

March 2, 2007

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: ANNUAL ASSESSMENT LETTER - PERRY NUCLEAR POWER PLANT  
(REPORT 05000440/2007001)

Dear Mr. Pearce:

On February 13, 2007, the NRC staff completed its performance review of the Perry 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.

Plant performance for the most recent quarter remained within the Multiple/Repetitive Degraded Cornerstone column of the Action Matrix. This is based on two longstanding White findings in the Mitigating Systems cornerstone that have been open since 2003. FirstEnergy Nuclear Operating Company (FENOC) was initially notified that Perry had entered the Multiple/Repetitive Degraded Cornerstone column in our August 12, 2004, assessment followup letter. Although Perry remained within the Multiple/Repetitive Degraded Cornerstone column for the 2006 assessment period due, in large part, to these White findings, we recently concluded that the two White findings could be closed. A detailed discussion of this decision, as well as our decision to close Confirmatory Action Letter (CAL) 3-05-001 and transition Perry out of the Multiple/Repetitive Degraded Cornerstone column, are contained in separate correspondence dated March 2, 2007.

In addition, a second quarter 2006 Emergency Alternating Current Power System Mitigating System Performance Index (MSPI) that was originally reported to be Green, was identified by your staff in the fourth quarter of 2006 to be White. Consequently, you corrected the second quarter 2006, MSPI from Green to White. This White MSPI subsequently returned to Green for both the third and fourth quarters of 2006. Although this White MSPI occurred in the second quarter of 2006, it is being discussed in this annual assessment letter since we had not had an opportunity to discuss it previously. A supplemental inspection was conducted for this White MSPI in accordance with Inspection Procedure 95001, "Inspection for One or Two White Inputs in a Strategic Performance Area." That inspection concluded that you understood the root

causes and contributing causes of the issues, that you identified the extent of condition and extent of cause of the issues, and that your corrective actions were sufficient to address the cause and to prevent recurrence of the issues.

In our mid-cycle assessment letter, dated September 2, 2006, we advised you of the continuation of substantive cross-cutting issues in the areas of problem identification and resolution (PI&R) and human performance.

Regarding the area of PI&R, during this assessment period we have noted that the number and significance of PI&R related findings have declined measurably. These results have been realized through the effective implementation of the CAL and Performance Improvement Initiative efforts in the Corrective Action Program area, as demonstrated by no new safety significant (Greater-than-Green) findings and not more than three Green findings identified with a common cross-cutting aspect of PI&R, i.e., the findings did not establish a theme. In addition, based upon the results of NRC inspections and our assessments of the results of your actions to address the PI&R area, we have concluded that you have satisfactorily addressed the underlying issues that led to PI&R problems at Perry and have established programs and procedures to effect sustained performance improvements. Therefore, we have concluded that the substantive cross-cutting issue in the PI&R area is closed. We will monitor this area in the future through our baseline inspection program inspection activities.

Regarding the area of human performance, during this assessment period we have also noted that the number and significance of human performance related findings have declined. These results have been realized through the effective implementation of the CAL and Performance Improvement Initiative efforts in the human performance area, as demonstrated by no new safety significant findings and not more than three Green findings identified with a common cross-cutting aspect, i.e., the findings did not establish a theme. In addition, based upon the results of NRC inspections and our assessments of the results of your actions to address the human performance area, we have concluded that you have satisfactorily addressed the underlying issues that led to human performance problems at Perry and have established programs and procedures to effect sustained performance improvements. Therefore, we have concluded that the substantive cross-cutting issue in the human performance area is closed. We will monitor this area in the future through our baseline inspection program inspection activities.

In accordance with IMC 0305, "Operating Reactor Assessment Program," your plant will be discussed at the upcoming Agency Action Review Meeting. We will notify you through separate correspondence if any agency actions change as a result of this meeting.

This letter advises you of our planned inspection effort resulting from the Perry end-of-cycle review. The enclosed inspection plan details the inspections, less those related to physical protection, 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 inspection activities 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.

L. Pearce

-3-

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 the inspection plan, we will contact you to discuss the change as soon as possible. Please contact Eric Duncan at (630) 829-9628 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

*/RA/*

James L. Caldwell  
Regional Administrator

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

Enclosure:  
Perry Inspection/ Activity Plan

DISTRIBUTION  
See next page

L. Pearce

-3-

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 the inspection plan, we will contact you to discuss the change as soon as possible. Please contact Eric Duncan at (630) 829-9628 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

*/RA/*

James L. Caldwell  
Regional Administrator

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

Enclosure:  
Perry Inspection/ Activity Plan

DISTRIBUTION  
See next page

DOCUMENT NAME:G:\Branch TSS\ALL EOC\EOC CY 2006\EOC Letters 2006\Perry EOC 2006 ltr.wpd

**\*See previous concurrence**

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

OFFICE	R III	N	R III	C	R III		R III	
NAME	EDuncan*		MSatorius*		JCaldwell			
DATE	2/15/07		2/16/07		3/02/07			

**OFFICIAL RECORD COPY**

cc w/encl: 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:

DXC1

TJW2

TEB

RidsNrrDirslpab

JLC1

GEG

KGO

GLS

RML2

SRI Perry

DRPIII

DRSIII

PLB1

TXN

**Perry**  
**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>FY 2007 - PERRY INIT EXAM 02/2007</b>		<b>3</b>			
1	W90151	OL - INITIAL EXAM - PERRY - JAN/FEB 2007		02/26/2007	03/02/2007	Not Applicable
	<b>HEATSINK - HEAT SINK INSPECTION</b>		<b>1</b>			
1	IP 7111107B	Heat Sink Performance		02/26/2007	03/02/2007	Baseline Inspections
	<b>7112201 - EFFLUENTS</b>		<b>1</b>			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		03/05/2007	03/09/2007	Baseline Inspections
1	IP 71151	Performance Indicator Verification		03/05/2007	03/09/2007	Baseline Inspections
	<b>ISI - ISI BASELINE INSPECTION</b>		<b>1</b>			
1	IP 7111108G	Inservice Inspection Activities - BWR		04/09/2007	04/13/2007	Baseline Inspections
	<b>7112102 - ALARA OUTAGE</b>		<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		04/09/2007	04/13/2007	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		04/09/2007	04/13/2007	Baseline Inspections
	<b>71122.02 - RAD WASTE SHIPPING-PROCESSING/TRANSPORT</b>		<b>1</b>			
1	IP 7112202	Radioactive Material Processing and Transportation		07/16/2007	07/20/2007	Baseline Inspections
	<b>71121.03 - INSTRUMENTATION</b>		<b>1</b>			
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		08/20/2007	08/24/2007	Baseline Inspections
1	IP 71151	Performance Indicator Verification		08/20/2007	08/24/2007	Baseline Inspections
	<b>MOD5059 - MODIFICATIONS/50.59 INSPECTION</b>		<b>2</b>			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		08/27/2007	09/14/2007	Baseline Inspections
1	IP 7111117B	Permanent Plant Modifications		08/27/2007	09/14/2007	Baseline Inspections
	<b>EP BI - BASELINE EP INSPECTION</b>		<b>1</b>			
1	IP 7111402	Alert and Notification System Testing		10/16/2007	10/20/2007	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		10/16/2007	10/20/2007	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		10/16/2007	10/20/2007	Baseline Inspections
1	IP 71151-EP01	Drill/Exercise Performance		10/16/2007	10/20/2007	Baseline Inspections
1	IP 71151-EP02	ERO Drill Participation		10/16/2007	10/20/2007	Baseline Inspections
1	IP 71151-EP03	Alert & Notification System		10/16/2007	10/20/2007	Baseline Inspections
	<b>7112101 - ACCESS CONTROL</b>		<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		10/22/2007	10/26/2007	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/22/2007	10/26/2007	Baseline Inspections
	<b>7112102 - ALARA CONTROLS</b>		<b>1</b>			
1	IP 7112102	ALARA Planning and Controls		01/07/2008	01/11/2008	Baseline Inspections
	<b>71122.03 - REMP &amp; RAD MTL</b>		<b>1</b>			
1	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control P		04/07/2008	04/11/2008	Baseline Inspections

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

Perry  
Inspection / Activity Plan  
03/01/2007 - 06/30/2008

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start End		Inspection Type
<b>CDBI - COMPONENT DESIGN BASES INSPECTION</b>						
1	IP 7111121	Component Design Bases Inspection	1	04/14/2008	05/16/2008	Baseline Inspections

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