

March 3, 2004

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

SUBJECT: ANNUAL ASSESSMENT LETTER - OYSTER CREEK NUCLEAR POWER PLANT
(REPORT 05000219/2004001)

Dear Mr. Crane:

On February 5, 2004, the NRC staff completed its end-of-cycle plant performance assessment of the Oyster Creek Nuclear Plant. The end-of-cycle review involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1, 2003 through December 31, 2003. 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 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.

Overall, Oyster Creek operated in a manner that preserved public health and safety and fully met all cornerstone objectives. 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). Due to a preliminary White inspection finding initially issued on February 12, 2004 and currently being finalized, a supplemental inspection to review your root cause and corrective actions in this matter will be scheduled in the next several months. Otherwise, we plan to conduct only baseline inspections at your facility through September 30, 2005.

In our mid-cycle performance assessment letter dated August 27, 2003, we identified a continuing substantive cross-cutting issue in the area of human performance involving deficiencies in procedure adherence. While some examples of human errors occurred since then, the number and significance of procedure adherence deficiencies has declined. Thus we are closing this substantive cross-cutting issue. We have noted increased management attention to promptly address errors and to develop a long-term plan to continue improvements in human performance. While the NRC plans no further focused review in this area, we will continue to monitor your progress through the baseline inspection program.

The enclosed inspection plan details the inspections scheduled through September 30, 2005. The 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.

Mr. Christopher M. Crane

2

The inspections in the last twelve months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

As you are aware, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force readiness since the terrorist attacks on September 11, 2001. We have conducted inspections to review your implementation of these requirements and have monitored your actions in response to changing threat conditions. For calendar year 2004, we plan to continue inspections of order implementation combined with newly developed portions of the security baseline inspection program.

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

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

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Mayor of Lacey Township

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BNE Manager, State of New Jersey

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Distribution w/encl: (VIA E-MAIL)

Region I Docket Room (with concurrences)

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OFFICE	RI/DRP	RI/DRP	RI/DRP	RI/DRP
NAME	RBarkley/ RSB	RSummers/ RJS	PEselgroth/ PWE	ABlough/ ARB
DATE	03/02/04	03/02/04	03/02/04	03/02/04

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Oyster Creek
Inspection / Activity Plan
01/01/2004 - 09/30/2005

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	4/19 EXM	- OPERATOR LICENSING INITIAL EXAMS	3			
1	U01496	OYSTER CREEK INITIAL EXAM (7/21-26/03)		03/28/2004	04/01/2004	Not Applicable
1	U01518	OYSTER CREEK INITIAL EXAM (3/1-5/04)		04/19/2004	04/23/2004	Not Applicable
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/15/2004	03/19/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/15/2004	03/19/2004	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		03/15/2004	03/19/2004	Baseline Inspections
	711117B	- MODS & 50.59	4			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		03/29/2004	04/02/2004	Baseline Inspections
1	IP 711117B	Permanent Plant Modifications		03/29/2004	04/02/2004	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		04/05/2004	04/09/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		04/05/2004	04/09/2004	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		04/05/2004	04/09/2004	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		05/17/2004	05/21/2004	Baseline Inspections
	7112202	- PUB RAD SAFETY - RADWASTE	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		06/14/2004	06/18/2004	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		06/14/2004	06/18/2004	Baseline Inspections
1	IP 7112202	Radioactive Material Processing and Transportation		06/14/2004	06/18/2004	Baseline Inspections
	7112203	- PUB RAD SAFETY - REMP	1			
1	IP 7112203	Radiological Environmental Monitoring Program		08/23/2004	08/27/2004	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
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		09/13/2004	09/17/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		09/13/2004	09/17/2004	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		09/13/2004	09/17/2004	Baseline Inspections

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

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01/01/2004 - 09/30/2005

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	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		10/18/2004	10/22/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		10/18/2004	10/22/2004	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		10/18/2004	10/22/2004	Baseline Inspections
	71130	- SECURITY	2			
1	IP 7113001	Access Authorization		10/25/2004	10/29/2004	Baseline Inspections
1	IP 7113002	Access Control		10/25/2004	10/29/2004	Baseline Inspections
1	IP 7113008	Fitness For Duty Program		10/25/2004	10/29/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/25/2004	10/29/2004	Baseline Inspections
	7111108	- INSERVICE INSPECTION	1			
1	IP 7111108G	Inservice Inspection Activities - BWR		11/01/2004	11/05/2004	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		12/13/2004	12/17/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		12/13/2004	12/17/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		12/13/2004	12/17/2004	Baseline Inspections
	711112B	- MAINTENANCE RULE	1			
1	IP 711112B	Maintenance Effectiveness		01/31/2005	02/04/2005	Baseline Inspections
	7112201	- PUB RAD SAFETY - RETS	1			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		03/07/2005	03/11/2005	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/21/2005	03/25/2005	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/21/2005	03/25/2005	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		03/21/2005	03/25/2005	Baseline Inspections
	7111121	- SSDI	6			
1	IP 7111121	Safety System Design and Performance Capability		05/09/2005	05/13/2005	Baseline Inspections
1	IP 7111121	Safety System Design and Performance Capability		05/23/2005	05/27/2005	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		06/06/2005	06/10/2005	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		06/06/2005	06/10/2005	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		06/06/2005	06/10/2005	Baseline Inspections
1	IP 7112202	Radioactive Material Processing and Transportation		06/06/2005	06/10/2005	Baseline Inspections
	711111B	- LO REQUAL PROGRAM INSPECTION	2			
1	IP 711111B	Licensed Operator Requalification Program		06/12/2005	06/17/2005	Baseline Inspections

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Oyster Creek
Inspection / Activity Plan
01/01/2004 - 09/30/2005

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start End		Inspection Type
7111107B - HEAT SINK						1
1	IP 7111107B	Heat Sink Performance		09/19/2005	09/23/2005	Baseline Inspections

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