

March 2, 2007

Mr. Donald K. Cobb  
Assistant Vice President  
Nuclear Generation  
Detroit Edison Company  
6400 North Dixie Highway  
Newport, MI 48166

SUBJECT: ANNUAL ASSESSMENT LETTER - FERMI NUCLEAR POWER PLANT, UNIT 2  
(REPORT 05000341/2007001)

Dear Mr. Cobb:

On February 14, 2007, the NRC staff completed its performance review of the Fermi 2 Nuclear Power Plant. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2006. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility.

This performance review and enclosed inspection plan do not include physical protection information. A separate letter designated as "Exempt from Public Disclosure in Accordance with 10 CFR 2.390" and marked as "Official Use Only - Security-Related Information" will include the physical protection review and resultant inspection plan.

Overall, Fermi 2 operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter, as well as for the first three quarters of the assessment cycle, 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). Therefore, we plan to conduct reactor oversight process baseline inspections at your facility.

In our mid-cycle assessment letter, dated August 31, 2006, [ADAMS Ref. ML062430336] we advised you of a substantive cross-cutting issue in the area of problem identification and resolution, based on a number of findings with ineffective evaluations. The end-of-cycle assessment of the cross-cutting issue included a review of inspection results over the 12-month period of January 1 through December 31, 2006. During this period, we observed improvement in the effectiveness of your corrective actions to address the issue, although the staff identified more than three green inspection findings for the current 12-month assessment period with documented cross-cutting aspects in the area of problem identification and resolution, and the continued presence of a cross-cutting theme associated with these findings. Specifically, management and staff at the facility have taken a number of steps to improve the corrective action program including, training staff and management on apparent cause evaluations,

reorganizing the corrective action review board, changing the corrective action manager, and enforcing due dates more rigorously. Based on this observed improvement, the staff no longer has a concern with the scope of your efforts or progress in the cross-cutting area of problem identification and resolution because the range of corrective actions and observable trends indicate you have effectively addressed the cross-cutting theme associated with these findings. Therefore, the cross-cutting issue is now closed. The staff notes that sustained licensee progress will require continued strong management involvement given the number of findings in the problem identification and resolution area and the continued presence of the cross-cutting theme. We will continue to monitor your performance in this area during NRC baseline inspections.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through June 30, 2008. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last 9 months of the inspection plan are tentative and may be revised at the mid-cycle review.

In accordance with 10 CFR 2.390 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 (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).

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 me at 630-829-9619 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

**/RA/**

Christine A. Lipa, Chief  
Branch 4  
Division of Reactor Projects

Docket No. 50-341  
License No. NPF-43

Enclosure: Fermi 2 Inspection/Activity Plan

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Sincerely,  
 /RA/  
 Christine A. Lipa, Chief  
 Branch 4  
 Division of Reactor Projects

Docket No. 50-341  
 License No. NPF-43

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| NAME   | CLipa:ntp |  |  |  |  |  |  |
| DATE   | 03/02/07  |  |  |  |  |  |  |

**OFFICIAL RECORD COPY**

D. Cobb

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cc w/encl: K. Hlavaty, Plant Manager  
R. Gaston, Manager, Nuclear Licensing  
D. Pettinari, Legal Department  
Michigan Department of Environmental Quality  
Waste and Hazardous Materials Division  
M. Yudasz, Jr., Director, Monroe County  
Emergency Management Division  
Supervisor - Electric Operators  
State Liaison Officer, State of Michigan  
Wayne County Emergency Management Division  
Chair, Wayne County Board of Commissioners  
Wayne County Sheriff  
Director, Wayne County Emergency  
Management Agency  
Mayor of Flat Rock  
Mayor of Gibraltar  
City Administrator of Gibraltar  
Monroe County Board Chairman  
Monroe County Sheriff  
Director, Monroe County Emergency  
Management Agency  
Director, Monroe County Health Department  
Mayor of Monroe  
Monroe City Manager  
Carleton Village President  
Mayor of Rockwood  
Rockwood City Administrator  
Supervisor, Frenchtown Charter Township  
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**Fermi**  
**Inspection / Activity Plan**  
**03/01/2007 - 06/30/2008**

| Unit Number | Inspection Activity | Title  | No. of Staff on Site | Planned Dates Start | Planned Dates End | Inspection Type      |
|-------------|---------------------|--|----------------------|---------------------|-------------------|----------------------|
|             | <b>EP BI</b>        | <b>- BASELINE EP INSPECTION</b>                                  | <b>1</b>             |                     |                   |                      |
| 2           | IP 7111402          | Alert and Notification System Testing                            |                      | 03/05/2007          | 03/09/2007        | Baseline Inspections |
| 2           | IP 7111403          | Emergency Response Organization Augmentation Testing             |                      | 03/05/2007          | 03/09/2007        | Baseline Inspections |
| 2           | IP 7111405          | Correction of Emergency Preparedness Weaknesses and Deficiencies |                      | 03/05/2007          | 03/09/2007        | Baseline Inspections |
| 2           | IP 71151            | Performance Indicator Verification                               |                      | 03/05/2007          | 03/09/2007        | Baseline Inspections |
|             | <b>7112103</b>      | <b>- INSTRUMENTATION &amp; ACCESS CONTROL</b>                    | <b>1</b>             |                     |                   |                      |
| 2           | IP 7112101          | Access Control to Radiologically Significant Areas               |                      | 03/19/2007          | 03/23/2007        | Baseline Inspections |
| 2           | IP 7112103          | Radiation Monitoring Instrumentation and Protective Equipment    |                      | 03/19/2007          | 03/23/2007        | Baseline Inspections |
|             | <b>HEATSINK</b>     | <b>- HEAT SINK INSPECTION</b>                                    | <b>1</b>             |                     |                   |                      |
| 2           | IP 7111107B         | Heat Sink Performance  |                      | 03/19/2007          | 03/23/2007        | Baseline Inspections |
|             | <b>MAINT EF</b>     | <b>- MAINTENANCE EFFECTIVENESS BIENNIAL</b>                      | <b>1</b>             |                     |                   |                      |
| 2           | IP 7111112B         | Maintenance Effectiveness  |                      | 04/23/2007          | 04/27/2007        | Baseline Inspections |
|             | <b>CDBI</b>         | <b>- COMPONENT DESIGN BASES INSPECTION</b>                       | <b>6</b>             |                     |                   |                      |
| 2           | IP 7111121          | Component Design Bases Inspection                                |                      | 06/25/2007          | 07/27/2007        | Baseline Inspections |
|             | <b>7112101</b>      | <b>- ACCESS CONTROL</b>  | <b>1</b>             |                     |                   |                      |
| 2           | IP 7112101          | Access Control to Radiologically Significant Areas               |                      | 07/23/2007          | 07/27/2007        | Baseline Inspections |
| 2           | IP 71151            | Performance Indicator Verification                               |                      | 07/23/2007          | 07/27/2007        | Baseline Inspections |
|             | <b>PI&amp;R</b>     | <b>- PI&amp;R BIENNIAL INSP</b>                                  | <b>3</b>             |                     |                   |                      |
| 2           | IP 71152B           | Identification and Resolution of Problems                        |                      | 08/27/2007          | 09/14/2007        | Baseline Inspections |
|             | <b>7111111B</b>     | <b>- LIC OPERATOR REQUAL PROGRAM EVALUATION</b>                  | <b>2</b>             |                     |                   |                      |
| 2           | IP 7111111B         | Licensed Operator Requalification Program                        |                      | 08/27/2007          | 08/31/2007        | Baseline Inspections |
|             | <b>ISI</b>          | <b>- ISI BASELINE INSPECTION</b>                                 | <b>1</b>             |                     |                   |                      |
| 2           | IP 7111108G         | Inservice Inspection Activities - BWR                            |                      | 10/01/2007          | 10/05/2007        | Baseline Inspections |
|             | <b>7112102</b>      | <b>- ALARA PLANNING AND CONTROLS (OUTAGE)</b>                    | <b>1</b>             |                     |                   |                      |
| 2           | IP 7112102          | ALARA Planning and Controls                                      |                      | 10/15/2007          | 10/19/2007        | Baseline Inspections |
|             | <b>7112202</b>      | <b>- RAD MATERIAL PROCESSING / TRANSPORTATION</b>                | <b>1</b>             |                     |                   |                      |
| 2           | IP 7112202          | Radioactive Material Processing and Transportation               |                      | 12/03/2007          | 12/07/2007        | Baseline Inspections |
|             | <b>FY 2008</b>      | <b>- FERMI INIT PREP 06/2007</b>                                 | <b>3</b>             |                     |                   |                      |
| 2           | W90161              | OL - INITIAL EXAM - FERMI 2 - JUN/JUL 2007                       |                      | 01/07/2008          | 01/11/2008        | Not Applicable       |
|             | <b>FY 2008</b>      | <b>- FERMI INIT EXAM 01/2008</b>                                 | <b>3</b>             |                     |                   |                      |
| 2           | W90161              | OL - INITIAL EXAM - FERMI 2 - JUN/JUL 2007                       |                      | 01/21/2008          | 01/25/2008        | Not Applicable       |
|             | <b>MOD/5059</b>     | <b>- MODIFICATIONS/50.59 INSPECTION</b>                          | <b>1</b>             |                     |                   |                      |
| 2           | IP 7111102          | Evaluation of Changes, Tests, or Experiments                     |                      | 02/11/2008          | 02/29/2008        | Baseline Inspections |
| 2           | IP 7111117B         | Permanent Plant Modifications                                    |                      | 02/11/2008          | 02/29/2008        | Baseline Inspections |

This report does not include INPO and OUTAGE activities.  
This report shows only on-site and announced inspection procedures.

**Fermi**  
**Inspection / Activity Plan**  
**03/01/2007 - 06/30/2008**

| Unit Number | Inspection Activity                               | Title   | No. of Staff on Site | Planned Dates Start | Planned Dates End | Inspection Type      |
|-------------|---|---|----------------------|---------------------|-------------------|----------------------|
|             | <b>7112101 - RADIOLOGICAL ACCESS CONTROL</b>      |   | <b>1</b>             |                     |                   |                      |
| 2           | IP 7112101  | Access Control to Radiologically Significant Areas                                      |                      | 02/25/2008          | 02/29/2008        | Baseline Inspections |
|             | <b>EP - EP EXER AND PI INSP</b>                   |   | <b>1</b>             |                     |                   |                      |
| 2           | IP 7111401  | Exercise Evaluation   |                      | 05/19/2008          | 05/23/2008        | Baseline Inspections |
| 2           | IP 71151  | Performance Indicator Verification  |                      | 05/19/2008          | 05/23/2008        | Baseline Inspections |
|             | <b>FPI - TRIENNIAL FIRE PROTECTION INSPECTION</b> |   | <b>1</b>             |                     |                   |                      |
| 2           | IP 7111105T                                       | Fire Protection [Triennial]   |                      | 04/21/2008          | 05/09/2008        | Baseline Inspections |
|             | <b>7112203 - REMP AND RAD MATERIAL CONTROL</b>    |   | <b>1</b>             |                     |                   |                      |
| 2           | IP 7112203  | Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control P |                      | 04/28/2008          | 05/02/2008        | Baseline Inspections |
|             | <b>7112103 - INSTRUMENTATION</b>                  |   | <b>1</b>             |                     |                   |                      |
| 2           | IP 7112103  | Radiation Monitoring Instrumentation and Protective Equipment                           |                      | 06/23/2008          | 06/27/2008        | Baseline Inspections |
| 2           | IP 71151-BI01                                     | Reactor Coolant System Activity   |                      | 06/23/2008          | 06/27/2008        | Baseline Inspections |
| 2           | IP 71151-OR01                                     | Occupational Exposure Control Effectiveness   |                      | 06/23/2008          | 06/27/2008        | Baseline Inspections |
| 2           | IP 71151-PR01                                     | RETS/ODCM Radiological Effluent   |                      | 06/23/2008          | 06/27/2008        | Baseline Inspections |