



State of New Jersey
DEPARTMENT OF ENVIRONMENTAL PROTECTION

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LISA P. JACKSON
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September 13, 2006

Samuel J. Collins
Regional Administrator
U. S. Nuclear Regulatory Agency
475 Allendale Rd.
King of Prussia, PA 19406-1415

Subject: Oyster Creek License Renewal Region 1 Inspection -- Drywell Corrosion Issue

Dear Mr. ^{Sam} Collins:

The New Jersey Department of Environmental Protection (Department) recognizes the Nuclear Regulatory Commission (NRC) efforts to accurately portray the state's observations related to drywell water intrusion noted during the Region 1 License Renewal Inspection at Oyster Creek. Since the inspection included over 30 issues the Department understands the need to present the observations in a balanced way, without spending an inordinate amount of time during the exit meeting describing this particular issue.

Therefore, as per the agreement between the NRC and the Department, I am writing to document specific observations that occurred during the NRC Region 1 license renewal team inspection conducted at Oyster Creek in March 2006. The observations made by the New Jersey participants in the inspection were not substantially different from those of the NRC inspectors. However, in discussions with NRC staff in preparation for the public exit meeting which is today, it was unclear whether the NRC ascribes the same level of significance to the observations as the Department. The intent of this letter is to describe the observations, to describe the prior commitments which were made by the licensee, and to differentiate those prior commitments from the new commitments made by the licensee and inspectable by the NRC. This issue was identified by the licensee and reported to the NRC Region 1 license renewal inspection team and is summarized as follows.

In March 2006, Oyster Creek personnel performed a walk down of the torus room in preparation for an NRC inspection of the same area. The area in question is the location of the collection points for the telltale drains from the former sandbed region of the drywell containment vessel. Oyster Creek personnel observed that several collection points contained water and in some instances were overflowing. Records indicate that these collection points had not been checked/monitored since the 1998 17R outage, about eight years prior. It was also

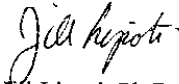
determined that the strippable coating which was to be used during refueling outages to minimize/prevent water intrusion from the refueling cavity to the outer drywell surface had not been used during each refueling outage. Finally, Oyster Creek personnel disposed of the collected water without performing an analysis of the water which would have aided in the determination of the source of the leak (fuel pool, groundwater, condensation, etc.). Commitments for the drywell corrosion monitoring program were made to the NRC by Oyster Creek through a letter dated February 15, 1996. It is apparent that these commitments were not kept.

The BNE appreciates that the discovery and the NRC's evaluation will now be included in the NRC license renewal inspection team's report. However, the Department considers it significant that these actions, which were written commitments to the NRC, have not been done for over eight years. This letter amplifies the State's concerns with previous commitments not being kept.

For the future, failure to maintain drywell corrosion commitments is mentioned by reference in the NRC draft license renewal SER open issue OI 4.7.2-3, Oyster Creek "Issue Report No. 348545". This document is not contained within the Safety Evaluation Report and not otherwise available to the public. The Department wishes to make clear this distinction between prior commitments (which were not kept) and commitments which are now part of a corrective action plan and are inspectable by the NRC.

Should you have any questions or need additional information, please contact me directly at (609) 633-7964 or Mr. Kent Tosch, Manager of the Bureau of Nuclear Engineering, at (609) 984-7701.

Sincerely yours,



Jill Lipoti, Ph.D.
Director

c: Atomic Safety and Licensing Board