UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PA 19406-1415

August 27, 2003

Mr. David A. Christian, Sr. Vice President
and Chief Nuclear Officer
Dominion Resources
5000 Dominion Boulevard
Glen Allen, VA 23060-6711

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN - MILLSTONE UNIT 2 AND UNIT 3

Dear Mr. Christian:

On July 30, 2003, the NRC staff completed its mid-cycle plant performance review of Millstone Power Station Unit 2 and Unit 3. The mid-cycle reviews for Millstone Unit 2 and Unit 3 involved the participation of all technical divisions in evaluating performance for the first half of the calendar year 2003 assessment cycle. The process included a review of performance indicators (PIs) for the most recent quarter and inspection results over the previous twelve months. The purpose of this letter is to inform you of our assessment of your safety performance 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.

Plant performance for the most recent quarter 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). At this time, we plan to conduct only baseline inspections at your facility through September 30, 2004. However, the significance of a finding from the Millstone Unit 2 Special Inspection Team is still under review as part of the Significance Determination Process. This finding involves inadequate design changes to the Unit 2 charging system that affected the plant response following the reactor trip on March 7, 2003.

Additionally, the staff has identified a substantive cross-cutting issue in the area of problem identification and resolution (PI&R) at Millstone Unit 2. Several Unit 2 inspection findings in the Mitigating Systems Cornerstone involved weaknesses with the identification of problems, determination of root causes, and/or effectiveness of corrective actions. Noteworthy examples included the inadequate resolution of charging system problems related to pressurizer level fluctuations, relief valve reliability and piping weld failures. Lapses in the site engineering organization's effectiveness were a common factor in the Unit 2 findings. While the same engineering organization services Unit 3, and some similar findings were identified at Unit 3, the number and nature of the Unit 3 findings did not rise to the level of a substantive cross-cutting issue. We recognize that you have instituted corrective actions for the Unit 2 trend that will encompass engineering activities common to both Units. We plan to closely monitor your performance in the PI&R area through the implementation of the baseline inspection program.

The enclosed inspection plan details the inspections scheduled through September 30, 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 on site. Routine resident inspections are not listed due to their ongoing and continuous nature. The last six months of the inspection plan are tentative and may be revised at the end-of-cycle review meeting.

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/reading-rm/adams.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 Mr. Brian McDermott at 610-337-5233 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

A. Randolph Blough, Director
Division of Reactor Projects

Docket Nos.: 05000336, 05000423
Licensee Nos.: DPR-65, NPF-49

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

cc w/encl:
J. A. Price, Site Vice President - Millstone
C. L. Funderburk, Director, Nuclear Licensing and Operations Support
D. W. Dodson, Acting Manager - Licensing
L. M. Cuoco, Senior Counsel
V. Juliano, Waterford Library
S. Comley, We The People
J. Buckingham, Department of Public Utility Control
E. Wilds, Director, State of Connecticut SLO Designee
First Selectmen, Town of Waterford
D. Katz, Citizens Awareness Network (CAN)
R. Bassilakis, CAN
J. M. Block, Attorney, CAN
G. Winslow, Citizens Regulatory Commission (CRC)
J. Markowicz, Co-Chair, NEAC
E. Woollacott, Co-Chair, NEAC
R. Shadis, New England Coalition Staff
W. Meinert, Massachusetts Municipal Wholesale Electric Company
C. Brinkman, Manager, Washington Nuclear Operations
Institute of Nuclear Power Operations (INPO)

Distribution w/encl: **Via E-Mail**
H. Miller, ORA
J. Wiggins, ORA
T. Madden, OCA
J. Jolicoeur, OEDO
J. Clifford, NRR
R. Ennis, PM, NRR
G. Wunder, Backup PM, NRR
V. Nerses, PM, NRR
S. Schneider, SRI - Millstone Unit 2 and Unit 3
Director, DRS Region I
Deputy Director, DRS, Region I
DRS Branch Chiefs (5)
R. Fuhrmeister, DRS
T. Moslak, DRS
G. Smith, DRS
N. McNamara, DRS
B. McDermott, RI
K. Jenison, RI
D. Screnci, PAO
Region I Docket Room (with concurrences)

DOCUMENT NAME: G:\BRANCH6\ROP Assessments\ROP4 Mid Cycle July 2003\Millstone ROP4 Mid-Cycle Letter Rev 2.wpd
After declaring this document "An Official Agency Record" it **will** be released to the Public.
To receive a copy of this document, indicate in the box: "**C**" = Copy without attachment/enclosure "**E**" = Copy with attachment/enclosure "**N**" = No copy

OFFICE	RI/DRP		RI/DRP		RI/DRP			
NAME	KJenison/*BJM for*		BMcDermott/BJM		ABlough/*ARB*			
DATE	08/22/03		08/22/03		08/26/03			

OFFICIAL RECORD COPY

Millstone 2
Inspection / Activity Plan
06/29/2003 - 10/02/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	7111117B	**- PERMANENT PLANT MODS**	**5**			
2	IP 7111102	Evaluation of Changes, Tests, or Experiments		07/14/2003	07/19/2003	Baseline Inspections
2	IP 7111117B	Permanent Plant Modifications		07/14/2003	07/19/2003	Baseline Inspections
	7112201	**- PUB RAD SAFETY - RETS (UNIT 2 ONLY)**	**1**			
2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		07/21/2003	07/25/2003	Baseline Inspections
	71121.02	**- OCC RAD SAFETY - ALARA**	**1**			
2	IP 7112102	ALARA Planning and Controls		08/04/2003	08/08/2003	Baseline Inspections
	9/22 EXM	**- U2 OPERATOR LICENSING INITIAL EXAMS**	**2**			
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
	71114	**- EP PROGRAM INSP**	**1**			
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
	7111108	**- INSERVICE INSPECTION - UNIT 2**	**2**			
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
	71121.02	**- OCC RAD SAFETY - ALARA**	**1**			
2	IP 7112102	ALARA Planning and Controls		11/03/2003	11/07/2003	Baseline Inspections
	7112101	**- OCC RAD SAFETY - ACCESS**	**1**			
2	IP 7112101	Access Control to Radiologically Significant Areas		01/26/2004	01/30/2004	Baseline Inspections
	71152B	**- PROBLEM IDENTIFICATION AND RESOLUTION**	**9**			
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
	7111107B	**- HEAT SINK U2**	**1**			
2	IP 7111107B	Heat Sink Performance		04/19/2004	04/23/2004	Baseline Inspections
	7112202	**- PUB RAD SAFETY - RADWASTE**	**1**			
2	IP 7112202	Radioactive Material Processing and Transportation		07/12/2004	07/16/2004	Baseline Inspections
	7111112B	**- MAINTENANCE RULE**	**1**			
2	IP 7111112B	Maintenance Effectiveness		08/16/2004	08/20/2004	Baseline Inspections
	7111401	**- EXERCISE EVALUATION & EP PI VERIFICATION**	**6**			
2	IP 7111401	Exercise Evaluation		09/13/2004	09/17/2004	Baseline Inspections
2	IP 71151	Performance Indicator Verification		09/13/2004	09/17/2004	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
06/29/2003 - 10/02/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	7111121 - SSDI - U3		**7**			
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
	7111117B - PERMANENT PLANT MODS		**5**			
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
	71121.02 - OCC RAD SAFETY - ALARA		**1**			
3	IP 7112102	ALARA Planning and Controls		08/04/2003	08/08/2003	Baseline Inspections
	71114 - EP PROGRAM INSP		**1**			
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
	7111111B - L. O. REQUALIFICATION PROGRAM UNIT 3		**2**			
3	IP 7111111B	Licensed Operator Requalification		09/22/2003	09/26/2003	Baseline Inspections
	71122.01 - PUB RAD SAFETY - RETS (UNIT 3)		**1**			
3	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		09/22/2003	09/26/2003	Baseline Inspections
	7112101 - OCC RAD SAFETY - ACCESS		**1**			
3	IP 7112101	Access Control to Radiologically Significant Areas		01/26/2004	01/30/2004	Baseline Inspections
	71152B - PROBLEM IDENTIFICATION AND RESOLUTION		**9**			
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
	7111108P - INSERVICE INSPECTION-UNIT 3		**1**			
3	IP 2515/150	Reactor Pressure Vessel Head and Vessel Head Penetration Nozzles (NRC Bulletin 2002-02)		03/29/2004	04/02/2004	Safety Issues
3	IP 7111108P	Inservice Inspection Activities - PWR		03/29/2004	04/02/2004	Baseline Inspections
	7112102 - OCC RAD SAFETY - ALARA		**1**			
3	IP 7112102	ALARA Planning and Controls		04/05/2004	04/09/2004	Baseline Inspections
	7/19 EXM - UNIT3 OPERATOR LICENSING INITIAL EXAM		**3**			
3	U01521	MILLSTONE UNIT 3 INITIAL EXAM (5/1-5/04)		06/28/2004	07/02/2004	Not Applicable
3	U01521	MILLSTONE UNIT 3 INITIAL EXAM (5/1-5/04)		07/19/2004	07/23/2004	Not Applicable
	7112202 - PUB RAD SAFETY - RADWASTE		**1**			
3	IP 7112202	Radioactive Material Processing and Transportation		07/12/2004	07/16/2004	Baseline Inspections
	7111112B - MAINTENANCE RULE		**1**			
3	IP 7111112B	Maintenance Effectiveness		08/16/2004	08/20/2004	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
06/29/2003 - 10/02/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	7111401 - EXERCISE EVALUATION & EP PI VERIFICATION		**6**			
3	IP 7111401	Exercise Evaluation		09/13/2004	09/17/2004	Baseline Inspections
3	IP 71151	Performance Indicator Verification		09/13/2004	09/17/2004	Baseline Inspections