



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PA 19408-1415

August 27, 2003

Mr. John L. Skolds
Chairman and CEO
AmerGen Energy Company, LLC
4300 Winfield Road
5th Floor
Warrenville, IL 60555

**SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -
OYSTER CREEK NUCLEAR GENERATING STATION**

Dear Mr. Skolds:

On July 29, 2003, the NRC staff completed its mid-cycle plant performance review of the Oyster Creek Nuclear Generating Station. The mid-cycle review for Oyster Creek involved the participation of all technical divisions in evaluating performance for the first half of the calendar year 2003 assessment cycle. The process included a review of performance indicators (PIs) for the most recent quarter and inspection results over the previous twelve months. The purpose of this letter is to inform you of our assessment of your safety performance and our plans for future inspections at your facility so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities.

Plant performance for the most recent quarter was within the Licensee Response Column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct only baseline inspections at your facility through September 2004, with the exception of additional inspection ongoing to review your staff reintegration efforts following the recent strike of employees involving operations, maintenance, radiation protection, chemistry and clerical staff.

In our annual assessment letter dated March 4, 2003, we advised you of a substantive cross-cutting issue in the area of human performance. We note that you have initiated a focus plan for the station to improve human performance, especially in the area of procedure use and adequacy. During the first half of the current assessment cycle, three Green inspection findings were identified in the mitigating systems, occupational radiation safety, and physical protection cornerstones, which involved human performance deficiencies. These findings, when considered along with similar findings in the latter half of 2002, support the previously identified cross-cutting issue noted in the annual assessment letter. We plan to monitor your progress to improve human performance at the plant during baseline inspection activities, especially during the period after reintegration of the staff following the strike.

The enclosed inspection plan details the inspections scheduled through September 30, 2004. In addition, the NRC has been reviewing your staff reintegration efforts following the conclusion of an eleven (11) week strike by bargaining unit employees. An inspection plan has been developed using guidance in Inspection Procedure (IP) 92712, "Resumption of Normal Operations After a Strike," to verify that the measures planned will ensure public health and safety as bargaining unit employees return to the site organization. This inspection is not listed in the attached schedule since it is being conducted primarily by the resident inspectors. The enclosed inspection plan is provided to minimize the resource impact on your staff, and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last six months of the inspection plan are tentative and may be revised at the end-of-cycle review meeting.

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 Electronic Reading Room).

If circumstances arise which cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact Mr. Neil Perry of my staff at (610) 337-5225 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

A. Randolph Blough, Director
Division of Reactor Projects

Docket No. 05000219
License No. DPR-16

Enclosure: Oyster Creek Inspection/Activity Plan

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
Director Licensing, AmerGen
Manager Licensing - Oyster Creek, AmerGen
Vice President, General Counsel and Secretary, AmerGen
Correspondence Control Desk, AmerGen
J. Matthews, Esquire, Morgan, Lewis & Bockius LLP
Mayor of Lacey Township
K. Tosch - Chief, New Jersey Department of Environmental Protection
R. Shadis, New England Coalition Staff
BNE Manager, State of New Jersey
N. Cohen, Coordinator - Unplug Salem Campaign
E. Gbur, Coordinator - Jersey Shore Nuclear Watch
E. Zobian, Coordinator - Jersey Shore Anti Nuclear Alliance
Institute of Nuclear Power Operations (INPO)

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DATE	08/27/03	08/27/03	08/27/03		

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Oyster Creek
Inspection / Activity Plan
06/29/2003 - 09/30/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		07/28/2003	08/01/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		07/28/2003	08/01/2003	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		07/28/2003	08/01/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		07/28/2003	08/01/2003	Baseline Inspections
	4/19+EXM	- OPERATOR LICENSING INITIAL EXAMS	3			
1	U01496	OYSTER CREEK INITIAL EXAM (7/21-26/03)		12/17/2003	12/17/2003	Not Applicable
1	U01496	OYSTER CREEK INITIAL EXAM (7/21-26/03)		03/28/2004	04/01/2004	Not Applicable
1	U01496	OYSTER CREEK INITIAL EXAM (7/21-26/03)		04/19/2004	04/30/2004	Not Applicable
	7111107B	- HEAT SINK	1			
1	IP 7111107B	Heat Sink Performance		09/08/2003	09/12/2003	Baseline Inspections
	7111401	- EP EXERCISE	5			
1	IP 7111401	Exercise Evaluation		09/08/2003	09/12/2003	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		09/08/2003	09/12/2003	Baseline Inspections
	7111111B	- L.O. REQUALIFICATION PROGRAM	6			
1	IP 7111111B	Licensed Operator Requalification		10/13/2003	10/25/2003	Baseline Inspections
	7112201	- OCC RAD SAFETY - RETS	1			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		11/17/2003	11/21/2003	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		12/08/2003	12/12/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		12/08/2003	12/12/2003	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		12/08/2003	12/12/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		12/08/2003	12/12/2003	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		02/16/2004	02/20/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		02/16/2004	02/20/2004	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		02/16/2004	02/20/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		02/16/2004	02/20/2004	Baseline Inspections
	7111117B	- PERM PLANT MODS	2			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		03/29/2004	04/02/2004	Baseline Inspections
1	IP 7111117B	Permanent Plant Modifications		03/29/2004	04/02/2004	Baseline Inspections
	71152B	- PROBLEM IDENTIFICATION AND RESOLUTION	4			
1	IP 71152B	Identification and Resolution of Problems		04/26/2004	04/30/2004	Baseline Inspections
1	IP 71152B	Identification and Resolution of Problems		05/10/2004	05/14/2004	Baseline Inspections

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.

Oyster Creek
Inspection / Activity Plan
06/29/2003 - 09/30/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		04/19/2004	04/23/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		04/19/2004	04/23/2004	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		04/19/2004	04/23/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		04/19/2004	04/23/2004	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		08/16/2004	08/20/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		08/16/2004	08/20/2004	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		08/16/2004	08/20/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		08/16/2004	08/20/2004	Baseline Inspections
	7112203	- PUB RAD SAFETY - REMP	1			
1	IP 7112203	Radiological Environmental Monitoring Program		08/21/2004	08/25/2004	Baseline Inspections
	71114	- EP PROGRAM INSPECTION & PI VERIF.	1			
1	IP 7111402	Alert and Notification System Testing		08/23/2004	08/27/2004	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		08/23/2004	08/27/2004	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		08/23/2004	08/27/2004	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		08/23/2004	08/27/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		08/23/2004	08/27/2004	Baseline Inspections
	71151	- PI VERIFICATION - RETS/ODCM	1			
1	IP 71151	Performance Indicator Verification		09/13/2004	09/14/2004	Baseline Inspections