

SAFEGUARDS INFORMATION

October 28, 2004

Mr. Christopher M. Crane
President and Chief Nuclear Officer
Exelon Generation Company, LLC
AmerGen Energy Company, LLC
4300 Winfield Road
Warrenville, IL 60555

SUBJECT: THREE MILE ISLAND NUCLEAR STATION, UNIT 1 - ADMINISTRATIVE CHANGE TO FACILITY OPERATING LICENSE IN CONJUNCTION WITH THE COMMISSION ORDER EA-03-086 REGARDING REVISED DESIGN BASIS THREAT (DBT); AND REVISIONS TO PHYSICAL SECURITY PLAN, TRAINING AND QUALIFICATION PLAN, AND SAFEGUARDS CONTINGENCY PLAN (TAC NO. MC2981)

Dear Mr. Crane:

By letter dated April 28, 2004, the AmerGen Energy Company submitted a supplemental response in accordance with Order EA-03-086, the Order requiring compliance with the revised design basis threat, dated April 29, 2003 (DBT Order), for the Three Mile Island Nuclear Station, Unit 1 (TMI). Section III.A of the DBT Order required licensees to revise physical security plans (PSPs), training and qualification plans (T&Q Plans), and safeguards contingency plans (SCPs) in order to provide protection against the revised DBT set forth in Attachment 2 to the DBT Order. These revised plans, along with an implementation schedule, were required to be submitted to the Nuclear Regulatory Commission (NRC or the Commission) for review and approval no later than April 29, 2004.

The NRC staff's review of the TMI PSP, SCP, and T&Q Plan submitted in your letter dated April 28, 2004, as supplemented on July 6, July 9, July 23, August 4, August 12, September 9, October 14, and October 21, 2004, has focused on ensuring that the necessary programmatic elements are contained in these plans in order to provide high assurance that activities involving special nuclear material are not inimical to the common defense and security and do not constitute an unreasonable risk to the public health and safety.

NOTICE: Enclosure 2 contains Safeguards Information. Upon separation from Enclosure 2, this letter and Enclosure 1 are DECONTROLLED.

SAFEGUARDS INFORMATION

The NRC staff has determined that, subject to subsequent inspection and evaluation, these plans contain the necessary programmatic elements that, when effectively implemented, will provide the high assurance that TMI will be protected against the revised DBT. The NRC staff, therefore, approves the PSP, SCP, and T&Q Plan for TMI. However, ultimately the effectiveness of these plans will be judged on your ability to meet regulatory requirements through facility implementing procedures and site practices. As such, your facility implementing procedures and practices will continue to be subject to future NRC review and inspection, including NRC-conducted force-on-force exercises.

In addition, the NRC staff noted that your PSP included alternatives to certain requirements of Title 10 of the *Code of Federal Regulations* (10 CFR) Section 73.55. In each case, the NRC staff found that the alternative measures provide an equivalent level of protection to that of the associated requirements and meets the high assurance objectives of 10 CFR 73.55(a). The NRC staff, therefore, approves the alternatives shown in the table below. The NRC staff's evaluation is discussed further in the enclosed Safety Evaluation (SE).

| Approved Alternatives to the Requirements of 10 CFR Part 73 | | | |
|--|--------------------|----------------------------------|---|
| SE Section | PSP Section | Alternative to 10 CFR | Description |
| 3.6.2 | 6.2 | 73.55(c)(2) | PA/VA barrier separation requirements |
| 3.6.2 | 6.2 | 73.55(c)(3) | Isolation zones |
| 3.9.4.3 | 9.4.3 | 73.55(d)(4) | PA vehicle search requirements |
| 3.9.4.4 | 9.4.4 | 73.55(d)(1) | PA personnel search requirements |
| 3.9.5.2 | 9.5 | 73.55(d)(1) 73.55(d)(4) | PA access control requirements |
| 3.9.6 | 9.6 | 73.55(d)(7)(i)(D) | VA access control requirements |
| 3.10.1 | 10.1 | 73.55(c)(5) | PA illumination requirements |
| 3.13.1 | 14.1 | 73.55(c)(1) 73.55(d)(7)(i)(B) | Temporary reclassification of VAs to PA status (devitalization) |

Finally, consistent with the DBT Order, conforming administrative changes to Facility Operating Licenses (FOLs) are required to ensure implementation of DBT Order requirements. Therefore, an administrative license change to FOL No. DPR-50 is being made to incorporate the reference to the revised PSP, SCP, and T&Q Plan required by the DBT Order. This change complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I.

Please replace the enclosed page to your FOL as indicated in Enclosure 1.

C. Crane

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A copy of our SE with regard to your security plans (designated as Safeguards Information) is provided in Enclosure 2.

Sincerely,

/RA/

John A. Nakoski, Section Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-289

Enclosures: 1. Administrative Change to FOL No. DPR-50
2. Safety Evaluation (**Safeguards Information**)

cc w/encl 1 only: See Mailing List 1

cc w/encls 1 and 2: Derwin Westbrook

C. Crane

- 3 -

A copy of our SE with regard to your security plans (designated as Safeguards Information) is provided in Enclosure 2.

Sincerely,

/RA/

John A. Nakoski, Section Chief
Security Plan Review Team
Project Directorate II
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- 2. Safety Evaluation (**Safeguards Information**)

cc w/encl 1 only: See Mailing List 1

cc w/encls 1 and 2: Derwin Westbrook

DISTRIBUTION (w/o Enclosure 2):

| | | | | | |
|--------------|----------|----------|-----------|----------|--------------|
| PUBLIC | SPRT R/F | OGC | ACRS | MO'Brien | DSkay |
| DCollins (A) | CHolden | DLPM DPR | GHill (2) | TBoyce | GMatakas, RI |

Accession No.: ML043120009

*See previous concurrence

| | | | | | | | |
|--------|----------|----------|----------|----------|----------|----------|----------|
| OFFICE | SPRT/TL | SPRT/PM | SPRT/LA | SPRT/PL | OGC | NSIR/SC | NRR/SC |
| NAME | DHuyck | RFretz | CRaynor | JPeralta | | SMorris | JNakoski |
| DATE | 10/22/04 | 10/22/04 | 10/22/04 | 10/22/04 | 10/22/04 | 10/28/04 | 10/28/04 |

OFFICIAL RECORD COPY

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THREE MILE ISLAND NUCLEAR STATION, UNIT 1

DOCKET NO. 50-289

ADMINISTRATIVE LICENSE CHANGE TO FACILITY OPERATING LICENSE

License No. DPR-50

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. Consistent with Order EA-03-086, the Order requiring compliance with revised design basis threat (DBT Order), issued on April 29, 2003, conforming administrative changes to Facility Operating Licenses (FOLs) are required to ensure implementation of DBT Order requirements. Therefore, an administrative license change to FOL No. DPR-50 is being made to incorporate the reference to the revised Physical Security Plan, Safeguards Contingency Plan, and Training and Qualification Plan required by the DBT Order. These changes comply with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this administrative license change can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this administrative license change will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this administrative license change is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

Enclosure 1

2. Accordingly, the FOL is changed, as indicated in the attachment.
3. This administrative license change is effective as of its date of issuance and shall be implemented on or before October 29, 2004.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

John A. Nakoski, Section Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the FOL

Date of Issuance: October 28, 2004

CHANGES TO FACILITY OPERATING LICENSE NO. DPR-50

DOCKET NO. 50-289

Replace the following page of Facility Operating License DPR-50 with the attached revised page as indicated. The revised page is identified by revision date and contains marginal lines indicating the area of change.

Remove Page

4

Insert Page

4

(3) Physical Protection

AmerGen Energy Company, LLC shall fully implement and maintain in effect all provisions of the Commission-approved physical security, training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822), and the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The combined set of plans¹, which contain Safeguards Information protected under 10 CFR 73.21, is entitled: "Three Mile Island Nuclear Station Security Plan, Training and Qualification Plan, and Safeguards Contingency Plan, Revision 0," submitted by letter dated October 21, 2004.

(4) Fire Protection

AmerGen Energy Company, LLC shall implement and maintain in effect all provisions of the Fire Protection Program as described in the Updated FSAR for TM-1.

Changes may be made to the Fire Protection Program without prior approval by the Commission only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire. Temporary changes to specific fire protection features which may be necessary to accomplish maintenance or modifications are acceptable provided that interim compensate measures are implemented.

(5) The licensee shall implement a secondary water chemistry monitoring program to inhibit steam generator tube degradation. This program shall include:

- a. Identification of a sampling schedule for the critical parameters and control points for these parameters;
- b. Identification of the procedures used to measure the values of the critical parameters;

¹ The Training and Qualification Plan and Safeguards Contingency Plan are Appendices to the Security Plan.