FENOC
FirstEnergy Nuclear Operating Company

5501 North State Route 2
Oak Harbor, Ohio 43449

Mark B. Bezilla
Vice President - Nuclear

419-321-7676
Fax: 419-321-7582

Docket Number 50-346
License Number NPF-3
Serial Number 1-1482

January 17, 2007

Mr. James L. Caldwell, Administrator
United States Nuclear Regulatory Commission
Region III
2443 Warrensville Road, Suite 210
Lisle, Il 60532-4352

Subject: Additional Information in Support of the Request to Rescind Future Independent Assessments of Operations Performance at the Davis-Besse Nuclear Power Station

Dear Mr. Caldwell:

The purpose of this letter is to submit additional information in support of the FirstEnergy Nuclear Operating Company's (FENOC) request to rescind future independent assessments of Operations performance at the Davis-Besse Nuclear Power Station (DBNPS). FENOC's letter, Serial Number 1-1470, dated August 23, 2006, requested that the Nuclear Regulatory Commission (NRC) consider rescinding the condition of the Confirmatory Order in NRC letter dated March 8, 2004 requiring independent assessments of Operations performance at DBNPS.

Attached is the additional information in support of the request to rescind future independent assessments of Operations performance.

If you have any questions or require additional information, please contact Mr. Clark A. Price, Acting Director – Performance Improvement at (419) 321-8585.

Sincerely yours,

KAS

Attachments

CC: USNRC Document Control Desk
DB-1 NRC/NRR Project Manager
DB-1 Senior Resident Inspector
Utility Radiological Safety Board

FirstEnergy Nuclear Operating Company
Davis-Besse Nuclear Power Station
Request to Rescind Confirmatory Order Condition to Conduct Independent Assessment of Operations Performance

BACKGROUND

On March 8, 2004, the Nuclear Regulatory Commission (NRC) issued a Confirmatory Order that required an annual independent assessment of Operations performance at the Davis-Besse Nuclear Power Station (DBNPS) for five years. The FirstEnergy Nuclear Operating Company (FENOC) contracted with an external, independent firm in 2004 to complete these annual assessments. Three independent assessments have been completed to date (2004, 2005, 2006). The results of these independent assessments were submitted to the NRC under FENOC cover letters Serial Number 1-1398 (dated December 22, 2004), Serial Number 1-1430 (dated August 22, 2005), and Serial Number 1-1470 (dated August 23, 2006).

Operations performance was reviewed during the 2004, 2005, and 2006 Confirmatory Order Independent Assessment of Operations and was found to be effective. The 2004 independent assessment report concluded that Operations personnel displayed good, safe operating skills that should improve with continued plant operation and enhanced continuing licensed and non-licensed training. In addition, the report concluded that the internal assessments performed at the DBNPS were factual, in-depth and accurate in identifying various weaknesses within the Operations department; and that the findings paralleled the independent assessment team's findings. The Areas for Improvement (AFI) that were identified in the 2004 independent assessment were reviewed in the 2005 independent assessment and found to be marginally effective, with continued emphasis needed to complete corrective actions.

The 2005 and 2006 independent assessments concluded that Operations performance was effective and that the plant was being operated safely. The two independent assessments did not identify any areas for improvement. These two assessments also concluded that the internal assessments performed at the DBNPS were factual, in-depth and accurate in self-identifying areas of weakness within the Operations department.

The NRC has performed inspections of the performance of these three independent assessments of Operations performance (references: NRC Integrated Inspection Reports 05000346/2004016, 05000346/2005008, and 05000346/2006004). The 2004 NRC Inspection Report concluded that the independent assessment was sufficient in depth and scope; that the results of these actions were sufficiently documented. The 2005 and 2006 NRC Inspection Reports concluded that independent assessments appear consistent with the information reviewed and documented, and that the overall assessments were not inconsistent with NRC inspection results.

In letter Serial Number 1-1470 dated August 23, 2006, FENOC requested that the NRC rescind the condition of the Confirmatory Order that requires the annual independent assessment of Operations performance for five years. The information provided below further supports the request to rescind the last two annual independent assessments of Operations performance.

BASIS

The basis for requesting that future Independent Assessments of Operations Performance be rescinded is the Operations Section at Davis-Besse has demonstrated the ability to safely operate the plant, respond to challenges, provide site leadership, continues to improve performance, and has adequate and effective means of self-assessing performance to sustain continuous improvement. Since plant restart in 2004, FENOC believes that the Operations Section has demonstrated this ability through conservative and continued safe operational performance.

Additionally, FENOC believes that the results of the 2004, 2005, and 2006 Confirmatory Order Independent Assessments, have verified FENOC's ability to sustain safe Operations performance and that FENOC can effectively self-assess and identify areas needing additional focus at the DBNPS.

PROGRAM CHANGES

During the 2002-2004 restart effort, many areas of Operations programs were enhanced. These programs continue to be refined and include important areas such as conduct of operations, operations leadership and accountability, and operational decision-making. In addition, reactivity management has been a key focus area following restart.

Standards for sustained improved Operations performance have been institutionalized through the establishment and implementation of procedure NOP-OP-1002, Conduct of Operations. This procedure provides administrative controls to ensure plant operations are conducted in a competent and professional manner. It provides the Operations Section personnel guidelines for accomplishing, controlling, and documenting routine operational activities.

Leadership and accountability are key areas to Operations. Operations personnel have the responsibility to carry out assigned duties in a safe and event-free manner. Site leadership is provided by the Operations department at the DBNPS. The Operations Manager now chairs many of the plant meetings, including the Management Alignment and Ownership Meeting, Plant Operating Review Committee, Plant Health Committee Meeting, and the Reactivity Management Committee Meeting. Operations Shift Managers chair daily routine Duty Team plant status telephone calls as institutionalized by business practice DBBP-VP-0006, Standards and Expectations for the Duty Team. In

addition, Shift Managers take the lead in activating the Duty Team to respond to emergent plant issues.

The operational decision-making process is employed by the plant management team to ensure proper response to degraded conditions. This procedure can be utilized as directed by the Operations Manager for issues involving plant operation, maintenance, testing, and emergent issues at the facility. This process is institutionalized by procedure NOP-OP-1010, Operational Decision Making and supported by NOP-ER-3001, Problem Solving and Decision-Making.

Reactivity management has been a plant focus and is steadily improving. The Operations Section and its trainers have worked to reduce the number of reactivity management events through reactivity fundamental training and the effective use of Just-in-Time training. Reactor Engineering provides support for Operations reactivity management goals through participation in the Reactivity Management Committee, preparation of reactivity plans, and through the review of select work orders for reactivity impact. In addition, Reactor Engineers attend Just-in-Time Training with operating crews on the simulator for plant shutdowns and startups.

To provide leadership skills, fleet leadership training is provided to the Operations Shift Managers, including basic principles, leadership expectations, and roles and responsibilities.

SUSTAINING PERFORMANCE

Nuclear Operating Policy, NOPL-OP-1001, Operations, states that the plant Operations organization will provide leadership, and apply high standards for reliable equipment performance in accordance with plant design. It is FENOC's policy to operate the DBNPS with a strong focus on safety, with a full commitment to public health and safety. As discussed earlier, procedure NOP-OP-1002, Conduct of Operations, has institutionalized the standards for sustained Operations performance. In addition, expectations required for consistent and safe operation of the DBNPS are articulated in business practice DBBP-OPS-0001, Operations Expectations and Standards.

The Operations Section maintains various performance indicators to monitor personnel and plant performance. Monthly performance indicators in the Monthly Performance Report are used by Operations to routinely monitor performance. Some key areas tracked are reactivity management, operator work arounds, and unplanned automatic scrams.

The reactivity management performance indicator tracks any unplanned or uncontrolled occurrence that degrades the ability to control or monitor reactivity within the core or the nuclear fuel in storage. This monthly performance indicator is currently rated green.

The operator work around performance indicator tracks any equipment deficiency or plant condition, which during abnormal or emergency operation will require an operator to perform compensatory actions. This monthly performance indicator is currently rated green.

The unplanned automatic scrams performance indicator provides the number of unplanned automatic reactor trips that occur per 7,000 hours of critical operation. This monthly performance indicator is currently rated green.

CONTINUED ASSESSMENTS TO SUSTAIN PERFORMANCE

FENOC Fleet Oversight, the Company Nuclear Review Board, as well as Integrated Performance Assessments have and will continue to provide the necessary oversight at DBNPS to sustain safe performance. These processes provide for internal management oversight, reinforcement of positive Operation performance and the identification of areas for improvement.

In addition, business practice NOBP-LP-2501, Safety Culture Assessment, provides for the internal assessment of safety culture at the DBNPS, including that of Operations performance. This assessment includes assessing: (1) that all personnel understand nuclear safety is the highest priority, and (2) that the importance of nuclear safety over production and cost is properly communicated by site management to employees.

The Confirmatory Order Independent Assessments from 2005 and 2006 concluded that FirstEnergy Nuclear Operating Company (FENOC) Fleet Oversight, the Company Nuclear Review Board, and Operations department assessments are factual, in-depth, and accurate in identifying areas of weakness within the Operations department.

Semi-annual Integrated Performance Assessments (IPA) are performed under Business Practice NOBP-LP-2018, Integrated Performance Assessment/Trending. These assessments, performed by either Operations support personnel or on-shift operating crews, are conducted at six-month intervals and identify strengths, noteworthy positives, as well as areas for improvement. The Operations department performance from these assessments has been rated effective.

The Confirmatory Order Independent Assessments performed concluded that the Operations department assessments have an increased emphasis on areas of concern that may have an effect on continued safe operation of the plant, they continue to identify problem areas, and the findings from these department assessments are captured in the DBNPS Corrective Action Program.

Important lessons have been learned at DBNPS through the Reactor Vessel Head Degradation Event, among these are:

- A strong nuclear safety focus is required to sustain safe, reliable operation.
- Equipment and materiel problems must be rigorously addressed to minimize challenges to the operators.
- Compliance with minimal regulatory standards is not an acceptable standard.
- Operation leadership in setting high standards and holding the organization accountable is key to high plant and organizational performance.

These lessons-learned have resulted in changes to the DBNPS and FENOC organization and the safety culture in these organizations. FENOC believes that Operations department has sustained performance improvement and there are strong internal assessments in place to support performance improvement.

COMMITMENT LIST

The following list identifies those actions committed to by the Davis-Besse Nuclear Power Station in this document. Any other actions discussed in the submittal represent intended or planned actions by Davis-Besse. They are described only as information and are not regulatory commitments. Please notify the Director-Performance Improvement (419) 321-8585 at Davis-Besse of any questions regarding this document or associated regulatory commitments.

COMMITMENTS	DUE DATE
None	None