

March 31, 2000

Mr. D. R. Gipson
Senior Vice President
Nuclear Generation
The Detroit Edison Company
6400 North Dixie Highway
Newport, MI 48166

SUBJECT: PLANT PERFORMANCE REVIEW - FERMI

Dear Mr. Gipson:

The purpose of this letter is to communicate our assessment of your performance and to inform you of our planned inspections at your facility. On March 7, 2000, we completed a Plant Performance Review (PPR) of the Fermi 2 reactor facility. We conduct these reviews to develop an integrated overview of the safety performance of each operating nuclear power plant. We use the results of the PPR in planning and allocating inspection resources and as inputs to our senior management meeting (SMM) process. This PPR evaluated inspection results and safety performance information for the period from February 1, 1999, through January 31, 2000, but emphasized the last 6 months to ensure that our assessment reflected your current performance. Our most recent summary of plant performance at Fermi 2 was provided to you in a letter dated March 26, 1999.

The NRC has been developing a revised reactor oversight process that will replace our existing inspection and assessment processes, including the PPR, the SMM, and the Systematic Assessment of Licensee Performance (SALP). We recently completed a pilot program for the revised reactor oversight process at nine participating sites and are making necessary adjustments based on feedback and lessons learned. We plan to begin initial implementation of the revised reactor oversight process industry-wide, including your facility, on April 2, 2000.

This PPR reflects continued process improvements as we make the transition into the revised reactor oversight process. You will notice that the following summary of plant performance is organized differently from our previous performance summaries. Instead of characterizing our assessment results by SALP functional area, we are organizing the results into the strategic performance areas embodied in the revised reactor oversight process. In addition, we have considered the historical performance indicator data that you submitted in January 2000 in conjunction with the inspection results in assessing your performance. The results of this PPR were used to establish the inspection plan in accordance with the new risk-informed inspection program (consisting of baseline and supplemental inspections). Although this letter incorporates some terms and concepts associated with the new oversight process, it does not reflect the much broader changes in inspection and assessment that will be evident after we have fully implemented our revised reactor oversight process.

During the last 6 months, Fermi 2 operated continuously at close to full power with periodic power reductions for maintenance. During a September 11, 1999, planned power reduction to 88 percent to perform maintenance, the demand speed signal for reactor recirculation pump A failed and power was further decreased to 63 percent.

We have not identified any significant performance issues in the Reactor Safety and Radiation Safety strategic areas during this assessment period and note that Fermi 2 continues to operate in a safe manner. In the Safeguards strategic area, a Severity Level III violation was cited because an inadequate vehicle search resulted in the entry of a loaded weapon into the protected area. However, we have already conducted our inspections for this event. Therefore, we plan to conduct only baseline inspections at your facility as noted in the attached inspection plan.

Enclosure 1 contains a historical listing of plant issues, referred to as the Plant Issues Matrix (PIM), that was used during this PPR process to arrive at our integrated view of your performance trends. The PIM for this assessment is grouped by the prior SALP functional areas of operations, maintenance, engineering and plant support, although the future PIM will be organized along the cornerstones of safety as described in the revised reactor oversight process. The attached PIM includes items summarized from inspection reports or other docketed correspondence between the NRC and the Detroit Edison Company regarding the Fermi 2 plant. We did not document all aspects of your programs and performance that may be functioning appropriately. Rather, we only documented issues that we believe warrant management attention or represent noteworthy aspects of performance. In addition, the PPR may also have considered some predecisional and draft material that does not appear in the attached PIM, including observations from events and inspections that had occurred since our last inspection report was issued, but had not yet received full review and consideration. We will make this material publically available as part of the normal issuance of our inspection reports and other correspondence.

Enclosure 2 lists our planned inspections for the period April 2000 through March 2001 to allow you to resolve scheduling conflicts and personnel availability in advance of our inspector arrival on site. The inspection schedule for the latter half of the period is more tentative and may be adjusted in the future due to emerging performance issues at Fermi or other Region III facilities. Routine resident inspections are not listed due to their ongoing and continuous nature.

D. Gipson

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We will inform you of any changes to the inspection plan. If you have any questions, please contact me at 630/829-9703.

Sincerely,

/RA/

Mark Ring, Chief
Reactor Projects Branch 1
Division of Reactor Projects

Docket No. 50-341
License No. NPF-43

Enclosures: 1. Plant Issues Matrix
2. Inspection Plan

cc w/encls: N. Peterson, Director, Nuclear Licensing
P. Marquardt, Corporate Legal Department
Compliance Supervisor
R. Whale, Michigan Public Service Commission
Michigan Department of Environmental Quality
Monroe County, Emergency Management Division
Emergency Management Division
MI Department of State Police
R. Solomon, Chairman, Wayne County Board
of Commissioners
R. Ficano, Wayne County Sheriff
M. Sparks, Director, Wayne County
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The Honorable Richard C. Jones
The Honorable Scott L. Dennison
W. Greensalait, City Administrator, Gibraltar
D. Zorn, Monroe County Board Chairman
T. Crutchfield, Monroe County Sheriff
M. Yudasz, Jr., Emergency Management Director
J. Heath, Director, Monroe County
Health Department
The Honorable C. D. Cappuccilli
R. Hamilton, Monroe City Manager
The Honorable Glenn Goodnight
The Honorable Daniel G. Guzzi
K. Laub, Rockwood City Administrator
J. Spas, Frenchtown Charter Township
Supervisor
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