

May 31, 2001

Mr. William O'Connor, Jr.  
Vice President  
Nuclear Generation  
Detroit Edison Company  
6400 North Dixie Highway  
Newport, MI 48166

SUBJECT: ANNUAL ASSESSMENT LETTER - FERMI 2 NUCLEAR PLANT  
(REPORT 50-341/01-01)

Dear Mr. O'Connor:

On May 1, 2001, the NRC staff completed its End-of-Cycle plant performance assessment of Fermi 2. The End-of-Cycle review for Fermi 2 involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period April 2, 2000 to March 31, 2001. 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 which may conflict with your plant activities.

Overall, Fermi 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 Regulatory Response Column of the NRC's Action Matrix, based on the Emergency AC Power System unavailability White performance indicator. This PI went White in the 3<sup>rd</sup> Quarter of 2000. This was due to fault exposure hours identified after a catastrophic failure of the outboard bearing for Emergency Diesel Generator 14 on March 21, 2001. A supplemental inspection is planned for July 2001. All inspection findings for the most recent quarter were classified as having very low safety significance (Green).

The enclosure details the scheduled inspections that will occur through May 31, 2002. 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.

For your information, the NRC is in the process of aligning the inspection and assessment cycle with the calendar year. In order to transition to a calendar year cycle (January 1 - December 31), the next inspection and assessment cycle will consist of only three quarters (i.e., the second, third, and fourth calendar quarters of CY 2001). As a result, a quarterly review will be conducted for the third calendar quarter (July 1 - September 30) in lieu of a mid-cycle review. The impact on the inspection plan, which is included as an enclosure, is minimal. Activities planned for the transition cycle represent only 60-80 percent of those activities that would be accomplished during a typical 12-month inspection and assessment cycle.

W. O'Connor, Jr.

-2-

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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 Mark Ring at (630) 829-9703 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

*/RA/*

Geoffrey E. Grant, Director  
Division of Reactor Projects

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

Enclosure: Fermi Inspection/Activity Plan

See Attached Distribution

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