

Official Use Only - Security-Related Information

September 11, 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 NUCLEAR GENERATING STATION - NRC MATERIAL
CONTROL AND ACCOUNTING PROGRAM INSPECTION - REPORT
05000219/2007403

Dear Mr. Crane:

On June 8, 2007, the U.S. Nuclear Regulatory Commission (NRC) completed a material control and accounting (MC&A) safeguards program inspection at the Oyster Creek Nuclear Generating Station. The inspection was conducted under Phase III of Temporary Instruction 2515/154. The enclosed inspection report documents the inspection findings, which were discussed with Mr. Tim Rausch and other members of your staff during an exit meeting on June 8, 2007 and in a supplemental exit meeting by telephone on August 8, 2007.

The inspection examined activities conducted under your license as they relate to safety, security and compliance with the Commission's rules and regulations and with the conditions of your license. The inspectors reviewed selected procedures and records, observed storage of special nuclear material in the spent fuel pool, and interviewed personnel. Areas examined during the inspection included physical inventory and accounting records.

Based on the results of this inspection, no findings of significance were identified. However, a licensee-identified violation, which was determined to be of very low safety significance is discussed in the report. The NRC is treating this violation as a non-cited violation (NCV) consistent with Section VI.A.1 of the Enforcement Policy because of the very low safety significance of the violation and because it was corrected prior to this inspection. If you contest this non-cited violation you should provide a response within 30 days of the date of this 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; Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at Oyster Creek.

When separated from the Enclosure, this document is DECONTROLLED.

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In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, 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 Website at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). However, because of the security-related concerns contained in the enclosure, and in accordance with 10 CFR 2.390, this letter's enclosure will not be available for public inspection.

In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response, if any. This practice will ensure that your response will not be made available electronically for public inspection in the NRC Public Document Room or from NRC's document system ADAMS. If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. Otherwise, mark your entire response "Security-Related Information - Withhold Under 10 CFR 2.390" and follow the instructions for withholding in 10 CFR 2.390(b)(1).

Should you have any questions concerning this report, please contact John White at (610) 337-5114.

Sincerely,

/RA/

John R. White, Chief
Plant Support Branch 2
Division of Reactor Safety

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

Enclosure: MC&A Inspection Report 05000219/2007403
w/Attachment: Supplemental Information

cc w/enclosure: See attached list

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Enclosure: MC&A Inspection Report 05000219/2007403
w/Attachment: Supplemental Information

SUNSI Review Complete: DCC (Reviewer's Initials)

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* See Previous Concurrence Page

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cc w/enclosure:

Lisa P. Jackson, Commissioner
New Jersey Department of Environmental Protection
P.O. Box 402
Trenton, NJ 08625-0402

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 Generating Station, AmerGen
P. Baldauf, Asst. Director for Radiation Protection Programs

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