

March 3, 2004

Mr. Bryce L. Shriver
Senior Vice President and
Chief Nuclear Officer
PPL Susquehanna, LLC
769 Salem Blvd., NUCSB3
Berwick, PA 18603-0467

SUBJECT: ANNUAL ASSESSMENT LETTER - SUSQUEHANNA STEAM ELECTRIC
STATION (REPORT 05000387/2004001 AND 05000388/2004001)

Dear Mr. Shriver:

On February 4, 2004, the NRC staff completed its end-of-cycle plant performance assessment of the Susquehanna Steam Electric Station Units 1 and 2. The review involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent calendar quarter and inspection results for the period from January 1 through December 31, 2003. 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 so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities.

Overall, Susquehanna 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 only reactor oversight process (ROP) baseline inspections at your facility through September 30, 2005.

In our mid-cycle letter dated August 27, 2003, we advised you of a substantive cross-cutting issue in the area of human performance because of multiple findings with a common performance deficiency of operators not implementing procedures. Our end-of-cycle review concluded that your actions in this area have been successful in reducing the significance and number of inspection findings related to this performance deficiency. As a result, this substantive cross-cutting issue is closed.

The NRC staff has identified a substantive cross-cutting issue at Susquehanna in the area of problem identification and resolution involving weak evaluations of technical issues. The substantive cross-cutting issue is based on six Green findings in which technical evaluations either did not identify relevant aspects of problems or did not specify adequate corrective actions to prevent recurrence. These included weak technical evaluations of a loosened emergency diesel generator fuel rack linkage bolt, an unplanned trip of a reactor feed pump during a surveillance test, undersized valve actuators on the scram discharge volume valves, and inadequate testing of main steam isolation and scram discharge volume valves. These findings highlight a need for PPL to improve this area. We plan to evaluate this issue through our baseline inspection program, particularly in the periodic case reviews associated with our problem identification and resolution inspection efforts.

The enclosed inspection plan details the inspections scheduled through September 30, 2005. Our inspection plan also includes an inspection of your independent spent fuel storage installation in September 2004. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last twelve months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

As you are aware, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force readiness since the terrorist attacks on September 11, 2001. We have conducted inspections to review your implementation of these requirements and have monitored your actions in response to changing threat conditions. For calendar year 2004, we plan to continue inspections of order implementation combined with newly developed portions of the security baseline inspection program.

In accordance with 10 CFR 2.790 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). ADAMS is 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 Dr. Mohamed Shanbaky at 610-337-5209 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

A. Randolph Blough, Director
Division of Reactor Projects

Mr. Bryce L. Shriver

3

Docket Nos. 50-387; 50-388

License Nos. NPF-14, NPF-22

Enclosure: Susquehanna Inspection/ Activity Plan

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NAME	DFlorek/DF		MShanbaky/MS		ABlough/AB				
DATE	03/2/04		03/2/04		03/3/04		03/ /04		03/ /04

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Susquehanna
Inspection / Activity Plan
01/01/2004 - 09/30/2005

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	71152B	- PROBLEM IDENTIFICATION AND RESOLUTION	5			
1, 2	IP 71152B	Identification and Resolution of Problems		01/26/2004	01/30/2004	Baseline Inspections
1, 2	IP 71152B	Identification and Resolution of Problems		02/09/2004	02/13/2004	Baseline Inspections
	71114	- EP PROGRAM INSP	1			
1, 2	IP 7111403	Emergency Response Organization Augmentation Testing		02/02/2004	02/02/2004	Baseline Inspections
1, 2	IP 7111404	Emergency Action Level and Emergency Plan Changes		02/02/2004	02/02/2004	Baseline Inspections
1, 2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		02/02/2004	02/02/2004	Baseline Inspections
1, 2	IP 7111402	Alert and Notification System Testing		02/02/2004	02/06/2004	Baseline Inspections
	93812	- DIESEL GENERATOR BOLTING ISSUES	4			
1, 2	IP 93812	Special Inspection		02/09/2004	02/28/2004	Event Response Insp
1, 2	IP 93812	Special Inspection		04/18/2004	04/22/2004	Event Response Insp
	71130	- SECURITY	4			
1, 2	IP 7113001	Access Authorization		02/23/2004	02/27/2004	Baseline Inspections
1, 2	IP 7113002	Access Control		02/23/2004	02/27/2004	Baseline Inspections
1, 2	IP 7113008	Fitness For Duty Program		02/23/2004	02/27/2004	Baseline Inspections
	7111108G	- INSERVICE INSPECTION - UNIT 1	2			
1	IP 7111108G	Inservice Inspection Activities - BWR		03/08/2004	03/12/2004	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/08/2004	03/12/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/08/2004	03/12/2004	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		03/08/2004	03/12/2004	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		04/26/2004	04/30/2004	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		04/26/2004	04/30/2004	Baseline Inspections
1, 2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		04/26/2004	04/30/2004	Baseline Inspections
	7112201	- PUB RAD SAFETY - RETS	1			
1, 2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		05/10/2004	05/14/2004	Baseline Inspections
	7111117B	- MODS & 50.59	3			
1, 2	IP 7111102	Evaluation of Changes, Tests, or Experiments		06/21/2004	06/25/2004	Baseline Inspections
1, 2	IP 7111117B	Permanent Plant Modifications		06/21/2004	06/25/2004	Baseline Inspections
	8/9+EXM	- OPERATOR LICENSING INITIAL EXAMS	5			
1	U01523	SUSQUEHANNA UNITS 1&2 INITIAL EXAM (7/26-30/04)		07/12/2004	07/16/2004	Not Applicable
1	U01523	SUSQUEHANNA UNITS 1&2 INITIAL EXAM (7/26-30/04)		08/09/2004	08/19/2004	Not Applicable

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This report shows only on-site and announced inspection procedures.

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	71121	- OCC RAD SAFETY	1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		07/26/2004	07/30/2004	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		07/26/2004	07/30/2004	Baseline Inspections
1, 2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		07/26/2004	07/30/2004	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		07/26/2004	07/30/2004	Baseline Inspections
	ISFSI	- ISFSI INSPECTION	1			
1, 2	IP 60855	Operation Of An ISFSI		09/13/2004	09/17/2004	Other Routine
1, 2	IP 60856	Review of 10 CFR 72.212(b) Evaluations		09/13/2004	09/17/2004	Other Routine
1, 2	IP 60857	Review of 10 CFR 72.48 Evaluations		09/13/2004	09/17/2004	Other Routine
	7111401	- EXERCISE EVALUATION & EP PI VERIFICATION	6			
1, 2	IP 7111401	Exercise Evaluation		10/25/2004	10/29/2004	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		10/25/2004	10/29/2004	Baseline Inspections
	7112202	- PUB RAD SAFETY - RADWASTE	1			
1, 2	IP 7112202	Radioactive Material Processing and Transportation		11/29/2004	12/03/2004	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		03/07/2005	03/11/2005	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		03/07/2005	03/11/2005	Baseline Inspections
1, 2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		03/07/2005	03/11/2005	Baseline Inspections
	7111108G	- INSERVICE INSPECTION - U2	1			
2	IP 7111108G	Inservice Inspection Activities - BWR		03/14/2005	03/18/2005	Baseline Inspections
	7111107B	- HEAT SINK	1			
1, 2	IP 7111107B	Heat Sink Performance		04/18/2005	04/22/2005	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		06/06/2005	06/10/2005	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		06/06/2005	06/10/2005	Baseline Inspections
1, 2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		06/06/2005	06/10/2005	Baseline Inspections
	7111121	- SSDI	6			
1, 2	IP 7111121	Safety System Design and Performance Capability		06/06/2005	06/10/2005	Baseline Inspections
1, 2	IP 7111121	Safety System Design and Performance Capability		06/20/2005	06/24/2005	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		08/29/2005	09/02/2005	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		08/29/2005	09/02/2005	Baseline Inspections
1, 2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		08/29/2005	09/02/2005	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		08/29/2005	09/02/2005	Baseline Inspections

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				Start	End	
	7112203	- PUB RAD SAFETY - REMP	1			
1, 2	IP 7112203	Radiological Environmental Monitoring Program		09/12/2005	09/16/2005	Baseline Inspections
	71111.05	- TRIENNIAL FIRE PROTECTION INSPECTION	1			
1, 2	IP 7111105T	Fire Protection		09/12/2005	09/16/2005	Baseline Inspections
1, 2	IP 7111105T	Fire Protection		09/26/2005	09/30/2005	Baseline Inspections