

April 29, 2002

Mr. Howard Bergendahl
Vice President - Nuclear, Davis-Besse
FirstEnergy Nuclear Operating Company
Davis-Besse Nuclear Power Station
5501 North State Route 2
Oak Harbor, OH 43449-9760

SUBJECT: NRC OVERSIGHT EFFORTS REGARDING THE DAVIS-BESSE NUCLEAR
POWER STATION

Dear Mr. Bergendahl:

This letter is to inform you of actions being taken by the NRC to provide focused and coordinated regulatory oversight of the Davis-Besse Nuclear Power Station as a result of the reactor pressure vessel head degradation discovered on March 6, 2002. This letter also informs you of the actions planned by the NRC to establish a record of the regulatory and licensee actions taken and the technical issues resolved leading to the NRC's approval for restart of the plant.

In response to the discovery of significant degradation in the reactor vessel head, an Augmented Inspection Team was chartered on March 12, 2002 (ADAMS ML #020730194) and Confirmatory Action Letter No. 3-02-001 was issued on March 13, 2002 (ADAMS ML #020730225). The Confirmatory Action Letter described six specific activities you intend to implement to resolve the issues related to reactor pressure vessel head material degradation.

To ensure close oversight of FirstEnergy's actions to address performance deficiencies and to ensure close coordination between NRC and Davis-Besse Plant personnel on startup issues, I have, in consultation with the Office of Nuclear Reactor Regulation, decided to enhance NRC monitoring of corrective actions at the Davis-Besse Nuclear Power Station, as described in NRC Inspection Manual Chapter 0350, "Oversight of Operating Reactor Facilities in a Shutdown Condition with Performance Problems." John A. Grobe, Director, Division of Reactor Safety, has been assigned as the NRC Oversight Manager for the Davis-Besse Nuclear Power Station. In addition, an NRC review panel, consisting of regional and headquarters personnel, will be established. The panel will be responsible for reviewing information related to plant performance and evaluating your corrective actions.

Implementation of IMC 0350 will enhance the agency's strategic goals of maintaining safety, enhancing public confidence, increasing efficiency and effectiveness, and minimizing unnecessary regulatory burden by coordinating and focusing agency resources in the structured manner defined by the IMC 0350 process. A charter outlining the review panel's functions and responsibilities is being developed. It is the NRC's intent to have periodic meetings with FirstEnergy and plant management, as appropriate, to discuss progress toward resolving those issues necessary for plant startup. These meetings will be open to the public.

IMC 0350 directs the suspension of the Reactor Oversight Process (ROP) with the initiation of the Oversight Panel. The baseline inspection program will be suspended in favor of an inspection plan directed by the oversight panel utilizing existing inspection procedures to the maximum extent practicable. However, the significance determination process and action matrix will be utilized as guidance for determining agency response to identified performance problems. Submission of performance indicators should continue to track applicable indicators to facilitate exiting IMC 0350 oversight.

The NRC may take other actions deemed necessary to ensure adequate NRC oversight of activities at the Davis-Besse Nuclear Power Station. If you have questions regarding the NRC actions discussed above, please contact John A. Grobe at 630/829-9700 or Christine A. Lipa at 630/829-9619.

Sincerely,

/RA/

J. E. Dyer
Regional Administrator

Docket No. 50-346
License No. NPF-3

- cc: B. Saunders, President - FENOC
Plant Manager
- Manager - Regulatory Affairs
- M. O'Reilly, FirstEnergy
Ohio State Liaison Officer
- R. Owen, Ohio Department of Health
Public Utilities Commission of Ohio

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