COVER LETTER

Mr. Charles G. Pardee
Chief Nuclear Officer (CNO) and Senior Vice President
Exelon Generation Company, LLC
200 Exelon Way
Kennett Square, PA 19348

SUBJECT: OYSTER CREEK GENERATING STATION - NRC LICENSE RENEWAL FOLLOW-UP INSPECTION REPORT 05000219/2008007

Dear Mr. Pardee

On December 23, 2008, the U. S. Nuclear Regulatory Commission (NRC) completed an inspection at your Oyster Creek Generating Station. The enclosed report documents the inspection results, which were discussed on December 23, 2008, with Mr. T. Rausch, Site Vice President, Mr. M. Gallagher, Vice President License Renewal, and other members of your staff.

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. In addition, an appeal of a licensing board decision regarding the Oyster Creek application for a renewed license is pending before the Commission. The NRC staff concluded Oyster Creek should not enter the extended period of operation without directly observing continuing license renewal activities at Oyster Creek. Therefore, the NRC staff performed an inspection using Inspection Procedure (IP) 71003 "Post-Approval Site Inspection for License Renewal" and observed Oyster Creek license renewal activities during the last refuel outage prior to entering the period of extended operation.

IP 71003 verifies license conditions added as part of a renewed license, license renewal commitments, selected aging management programs, and license renewal commitments revised after the renewed license was granted, are implemented in accordance with Title 10 of the Code of Federal Regulations (CFR) Part 54, "Requirements for the Renewal of Operating Licenses for Nuclear Power Plants." (b)(5)

(b)(5)

(b)(5) The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel. The enclosed report records the inspector's observations, absent any conclusions of adequacy, pending the final decision of the Commissioners on the appeal of the renewed license.

Information in this record was deleted in accordance with the Freedom of Information Act.
Exemptions 5
FOIA/PA 2009-0070

N/57

BC Input to OC 2008-07

SUMMARY OF FINDINGS

IR 05000219/2008007; 10/27/2008 - 12/23/2008; Exelon, LLC, Oyster Creek Generating Station; License Renewal Follow-up

The report covers a multi-week inspection of license renewal follow-up items. It was conducted by five region based engineering inspectors and the Oyster Creek resident inspector. The inspection was conducted in accordance with Inspection Procedure 71003 "Post-Approval Site Inspection for License Renewal." (b)(5)

(b)(5)

(b)(5) In accordance with the NRC's agreement with the State of New Jersey, state engineers observed portions of the NRC's staff review. The report documents inspection observations, absent any conclusions of adequacy, pending the final decision of the Commissioners on the appeal of the renewed license.

BC Input to OC 2008-07

BODY OF REPORT -- SAMPLE SELECTION PROCESS

1. Inspection Sample Selection Process

This inspection was conducted in order to observe AmerGen's continuing license renewal activities during the last refueling outage prior to Oyster Creek (OC) entering the extended period of operation. The inspection team selected a number of inspection samples for review, using the NRC accepted guidance based on their importance in the license renewal application process, as an opportunity to make observations on license renewal activities [(b)(5) (b)(5) (b)(5)] Ex 5

Accordingly, the inspectors recorded observations, without any assessment of implementation adequacy or safety significance. Inspection observations were considered, in light of pending 10 CFR 54 license renewal commitments and license conditions, as documented in NUREG-1875, "Safety Evaluation Report (SER) Related to the License Renewal of Oyster Creek Generating Station," as well as programmatic performance under on-going implementation of 10 CFR 50 current licensing basis (CLB) requirements.

The reviewed SER proposed commitments and license conditions were selected based on several attributes including: the risk significance using insights gained from sources such as the NRC's "Significance Determination Process Risk Informed Inspection Notebooks," revision 2; the extent and results of previous license renewal audits and inspections of aging management programs; the extent or complexity of a commitment; and the extent that baseline inspection programs will inspect a system, structure, or component (SSC), or commodity group.

For each commitment and on a sampling basis, the inspectors reviewed supporting documents including completed surveillances, conducted interviews, performed visual inspection of structures and components including those not accessible during power operation, and observed selected activities described below. The inspectors also reviewed selected corrective actions taken as a consequence of previous license renewal inspections.

At the time of the inspection, AmerGen Energy Company, LLC was the licensee for Oyster Creek Generating Station. As of January 8, 2009, the OC license was transferred to Exelon Generating Company, LLC by license amendment No. 271 (ML082750072).