

March 2, 2007

CAL 3-05-001

Mr. L. William Pearce
Site Vice President
FirstEnergy Nuclear Operating Company
Perry Nuclear Power Plant
P. O. Box 97, 10 Center Road, A290
Perry, OH 44081-0097

SUBJECT: PERRY NUCLEAR POWER PLANT
CLOSURE OF CONFIRMATORY ACTION LETTER (CAL) 3-05-001
CLOSURE OF LONG-STANDING OPEN WHITE FINDINGS
TRANSITION FROM MULTIPLE/REPETITIVE DEGRADED CORNERSTONE
COLUMN

Dear Mr. Pearce:

The Perry Nuclear Power Plant was placed in the Multiple/Repetitive Degraded Cornerstone column of the Nuclear Regulatory Commission (NRC) Action Matrix as a result of multiple White findings that were open for more than four consecutive quarters. Specifically, in the third quarter of 2004, a White finding associated with the air-binding of a Low Pressure Core Spray/Residual Heat Removal waterleg pump remained open a fourth quarter while a White finding associated with the failure of an Emergency Service Water pump was carried open into a fifth quarter as a result of a second failure of the pump during an NRC Inspection Procedure (IP) 95002 inspection.

As a result of these findings, a supplemental inspection was performed in accordance with the guidance in NRC Inspection Manual Chapter (IMC) 0305 and IP 95003, "Supplemental Inspection for Repetitive Degraded Cornerstones, Multiple Degraded Cornerstones, Multiple Yellow Inputs, or One Red Input." As documented in the IP 95003 supplemental inspection report, the NRC determined that Perry was being operated safely. The NRC also determined that the programs and processes to identify, evaluate, and correct problems, as well as other programs and processes in the Reactor Safety strategic performance area were adequate. Notwithstanding these overall conclusions, the NRC determined that the performance deficiencies that occurred prior to and during the inspection were often the result of inadequate implementation of the corrective action program and human performance errors.

By letter dated September 30, 2004, FENOC advised the NRC that actions were underway to improve plant performance. Your letter stated that to facilitate these performance improvements, FirstEnergy Nuclear Operating Company (FENOC) developed the Perry Performance Improvement Initiative (PII) to identify the specific issues that contributed to the declining performance, implement immediate compensatory measures, and identify necessary longer-term corrective actions. As part of the IP 95003 inspection, the NRC conducted a detailed review of the PII. Notwithstanding FENOC's efforts to improve performance through the PII, the NRC concluded, based upon the IP 95003 inspection results, that while FENOC

may have realized some limited performance improvements, a substantial improvement in human performance or the implementation of the corrective action program after Perry entered the Multiple/Repetitive Degraded Cornerstone column of the NRC Action Matrix in August 2004 had not been realized. Following the IP 95003 inspection, FENOC submitted a letter to the NRC dated August 8, 2005, which described the actions that FENOC would take to address performance issues identified by the NRC and through internal assessments. A subsequent letter was submitted on August 17, 2005, which made some corrections to the August 8, 2005, letter. The letters contained specific line item actions that FENOC was planning and a number of commitments to the NRC of actions FENOC would take to improve and sustain Perry performance. The letters included mechanisms for monitoring the effectiveness of the performance improvement actions. Further, the letters provided a description of the revised, or Phase 2, Perry PII.

On September 28, 2005, the NRC issued Confirmatory Action Letter (CAL) 3-05-001 to FENOC to confirm the commitments regarding the implementation of the Phase 2 PII at Perry. The actions confirmed in the CAL were designed to address long-standing performance issues in the areas of IP 95002 Inspection Follow-up Issues, Corrective Action Program Implementation, Human Performance, and Emergency Preparedness.

Subsequent to the issuance of the CAL, the NRC implemented a number of inspection and assessment activities to review your actions to address the long-standing performance issues at Perry. These activities, eight in all, were staffed with inspectors of varying technical backgrounds and expertise from all four NRC regional offices and headquarters. These inspectors comprehensively reviewed your corrective action development, implementation, and effectiveness, in all four areas of the CAL. These activities accounted for nearly 2000 hours of supplemental inspection above and beyond our ROP baseline inspection program. These inspections also involved the independent assessment of programs, actions, and plant activities to determine whether our assessment results were consistent with your own performance data and assessments.

By letter dated December 20, 2006, you informed the NRC that FENOC had satisfactorily completed the actions associated with the CAL and requested that the NRC close the CAL. By letter dated January 3, 2007, you provided the NRC with your perspective regarding the key actions implemented and performance improvements achieved at Perry since entering the Multiple/Repetitive Degraded Cornerstone column of the NRC Action Matrix. In this letter you also requested that the NRC close the long-standing open White findings, close the long-standing open cross-cutting issues in the areas of human performance and problem identification and resolution, and transition Perry to an appropriate reduced level of regulatory oversight. Subsequently, at a meeting held in the Region III office on January 10, 2007, FENOC met with the NRC to inform us of the Perry performance improvement activities and the results achieved to date, including actions that were planned to ensure that these performance improvements would be sustained.

Based upon the results of NRC inspections and our assessment of the results of your actions and self-assessments, we have concluded that you have satisfactorily addressed the underlying issues that led to the performance problems at Perry and have established programs and procedures to effect sustained performance improvements. The NRC has also concluded that

you have completed the commitments described in the CAL and that these actions have been effective in addressing the specific performance issues. Because your commitments and planned actions were designed to address the long-standing open White findings discussed above, we have therefore also concluded that you have satisfactorily addressed all of the issues associated with the open White findings that resulted in Perry being categorized in the Multiple/Repetitive Degraded Cornerstone column of the NRC Action Matrix. Therefore, effective the date of this letter, March 2, 2007, all commitments documented in CAL 3-05-001, dated September 28, 2005, as well as the long-standing open White findings in the Mitigating System cornerstone are closed. As a result, NRC oversight of Perry will be reduced to a level consistent with the applicable column of the NRC Action Matrix absent the two long-standing White findings in the Mitigating Systems cornerstone, which at this time is the Licensee Response Column of the Action Matrix.

With regard to your request to close the open substantive cross-cutting issues in the human performance and problem identification and resolution areas, as discussed in our 2006 Perry Annual Assessment Letter dated March 2, 2007, we have determined that as a result of your effective implementation of the CAL and PII efforts, that the number and significance of human performance and problem identification and resolution related findings have declined measurably. Therefore, as discussed in the 2006 Perry Annual Assessment Letter, we have concluded that the substantive cross-cutting issues in the human performance and problem identification and resolution areas can also be closed.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

James L. Caldwell
Regional Administrator

Docket No. 50-440
License No. NPF-58

DISTRIBUTION:
See next page

you have completed the commitments described in the CAL and that these actions have been effective in addressing the specific performance issues. Because your commitments and planned actions were designed to address the long-standing open White findings discussed above, we have therefore also concluded that you have satisfactorily addressed all of the issues associated with the open White findings that resulted in Perry being categorized in the Multiple/Repetitive Degraded Cornerstone column of the NRC Action Matrix. Therefore, effective the date of this letter, March 2, 2007, all commitments documented in CAL 3-05-001, dated September 28, 2005, as well as the long-standing open White findings in the Mitigating System cornerstone are closed. As a result, NRC oversight of Perry will be reduced to a level consistent with the applicable column of the NRC Action Matrix absent the two long-standing White findings in the Mitigating Systems cornerstone, which at this time is the Licensee Response Column of the Action Matrix.

With regard to your request to close the open substantive cross-cutting issues in the human performance and problem identification and resolution areas, as discussed in our 2006 Perry Annual Assessment Letter dated March 2, 2007, we have determined that as a result of your effective implementation of the CAL and PII efforts, that the number and significance of human performance and problem identification and resolution related findings have declined measurably. Therefore, as discussed in the 2006 Perry Annual Assessment Letter, we have concluded that the substantive cross-cutting issues in the human performance and problem identification and resolution areas can also be closed.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

James L. Caldwell
Regional Administrator

Docket No. 50-440
License No. NPF-58

DISTRIBUTION:
See next page

DOCUMENT NAME:G:\PERR\PerryCALClosureLetterRev1.wpd

Publicly Available Non-Publicly Available Sensitive Non-Sensitive

To receive a copy of this document, indicate in the concurrence box "C" = Copy without attach/encl "E" = Copy with attach/encl "N" = No copy

***See previous concurrence**

OFFICE	RIII	RIII/EICS	RIII	NRR	RIII/RA
NAME	EDuncan*/klg	GShear*	MSatorius	JDyer	JCaldwell
DATE	2/21/07	2/21/07	2/22/07	2/24/07	3/02/07

OFFICIAL RECORD COPY

cc: J. Hagan, President and Chief Nuclear Officer - FENOC
J. Lash, Senior Vice President of Operations - FENOC
D. Pace, Senior Vice President, Fleet Engineering - FENOC
J. Rinckel, Vice President, Fleet Oversight
R. Anderson, Vice President, Nuclear Support
Director, Fleet Regulatory Affairs
Manager, Fleet Licensing
Manager, Site Regulatory Compliance
D. Jenkins, Attorney, FirstEnergy
Public Utilities Commission of Ohio
Ohio State Liaison Officer
R. Owen, Ohio Department of Health
President, Geauga County Board
Director, Department of Emergency Services
Gauga County Sheriff
President, Ashtabula County Board of Commissioners
Ashtabula County Sheriff
Director, Ashtabula County Emergency
Management Agency
Mayor, Village of Genoa
Genoa Village Administrator
President, Lake County Board of Commissioners
Lake County Sheriff
Painesville City Manager
Lake County Administrator
Director, Lake County Emergency Management Agency
President, Village of Fairport Harbor
Mayor, City of Eastlake
Mayor, City of Wickliffe
President, Geneva City Council
City Manager, Geneva
Mayor, City of Kirtland
Mayor, City of Mentor
City Manager, Mentor
Mayor, City of Mentor on the Lake
Administrative Director
Mayor, City of Willoughby Hills
Mayor, City of Willoughby
Mayor, City of Willowick
Mayor, Village of Madison
Village Administrator, Village of Madison
Chairman, Board of Madison Township Trustees
Mayor, Village of Kirtland Hills
Mayor, Village of Geneva-on-the-Lake
Mayor, Lakeline Village
Mayor, Village of Timberlake
Mayor, Village of Grand River
INPO

DISTRIBUTION:

ADAMS (PARS)

SECY

OCA

L. Reyes, EDO

W. Kane, DEDR

C. Carpenter, OE

D. Solorio, OE

D. Starkey, OE

J. Caldwell, RIII

G. Grant, RIII

L. Chandler, OGC

B. Jones, OGC

J. Dyer, NRR

D. Holody, Enforcement Officer, RI

C. Evans, Enforcement Officer, RII

G. Shear, Enforcement Officer (Acting), RIII

K. Fuller, Enforcement Officer, RIV

R. Pascarelli, Enforcement Coordinator, NRR

E. Brenner, OPA

H. Bell, OIG

G. Caputo, OI

J. Schlueter, OSTP

V. Mitlyng, RIII:PA

R. Lickus, RIII

J. Lynch, RIII

S. Minnick, RIII

OEWEB

OEMAIL

MXM2

TEB

TJW2

RidsNrrDirslrib

MEF1

CAA1

DRPIII

DRSIII

PLB1

TXN