

March 3, 2003

Mr. J. Alan Price  
Site Vice President - Millstone  
c/o Mr. David. W. Dodson  
Acting Manager, Licensing  
Dominion Nuclear Connecticut, Inc.  
Rope Ferry Road  
Waterford, CT 06385

SUBJECT: ANNUAL ASSESSMENT LETTER - MILLSTONE UNIT 2 AND UNIT 3  
(REPORT NOS. 50-336/03-001 AND 50-423/03-001)

Dear Mr. Price:

On February 6, 2003, the NRC staff completed its end-of-cycle plant performance assessment of Millstone Unit 2 and Unit 3. The end-of-cycle reviews for Millstone Unit 2 and Unit 3 involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2002. 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 that may conflict with your plant activities.

Overall, Millstone Unit 2 and Unit 3 operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance at both units was within the Licensee Response Column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct only baseline inspections at your facility through March 31, 2004.

The enclosed inspection plan details the inspections scheduled through March 31, 2004. 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. The last six months of the inspection plan is tentative and may be revised at the Mid-Cycle Review meeting.

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As you are aware, since the terrorist attacks on September 11, 2001, the NRC has issued several orders and threat advisories to enhance security capabilities and improve guard force readiness. We have conducted inspections to review your implementation of these requirements and have monitored your actions in response to changing threat conditions. For calendar year 2003, we plan to continue these inspections, conduct portions of the security baseline inspection program, as well as perform additional inspections to evaluate your compliance with new requirements that may be ordered. Based on our final determinations in this regard, we will notify you of any inspection plan changes.

In accordance with 10 CFR 2.790 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 component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

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 me at 610-337-5233 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

*/RA/*

Brian J. McDermott, Chief  
Projects Branch 6  
Division of Reactor Projects

Docket Nos.: 50-336, 50-423  
Licensee Nos.: DPR-65, NPF-49

Enclosure: Millstone Unit 2 Inspection/Activity Plan  
Millstone Unit 3 Inspection/Activity Plan

cc w/encl:

D. A. Christian, Senior Vice President - Nuclear Operations and Chief Nuclear Officer  
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First Selectmen, Town of Waterford  
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J. Markowicz, Co-Chair, NEAC  
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Mr. J. Alan Price

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Distribution w/encl: **Via E-Mail**

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OFFICE	RI/DRP	RI/DRP					
NAME	KJenison/ <b>KMJ</b>	BMcDermott/ <b>BJM</b>					
DATE	02/28/03	03/03/03					

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**Millstone 2**  
**Inspection / Activity Plan**  
**12/29/2002 - 03/27/2004**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	<b>71121.01 - OCC RAD SAFETY - ACCESS</b>		<b>1</b>			
2	IP 7112101	Access Control to Radiologically Significant Areas		02/10/2003	02/14/2003	Baseline Inspections
	<b>71151 - EP PI VERIFICATION</b>		<b>1</b>			
2	IP 71151	Performance Indicator Verification		02/24/2003	02/28/2003	Baseline Inspections
	<b>T1148BC - SEC ICM</b>		<b>6</b>			
2	IP 2515/148	Inspection of Nuclear Reactor Safeguards - Interim Compensatory Measures		02/24/2003	02/28/2003	Safety Issues
	<b>711117B - PERMANENT PLANT MODS</b>		<b>8</b>			
2	IP 7111102	Evaluation of Changes, Tests, or Experiments		07/14/2003	07/19/2003	Baseline Inspections
2	IP 711117B	Permanent Plant Modifications		07/14/2003	07/19/2003	Baseline Inspections
	<b>7112201 - PUB RAD SAFETY - RETS (UNIT 2 ONLY)</b>		<b>1</b>			
2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		07/21/2003	07/25/2003	Baseline Inspections
	<b>71121.02 - OCC RAD SAFETY - ALARA</b>		<b>1</b>			
2	IP 7112102	ALARA Planning and Controls		08/04/2003	08/08/2003	Baseline Inspections
	<b>9/22 EXM - U2 OPERATOR LICENSING INITIAL EXAMS</b>		<b>2</b>			
2	U01505	MILSTONE UNIT 2 INITIAL EXAM (9/22/03)		08/25/2003	08/29/2003	Not Applicable
2	U01505	MILSTONE UNIT 2 INITIAL EXAM (9/22/03)		09/22/2003	09/26/2003	Not Applicable
	<b>71114 - EP PROGRAM INSP</b>		<b>1</b>			
2	IP 7111402	Alert and Notification System Testing		09/21/2003	09/25/2003	Baseline Inspections
2	IP 7111403	Emergency Response Organization Augmentation Testing		09/21/2003	09/25/2003	Baseline Inspections
2	IP 7111404	Emergency Action Level and Emergency Plan Changes		09/21/2003	09/25/2003	Baseline Inspections
2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		09/21/2003	09/25/2003	Baseline Inspections
	<b>7111108 - INSERVICE INSPECTION - UNIT 2</b>		<b>2</b>			
2	IP 2515/150	Reactor Pressure Vessel Head and Vessel Head Penetration Nozzles (NRC Bulletin 2002-02)		10/06/2003	10/10/2003	Safety Issues
2	IP 7111108P	Inservice Inspection Activities - PWR		10/06/2003	10/10/2003	Baseline Inspections
	<b>71121.02 - OCC RAD SAFETY - ALARA</b>		<b>1</b>			
2	IP 7112102	ALARA Planning and Controls		10/06/2003	10/10/2003	Baseline Inspections
	<b>7112101 - OCC RAD SAFETY - ACCESS</b>		<b>1</b>			
2	IP 7112101	Access Control to Radiologically Significant Areas		01/26/2004	01/30/2004	Baseline Inspections
	<b>71152B - PROBLEM IDENTIFICATION AND RESOLUTION</b>		<b>7</b>			
2	IP 71152B	Identification and Resolution of Problems		02/09/2004	02/13/2004	Baseline Inspections
2	IP 71152B	Identification and Resolution of Problems		02/23/2004	02/27/2004	Baseline Inspections

This report does not include INPO and OUTAGE activities.  
This report shows only on-site and announced inspection procedures.

**Millstone 3**  
**Inspection / Activity Plan**  
**12/29/2002 - 03/27/2004**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	<b>71121.01 - OCC RAD SAFETY - ACCESS</b>		<b>1</b>			
3	IP 7112101	Access Control to Radiologically Significant Areas		02/10/2003	02/14/2003	Baseline Inspections
	<b>71151 - EP PI VERIFICATION</b>		<b>1</b>			
3	IP 71151	Performance Indicator Verification		02/24/2003	02/28/2003	Baseline Inspections
	<b>T1148BC - SEC ICM</b>		<b>6</b>			
3	IP 2515/148	Inspection of Nuclear Reactor Safeguards - Interim Compensatory Measures		02/24/2003	02/28/2003	Safety Issues
	<b>7111107B - HEAT SINK - U3</b>		<b>1</b>			
3	IP 7111107B	Heat Sink Performance		04/07/2003	04/11/2003	Baseline Inspections
	<b>7111117B - PERMANENT PLANT MODS</b>		<b>8</b>			
3	IP 7111102	Evaluation of Changes, Tests, or Experiments		07/14/2003	07/19/2003	Baseline Inspections
3	IP 7111117B	Permanent Plant Modifications		07/14/2003	07/19/2003	Baseline Inspections
	<b>7111121 - SSDI - U3</b>		<b>6</b>			
3	IP 7111121	Safety System Design and Performance Capability		07/28/2003	08/01/2003	Baseline Inspections
3	IP 7111121	Safety System Design and Performance Capability		08/11/2003	08/15/2003	Baseline Inspections
	<b>71121.02 - OCC RAD SAFETY - ALARA</b>		<b>1</b>			
3	IP 7112102	ALARA Planning and Controls		08/04/2003	08/08/2003	Baseline Inspections
	<b>71122.01 - RETS - UNIT 3</b>		<b>1</b>			
3	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		09/15/2003	09/19/2003	Baseline Inspections
	<b>71114 - EP PROGRAM INSP</b>		<b>1</b>			
3	IP 7111402	Alert and Notification System Testing		09/21/2003	09/25/2003	Baseline Inspections
3	IP 7111403	Emergency Response Organization Augmentation Testing		09/21/2003	09/25/2003	Baseline Inspections
3	IP 7111404	Emergency Action Level and Emergency Plan Changes		09/21/2003	09/25/2003	Baseline Inspections
3	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		09/21/2003	09/25/2003	Baseline Inspections
	<b>7112101 - OCC RAD SAFETY - ACCESS</b>		<b>1</b>			
3	IP 7112101	Access Control to Radiologically Significant Areas		01/26/2004	01/30/2004	Baseline Inspections
	<b>71152B - PROBLEM IDENTIFICATION AND RESOLUTION</b>		<b>7</b>			
3	IP 71152B	Identification and Resolution of Problems		02/09/2004	02/13/2004	Baseline Inspections
3	IP 71152B	Identification and Resolution of Problems		02/23/2004	02/27/2004	Baseline Inspections