



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I**
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

March 5, 2012

Mr. David Heacock
Sr. Vice President and Chief Nuclear Officer
Dominion Resources
500 Dominion Boulevard
Glen Allen, VA 23060-6711

**SUBJECT: ANNUAL ASSESSMENT LETTER FOR MILLSTONE POWER STATION UNIT 2
AND UNIT 3 (REPORT 05000336/2011001 AND 05000423/2011001)**

Dear Mr. Heacock:

On February 14, 2012, the U. S. Nuclear Regulatory Commission (NRC) staff completed its end-of-cycle performance review of the Millstone Power Station Units 2 and 3. The NRC reviewed the most recent quarterly performance indicators (PIs) in addition to inspection results and enforcement actions from January 1, 2011 through December 31, 2011. This letter informs you of the NRC's assessment of your facility during this period and its plans for future inspections at your facility. This performance review and enclosed inspection plan do not include security information. A separate letter will include the NRC's assessment of your performance in the Security Cornerstone and its security-related inspection plan.

The NRC determined the performance at Millstone Power Station Unit 2 during the most recent quarter was within the Regulatory Response Column of the NRC's Reactor Oversight Process (ROP) Action Matrix based on one finding originating in the second quarter of 2011 having low to moderate safety significance (White) in the Initiating Events Cornerstone. This finding involves the failure of Unit 2 Millstone personnel to carry out their assigned roles and responsibilities and inadequate reactivity management during main turbine control valve testing, which contributed to an unintended eight percent reactor power transient (88 percent to 96 percent) on February 12, 2011.

As a result of our review of Millstone Power Station Unit 2 performance, we plan to conduct a supplemental inspection using NRC Inspection Procedure 95001, "Inspection for One or Two White Inputs in a Strategic Performance Area," when your staff has notified us of your readiness for this inspection. This inspection procedure is conducted to provide assurance that the root cause and contributing causes of risk significant performance issues are understood, the extent of condition is identified, and the corrective actions are sufficient to prevent recurrence.

The NRC determined the performance at Millstone Unit 3 during the most recent quarter was within the Licensee Response Column of the NRC's ROP Action Matrix because all inspection findings had very low (i.e., green) safety significance, and all PIs indicated that your performance was within the nominal, expected range (i.e., green). Therefore, the NRC plans to conduct ROP baseline inspections at Millstone Unit 3.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through June 30, 2013. Routine inspections performed by resident inspectors are not included in the inspection plan. In addition to the baseline inspections, the NRC will perform Temporary Instruction (TI) 2515/182, "Review of the Implementation of the Industry Initiative to Control Degradation of Underground Piping," in July 2012. The inspections listed during the last nine months of the inspection plan are tentative and may be revised at the mid-cycle performance review. The NRC provides the inspection plan to allow for the resolution of any scheduling conflicts and personnel availability issues. The NRC will contact you as soon as possible to discuss changes to the inspection plan should circumstances warrant any changes.

In accordance with 10 CFR 2.390 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 the NRC's Agencywide Documents Access Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Please contact Dr. Ronald R. Bellamy at (610) 337-5200 with any questions you have regarding this letter.

Sincerely,

/RA/

John R. Tappert, Acting Director
Division of Reactor Projects

Docket Nos. 50-336, 50-423
License No. DPR-65, NPF-49

Enclosure: Millstone Inspection/Activity Plan

cc w/encl: Distribution via ListServ

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OFFICE	RI/DRP	RI/DRP	RI/DRP		
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DATE	02/28/12	02/28/12	02/28/12		

OFFICIAL RECORD COPY

Millstone

Inspection / Activity Plan

01/01/2012 - 06/30/2013

Unit Number	Planned Dates Start	Planned Dates End	Inspection Activity	Title	No. of Staff on Site
2, 3	06/30/2012	12/31/2012	EP - EP ANNUAL REPORT		4
			IP 7111406	Drill Evaluation	
2, 3	01/30/2012	02/03/2012	TI-177 - MANAGING GAS ACCUMULATION IN ECSS	Managing Gas Accumulation In Emergency Core Cooling, Decay Heat Removal & Containment Spray System	3
2, 3	02/27/2012	03/02/2012	71124 - OCC RAD SAFETY		1
			IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
			IP 71124.02	Occupational ALARA Planning and Controls	
			IP 71124.04	Occupational Dose Assessment	
2, 3	04/01/2012	08/30/2012	INSP - OPERATION OF AN ISFSI		1
			IP 60855	Operation Of An ISFSI	
2, 3	04/16/2012	04/20/2012	711121 - CDBI		9
			IP 7111121	Component Design Bases Inspection	
			IP 7111121	Component Design Bases Inspection	
			IP 7111121	Component Design Bases Inspection	
2, 3	06/21/2012	08/28/2012	EP EX - EP EXERCISE EVALUATION		5
			IP 7111401	Exercise Evaluation	
			IP 71151	Performance Indicator Verification	
2, 3	07/09/2012	07/13/2012	TI 182 - DEGRADATION OF UNDERGROUND PIPING		1
			IP 2515/182	Review of the Implementation of the Industry Initiative to Control Degradation of Underground Piping	
2, 3	07/16/2012	07/20/2012	71152B - PI&R		5
			IP 71152B	Problem Identification and Resolution	
			IP 71152B	Problem Identification and Resolution	
2, 3	07/23/2012	07/27/2012	71124 - RADWASTE		1
			IP 71124.08	Radioactive Solid Waste Processing and Radioactive Material Handling, Storage, and Transportation	
2	09/17/2012	09/21/2012	711111B - MS2 ON-SITE REQUAL INSP W/ P/F RESULTS		2
			IP 711111B	Licensed Operator Requalification Program	
2, 3	09/10/2012	09/14/2012	71124 - HP INSTRUMENTATION		1
			IP 71124.05	Radiation Monitoring Instrumentation	
2	10/15/2012	10/26/2012	711108P - UNIT 2 INSERVICE INSPECTION		1
			IP 7111108P	Inservice Inspection Activities - PWR	
3	10/22/2012	10/26/2012	71124 - OCC RADIATION SAFETY		1
			IP 60855	Operation Of An ISFSI	
2, 3	10/22/2012	10/26/2012	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	

This report does not include INPO and OUTAGE activities.

This report shows only on-site and announced inspection procedures.

Millstone

Inspection / Activity Plan

01/01/2012 - 06/30/2013

Unit Number	Planned Dates Start	Planned Dates End	Inspection Activity	Title	No. of Staff on Site
			71124 - OCC RADIATION SAFETY		1
2,3	10/22/2012	10/26/2012	IP 71124.02	Occupational ALARA Planning and Controls	
2,3	10/22/2012	10/26/2012	IP 71124.03	In-Plant Airborne Radioactivity Control and Mitigation	
2,3	10/22/2012	10/26/2012	IP 71124.04	Occupational Dose Assessment	
			71124 - OCC RAD SAFETY		1
2,3	11/04/2012	11/09/2012	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
2,3	11/04/2012	11/09/2012	IP 71124.02	Occupational ALARA Planning and Controls	
2,3	11/04/2012	11/09/2012	IP 71124.03	In-Plant Airborne Radioactivity Control and Mitigation	
2,3	11/04/2012	11/09/2012	IP 71124.04	Occupational Dose Assessment	
			MODS - PERMANENT PLANT MODIFICATIONS		3
2,3	01/28/2013	02/01/2013	IP 7111117T	Evaluations of Changes, Tests, or Experiments and Permanent Plant Modifications	
2,3	02/11/2013	02/15/2013	IP 7111117T	Evaluations of Changes, Tests, or Experiments and Permanent Plant Modifications	
			EP PROGR - EP PROGRAM INSPECTION		1
2,3	02/11/2013	02/15/2013	IP 7111402	Alert and Notification System Testing	
2,3	02/11/2013	02/15/2013	IP 7111403	Emergency Preparedness Organization Staffing and Augmentation System	
2,3	02/11/2013	02/15/2013	IP 7111404	Emergency Action Level and Emergency Plan Changes	
2	02/11/2013	02/15/2013	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies	
			711108P - U3 INSERVICE INSPECTION		1
3	04/15/2013	04/26/2013	IP 7111108P	Inservice Inspection Activities - PWR	
			71124 - OCC RADIATION SAFETY		1
2,3	04/22/2013	04/26/2013	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
2,3	04/22/2013	04/26/2013	IP 71124.02	Occupational ALARA Planning and Controls	
			71124 - RADIO EFFLUENTS		1
2,3	05/06/2013	05/10/2013	IP 71124.06	Radioactive Gaseous and Liquid Effluent Treatment	
			71124 - REM-P		1
2,3	05/20/2013	05/24/2013	IP 71124.07	Radiological Environmental Monitoring Program	