



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

ENCLOSURE 1

Mr. Walter J. McCarthy
Chief Executive Officer
Detroit Edison Company
2000 Second Avenue
Detroit, Michigan 48226

Dear Mr. McCarthy:

On November 17 and 18, 1987, NRC senior managers met to review the performance of NRC licensed operating nuclear power plants. These meetings are conducted biannually to focus NRC resources on those plants and related issues of greatest safety significance. At this meeting the Fermi facility was categorized as requiring continued close monitoring. NRC places plants in this category that have taken action or have committed to take action that should correct identified problems, but the effectiveness of this action has yet to be fully demonstrated. Based on being in this category, the NRC will continue to have an increased level of headquarters and regional attention to monitoring Fermi's performance.

A summary of NRC discussions held relating to Fermi is provided below:


Problems related to the material condition of the plant and personnel errors continue to affect the operation of Fermi-2. Recent problems discussed include an unplanned mode change that occurred on June 26, 1987, and an equipment problem that caused a plant shutdown on July 31, 1987. The plant remained shutdown for maintenance and programmatic improvements until October 9, 1987 when the NRC authorized startup and operation at power levels up to 50 percent. Since October 9, the plant has operated reasonably well. As a result the licensee has requested authorization to proceed to the next plateau, 75 percent power. The NRC expects to reach a conclusion on this request by early December. During the plant shutdown from July 31 to October 9, the licensee made management changes, performed significant maintenance, hired a new plant manager, effected significant changes in shift and operating department administrative controls and responsibilities, and made other programmatic improvements. As a result of the marginal performance over the past two years, the NRC will conduct monthly meetings with the licensee and continue to closely monitor the performance of Fermi-2.

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An NRC Commission meeting open to the public has been scheduled for December 17, 1987, to review the results of the latest meeting of NRC managers. Mr. A. Bert Davis, the Region III Administrator, has discussed the basis for our conclusions with regard to the Fermi facility with members of your staff.

If you have any questions regarding this matter, do not hesitate to call me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Victor Stello, Jr.", is positioned above the printed name.

Victor Stello, Jr.
Executive Director for Operations