) recognition of abnormal plant conditions, command and control, intra- and inter-facility communications, prioritization of mitigation activities, utilization of repair and field monitoring teams, interface with offsite agencies, staffing and procedure adequacy, and the overall implementation of the emergency plan and its implementing procedures.
- Past performance issues from the last NRC exercise report and OC's drill reports to determine effectiveness of corrective actions as demonstrated during this exercise to ensure compliance with 10 CFR 50.47(b)(14).
- The post-exercise critiques to evaluate OC's self-assessment of its ERO performance during the exercise and to ensure compliance with 10 CFR 50, Appendix E, Paragraph IV.F.2.g.

The inspectors reviewed the documents listed in Attachment 1 to this report.

Enclosure

b. Findings

Introduction: The inspectors identified a Green non-cited violation associated with emergency preparedness planning standard 10 CFR 50.47(b)(5), as well as the requirements of 10 CFR Part 50, Appendix E, Paragraph IV.D, for the failure of station procedures to require the licensee to notify the state of protective action recommendations (PARs) within 15 minutes of a General Emergency declaration.

Description: 10 CFR 50.47(b)(5) requires licensees to establish procedures for the notification of state and local response organizations. 10 CFR 50, Appendix E, Section IV.D, requires that administrative and physical means for notifying local and state officials for the prompt notification of the public and for public evacuation or other protective measures, should they become necessary, be established. The same section of Appendix E requires that the licensee have the capability to notify responsible state and local governmental agencies within 15 minutes after declaring an emergency. NUREG-0654/FEMA-REP-1, Section II.E.3, specifies that these initial emergency messages shall contain information about the class of emergency, whether a release is taking place, potentially affected population and areas, and whether protective measures may be necessary.

The inspectors identified a performance deficiency involving a failure of Oyster Creek's notification procedures to provide protective action recommendations to state officials within 15 minutes of the declaration of a General Emergency. Specifically, procedure EP-OC-111, Emergency Classification and Protective Action Recommendations, Section 2.8.2.4, states that "the PAR notification must be provided to the NJ Senior State Official and shall occur within fifteen (15) minutes of the PAR determination or any change in the Protective Action Recommendation." Also, procedure EP-OC-114-100, State/Local Notifications, Section 4.3, states that the "Emergency Director in Command and Control personally communicates and transmits the PAR or update to the New Jersey Senior State Official within fifteen (15) minutes of PAR decision."

During the preparations for the September 18, 2007, biennial exercise, the inspectors observed that the exercise scenario expected the Oyster Creek Site Emergency Director to declare a General Emergency before 7:15 p.m., and the PAR determination being made at 7:30 p.m. The scenario then expected the Corporate Emergency Director to communicate the PAR to the Senior State Official by 7:45 p.m. The scenario allowance of 30 minutes from the emergency declaration to state notification of the PAR was not in agreement with NRC regulations. During the week of the exercise, the inspectors reviewed the Oyster Creek procedures and found that the procedures cited above allowed for PARs to be communicated to the state officials within 15 minutes of PAR determination, not within 15 minutes of emergency declaration, resulting in the performance deficiency.

The week following the emergency exercise, the inspectors returned to the site to review actual licensee performance in the area of PAR notification. The inspector reviewed drill reports for annual exercises, quarterly drills, and licensed operator requalification training records from January 2005 through September 2007. The inspector reviewed records for 33 drills; of those drills, the PAR was delivered to the state within 15 minutes of General Emergency declaration in all case but one, when a telephone equipment

issue prevented performance of the call within 15 minutes. The inspectors also reviewed licensee training materials and drill evaluation materials and determined that the site organization had created the expectation of PARs being communicated to the state within 15 minutes of the emergency declaration. For example, procedure EP-OC-122-1004, Objectives and Demonstration Criteria, provides a drill demonstration criteria for Planning Standard J, Objective Number 7, which evaluates whether “PARs were prepared, approved and communicated within 15 minutes of a General Emergency declaration.”

Analysis: The inspectors determined that the failure of the licensee’s process to require state notification of a PAR within 15 minutes of a General Emergency declaration was a failure to comply with risk significant planning standard function 10 CFR 50.47(b)(5) and was more than minor because it affected the Emergency Response Organization Performance attribute of the Emergency Preparedness Cornerstone.

The inspectors assessed the finding using Inspection Manual Chapter (IMC) 0609, Appendix B, Emergency Preparedness Significance Determination Process, and determined the finding to be of very low safety significance. IMC 0609, Appendix B, Sheet 1, “Failure to Comply” and Section 4.5 of Appendix B were used to reach this determination. Using IMC 0609, Appendix B, Sheet 1, the failure to comply with 10 CFR 50.47(b)(5) was a risk-significant planning standard (RSPS) problem, but it was not a RSPS functional failure. Due to AmerGen’s organizational expectations, drill observation acceptance criteria, and actual performance, the inspectors determined the RSPS function was not degraded, and the finding was of very low safety significance (Green). The procedure deficiencies did not affect the outcome of protecting the health and safety of the public.

Enforcement: 10 CFR 50.47(b)(5) states, in part, “Procedures have been established for notifications, by the licensee, of State and local response organizations...”

10 CFR Part 50, Appendix E, Section IV.D.1, states, in part, “Administrative and physical means for notifying local, State, and Federal officials and agencies and agreements reached with these officials and agencies for the prompt notification of the public and for public evacuation or other protective measures, should they become necessary, shall be described.”

10 CFR Part 50, Appendix E, Section IV.D.3, states, in part, “A licensee shall have the capability to notify responsible State and local governmental agencies within 15 minutes after declaring an emergency.”

NUREG-0654/FEMA-REP-1, Section II.E.3, specifies that “The licensee in conjunction with the State and local organizations shall establish the contents of the initial emergency messages to be sent from the plant. These messages shall contain information about the class of emergency, whether a release is taking place, potentially affected population and areas, and whether protective measures may be necessary.”

Contrary to the above, Oyster Creek procedures did not require that state officials be notified of protective action recommendations within 15 minutes of the declaration of a General Emergency. Because this finding is of very low safety significance, and

because it was entered into the licensee's corrective action program, this violation is being treated as an NCV, consistent with Section VI.A of the NRC Enforcement Policy: NCV 05000219/2007502-01, Failure to Require State PAR Notifications Within 15 Minutes of Emergency Declaration.

4. OTHER ACTIVITIES (OA)

40A1 Performance Indicator (PI) Verification (71151- 3 Samples)

a. Inspection Scope

The inspectors reviewed data for the Oyster Creek EP PIs which are: (1) Drill and Exercise Performance (DEP); (2) ERO Drill Participation; and (3) Alert and Notification System (ANS) Reliability. The last EP PI inspection at Oyster Creek was in December 2006, so the inspectors reviewed supporting documentation from drills and tests from the fourth quarter of 2006 and the first and second quarters of 2007, to verify the accuracy of the reported PI data. The review of these performance indicators was conducted in accordance with NRC Inspection Procedure 71151. The acceptance criteria used for the review were 10 CFR 50.9 and NEI 99-02, Revision 4, "Regulatory Assessment Performance Indicator Guidelines." This inspection activity represented the completion of three samples on an annual cycle.

b. Findings

No findings of significance were identified.

40A6 Meetings, including Exit

On September 21, 2007, the inspectors presented the preliminary inspection results to Mr. T. Rausch, OC Site Vice President, and other members of your staff. A final exit meeting was conducted via telephone conference with Ms. J. Kandasamy, OC Regulatory Affairs Manager, on September 27, 2007. No proprietary information was provided to the inspectors during this inspection.

ATTACHMENT

SUPPLEMENTAL INFORMATION

KEY POINTS OF CONTACT

Licensee Personnel

K. Poletti, OC Emergency Preparedness Manager
J. Kandasamy, OC Regulatory Affairs Manager
J. Karkoska, Exelon MidAtlantic Emergency Preparedness Manager

LIST OF ITEMS OPENED, CLOSED, AND DISCUSSED

Opened

05000219/2007502-01	NCV	Failure to Require State PAR Notifications Within 15 Minutes of Emergency Declaration.
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LIST OF DOCUMENTS REVIEWED

Section 1EP1: Exercise Evaluation

Oyster Creek Generating Station Emergency Plan
Oyster Creek Generating Station Emergency Plan Implementing Procedures
2007 Graded Exercise Timeline, Scenario Messages, and Radiation Release Data
All EP Drill Reports generated since January 2005

Incident Reports (IR's) reviewed as a result of the 2007 evaluated exercise:

IR 00673033	IR 00673633
IR 00673085	IR 00673636
IR 00673089	IR 00673640
IR 00673511	IR 00673648
IR 00673563	IR 00673651
IR 00673582	IR 00673653
IR 00673602	IR 00673717
IR 00673609	IR 00673719
IR 00673618	IR 00673723
IR 00673620	IR 00673726
IR 00673630	

Section 40A1: Performance Indicator Verification

Drill/Exercise Performance Indicator Data, October 2006 - June 2007
ERO Drill Participation Performance Indicator Data, October 2006 - June 2007
ANS Reliability Performance Indicator Data, October 2006 - June 2007

LIST OF ACRONYMS

ANS	Alert and Notification System
CFR	Code of Federal Regulations
DEP	Drill and Exercise Performance
ERO	Emergency Response Organization
EOF	Emergency Operations Facility
EP	Emergency Preparedness
ERO	Emergency Response Organization
IR	Incident Report
JIC	Joint Information Center
NCV	Non-Cited Violation
NRC	Nuclear Regulatory Commission
OC	Oyster Creek
OSC	Operations Support Center
PAR	Protective Action Recommendation
PI	Performance Indicator
RSPS	Risk Significant Planning Standard
TSC	Technical Support Center