March 30, 2004

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) 2004 Energy and Water Development Appropriations Act, House Report 108-212 and Senate Report 108-105, directed the Nuclear Regulatory Commission (NRC) to continue to provide a monthly report on the status of its licensing and regulatory duties. 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 sixty-third report, which covers the month of February 2004. 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. These activities included issuance of a Materials License to the U. S. Enrichment Corporation Inc. (USEC Inc.) to possess and use source and special nuclear material at the American Centrifuge Lead Cascade facility; establishment of an Emergency Preparedness Project Office to enhance the effectiveness of emergency preparedness activities for commercial nuclear reactors; and restart authorization of the Davis-Besse Nuclear Power Station.

NRC approved the restart of the Davis-Besse Nuclear Power Station on March 8, 2004, based on the close oversight provided over the past two years, including the findings of numerous NRC inspections and on the improvements made by FirstEnergy. The NRC determined there was reasonable assurance that the Davis-Besse facility can be restarted and operated safely. With its restart decision, the NRC issued a Confirmatory Order to FirstEnergy requiring independent assessments and inspections at Davis-Besse to provide reasonable assurance that the licensee's long-term corrective actions remain effective (69 FR 12357). During the plant's startup, the NRC is maintaining continuous inspection coverage of plant activities. The NRC will also provide expanded inspection coverage at Davis-Besse beyond startup. The NRC's Oversight Panel will continue to coordinate the inspection and regulatory activities for Davis-Besse until the agency determines that the plant's performance warrants resumption of the NRC's normal reactor oversight program. The Panel will also continue to hold periodic public meetings in the vicinity of Davis-Besse with FirstEnergy officials to review the status of ongoing activities at the plant.

During the first week of March 2004, the staff began implementation of the new Security and Safeguards Inspection Program (SSIP) baseline inspections. The SSIP baseline inspection program will be performed at all NRC licensed facilities subject to the requirements in 10 CFR Part 73. It is intended to provide sufficient examination of the facilities, licensee

activities, and licensee programs and procedures, utilizing security and safeguards insights in a risk-informed manner.

Most licensed operations at the Honeywell uranium conversion facility in Metropolis, Illinois, remain shutdown as a result of an off-site release of uranium hexafloride that occurred on December 22, 2003. Honeywell conducted a root cause analysis and is performing maintenance and implementing corrective actions in support of a planned phased restart in accordance with a plan submitted to the NRC on March 4, 2004. As part of the agency's heightened oversight of this facility, the NRC implemented a Restart Readiness Oversight Plan. This plan includes a determination for the sufficiency of Honeywell's corrective actions, inspection of the corrective actions to determine their effectiveness, observation of a table top drill of the revised Emergency Plan, and coordination with the State and local agencies and the U.S. Environmental Protection Agency. NRC approval is required for each phase of the restart. The NRC is satisfied that the company's actions have been adequate to allow safe restart of ore preparation.

Recently, the Commission and the NRC staff also:

- published in the Federal Register, dated February 27, 2004 (69 FR 9387), a notice of availability of a Final Environmental Impact Statement (FEIS) for the proposed Idaho Spent Fuel Facility at the Idaho National Engineering and Environmental Laboratory, located in Butte County, Idaho. This FEIS was prepared to evaluate the environmental impacts of the Foster Wheeler Environmental Corporation (FWENC) proposal to construct and operate an independent spent fuel storage installation.

- conducted a public meeting in Eunice, New Mexico, on March 4, 2004, to obtain public comments on areas that the NRC needs to consider in preparing its Environmental Impact Statement document for the Louisiana Energy Services (LES) gas centrifuge uranium enrichment plant.

- issued Regulatory Guide 1.168, "Verification, Validation, Reviews, and Audits for Digital Computer Software Used in Safety Systems of Nuclear Power Plants," Revision 1. This Regulatory Guide provides guidance to licensees and applicants on methods acceptable to the NRC staff for complying with the NRC's regulations for digital computer software used in safety systems of nuclear power plants.

- issued annual assessment letters to 102 of the nation's 103 operating commercial nuclear power plants. The assessment letters provide the results of the staff's evaluation of plant performance based on inspection findings resulting from NRC's inspection program and on performance indicators reported by the licensees. The Davis-Besse nuclear facility was not issued an annual assessment letter because it is currently under a special NRC oversight program. The assessment letters sent to each licensee are available on the NRC web site, www.nrc.gov.

- issued a license to the Pacific Gas and Electric Company (PG&E) to operate an independent spent nuclear fuel storage installation at its Diablo Canyon nuclear power plant site in San Luis Obispo County, California. The new spent fuel storage installation will provide sufficient additional interim spent fuel storage capacity to support the continued operation of the plant's two reactors until the current operating licenses expire

(September 2021 for Unit 1 and April 2025 for Unit 2). The license is effective for 20 years and may be renewed.

- ordered, on March 11, 2004, the suspension of the NRC license of KTL Roudebush Testing, located in Kansas City, Missouri, for deliberately violating safety requirements and providing inaccurate information to the agency. KTL Roudebush Testing holds an NRC license to possess and use radioactive material for radiography, which uses sealed radiation sources to make x-ray-like images of heavy metal objects like pumps, valves, and pipes. The Order resulted from NRC's concerns about the company's willingness to comply with NRC's requirements and to conduct its activities in a manner that protects the health and safety of workers and the public. In addition to suspending licensed activities, the Order also directs the company to explain why its license should not be revoked and, if the license continues, how the company would ensure compliance with NRC requirements in the future. The company must submit an answer to the NRC Order by March 31 and may request a hearing. After reviewing the response, the NRC will determine if further action is necessary to ensure compliance with regulatory requirements. The letter and the Order to KTL Roudebush Testing are available on the NRC web site.

- approved a request by the Nuclear Management Co. to increase the generating capacity of the Kewaunee nuclear power plant, located near Green Bay, Wisconsin, by 6 percent. The power uprate increases the generating capacity of the plant from approximately 557 to 590 megawatts electric.

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

Sincerely,

/RA/

Nils J. Diaz

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 Ralph M. Hall, 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 Joe Barton, Chairman
Committee on Energy and Commerce
United States House of 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

FEBRUARY 2004

Enclosure

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[1]Note: The period of performance covered by this report includes activities occurring between the first and last day of February 2004. 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

The staff continues to make progress on tasks involving the use of probabilistic risk information in many areas; however, there were no significant milestones completed during the month of February 2004.

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 consider the feedback in future ROP refinements. Recent activities include the following:

- On Friday, February 13, 2004, the NRC staff participated in a working group meeting with representatives from the Nuclear Energy Institute (NEI) to discuss issues related to the Construction Inspection Program Information Management System (CIPIMS). The working group was tasked with defining and developing construction schedule information that will allow the NRC to schedule inspections using CIPIMS.

- On February 18, 2004, NRC staff participated in, and presented an analysis of recent corrective action program inspection findings at, the Corrective Action Program Owners Group Conference in Las Vegas, Nevada. Attendees included representatives from industry, NEI, and other corrective action program stakeholders.

- On February 19, 2004, the NRC staff hosted the monthly ROP Working Group meeting to discuss general Mitigating Systems Performance Index (MSPI)-related topics, industry's response to the staff's draft maintenance rule significance determination process (SDP), and ways to improve the barrier integrity performance indicators (PIs). In addition, discussions included ways of creating a top ten ROP issues list on which the ROP Working Group could focus. A number of new or open Frequently Asked Questions on ROP PIs were also discussed. The next MSPI public meeting is scheduled for March 25, 2004.

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

Operating power reactor licensing actions are defined as orders, 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 actions requiring NRC review and approval before it can be implemented by licensees. The FY 2004 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 for operating power reactors are defined as licensee responses to NRC requests for information through generic letters or bulletins, NRC responses to 2.206 petitions, NRC review of generic 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 licensees. The FY 2004 NRC Performance Plan incorporates one output measure related to other licensing tasks -- number of other licensing tasks completed.

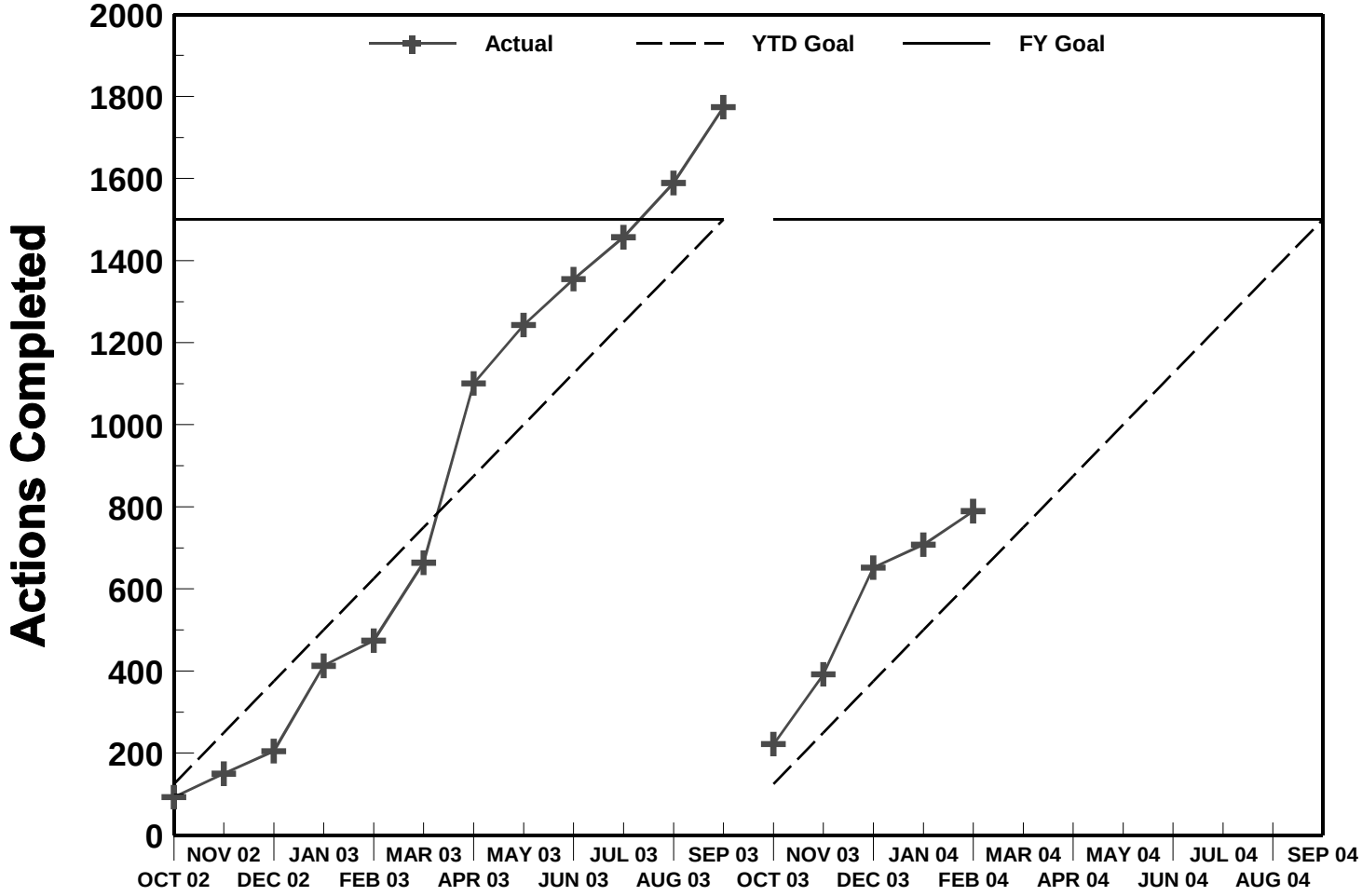
The actual FY 2002 and FY 2003 results, the FY 2004 goals and the actual FY 2004 results, as of February 29, 2004, for the four NRC Performance Plan output measures for operating power reactor licensing actions and other licensing tasks are shown in the table below.

PERFORMANCE PLAN				
Output Measure	**FY 2002 Actual**	**FY 2003 Actual**	**FY 2004 Goals**	**FY 2004 Actual (thru 02/29/2004)**
Licensing actions completed/year	1560	1774	≥ 1500	790
Age of licensing action inventory	96.6% ≤ 1 year; and 100% ≤ 2 years	96%≤ 1 year; and 100% ≤ 2 years	96% ≤ 1 year and 100% ≤ 2 years old	87.0% ≤ 1 year; 100% ≤ 2 years
Size of licensing action inventory	765	1296	≤ 1000	1047
Other licensing tasks completed/year	426	500	≥ 350	319

The following charts demonstrate NRC's trends for the four operating power reactor licensing action and other licensing task output measure goals.

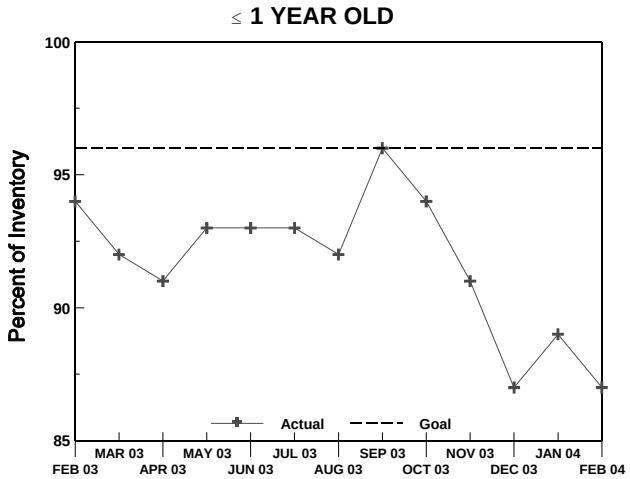
Nuclear Reactor Safety - Reactor Licensing

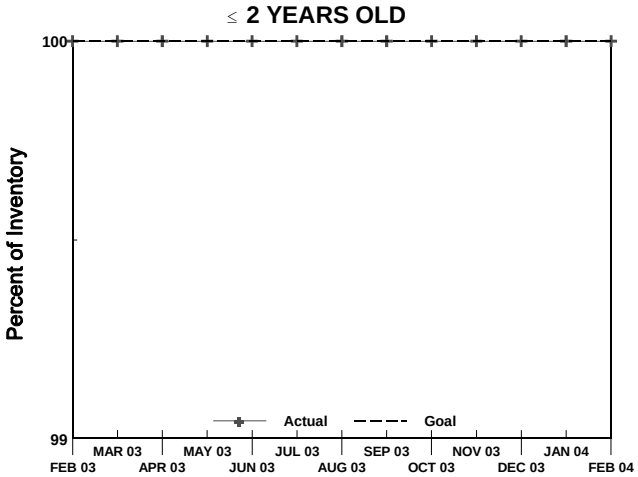
Performance Plan Target: Completed Licensing Actions



Nuclear Reactor Safety - Reactor Licensing

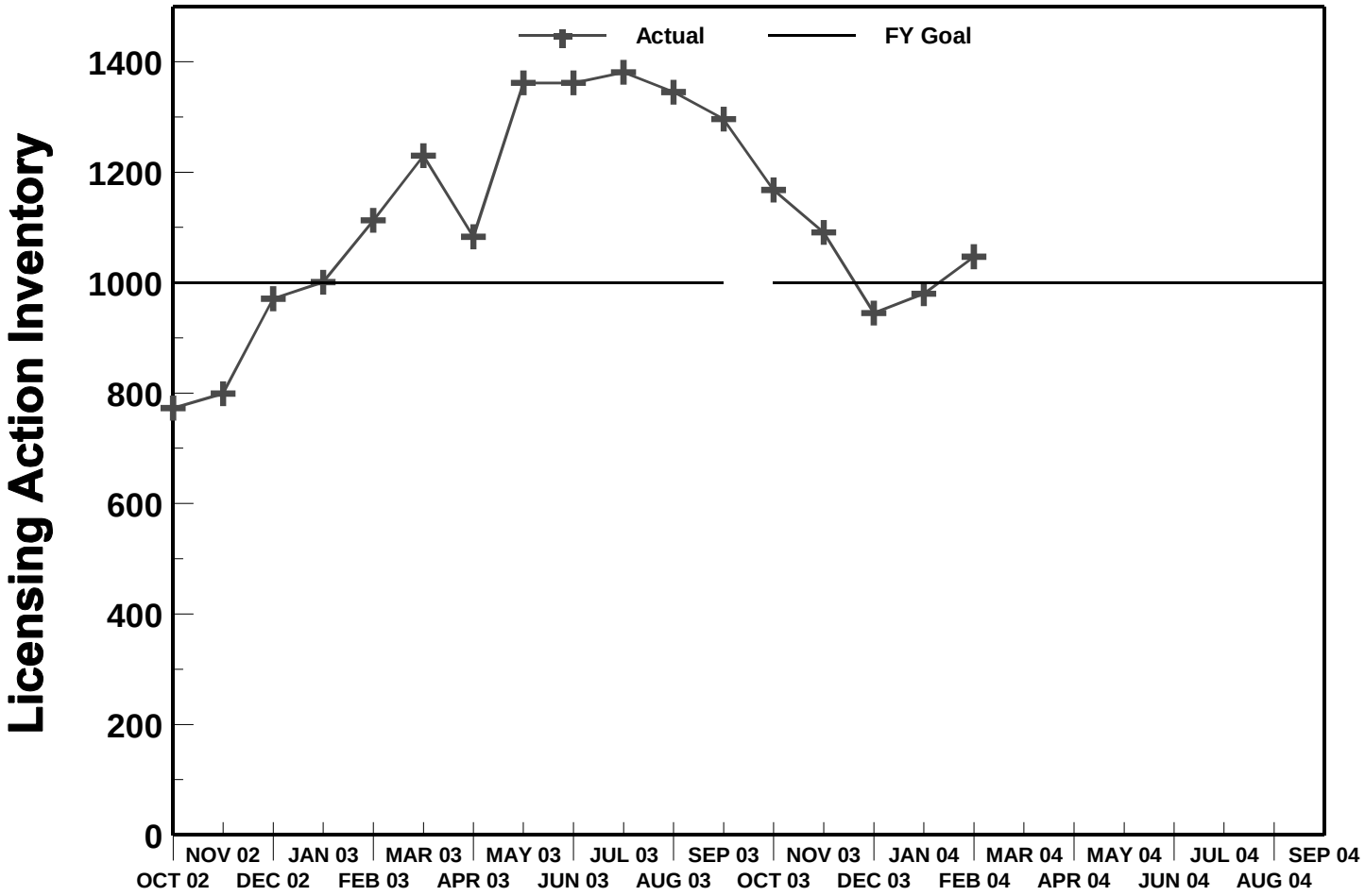
Performance Plan Target: Age of Licensing Action Inventory





Nuclear Reactor Safety - Reactor Licensing

Performance Plan: Size of Licensing Action Inventory



V Status of License Renewal Activities

Robinson Unit 2 License Renewal Application

The staff issued the final supplemental environmental impact statement (SEIS) in December 2003 and the safety evaluation report in January 2004. The staff is completing activities to support a decision on renewing the license in April 2004.

Ginna License Renewal Application

The staff issued the final SEIS in January 2004. The staff issued the safety evaluation report, which identified the remaining open items, in October 2003, and the applicant's responses to the open items were received in December 2003. The staff is reviewing the applicant's responses and is preparing to issue the safety evaluation report in March 2004.

Summer License Renewal Application

The staff issued the final SEIS in February 2004 and the safety evaluation report in January 2004. The staff is completing activities to support a decision on renewing the license in June 2004.

Dresden, Units 2 and 3, and Quad Cities, Units 1 and 2, Combined License Renewal Application

The staff issued the draft SEIS for public comment for Quad Cities in November 2003 and for Dresden in December 2003. The staff is addressing the comments received and is preparing to issue the final SEIS's in July 2004 for both Dresden and Quad Cities. The staff issued the safety evaluation report, which identified the remaining open items, in February 2004, and the applicant's responses to the open items are due April 2004.

Farley, Units 1 and 2, License Renewal Application

The Farley license renewal application is currently under review and the staff is preparing requests for additional information. The draft SEIS is scheduled to be issued in August 2004, and the safety evaluation report, which will identify any remaining open items, is scheduled to be issued in October 2004.

Arkansas Nuclear One, Unit 2, License Renewal Application

The Arkansas Unit 2 license renewal application is currently under review, and the staff is preparing requests for additional information. The draft SEIS is scheduled to be issued in September 2004, and the safety evaluation report, which will identify any remaining open items, is scheduled to be issued in November 2004.

Cook, Units 1 and 2, License Renewal Application

The Cook license renewal application is currently under review, and the staff is preparing requests for additional information. The draft SEIS is scheduled to be issued in September 2004 and the safety evaluation report, which will identify any remaining open items, is scheduled to be issued in December 2004.

Browns Ferry, Units 1, 2, and 3, License Renewal Application

On January 6, 2004, the NRC received an application for renewal of the Browns Ferry, Units 1, 2, and 3, operating licenses. The staff is currently performing the required acceptance review of the application and, if found acceptable, will docket the application, notice an opportunity for hearing, and issue the review schedule.

Millstone, Units 2 and 3, License Renewal Application

On January 22, 2004, the NRC received an application for renewal of the Millstone, Units 2 and 3, operating licenses. The staff is currently performing the required acceptance review of the application and, if found acceptable, will docket the application, notice an opportunity for hearing, and issue the review schedule.

Point Beach, Units 1 and 2, License Renewal Application

On February 26, 2004, the NRC received an application for renewal of the Point Beach, Units 1 and 2, operating licenses. The staff is currently performing the required acceptance review of the application and, if found acceptable, will docket the application, notice an opportunity for hearing, and issue the review schedule.

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 in Skull Valley, Utah. As noted in previous monthly updates, one issue concerning the consequences of an F-16 aircraft crash at the proposed facility remains to be litigated.

During this reporting period, PFS provided the NRC staff with additional information to support the staff's review. The staff's preliminary review of the additional information identified areas that were still lacking adequate justification. A telephone call with PFS was held on February 18, 2004, to discuss the remaining information needed by the staff. PFS was expected to provide this information in March 2004.

In addition, during February, PFS and the staff responded to the State of Utah's new contention concerning certain new information provided in PFS's responses to the staff's Request for Additional Information. The Atomic Safety and Licensing Board (ASLB) held a prehearing conference on February 24, 2004, in which the admissibility of the State's new contention and a schedule for litigation of the aircraft crash consequence issue were discussed. The ASLB is expected to rule on the admission of the new contention and on a schedule for litigation by the middle of March 2004.

Also, the Commission ruled on the State of Utah's and another intervenor's petitions for review of the ASLB's interlocutory decisions in the proceeding. The Commission denied the petitions with respect to most of the issues raised and requested legal briefs from the parties on three contentions which the ASLB had rejected. In addition, the Commission currently has under consideration the State of Utah's and PFS's petitions for review of the three ASLB decisions of May 2003 on financial assurance and decommissioning contentions and the ASLB's January 2004 ruling on motions for reconsideration of that decision.

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	Feb 2004	0	0	0	0	0
	FY 04 YTD	0	0	0	0	0
	FY 03 Total	0	0	0	0	0
	FY 02 Total	0	0	0	0	0
Severity Level II	Feb 2004	0	0	0	0	0
	FY 04 YTD	0	0	0	0	0
	FY 03 Total	0	0	0	0	0
	FY 02 Total	1	0	0	0	1
Severity Level III	Feb 2004	0	0	0	0	0
	FY 04 YTD	0	0	1	0	1
	FY 03 Total	2	0	4	0	6
	FY 02 Total	2	0	0	0	2
Severity Level IV	Feb 2004	0	0	0	0	0
	FY 04 YTD	1	0	0	0	1
	FY 03 Total	1	0	2	1	4
	FY 02 Total	0	0	2	0	2
Non-Cited Severity Level IV or Green	Feb 2004	18	6	18	24	66
	FY 04 YTD	111	86	119	142	458
	FY 03 Total	220	164	202	184	770
	FY 02 Total	207	89	201	151	648

* 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
Notices of Violation Related to White, Yellow or Red Findings	2/04 Red	0	0	0	0	0
	2/04 Yellow	0	0	0	0	0
	2/04 White	1	0	0	1	2
	FY 04 YTD	1	1	4	2	8
	FY 03 Total	6	1	7	1	15
	FY 02 Total	5	4	6	8	23

Description of Significant Actions taken in February 2004

Exelon Generation Company, LLC (Peach Bottom 2 & 3) EA-03-224

On February 3, 2004, a Notice of Violation was issued for a violation associated with a White SDP finding involving a performance problem associated with one of the emergency diesel generators. The violation cited the licensee's failure to maintain adequate maintenance procedures and failure to take adequate corrective actions for a condition adverse to quality.

TXU Energy, (Comanche Peak) EA-04-009

On February 13, 2004, a Notice of Violation was issued for a violation associated with a White SDP finding involving the failure to identify and correct an indicated flaw in a steam generator tube during Refueling Outage 1RF08, a violation of 10CFR50, Appendix B, Criterion XVI. Failure to remove the tube from service resulted in a steam generator tube leak in September 2002.

VIII Power Reactor Security Regulations

In response to the terrorist attacks on September 11, 2001, the NRC and the nuclear industry have taken many actions to ensure the security at nuclear power plants. A series of Advisories, Orders, and Regulatory Issue Summaries have been issued to strengthen further the security of NRC-licensed facilities and control of nuclear materials.

Orders were issued on April 29, 2003, to revise the threat against which individual power reactor licensees and category 1 fuel cycle facilities must be able to defend (design basis threat [DBT]), limit the number of hours that security personnel can work, and enhance training and qualification requirements for security personnel. Licensees are required to implement the April 29, 2003 Orders no later than October 29, 2004. Implementation of these Orders will include employing revised security plans, revised safeguards contingency plans, and revised guard training and qualification plans, and completing any necessary plant modifications. The NRC staff is currently working to ensure appropriate guidance is available to the industry so

plant and program changes can be completed on schedule and in time to implement the Order by the October 29, 2004 deadline.

Orders were issued on October 23, 2003, to all nuclear reactor licensees and research reactor licensees who transport spent nuclear fuel. The licensees subject to the Order have been issued a specific license by NRC authorizing the possession of spent nuclear fuel and a general license authorizing the transportation of spent nuclear fuel in a transport package approved by the Commission in accordance with the Atomic Energy Act of 1954, as amended, and 10 CFR Parts 50 and 71.

In March 2003, the NRC initiated a pilot program for full force-on-force exercises, which used expanded adversary characteristics that were developed as a result of the increased post 9/11 threat. The purposes of the force-on-force exercises are to assess and improve, as necessary, performance of defensive strategies at licensed facilities. Pilot force-on-force exercises have been completed at fifteen plants. The staff will present a paper to the Commission shortly summarizing lessons learned from the force-on-force pilot program and how these lessons can be factored into the full implementation of the force-on-force program. In the interim, the NRC plans to continue to conduct force-on-force exercises at a rate of approximately two per month from mid-February through October 2004. Following implementation of the revised DBT on October 29, 2004, the NRC will implement triennial force-on-force testing at each nuclear power plant site.

During 2003, the staff suspended the physical protection portion of the baseline inspections in the Reactor Oversight Process. Instead, NRC inspections in the reactor security area have focused on licensee implementation of compensatory measures to address the post-9/11 threat environment. These compensatory measures were required by the Commission's February 25, 2002 Order. In late 2003, the staff developed a revised baseline inspection program for reactor security, taking into consideration the enhanced requirements and the higher threat environment. The staff plans to implement the revised baseline inspection program during the first week of March 2004.

IX 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.

There are three types of power uprates. Measurement uncertainty recapture power uprates are power uprates of less than 2 percent and are based on the use of more accurate feedwater flow measurement techniques. Stretch power uprates are power uprates that are typically on the order of less than 7 percent and are within the design capacity of the plant. Stretch power uprates require only minor plant modification. Extended power uprates (EPUs) are power uprates beyond the design capacity of the plant and, thus, require major plant modification.

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 101 such reviews. Approximately 12,537 megawatts (MWt) (4,179 megawatts electric [MWe]) or an equivalent of about four nuclear power plant

units has been gained through implementation of power uprates at existing plants. The staff currently has 4 plant-specific applications under review. During the month of February, the staff approved a stretch power uprate for Kewaunee Nuclear Power Plant which increases the operating power limit by 6%. This new operating limit results in a 99 MWt increase or approximately 33 MWe.

On December 15, 2003, the NRC issued a letter to Entergy Nuclear (licensee for Vermont Yankee Nuclear Power Station) and informed them that their application for the Vermont Yankee EPU lacked information needed to allow for the NRC staff's detailed review of the application. In late January 2004, Entergy Nuclear sent the NRC another submittal in response to the NRC letter. The NRC staff evaluated this additional information and sent a letter to Entergy Nuclear on February 20, 2004, noting that Entergy had provided the necessary information and there was sufficient detail to allow the staff to proceed with the detailed technical review. The staff review of this amendment request is expected to be completed by January 31, 2005.

In our previous reports, the NRC noted that cracking has been found in the steam dryers at Quad Cities Nuclear Power Station and Dresden Nuclear Power Station. The steam dryer is located in the upper region of the reactor vessel and functions to remove 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 it is required to maintain its structural integrity. In addition to the steam dryer cracking, flow-induced vibration damage has been identified on components and supports for the main steam and feedwater lines at Quad Cities and Dresden. The NRC continues to evaluate the steam dryer cracking issues and damage to other plant components while considering the generic implications to other plants. The NRC remains actively engaged with industry regarding industry's plans for addressing these issues generically. The NRC staff held a meeting with the Boiling Water Reactor Owners Group (BWROG) and General Electric Nuclear Engineering (GENE) on February 3, 2004, to discuss industry's proposed actions related to resolution of steam dryer integrity and other EPU concerns.

The NRC staff has also been monitoring the unexpected, small differences in power level indications that have been observed at Braidwood Station and Byron Station while using the Westinghouse/AMAG "CROSSFLOW" ultrasonic feedwater flow measurement system. Westinghouse issued a Nuclear Safety Advisory Letter (NSAL)-03-12 on December 5, 2003, describing this issue and providing recommendations to licensees using the CROSSFLOW system. Based on current information, the NRC staff has determined that this issue does not pose an immediate safety concern. The NRC staff is closely following this issue for Byron and Braidwood, evaluating the potential impact of this issue on power uprates and considering any necessary regulatory action that may be required. A meeting at NRC headquarters has been scheduled for March 9, 2004, between Westinghouse and the staff to discuss this issue.

In January 2004, 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, licensees plan to submit power uprate applications for 26 nuclear power plant units in the next 5 years. These include 8 measurement uncertainty recapture power uprates, 6 stretch power uprates, and 12 extended power uprates. Planned power uprates are expected to result in an increase of about 5,296 MWt (1,766 MWe).

X Status of Davis-Besse Nuclear Power Station

At the end of February 2004, the plant was in Mode 3 (Hot Standby - average coolant temperature $\geq 280^0$F) at normal operating pressure and temperature (2155 psig/532^0F). FirstEnergy Nuclear Operating Company (FENOC) expects to maintain the plant in Mode 3 until restart. NRC approval is required to restart the plant.

The NRC Oversight Panel conducted two public meetings in February. On February 12, 2004, a local public meeting was held with the licensee to discuss the results of the followup restart readiness assessment team inspection and the followup management and human performance team inspection. Later that same day, a local public meeting was held to allow the licensee to state the basis for its request to restart the reactor.

On February 26, 2004, the NRC sent to the licensee a proposed Confirmatory Order that would require the licensee to conduct annual independent assessments for five years in the areas of operations, engineering, corrective actions and safety culture, and require inspections of key reactor coolant system pressure boundary components during a mid-cycle outage. The Order will become effective if, and when, a decision is made to authorize re-start of Davis-Besse. In a letter dated February 26, 2004, the licensee responded to the NRC's proposed Confirmatory Order by agreeing to the incorporation of the conditions into a Confirmatory Order that would be immediately effective upon issuance and waived its right to a hearing on all or any part of the Order.

During February, the NRC completed its evaluation of issues on the Oversight Panel's Restart Checklist. Inspection Report 50-346/03-12 was issued documenting the NRC's continued review of the licensee's activities to identify and correct the management and human performance deficiencies which contributed to the reactor pressure vessel head degradation. The inspection evaluated the effectiveness of the corrective actions and the tools designed to measure and monitor the effectiveness of those corrective actions. This included evaluation of FENOC's internally and externally generated assessments and other tools the station and FENOC are using to monitor safety culture, safety conscious work environment, and the employee concerns program. After reviewing the results of this inspection, the Oversight Panel concluded that further inspection was necessary to understand the cause of an increase in negative responses in certain departments as a result of internal safety culture and safety conscious work environment surveys taken in March and November 2003. This inspection was completed and will be documented in an upcoming inspection report.

In addition, Inspection Report 50-346/03-11 was issued documenting the results of a December 2003 restart readiness assessment team inspection. This inspection identified a number of operational issues which necessitated a follow-up restart readiness assessment team inspection to assess operational improvements. That inspection was completed and will be documented in an upcoming inspection report. All of the Davis-Besse inspection reports associated with the reactor vessel head degradation event can be viewed on the NRC's Davis-Besse web pages.

The NRC has completed nearly all of its activities to respond to petitions under 10 CFR 2.206 seeking agency action against FENOC. The only remaining petition, filed by Greenpeace, requested that the Davis-Besse license be revoked and that the NRC take enforcement action

against the licensee. On February 5, 2004, the NRC issued for petitioner comment the proposed Director's Decision which would deny the petition. The proposed Director's Decision stated, in part, that the petitioners' request for enforcement regarding design basis violations was in effect being granted by actions already taken by the staff.

Detailed information on NRC activities associated with Davis-Besse can be found at: http://www.nrc.gov/reactors/operating/ops-experience/vessel-head-degradation.html