

September 12, 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 information on the status of the Davis-Besse Nuclear Power Station. 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 fifty-sixth report, which covers the month of July 2003. I am also providing more recent information in this cover letter in order to keep you fully and currently informed of NRC's licensing and regulatory activities.

The previous report provided information on a number of significant activities, including the NRC agreement with the State of Wisconsin to assume part of NRC's regulatory authority over certain radioactive materials in the State; the status of the Federal Emergency Management Agency's and NRC's ongoing evaluation of the emergency planning and preparedness for radiological events for Indian Point; and NRC's issuance of the final version of the Plan to be used by the NRC to review an expected application from the Department of Energy to construct a high-level waste geologic repository at Yucca Mountain, Nevada.

Since our last report, we issued an Information Notice to alert nuclear power plant operators to a potential vulnerability of their computer network server to infection by the Microsoft SQL Server worm. The vulnerability was demonstrated by a January event at the shutdown Davis-Besse nuclear power plant. The worm infection increased data traffic in the site's network, resulting in the plant's Safety Parameter Display System and plant process computer being unavailable for several hours. Neither of those systems, however, affects the safe operation of a nuclear plant. NRC regulations require safety-related systems to be isolated or have send-only communication with other systems. Public health and safety were never impacted during the incident. I also announced the new position of Director of Communications with responsibilities for enhancing effectiveness of NRC's communications with the public, the media, and Congress in support of the agency's strategic goals. In response to the August 14, 2003 power outage causing nine nuclear power plants in the Northeastern and Midwestern portions of the U.S. to shut down, the NRC activated the agency's incident response centers in our headquarters and two of our regional offices. Additionally, NRC inspectors were sent to monitor licensee activities at each of the nine affected plants. All the plants maintained stable, safe conditions. The NRC is also working as part of the U.S.-Canadian task force looking into the power outage.

Recently, the Commission and the NRC staff also:

- conducted the third and fourth of ten Department of Energy (DOE) laboratory compliance audits, the rest of which are to be completed by March 2004. The purpose of the audits is to allow DOE to use the results of the audits to estimate the costs that would be associated with the laboratories being licensed by NRC, if Congress mandates that licensing approach. The laboratories that have been audited to date, are Argonne National Laboratory-East, Oak Ridge National Laboratory, Thomas Jefferson National Accelerator Facility, and Princeton Plasma Physics Laboratory.
- issued mid-cycle assessment letters for all 103 operating nuclear power plants and posted them to its web site. Every six months each plant receives either a mid-cycle review letter or an annual assessment letter along with an NRC inspection plan. Updated information on plant performance is posted to the NRC web site every quarter. The next annual assessment letters will be issued in March 2004.
- issued on August 29, 2003, NRC Bulletin 2003-03, "Potentially Defective 1-inch Valves For Uranium Hexafluoride Cylinders," which advises addressees of potential performance and safety concerns with 1-inch valves for UF<sub>6</sub> cylinders manufactured by the Hunt Valve Company of Salem, Ohio. Licensees and certificate holders who possess, use, store, or transport UF<sub>6</sub> possessing such valves are requested to verify that the valves continue to meet existing NRC regulations, NRC licenses and certificates of compliance, and Department of Transportation regulations. Although there have been no leaks of UF<sub>6</sub> attributed to the problems cited in the bulletin, the valves are an important part of the cylinder's single containment boundary to prevent the release of radioactive and chemically hazardous material to the workplace and environment or leakage of water into the cylinder.
- issued a license to CFC Logistics, Inc., for the operation of a commercial underwater irradiator at its cold storage facility located in Milford Township (Bucks County), Pennsylvania. The company plans to use the irradiator primarily for the irradiation of food, cosmetic, and pharmaceutical products and may also use it to irradiate a wide range of other materials. NRC reviews irradiator applications with respect to radiation safety of employees and the public in the vicinity of the facility. Other Federal agencies, such as the Food and Drug Administration, are responsible for the safety of food and determine whether food may be irradiated. In processing the license application, NRC staff participated in two public meetings in the vicinity of the plant to explain the NRC licensing requirements and to respond to questions and concerns raised by members of the surrounding community. A number of local citizens have petitioned for a hearing on this license. A presiding officer has been appointed from the Atomic Safety and Licensing Board Panel. He heard oral arguments on standing and the "germaneness" of areas of concern of the petitioners on September 10, 2003, in Allentown, Pennsylvania.
- issued on August 21, 2003, NRC Bulletin 2003-02, "Leakage from Reactor Pressure Vessel Lower Head Penetrations and Reactor Coolant Pressure Boundary Integrity," to companies licensed to operate the 58 pressurized water reactors (PWRs) which have penetrations in the bottom (i.e., lower head) of the vessel to accommodate

instrumentation for monitoring the reactor core (i.e., the nuclear fuel). Bulletin 2003-02 directs licensees to provide information on how they inspect the lower portion of their reactor vessels to detect any possible leakage.

- dispatched a special inspection team to the Salem 1 nuclear power plant to review the facility's response to a July 29, 2003 plant shutdown in which the plant's electrical system did not respond as expected. Despite the apparent malfunction, the plant's emergency diesel generators started as designed and provided the necessary power to key systems. The team will monitor and assess the licensee's root-cause evaluation of the event and corrective actions, independently evaluate the risk significance, and determine possible generic implications.
- published in the Federal Register on August 11, 2003 (68 FR 47621), a notice of consideration of an amendment request to authorize decommissioning of the Fansteel site near Muskogee, Oklahoma. The notice provides a 30 day comment period on the decommissioning plan and also provides the opportunity for interested parties to request a hearing. The license, issued under 10 CFR Part 40, authorizes Fansteel to possess up to 400 tons of natural uranium and thorium in any form. Fansteel proposes removing radiological contamination from buildings and equipment, soil, and groundwater to meet the unrestricted release requirements of the Radiological Criteria for License Termination rule.
- published in the Federal Register on August 1, 2003 (68 FR 45172), a proposed rule, "Security Requirements for Portable Gauges Containing Byproduct Material," to provide a minimum of two independent physical controls that form tangible barriers to secure portable gauges from unauthorized removal whenever the portable gauges are not under the control and constant surveillance of the licensee.

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

Sincerely,

*/RA/*

Edward McGaffigan, Jr.  
Acting Chairman

Enclosure:  
Monthly Report

cc: Senator Thomas R. Carper

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 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 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 Visclosky

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

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

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

**JULY 2003**

**Enclosure**

## TABLE OF CONTENTS<sup>1</sup>

|       |  |    |
|-------|--|----|
| I.    | Implementing Risk-Informed Regulations . . . . .   | 1  |
| II.   | Revised Reactor Oversight Process . . . . .  | 1  |
| III.  | Status of Issues in the Reactor Generic Issue Program . . . . .  | 1  |
| IV.   | Licensing Actions and Other Licensing Tasks . . . . .  | 1  |
| V.    | Status of License Renewal Activities . . . . .   | 7  |
| VI.   | 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 . . . . . | 8  |
| VII.  | Enforcement Process and Summary of Reactor Enforcement by Region . . . . .   | 9  |
| VIII. | Power Reactor Security Regulations . . . . .   | 10 |
| IX.   | Power Upgrades . . . . .   | 11 |
| X.    | Status of the Davis-Besse Nuclear Power Station . . . . .  | 12 |

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<sup>1</sup>Note: The period of performance covered by this report includes activities occurring between the first and last day of July 2003. 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.

## **I Implementing Risk-Informed Regulations**

Although the staff continues to make progress on tasks involving use of probabilistic risk information in many areas, there were no significant milestones accomplished during the month of July 2003.

## **II Reactor Oversight Process**

The NRC continues to implement the Reactor Oversight Process (ROP) at all nuclear power plants. The NRC continues to meet 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:

- On July 9 and 10, 2003, a public meeting was held on the Scrams with Loss of Normal Heat Removal performance indicator. The meeting was held to create/revise current interpretation guidance on this performance indicator which would help to resolve several outstanding frequently asked questions and other issues. Meeting participants discussed and reviewed the methodology used to set the performance threshold, reviewed historical Licensee Event Report (LER) scram data from 1995-97, and proposed various revisions and thresholds to improve the indicator.
- On July 23 and 24, 2003, a public meeting was held on the Mitigating Systems Performance Index (MSPI) pilot program with the ROP Working Group. The Office of Nuclear Regulatory Research presented its latest efforts on developmental solutions to invalid indicators, insensitive indicators, and staff positions on the prudence of including common cause contributions and support system initiators into the importance measures (F-V coefficients). Meeting participants discussed MSPI success criteria and agency goals.

## **III Status of Issues in the Reactor Generic Issue Program**

Resolution of the issues in the Reactor Generic Issue Program continues to be on track in accordance with the schedules previously submitted.

## **IV 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 -- 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, Office of Nuclear Reactor Regulation (NRR) responses to regional requests for

assistance, NRC review of licensee 10 CFR 50.59 analyses and Final Safety Analysis Report (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 -- 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 July 31, 2003, for the four NRC Performance Plan output measures for licensing actions and other licensing tasks, are shown in the table below:

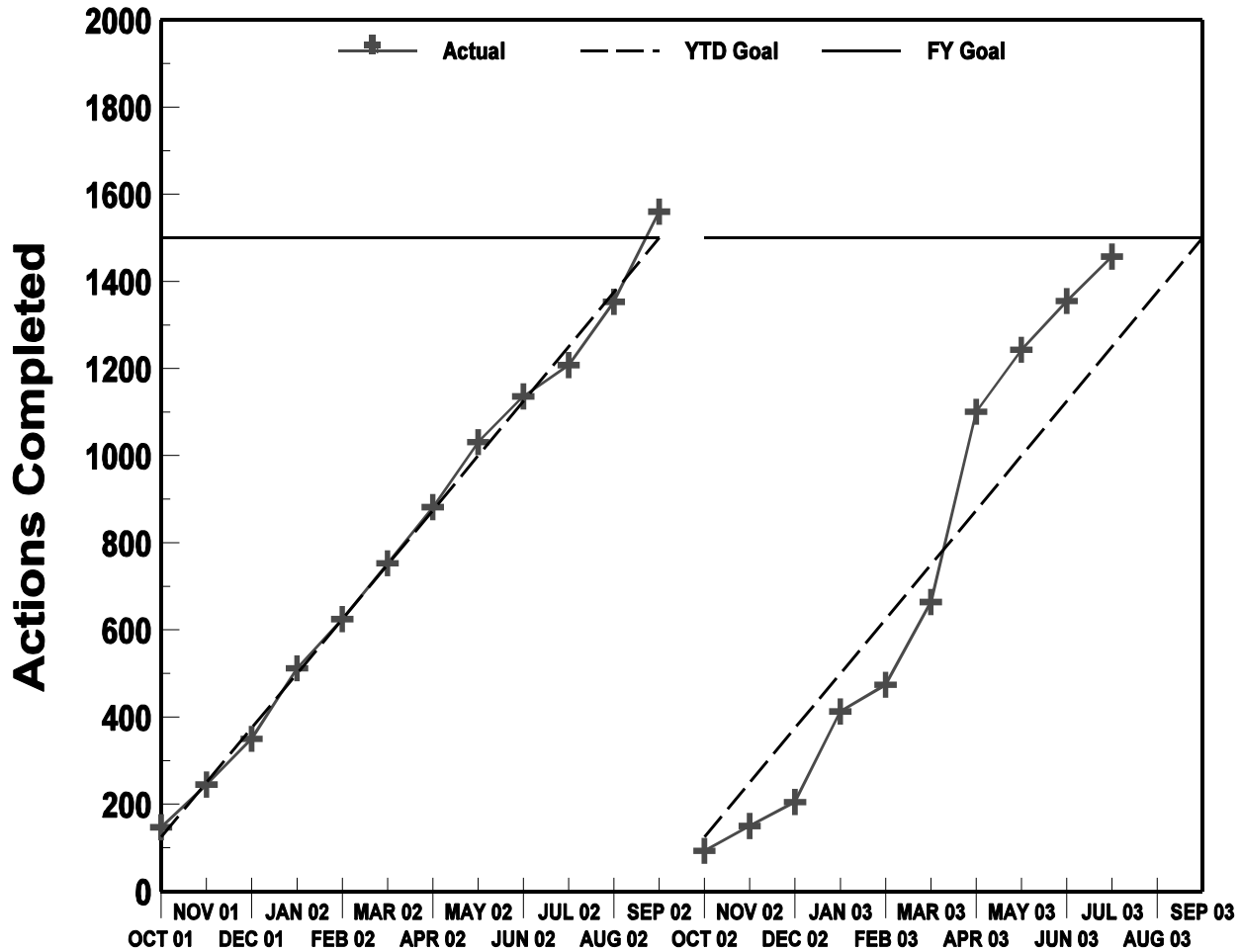
| PERFORMANCE PLAN                     |   |   |  |   |
|--------------------------------------|---|---|--|---|
| Output Measure                       | FY 2001 Actual                                  | FY 2002 Actual                                  | FY 2003 Goals                                    | FY 2003 Actual<br>(thru 07/31/2003)       |
| Licensing actions completed/year     | 1617  | 1560  | $\geq 1500$                                      | 1457                                      |
| Age of licensing action inventory    | 96.9% $\leq$ 1 year; and<br>100% $\leq$ 2 years | 96.6% $\leq$ 1 year; and<br>100% $\leq$ 2 years | 96% $\leq$ 1 year and<br>100% $\leq$ 2 years old | 93% $\leq$ 1 year;<br>100% $\leq$ 2 years |
| Size of licensing action inventory   | 877   | 765   | $\leq 1000$                                      | 1382                                      |
| Other licensing tasks completed/year | 523   | 426   | $\geq 350$                                       | 431                                       |

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



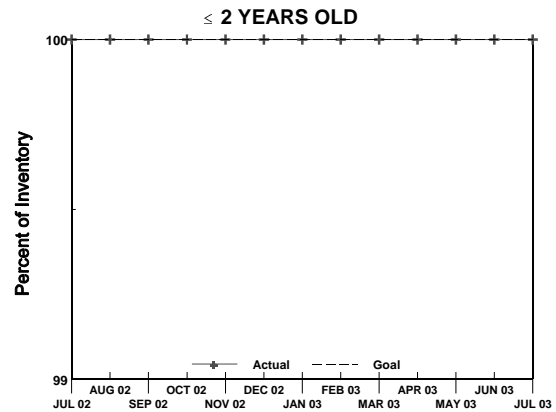
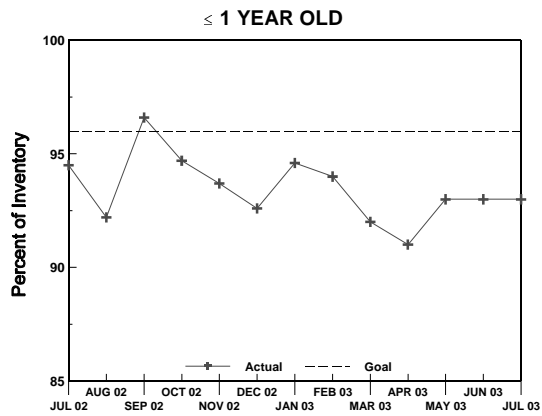
# Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Licensing Actions



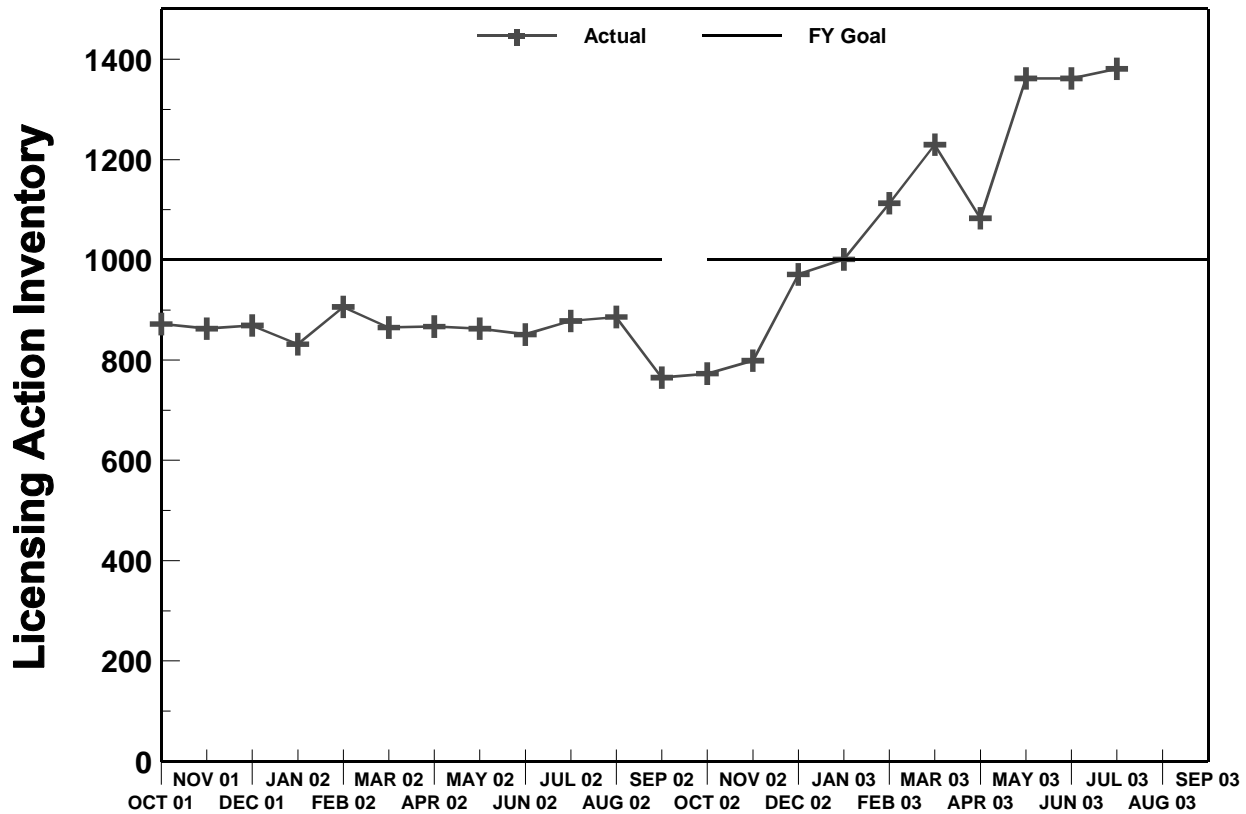
# Nuclear Reactor Safety - Reactor Licensing

## Performance Plan Target: Age of Licensing Action Inventory



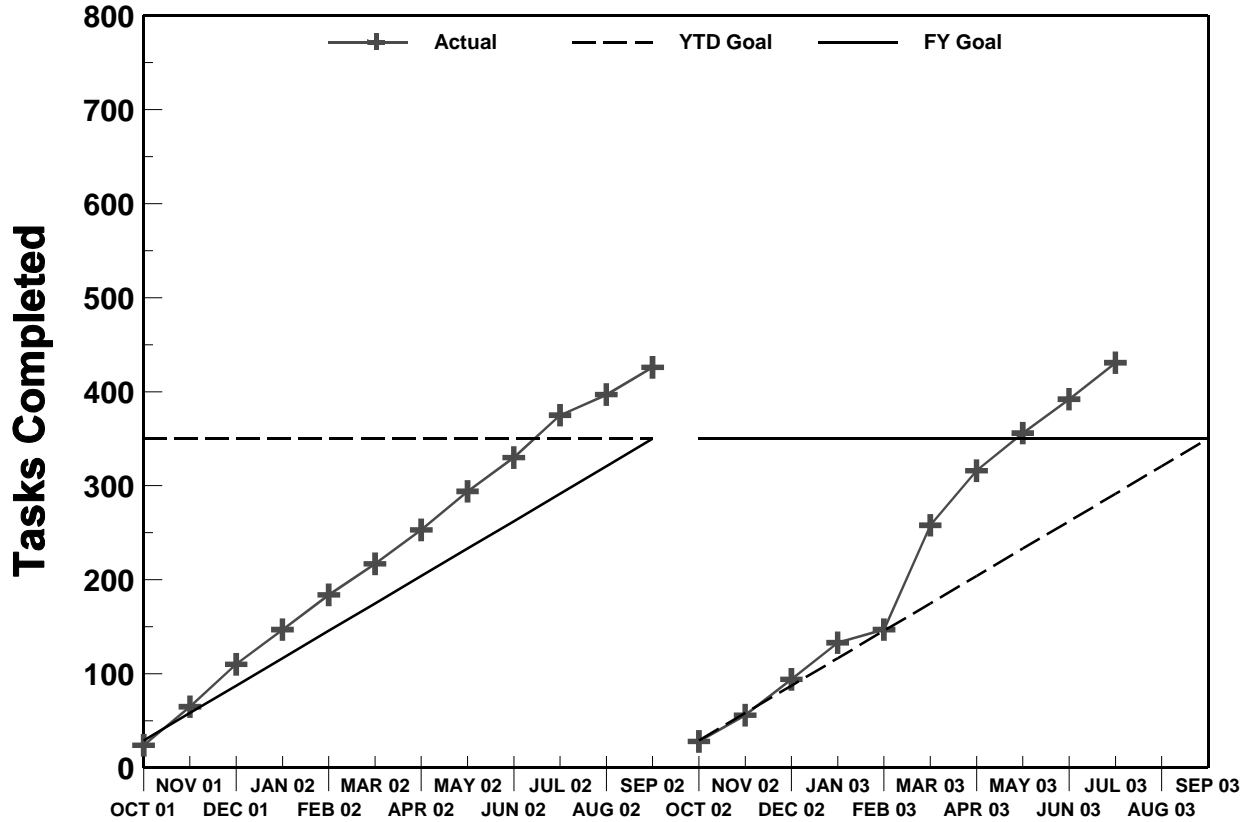
# Nuclear Reactor Safety - Reactor Licensing

## Performance Plan: Size of Licensing Action Inventory



# Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Other Licensing Tasks



## **V      Status of License Renewal Activities**

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

The staff issued the final supplemental environmental impact statements (SEISs) for McGuire and Catawba in December 2002. The safety evaluation report resolving the open items was issued in January 2003. The staff is supporting completion of the hearing process. A decision on the renewal of the licenses is scheduled for December 2003.

In January 2002, the Atomic Safety and Licensing Board (ASLB) admitted contentions filed by two petitioners in the Catawba and McGuire license renewal proceeding. The staff and Duke appealed the ASLB decision and the contentions were subsequently dismissed. However, in December 2002, the Commission reinstated late-filed contentions that had been submitted in May 2002. In April 2003, the petitioners requested that one of the dismissed contentions be reinstated. These late-filed contentions and the request for reinstatement are currently being reviewed by the ASLB for admissibility.

### St. Lucie, Units 1 and 2, Renewal Application

The staff issued the final SEIS in May 2003 and the safety evaluation report in July 2003. The staff is preparing the license package and obtaining the final concurrences to support a decision on issuing the renewed license by October 2003.

### Fort Calhoun Renewal Application

The staff issued the draft SEIS for public comment in January 2003. The public comment period ended in April 2003. The staff is addressing the comments received and is preparing the final SEIS, which is scheduled to be issued in August 2003. The staff issued the safety evaluation report identifying the remaining open items in April 2003, and the applicant's responses were received in July 2003. The staff and applicant are currently working to resolve the open items and issue the revised safety evaluation report by September 2003.

### Robinson Unit 2 Renewal Application

The staff issued the draft SEIS for public comment in May 2003. The public comment period ended in July 2003. The staff is addressing the comments received and is preparing to issue the final SEIS by December 2003. The safety requests for additional information were issued in February 2003, and the applicant's responses were received in April 2003. The staff is reviewing the applicant's responses and preparing to issue the safety evaluation report, which will identify any remaining open items, by August 2003.

### Ginna Renewal Application

The staff issued the draft SEIS for public comment in June 2003. The public comment period ends in September 2003. The safety requests for additional information were issued in March 2003, and the applicant's responses were received in June 2003. The staff is reviewing the applicant's responses and preparing to issue the safety evaluation report, which will identify any remaining open items, by October 2003.

#### V. C. Summer Renewal Application

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

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

Environmental requests for additional information were issued in May 2003, and the responses were received in July 2003. The staff is reviewing the responses and is preparing to issue the draft SEIS by November 2003 for Quad Cities and by December 2003 for Dresden. The safety requests for additional information are scheduled to be issued by August 2003.

#### **VI      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**

Litigation continues on the application by Private Fuel Storage, L.L.C. (PFS) for a license to construct and operate an independent spent fuel storage installation (ISFSI) on the Reservation of the Skull Valley Band of Goshute Indians, located in Skull Valley, Utah. As reported previously, on May 28, 2003, the NRC issued an order holding in abeyance petitions by the NRC staff and PFS seeking Commission review of the Atomic Safety and Licensing Board's (ASLB) Partial Initial Decision (Regarding "Credible Accidents") (LBP-03-04). In that decision, the ASLB determined that the probability of an F-16 aircraft crash on the proposed PFS Facility is in excess of the Commission's threshold annual probability of occurrence, and allowed PFS to submit a consequence analysis to demonstrate that such an accident would not harm public health and safety.

During this reporting period, the NRC staff received the PFS analysis of the consequences of an F-16 jet hitting the proposed PFS Facility. The staff is in the process of reviewing this Information and preparing a request for additional information (RAI), which will be sent to PFS by the middle of August. The NRC staff will meet with the applicant on August 7, 2003, to discuss the forthcoming RAI. Because the consequence analysis contains Safeguards information which must be protected, this meeting will be open to only those with a "need to know." Representatives of the State of Utah, a party to the ongoing adjudicatory proceeding, will be able to attend the meeting after signing the necessary non-disclosure agreement.

Because PFS submitted its consequence analysis approximately three weeks later and with greater complexity than anticipated, the ASLB and parties have acknowledged that the schedule for litigation will likely require some modification.

## VII 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                     | July 2003   | 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                    | July 2003   | 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                   | July 2003   | 0        | 0         | 0          | 0         | 0     |
|                                      | FY 03 YTD   | 2        | 0         | 3          | 0         | 5     |
|                                      | FY 02 Total | 2        | 0         | 0          | 0         | 2     |
|                                      | FY 01 Total | 1        | 1         | 1          | 1         | 4     |
| Severity Level IV                    | July 2003   | 0        | 0         | 0          | 0         | 0     |
|                                      | FY 03 YTD   | 1        | 0         | 2          | 1         | 4     |
|                                      | FY 02 Total | 0        | 0         | 2          | 0         | 2     |
|                                      | FY 01 Total | 1        | 0         | 2          | 1         | 4     |
| Non-Cited Severity Level IV or Green | July 2003   | 14       | 31        | 52         | 32        | 129   |
|                                      | FY 03 YTD   | 177      | 157       | 198        | 162       | 694   |
|                                      | 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 may be 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.

| <b>Escalated Reactor Enforcement Actions Associated with the Reactor Oversight Process</b> |             |          |           |            |           |       |
|--|-------------|----------|-----------|------------|-----------|-------|
|  |             | Region I | Region II | Region III | Region IV | Total |
| NOVs*<br>Related to<br>White,<br>Yellow or<br>Red<br>Findings                              | 7/03 Red    | 0        | 0         | 0          | 0         | 0     |
|  | 7/03 Yellow | 0        | 0         | 0          | 0         | 0     |
|  | 7/03 White  | 1        | 0         | 0          | 0         | 1     |
|  | FY 03 YTD   | 6        | 1         | 7          | 1         | 15    |
|  | FY 02 Total | 5        | 4         | 6          | 8         | 22    |
|  | FY 01 Total | 8        | 4         | 4          | 3         | 19    |

\*Notice of Violations

### **Description of Significant Actions taken in July 2003**

#### **FirstEnergy Nuclear Operating Co. (Beaver Valley 1 & 2) EA-03-054**

On July 10, 2003, a Notice of Violation was issued for a violation involving a White SDP finding involving the inability of the licensee's emergency response organization to meet Emergency Preparedness Plan (EPP) staffing requirements during emergencies. The violation cited the failure (identified during an unannounced drill) of the on-site Emergency Response Organization to augment radiation protection technicians within the required times to cover four radiation protection functions.

### **VIII 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. A series of Advisories, Orders, and Regulatory Issue Summaries have been issued to strengthen further security of NRC-licensed facilities and control of nuclear materials.

In March 2003, the NRC initiated a pilot program for full force-on-force exercises, which use expanded adversary characteristics that were developed as a result of the increased post 9/11 threat. As of the end of July, pilot force-on-force exercises have been completed at seven plants. The NRC plans to conduct force-on-force tests at a rate of approximately two per month. Following the completion of the pilot program, force-on-force exercises will be carried out at each nuclear power plant on a three-year cycle instead of the eight-year cycle that had been used prior to September 11, 2001.

During the week of July 28, a pilot force-on-force exercise was conducted at the Indian Point power plant in New York. Recently, the Indian Point plant has received considerable stakeholder (public, utilities, and State and local governments) attention. The outcome of the pilot force-on-force exercise at Indian Point demonstrated that the licensee has a strong



defensive strategy and capability. The Indian Point security force personnel successfully protected the plant from repeated mock-adversary attacks during the exercise.

## **IX Power Uprates**

The staff has assigned power uprate license amendment reviews a high priority 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 96 such reviews. Approximately 12,220 MWt (4073 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 July, the staff received one measurement uncertainty recapture power uprate for Fort Calhoun. The staff currently has 6 plant-specific applications under review.

In June 2003, the staff completed a survey of nuclear power plant licensees to obtain information regarding industry's plans related to power uprate applications. Based on this survey and information obtained since the survey, licensees plan to submit 31 additional power uprate applications in the next 5 years. These include 11 measurement uncertainty recapture power uprates, 5 stretch power uprates (i.e., power uprates up to about 7 percent), and 15 extended power uprates. Planned power uprates are expected to result in an increase of about 6244 MWt (2082 MWe). The staff will utilize this information for future planning.

In June 2002, approximately three months following implementing a 17.8 percent extended power uprate, Quad Cities Unit 2 experienced an increase in the moisture content of the steam provided by the reactor to drive the turbine. In July 2002, Exelon (the licensee for Quad Cities Unit 2) shut down the plant, identified failure of the steam dryer as the cause of the increased moisture content, repaired the dryer, and returned the unit to power operation at the extended power uprate power level. The steam dryer is located in the upper region of the reactor vessel and removes moisture from the steam before the steam is delivered to the turbine. The steam dryer does not perform an accident mitigating role or safety function but is required to maintain its structural integrity. Approximately 10 months following restart of Quad Cities Unit 2 from an outage to repair the dryer, the plant experienced a similar increase in the moisture content of the steam provided by the reactor to drive the turbine. Based on previous experience with increased moisture content, Exelon shut down the plant and performed inspections of the steam dryer. Upon inspecting the dryer, the licensee identified cracks in several locations of the dryer. The NRC conducted a special inspection of the failure and the licensee's activities to identify the cause of the failure. On July 25, 2003, Exelon and General Electric Nuclear Energy (GENE) presented their determination of the cause of the failure, repairs performed on the dryer, and planned actions to return the unit to extended power uprate power level. The NRC staff held several additional discussions with the licensee and GENE and gained an adequate understanding of the licensee's analyses and a higher level of confidence in the ability of the steam dryer to withstand extended power uprate loadings. Accordingly, the NRC staff had no objections to the licensee performing power ascension to the authorized extended power uprate power level.

The NRC continues to follow this event for Quad Cities Unit 2 as well as for its generic implications to other plants. The NRC staff delayed issuance of power uprates for Hatch Units 1 and 2 until the implications of the Quad Cities Unit 2 dryer failure for the Hatch units is better understood.

## **X      Status of Davis-Besse Nuclear Power Station**

On March 6-7, 2002, FirstEnergy Nuclear Operation Company (FENOC), the licensee for the Davis-Besse Nuclear Power Station in Oak Harbor, Ohio, identified a cavity resulting from boric acid corrosion in the reactor pressure vessel head.

On April 30, 2002, NRC established a special Davis-Besse Oversight Panel to coordinate the agency's activities in assessing the performance problems associated with the reactor pressure vessel head corrosion damage, monitoring corrective actions, and evaluating the readiness of the plant to resume operations. The NRC's Oversight Panel has established and periodically updated a Restart Checklist containing those issues necessary to resolve before restart. The plant will not restart until the NRC is satisfied that all current safety concerns have been resolved.

On July 9, 2003, the Oversight Panel conducted two public meetings in Port Clinton, Ohio. Participants at the first meeting included licensee representatives who discussed plant performance and progress on their Return to Service Plan. At the second meeting, the Oversight Panel discussed the status of the NRC activities and responded to questions and concerns from the public.

The Oversight Panel added two new items to the Restart Checklist involving a potentially risk significant issue associated with inadequate design of the high pressure injection pumps and a License Amendment Request involving testing of the high and low pressure injection systems. As of July 31, 2003, a total of 16 of 31 Restart Checklist Items have been closed.

During the month of July, NRC inspections evaluating issues on the NRC Oversight Panel's Restart Checklist continued. The NRC issued five inspection reports in July 2003. These included two inspections of safety significant programs (IR 50-346/02-11 and 50-346/03-09), an inspection of management and human performance improvement initiatives (IR 50-346/02-18), an inspection of emergency preparedness (IR 50-346/03-14), and the resident inspection staff activities (50-346/03-15). All Davis-Besse inspection reports associated with the reactor vessel head degradation event can be viewed on the NRC's Davis-Besse web pages.

On July 30, 2003, the NRC issued a finding to Davis-Besse involving the failure to promptly identify and correct significant conditions adverse to quality regarding unqualified coatings and uncontrolled fibrous material and other debris inside containment. This finding was preliminarily determined to be "Yellow," which corresponds to an increase in reactor core damage frequency of about 4 times in 100,000. This finding is described in the resident staff inspection report (50-346/03-15). Before a final determination is made on the finding's significance the licensee has the opportunity to meet with the NRC or respond in writing.

First Energy Nuclear Operating Company projects startup of the Davis-Besse plant in the fall of 2003. The plant completed fuel load on February 26, 2003, and entered Cold Shutdown

(average coolant temperature less than 200 degrees Fahrenheit) on March 12, 2003. The plant successfully completed its integrated containment leak rate test on April 9, 2003, demonstrating that containment vessel and building restoration was adequate following the new reactor head installation.

Detailed information on NRC activities associated with the Davis-Besse reactor vessel head degradation event can be found at:

<http://www.nrc.gov/reactors/operating/ops-experience/vessel-head-degradation.html>