

March 7, 2003

The Honorable George V. Voinovich, Chairman
Subcommittee on Clean Air, Climate Change,
and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Fiscal Year (FY) 2003 Energy and Water Development Appropriations Act, House Reports 107-681 and 108-10, directed the Nuclear Regulatory Commission (NRC) to continue to provide a monthly report on the status of its licensing and regulatory duties and expanded the scope of the report to include a new section on the status of the Davis-Besse Nuclear Power Station. This new reporting requirement will be reflected in the January 2003 Monthly Report. The initial reporting requirement arose in the FY 1999 Energy and Water Development Appropriations Act, Senate Report 105-206. On behalf of the Commission, I am pleased to transmit the forty-ninth report, which covers the month of December 2002 (Enclosure 1).

The November report provided information on a number of significant NRC activities, including an update of our actions taken following the terrorist attacks of September 11, 2001, and a status report on the reactor vessel head corrosion at the Davis-Besse Nuclear Power Station in Oak Harbor, Ohio. We would like to provide you further information on both of these issues.

In regard to the physical security and safeguards for NRC-licensed facilities, the NRC continues to monitor the current threat environment closely and work extensively with the Office of Homeland Security, the newly established Department of Homeland Security and other government agencies in developing coordinated threat assessments, and coordinating security and emergency plan responsibilities. On January 7, 2003, the NRC issued immediately effective Orders to all 103 operating commercial nuclear power plants requiring that licensees enhance their programs that control access to the facility. Some of the requirements formalize a series of security measures that NRC licensees had taken in response to advisories issued by the NRC in the aftermath of the September 11, 2001, terrorist attacks. Additional security enhancements, developed during our ongoing security review, are also provided in the Orders. The specific security measures addressed by the Orders, which supplement existing regulatory requirements, are classified as Safeguards Information under §147 of the Atomic Energy Act, as amended, and 10 CFR 73.21. The measures generally include restricting temporary unescorted access to a facility and re-verifying background investigation criteria for those individuals with unescorted access. The Orders will remain in effect until the Commission determines otherwise. Further, on February 6, 2003, NRC issued immediately effective Orders modifying the licenses of Category III fuel cycle facilities to require interim compensatory

security measures. The Orders require the licensees to provide a response containing their implementation plans within 20 days.

I am pleased to inform you that the Commission recently directed the staff to resume force-on-force testing evaluations of security performance at power reactor and Category I fuel cycle facilities. We had temporarily suspended these evaluations following the terrorist attacks of September 11, 2001, because NRC security inspection resources were diverted to staff response centers, assess threat conditions, and implement a heightened security posture at licensee sites. In light of the security enhancements that have been made over the past seventeen months, the Commission considers it prudent to resume force-on-force exercise evaluations at this time using the enhanced interim threat capabilities contained in the February 25, 2002 Orders. Following a pilot program phase, we will be conducting comprehensive security performance reviews -- including enhanced force-on-force exercises -- at each nuclear power plant on a three-year cycle, instead of the eight-year cycle that had been applied in the past. An important component of these reviews includes enhanced "table-top" exercises (facilitated discussions using credible scenarios) that for the first time involve a wide array of Federal, State, and local law enforcement and emergency planning officials. The table-top exercises were recommenced in July 2002. The pilot force-on-force exercises resumed in February 2003, and we will transition to full security performance after the Commission has approved a revised design basis threat. We believe that resumption of force-on-force testing will further improve both licensees' security readiness and NRC's regulatory oversight processes.

In regard to Davis-Besse, the NRC special oversight panel, established to coordinate the Agency's activities in assessing the performance problems associated with the corrosion damage to the reactor vessel head at the Davis-Besse Nuclear Power Plant, continues to monitor licensee activities. The licensee will not restart the plant until the NRC is satisfied that all safety concerns have been resolved. As previously reported, the Lessons Learned Task Force (LLTF), established by the NRC Executive Director for Operations (EDO), completed its work and, on October 9, issued its report on the agency's handling of issues associated with the corrosion damage to the reactor vessel head at the Davis-Besse Nuclear Power Plant. The LLTF presented its findings at a public meeting on November 20, in Oak Harbor. The findings and recommendations of the LLTF have been evaluated by an NRC Senior Management Review Team (SMRT), which forwarded its recommendations to the EDO on November 26. The recommendations were discussed at a Commission Meeting on January 14, 2003. The Commission approved proceeding with the recommendations identified for action by the SMRT. In addition, on February 4, the Commission was briefed by representatives of FirstEnergy, the NRC staff, the Nuclear Information and Resource Service, Ottawa County, Ohio, and the Nuclear Energy Institute on lessons learned regarding the Davis-Besse reactor vessel head degradation incident and progress made in addressing the root causes of the incident.

On February 11, 2003, NRC issued an immediately effective Order to licensees operating pressurized water reactors, establishing a minimum set of reactor pressure vessel head inspection requirements. The Order is part of the Commission's ongoing efforts to ensure continued protection of public health and safety following the discovery of degradation in the reactor vessel head of the Davis-Besse reactor. The Order requires that licensees conduct bare metal visual examinations of the entire vessel head surface and non-visual examinations of each reactor pressure vessel head penetration.

On February 25, the NRC staff issued its preliminary finding that performance deficiencies which led to the cracking of the control rod drive tubes and the resulting corrosion damage to the Davis-Besse reactor vessel head were of "high safety significance." Under the NRC safety significance determination process, inspection findings at nuclear power plants are classified as being one of four colors which delineate increasing levels of safety significance, beginning with "green" and progressing to "white," "yellow" or "red." A "red" category indicates high safety significance. The utility has 10 days to respond to the NRC's preliminary assessment. The licensee may request a regulatory conference to discuss the finding or it may submit its response in writing. As discussed above, beginning with the January 2003 Monthly

Report we will continue to keep you informed of the status of this issue by modifying Enclosure 1 to include a new section dedicated to the Davis-Besse Nuclear Power Station.

Since our last report, the Commission and the NRC staff also:

- published in the Federal Register (68 FR 9595) on February 28, 2003, a notice of an enhanced participatory rulemaking on alternatives for controlling the disposition of solid materials that originate in restricted or impacted areas of NRC-licensed facilities, and that have no -- or very small amounts of -- radioactivity resulting from licensed operations. The NRC is seeking stakeholder participation and involvement in identifying alternatives and their environmental impacts that should be considered as part of the rulemaking. Considerable information collection effort has been conducted in this area and the Commission is building on existing information to focus on potential solutions. To assist in this process, the NRC is holding a workshop to solicit new input with a focus on the feasibility of alternatives identified in this notice that would limit where solid material can go. The NRC has not made a decision on the scope or details of a regulation and is continuing to develop a solid technical basis for the rulemaking. The public comment period closes on June 30, 2003.
- published in the Federal Register (68 FR 35) on February 21, 2003, a notice of availability for public comment on the Test Protocols Report (draft NUREG-1768) for the NRC's spent nuclear fuel transportation Package Performance Study (PPS). The PPS is a confirmatory research program focused on the probabilities and consequences of severe transportation accidents -- the very small fraction of accidents that could result in impact or thermal forces on casks that exceed NRC's standards for cask design. The PPS will use a combination of testing and analyses to develop data and validate methods of analysis for use in transportation risk assessments. A public participation process will continue as the PPS proceeds to ensure that stakeholder concerns are considered by the PPS and to support increased public confidence in NRC's regulatory activities, considering potential future increases in the number of spent fuel transports. The public comment period closes on May 30, 2003.
- issued Information Notice 2003-01, on January 15, 2003, to alert addressees to a recent failure of a main steam safety/relief valve on a boiling water reactor. The NRC anticipates that recipients will review the information for applicability to their facilities and consider taking appropriate actions.
- issued Information Notice 2003-02, on January 16, 2003, to inform addressees of recently observed reactor coolant leakage at two pressurized water reactor facilities, one of which resulted in subsequent degradation of the reactor pressure vessel head. Recipients will review the information for applicability to their facilities and consider actions, as appropriate, to avoid similar problems.
- conducted a table-top exercise on January 22, 2003, to estimate the radiological consequences of a radiological dispersal device. The dose estimate was conducted in support of the BUSRIDE 2 Exercise on January 29, 2003. The NRC ran three dose assessment teams using two different codes. The National Weather Service supported NRC by providing meteorological information. In addition, Sandia National Laboratory and the National Atmospheric Release Advisory Center independently conducted dose assessments and reported their results to NRC. NRC evaluated the results and developed a unified, coordinated Federal assessment of the radiological consequences of the release.
- participated in a State of Wisconsin table-top exercise in Prairie du Chien, Wisconsin. The scenario involved a hypothetical terrorist attack on a spent fuel shipment from a shutdown reactor involving a derailment and release of radioactive material to the environment. More than 100 persons participated in the exercise, including those from a number of Federal agencies.

- held an Outreach Meeting on Emergency Preparedness in Glen Allen, Virginia, with participation from State and local government representatives.
- issued on January 31, 2003, a license amendment for the River Bend nuclear power plant, located in St. Francisville, Louisiana which authorizes an increase in the generating capacity of the plant from 1043 to 1060 megawatts electric, an increase of 1.7 percent.
- participated in the National Response Team (NRT) meeting at the Environmental Protection Agency's Emergency Operations Center. Topics of discussion included planning for the upcoming Regional Response Team Co-Chair meeting, upcoming exercises, NRT interactions with the new Department of Homeland Security, the response procedure reconciliation report, risk and protective action communication, and the Prestige oil spill of Spain.
- issued final revision of Procedure SA-900: "Termination of Uranium Milling Licenses in Agreement States." The procedure describes the NRC review process for making determinations that all applicable standards and requirements have been met prior to termination of an Agreement State uranium milling license. The announcement of availability of the procedure was published in the Federal Register on January 27, 2003.
- published final rule in the Federal Register (68 FR 463) on January 6, 2003, adding the Standardized Advanced NUHOMS-24PT1 cask system to the list of approved spent fuel storage casks. The NUHOMS-24PT1 is a Transnuclear, Inc. design, and the cask has improved shielding and the ability to withstand higher seismic spectra than other NUHOMS designs. The final rule became effective February 5, 2003.
- published final rule in the Federal Register (67 FR 79837) that amends the Commission's regulations concerning compliance with the Federal Advisory Committee Act requirements. The rule change conforms NRC's regulations to the General Services Administration's regulations. The final rule clarifies Commission practices concerning advisory committee exemptions from Federal Advisory Committee Act requirements. The final rule became effective January 30, 2003.
- issued final environmental impact statement on proposed renewal of the operating licenses of the Peach Bottom nuclear power plants. In the report, the NRC found that there are no environmental impacts that would preclude license renewal for an additional 20 years of operation. The plants are located in Pennsylvania. Exelon Corporation, the operator of the plants, submitted an application for the renewal of the licenses on July 2, 2001.
- published in the Federal Register on January 24, 2003 (68 FR 16), a notice of issuance for the environmental assessment on the proposed extension of the Construction Permit No. CPPR-122 for Bellefonte Nuclear Plant (BLN), Unit 1 (from October 1, 2001, to October 1, 2011), and CPPR-123 for BLN, Unit 2 (from October 1, 2004, to October 1, 2014). The holder of these construction permits is the Tennessee Valley Authority (TVA). The facility is located near Scottsboro, Alabama, on the west shore of the Guntersville Reservoir in Jackson County, Alabama. In the environmental assessment, the NRC staff concluded that the proposed action would have no significant environmental impact. The proposed action is needed because construction of BLN, Units 1 and 2, is not yet completed. TVA requested the extension to allow it to maintain the choice of a full range of competitive energy sources. The request was made because of the increase in the electrical demand in the TVA region.
- announced opportunity for hearing on Nuclear Fuel Services, Inc. (NFS) amendment request to authorize uranium processing operations at a Blended Low-Enriched Uranium Preparation Facility within its existing facility in Erwin, Tennessee. NFS currently

manufactures high-enriched nuclear reactor fuel and is constructing a new complex at the site to manufacture low-enriched nuclear reactor fuel.

- released a new search interface for the NRC's online Agency-wide Document Access and Management System to facilitate locating and obtaining public NRC documents.
- met with First Energy Nuclear Operating officials on January 30, 2003, to discuss the utility's plans for assessing the "safety culture" at Davis-Besse Nuclear Power Station in Oak Harbor, Ohio.
- proposed a \$9,600 civil penalty against Testing Technologies, Incorporated, of Woodbridge, Virginia, for violation of NRC safety requirements related to the use of licensed radioactive material in Hawaii. NRC determined that the company deliberately violated NRC requirements by permitting individuals who had not been properly certified to perform radiographic operations at construction sites on the island of Oahu, Hawaii.
- received on February 12, 2002, a license application from the U.S. Enrichment Corporation (USEC) to construct and operate for 5 years a gas centrifuge uranium enrichment test and demonstration facility (Lead Cascade). The proposed facility will be based on the Department of Energy's (DOE's) advanced gas centrifuge technology. USEC plans to assemble and operate the Lead Cascade in an existing DOE gas centrifuge building located at the Portsmouth Gaseous Diffusion Plant site in Piketon, Ohio. The Lead Cascade, which will consist of up to 240 centrifuges, will provide USEC with reliability information on the machines and auxiliary systems, as they would be used in commercial operations. USEC is expected to submit a license application for its commercial-scale facility in late 2004 or early 2005.

I have enclosed (Enclosure 2) the update to the Tasking Memorandum which delineates the schedules for accomplishing high priority initiatives.

Please do not hesitate to contact me if I may provide additional information.

Sincerely,

/RA/

Richard A. Meserve

Enclosures:

1. Monthly Report
2. Tasking Memorandum

cc: Senator Thomas R. Carper

MONTHLY STATUS REPORT ON THE
LICENSING ACTIVITIES AND REGULATORY DUTIES OF THE
UNITED STATES NUCLEAR REGULATORY COMMISSION

DECEMBER 2002

Enclosure 1

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¹Note: The period of performance covered by this report includes activities occurring between the first and last day of December 2002. The transmittal letter to Congress accompanying this report may provide more recent information in order to keep Congress fully and currently informed of NRC's licensing and regulatory activities.

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XX. Implementing Risk-Informed Regulations

Although the staff continues to make progress on tasks involving the use of probabilistic risk information in many areas, there were no significant milestones accomplished during the month of December 2002. The milestone schedule for significant risk-informed activities is included in the Commission Tasking Memorandum (Enclosure 2).

XXI. Revised Reactor Oversight Process

The NRC continues to implement the Reactor Oversight Process (ROP) at all nuclear power plants. The NRC has continued meeting with interested stakeholders on a periodic basis to collect feedback on the efficacy of the process and considers stakeholder feedback in making refinements to the ROP. Recent activities include the following:

- a. On December 11-12, 2002, a combined Mitigating System Performance Index (MSPI) and ROP Working Group public meeting was held. During the first day of this meeting, group participants discussed resident inspector feedback on the MSPI temporary instruction (TI) that contains the inspection guidance being implemented during the MSPI pilot, along with pilot licensee questions and concerns. Additional interim TI guidance on the MSPI pilot was developed during the meeting and was communicated to regional inspectors. These questions and concerns, along with the interim guidance, will be the focus of the upcoming MSPI workshop currently scheduled for January 21, 2003. The industry working group and the NRC staff members discussed the status of the MSPI pilot program, MSPI implementation issues, MSPI Frequently Asked Questions (FAQs), RES efforts, and the status of the threshold benchmarking progress.

On December 12, 2002, the ROP Working Group participants discussed the status of key ROP issues that included: proposed Inspection Manual Chapter and procedure changes and questions for the fourth quarter, 2002; self assessment initiatives, draft Significance Determination Process Appendix revisions; industry trends update; and FAQs. The next ROP Working Group meeting is scheduled for January 23, 2003.

- b. A solicitation for public comment on the third year of implementation of the ROP was issued. Public comments were received in December and are being evaluated.

XXII. Status of Issues in the Reactor Generic Issue Program

Resolution of the issues in the Reactor Generic Issue Program continues to be on track.

XXIII. Licensing Actions and Other Licensing Tasks

Licensing actions are defined as requests for: license amendments; exemptions from regulations; relief from inspection or surveillance requirements; topical reports submitted on a plant-specific basis; notices of enforcement discretion; or other licensee requests requiring NRC review and approval before it can be implemented by the licensee. The FY 2003 NRC

Performance Plan incorporates three output measures related to licensing actions. These are: number of licensing action completions per year; age of the licensing action inventory; and size of licensing action inventory.

Other licensing tasks are defined as: licensee responses to NRC requests for information through generic letters or bulletins; NRC responses to 2.206 petitions; NRC review of licensee topical reports; NRR responses to regional requests for assistance; NRC review of licensee 10 CFR 50.59 analyses and FSAR updates; or other licensee requests not requiring NRC review and approval before it can be implemented by the licensee. The FY 2003 NRC Performance Plan incorporates one output measure related to other licensing tasks. This is: number of other licensing tasks completed.

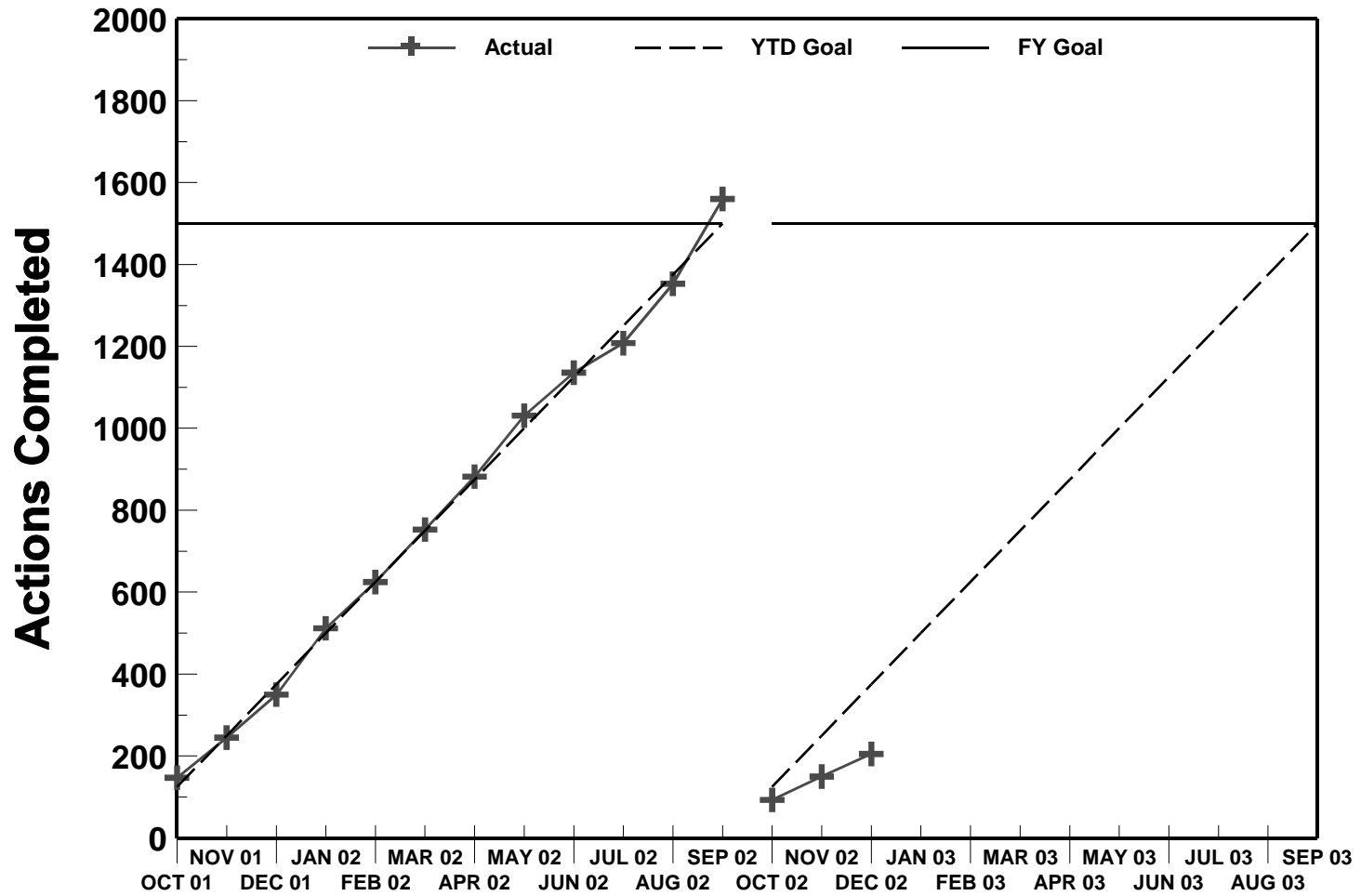
The actual FY 2001 and FY 2002 results, the FY 2003 goals and the actual FY 2003 results, as of December 31, 2002, for the four NRC Performance Plan output measures for licensing actions and other licensing tasks are shown in the table below.

PERFORMANCE PLAN				
Output Measure	FY 2001 Actual	FY 2002 Actual	FY 2003 Goals	FY 2003 Actual (thru 12/31/2002)
Licensing actions completed/year	1617	1560	≥ 1500	205
Age of licensing action inventory	96.9% ≤ 1 year; 100% ≤ 2 years	96.6% ≤ 1 year; 100% ≤ 2 years	96% ≤ 1 year; 100% ≤ 2 years	92.6% ≤ 1 year; 100% ≤ 2 years
Size of licensing action inventory	877	765	≤ 1000	971
Other licensing tasks completed/year	523	426	≥ 350	94

The following charts depict NRC's FY 2003 trends for the four licensing action and other licensing task output measure goals.

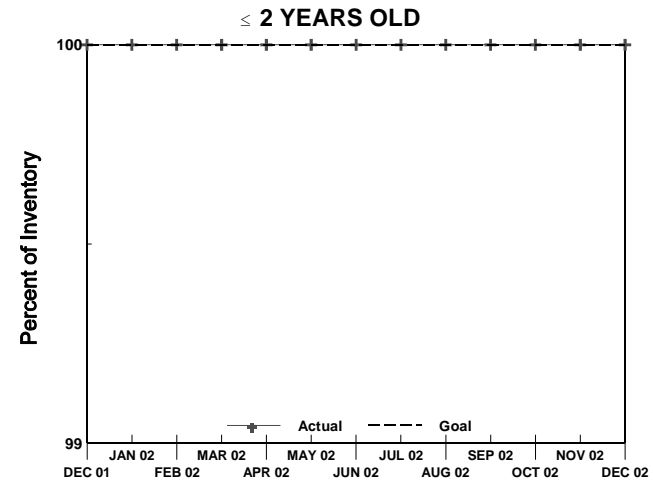
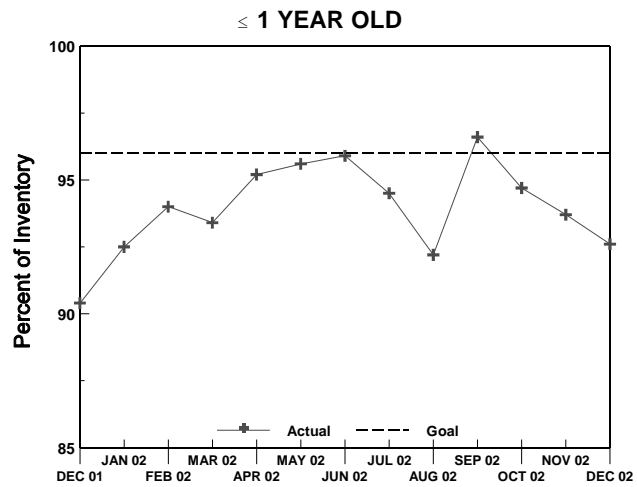
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Licensing Actions



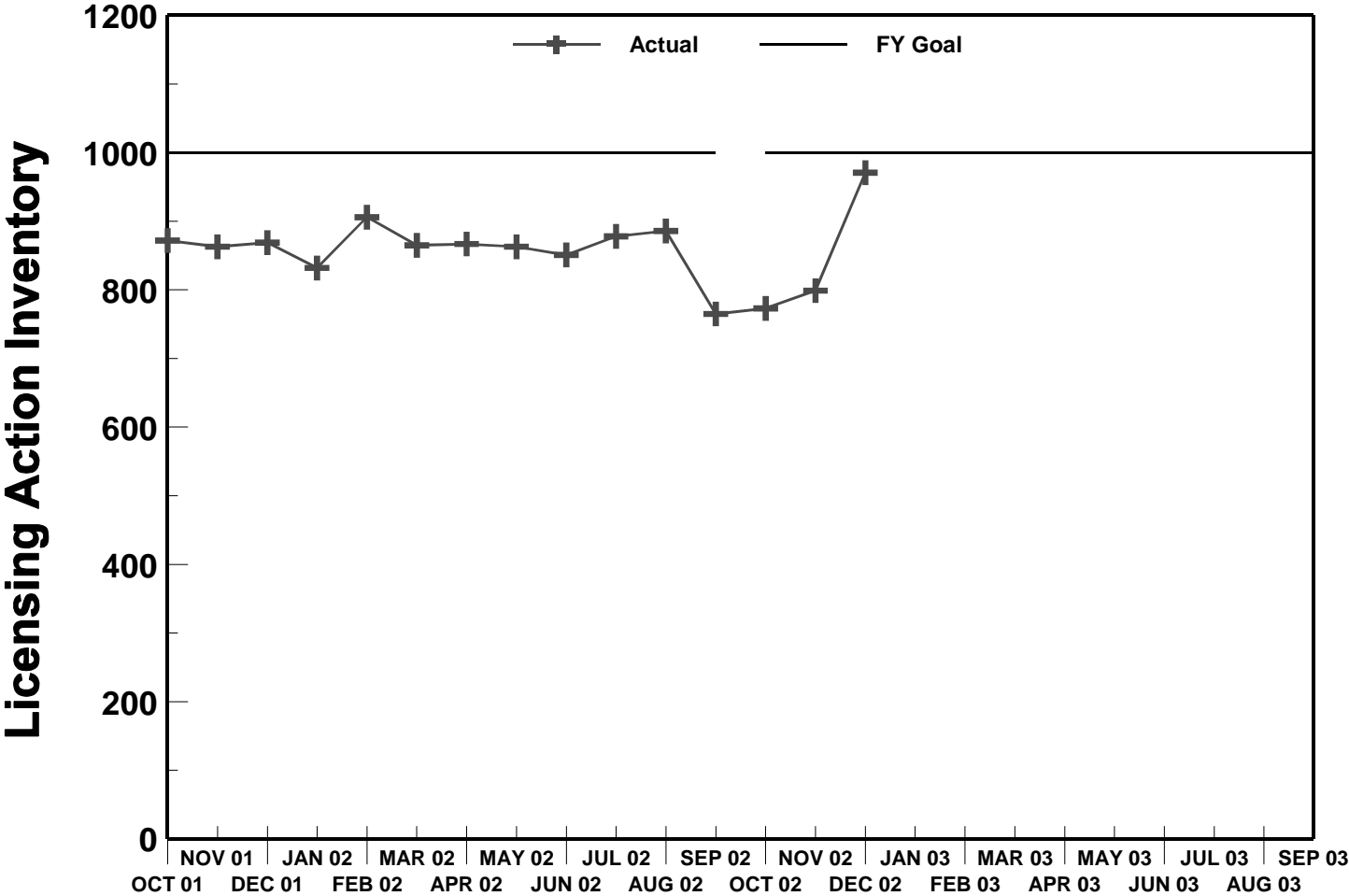
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Age of Licensing Action Inventory



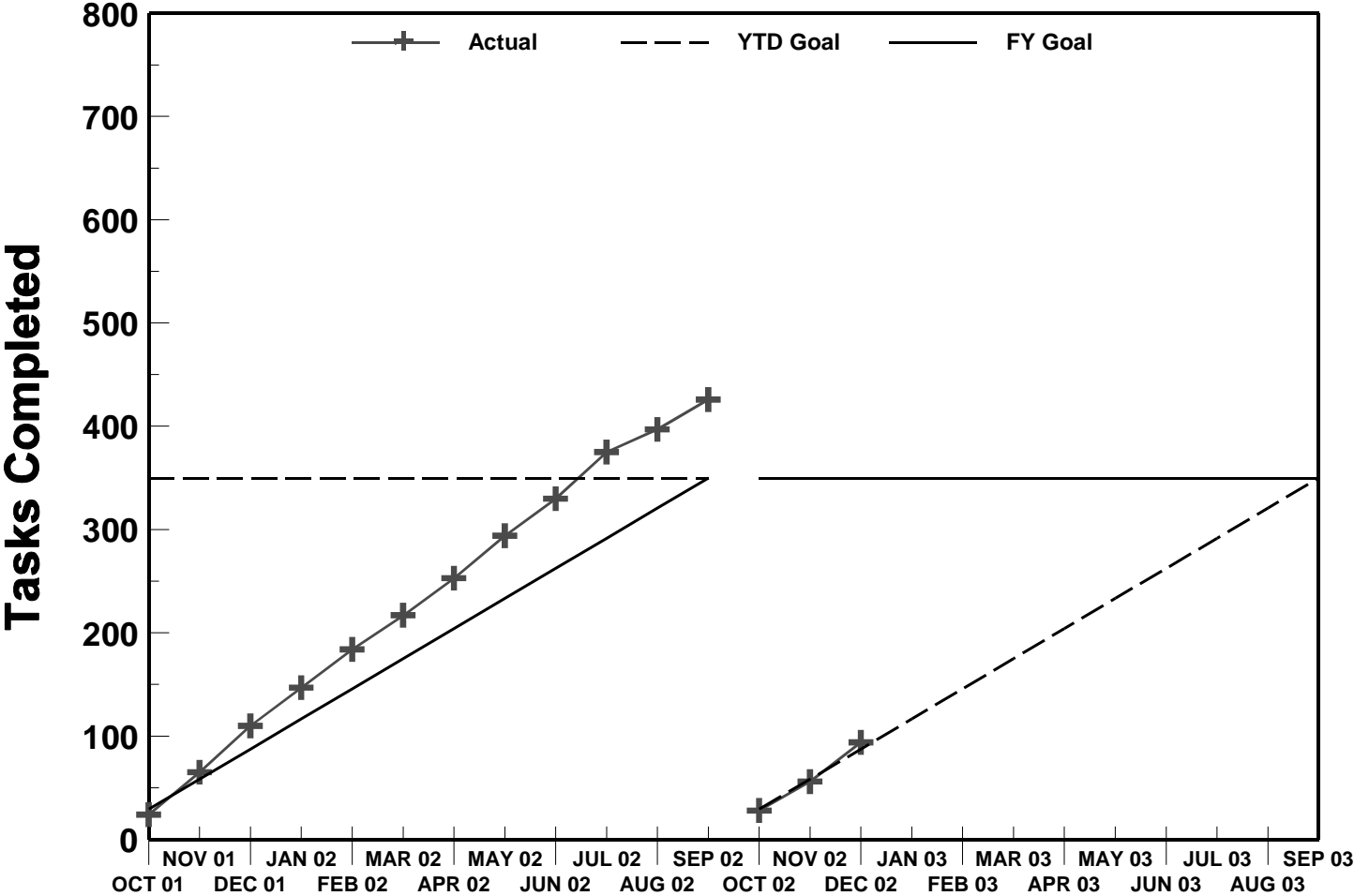
Nuclear Reactor Safety - Reactor Licensing

Performance Plan: Size of Licensing Action Inventory



Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Other Licensing Tasks



XXIV. Status of License Renewal Activities

Surry, Units 1 and 2, and North Anna, Units 1 and 2, Combined Renewal Applications

The staff issued the final supplemental environmental impact statement (SEIS) for Surry and North Anna in December 2002. The safety evaluation report resolving the open items was issued in November 2002. The staff is completing activities to support a decision on renewing the licenses by March 2003.

McGuire, Units 1 and 2, and Catawba, Units 1 and 2, Combined Renewal Applications

The staff issued the final SEISs for McGuire and Catawba in December 2002. The safety evaluation report resolving the open items will be issued in January 2003. The staff is supporting completion of the hearing process leading to a decision on renewing the licenses by December 2003.

In January 2002, the Atomic Safety and Licensing Board (ASLB) admitted contentions filed by Nuclear Information and Resource Service and the Blue Ridge Environmental Defense League, petitioners in the Catawba and McGuire license renewal proceeding. The petitioners contended that the applicant's severe accident mitigation alternative (SAMA) analysis was incomplete. The staff and Duke appealed the ASLB decision. In an Order, the Commission admitted to an extent, the SAMA contention. In December 2002, the Commission issued another Order to clarify that the ASLB had misinterpreted the earlier Order and provided guidance to the ASLB with respect to the relevance of the partially admitted contention. Duke has petitioned the ASLB to dismiss the SAMA contention. The ASLB has not yet ruled on Duke's request.

A certified question from the ASLB relating to the admissibility of a contention pertaining to terrorism was referred to the Commission for review. In December 2002, the Commission issued an Order instructing the ALSB not to consider contentions relating to terrorism risks for the renewal of the Catawba and McGuire operating licenses.

Peach Bottom, Units 2 and 3, Renewal Application

The staff issued the draft SEIS in July 2002. The public comment period on the draft SEIS has ended and the staff is addressing the comments and preparing the final SEIS which is scheduled to be issued by February 2003. The safety evaluation report identifying any open items was issued in September 2002. Applicant responses to the open items were received in November 2002. The staff is reviewing the proposed resolution of the open items and preparing the revised safety evaluation report to be issued by February 2003.

St. Lucie, Units 1 and 2, Renewal Application

The staff issued the draft SEIS for public comment in November 2002 and the comment period ends in January 2003. The safety requests for additional information were issued in July 2002 and the applicant's responses were received in October 2002. The staff plans to issue the safety evaluation report by February 2003, which will identify any remaining open items.

Fort Calhoun Renewal Application

Environmental requests for additional information were issued in July 2002 and the responses were received in September 2002. The staff will issue the draft SEIS for public comment in January 2003. The safety requests for additional information were issued in October 2002 and the applicant's response was received in December 2002. The staff plans to issue the safety evaluation report by April 2003, which will identify any remaining open items.

Robinson Unit 2 Renewal Application

The Robinson renewal application is currently under review. All environmental requests for additional information were issued by October 2002 and the safety requests are scheduled to be issued by February 2003.

Ginna Renewal Application

The Ginna renewal application is currently under review and the staff is preparing requests for additional information. All environmental requests for additional information are scheduled to be issued by January 2003 and the safety requests by March 2003.

Summer Renewal Application

The Summer renewal application is currently under review and the staff is preparing requests for additional information. All environmental requests for additional information are scheduled to be issued by February 2003 and the safety requests by April 2003. No request for hearing was received and the schedule was revised to complete the review in 22 months, with a license decision now scheduled for June 2004.

Dresden, Units 2 and 3, and Quad Cities, Units 1 and 2, Combined Renewal Applications

On January 3, 2003, the NRC received an application for renewal of the operating licenses for Dresden, Units 2 and 3, and Quad Cities, Units 1 and 2. The staff is currently performing the required acceptance review and, if found acceptable, will docket the application, notice an opportunity for hearing, and issue the review schedule.

XXV. Status of Review of Private Fuel Storage, Limited Liability Corporation's Application for a License to Operate an Independent Spent Fuel Storage Installation on the Reservation of the Skull Valley Band of Goshute Indians

During this reporting period, staff from the office of Senator Orrin Hatch of Utah requested and received a briefing from members of NRC staff. The subjects of the briefing included the NRC staff's review of the Private Fuel Storage (PFS) license application and the licensing process for independent spent fuel storage installations (ISFSIs).

The NRC staff responded to a letter from the State of Utah which requested the release to the State of Safeguards information included in the Order on Interim Compensatory Measures for ISFSIs. The staff noted in its response that the Commission's Order, of October 23, 2002, was not served by the Commission on PFS, and that the Order has not been made applicable to the

proposed PFS Facility. The staff also noted that the proposed PFS Facility is not considered to be a facility that will store spent fuel in the near term. As a result, the State of Utah's interest in the Order and the relationship of that Order to the proposed PFS Facility had not been established. Further, the staff determined that the State of Utah had not provided any other information which would constitute an adequate basis, as required by 10 CFR 73.21(c), to establish a "need to know" this Safeguards Information. Accordingly, the State's request to receive that information was denied. Previously, the State of Utah had submitted a request that the Atomic Safety and Licensing Board (ASLB) order the staff to provide a copy of the Order to it. The ASLB has not yet responded to the request.

The ASLB issued an Order stating that its findings on the contentions adjudicated at the hearings held from mid-April through early July of 2002 would be postponed from December 16, 2002, to mid-to-late January 2003.

Also during this reporting period, the Commission issued two Orders associated with the PFS licensing process. The Commission affirmed the ASLB's decision rejecting a late-filed terrorism contention. The Commission also issued an Order rejecting Utah's argument in "Utah's Suggestion of Lack of Jurisdiction," which dealt with the Commission's authority to license an away-from-reactor ISFSI.

XXVI. Enforcement Process and Summary of Reactor Enforcement by Region

Reactor Enforcement by Region

Reactor Enforcement Actions*						
		Region I	Region II	Region III	Region IV**	TOTAL
Severity Level I	Nov 2002	0	0	0	0	0
	FY 03 YTD	0	0	0	0	0
	FY 02 Total	0	0	0	0	0
	FY 01 Total	0	0	0	0	0
Severity Level II	Nov 2002	0	0	0	0	0
	FY 03 YTD	0	0	0	0	0
	FY 02 Total	1	0	0	0	1
	FY 01 Total	0	1	0	0	1
Severity Level III	Nov 2002	0	0	0	0	0
	FY 03 YTD	0	0	0	0	0
	FY 02 Total	2	0	0	0	2
	FY 01 Total	1	1	1	1	4

Reactor Enforcement Actions*						
Severity Level IV	Nov 2002	0	0	0	0	0
	FY 03 YTD	0	0	0	0	0
	FY 02 Total	0	0	2	0	2
	FY 01 Total	1	0	2	1	4
Non-Cited Severity Level IV	Nov 2002	38	0	3	4	45
	FY 03 YTD	48	0	38	30	116
	FY 02 Total	207	89	201	151	648
	FY 01 Total	279	105	201	139	724

* Numbers of violations are based on enforcement action tracking system (EATS) data that maybe subject to minor changes following verification. The number of Severity Level I, II, III listed refers to the number of Severity Level I, II, III violations or problems. The monthly totals generally lag by 30 days due to inspection report and enforcement development.

Escalated Reactor Enforcement Actions Associated with the Reactor Oversight Process						
		Region I	Region II	Region III	Region IV	Total
NOVs Related to White, Yellow or Red Findings	11/02 Red	0	0	0	0	0
	11/02 Yellow	0	0	0	0	0
	11/02 White	2	0	0	0	2
	FY 03 YTD	3	0	1	0	4
	FY 02 Total	5	4	6	8	22
	FY 01 Total	8	4	4	3	19

Description of Significant Actions taken in November 2002

Entergy Nuclear Operations, Inc. (Indian Point 1 & 2) EA-02-162

On November 8, 2002, a Notice of Violation was issued for a violation involving a white Significance Determination Process (SDP) finding involving a moderate degradation of the control room west wall fire barrier. The violation cited the Entergy's failure from the time of initial construction in 1978 to August 2002, to implement and maintain in effect all provisions of the NRC-approved fire protection program.

Exelon Generation Company, LLC (Peach Bottom 2 & 3) EA-02-142

On November 26, 2002, a Notice of Violation was issued for a violation involving a white SDP finding involving the untimely declaration of an Alert during an actual event. The violation cited the failure of the operations crew to properly use the standard emergency classification and action level scheme.

XXVII. Power Reactor Security Regulations

In response to the terrorist attacks on September 11, 2001, the NRC and the nuclear industry have taken a number of actions to ensure the security at nuclear power plants. Immediately following the terrorist attacks on the World Trade Center and the Pentagon, the NRC advised nuclear power plant licensees to go to the highest level of security (i.e., Level 3), and all promptly did so. On January 7, 2003, the NRC issued Orders to all 103 operating commercial nuclear power plants requiring that licensees enhance their authorization programs for individuals to gain facility access.

The NRC has developed a new Threat Advisory and Protective Measures System in response to Homeland Security Presidential Directive-3. When a new Homeland Security Advisory System (HSAS) threat condition is declared, the NRC will promptly notify affected licensees of the condition and refer them to the predefined protective measures that we have developed for each threat level. The new system for NRC licensees was formally communicated to licensees, Governors, State Homeland Security Advisors, Federal agency administrators, and other appropriate officials on August 19, 2002. The new system supercedes the NRC's 1998 threat advisory system and covers additional classes of licensees not included in the NRC's 1998 system.

The staff is continuing an integrated review of the NRC's safeguards and security program, which includes threat definitions, vulnerability assessments, and regulatory improvements.

The NRC continues to interact with the FBI, other intelligence and law enforcement agencies, the Department of Defense, and the Office of Homeland Security to ensure any changes to the NRC's programs are informed by pertinent input from all relevant U.S. agencies.

XXVIII. Power Uprates

The staff has assigned power uprate license amendment reviews a high priority. The staff considers power uprate applications among the most significant licensing actions and is, therefore, conducting power uprate reviews on accelerated schedules.

Licensees have been applying for and implementing power uprates since the 1970s as a way to increase the power output of their plants. The staff has been conducting power uprate reviews since then and to date, has completed 90 such reviews. Approximately 11,939 MWt (3980 MWe) or an equivalent of over three nuclear power plant units has been gained through implementation of power uprates at existing plants.

During the month of December, the staff received a 1.4 percent power uprate application for Indian Point Unit 2 and 1.5 percent power uprate applications for Hatch Units 1 and 2. During

the month of December, the staff also completed two power uprate applications. These were a 0.9 percent power uprate application for Crystal River 3 for a total of 8 MWe, and a 1.65 percent power uprate application for D.C. Cook Unit 1 for a total of approximately 18 MWe.

In December 2002, the staff issued Review Standard (RS)-001, "Review Standard for Extended Power Uprates," for interim use and public comment. Draft RS-001 establishes standardized review guidance for the staff's reviews of extended power uprate applications to enhance the consistency, quality, and completeness of the reviews. It serves as a tool for the staff's use when processing extended power uprate applications in that it provides detailed references to various NRC documents containing specific information related to the areas of review. The staff currently has eight plant-specific applications under review. The staff also has two General Electric Nuclear Energy topical reports for power uprates under review.

The staff conducted a survey in July 2002 to obtain information regarding industry's plans related to power uprate applications. The survey requested information for planned power uprates over the next 5 years. Based on this survey and information obtained since the survey, licensees plan to submit 51 additional power uprate applications in the next 5 years. These include 27 measurement uncertainty recapture power uprates (i.e., power uprates less than 2 percent), four stretch power uprates (i.e., power uprates up to about 7 percent), and 20 extended power uprates (i.e., power uprates greater than about 7 percent). Planned power uprates are expected to result in an increase of over 5900 MWt (1970 MWe) (equivalent to more than one large nuclear power plant unit). Licensees also indicated that they are currently studying the feasibility of power uprates for two additional units. The staff will utilize this information for future planning.

Identical letter sent to:

The Honorable George V. Voinovich, Chairman
Subcommittee on Clean Air, Climate Change,
and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510
cc: Senator Thomas R. Carper

The Honorable Joe Barton, Chairman
Subcommittee on Energy and Air Quality
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515
cc: Representative Rick Boucher

The Honorable David L. Hobson, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515
cc: Representative Peter J. Visclosky

The Honorable Pete V. Domenici, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, D.C. 20510
cc: Senator Harry Reid

The Honorable W.J. "Billy" Tauzin, Chairman
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515
cc: Representative John D. Dingell

The Honorable James M. Inhofe, Chairman
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510
cc: Senator James M. Jeffords