

March 3, 2003

Mr. Jay K. Thayer
Site Vice President - Vermont Yankee
Entergy Nuclear Vermont Yankee, LLC
P.O. Box 0500
185 Old Ferry Road
Brattleboro, VT 05302-0500

SUBJECT: ANNUAL ASSESSMENT LETTER - VERMONT YANKEE
(REPORT 50-271/03-001)

Dear Mr. Thayer:

On February 10, 2003, the NRC staff completed its end-of-cycle plant performance assessment of Vermont Yankee. The end-of-cycle review for Vermont Yankee involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2002. 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, Vermont Yankee operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter 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 baseline inspections at your facility through March 31, 2004.

While plant performance for the most recent quarter is within the licensee response column of the Action Matrix, there was an inspection finding of substantial safety significance (Yellow) in the physical protection cornerstone during the first three quarters of the assessment cycle. This finding was associated with response strategy weaknesses that had been identified during an Operational Safeguards Response Evaluation (OSRE) during the week of August 20, 2001. The NRC conducted a supplemental inspection during the week of September 23, 2002. Based on the results of this inspection, we concluded that major upgrades to your security program had been implemented that included corrective actions to address the weaknesses identified in the OSRE. We closed the Yellow finding in accordance with the guidance contained in NRC Inspection Manual Chapter 0305, "Operating Reactor Assessment Program," which moved Vermont Yankee from the Degraded Cornerstone column to the Licensee Response column of the NRC's Action Matrix on October 1, 2002.

The enclosed inspection plan details the inspections scheduled through March 31, 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 six months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

As you are aware, since the terrorist attacks on September 11, 2001, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force readiness. 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 2003, we plan to continue these inspections, conduct portions of the security baseline inspection program, as well as perform additional inspections to evaluate your compliance with new requirements that may be ordered. Based on our final determinations in this regard, we will notify you of any inspection plan changes.

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 Mr. Clifford J. Anderson at (610) 337-5227 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Hubert J. Miller
Regional Administrator

Docket No. 50-271
Licensee No. DPR-28

Enclosure: Vermont Yankee Inspection/Activity Plan

cc w/encl: M. R. Kansler, Chief Operating Officer, Entergy Nuclear Vermont Yankee, LLC
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D. Tefft, Administrator, Bureau of Radiological Health, State
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Chief, Safety Unit, Office of the Attorney General, Commonwealth
of Massachusetts
D. Lewis, Esquire
G. Bisbee, Esquire
J. Block, Esquire
D. Katz, Citizens Awareness Network (CAN)
M. Daley, New England Coalition on Nuclear Pollution, Inc. (NECNP)
R. Shadis, New England Coalition Staff
State of New Hampshire, SLO Designee
State of Vermont, SLO Designee
S. McGrail, Commonwealth of Massachusetts, SLO Designee
G. Sachs, President/Staff Person, c/o Stopthesale

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OFFICE	RI/DRP		RI/DRP		RI/DRP		RI/ORA	
NAME	PBonnett /FPB/		CAnderson /CJA/		ABlough /ARB/		HMiller /HJM/	
DATE	02/26/03		02/23/03		02/27/03		02/28/03	

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Vermont Yankee
Inspection / Activity Plan
12/29/2002 - 03/27/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/17/2003	03/21/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/17/2003	03/21/2003	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		03/17/2003	03/21/2003	Baseline Inspections
	7111401	- EP EXERCISE	6			
1	IP 7111401	Exercise Evaluation		04/07/2003	04/11/2003	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		05/19/2003	05/23/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		05/19/2003	05/23/2003	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		05/19/2003	05/23/2003	Baseline Inspections
	71152B	- PROBLEM IDENTIFICATION AND RESOLUTION	4			
1	IP 71152B	Identification and Resolution of Problems		08/11/2003	08/15/2003	Baseline Inspections
1	IP 71152B	Identification and Resolution of Problems		08/25/2003	08/29/2003	Baseline Inspections
	71122.03	- REMP	1			
1	IP 7112203	Radiological Environmental Monitoring Program		07/07/2003	07/11/2003	Baseline Inspections
	71151	- EP PI VERIFICATION	1			
1	IP 71151	Performance Indicator Verification		08/18/2003	08/22/2003	Baseline Inspections
	T1148BC	- SEC ICM	6			
1	IP 2515/148	Inspection of Nuclear Reactor Safeguards - Interim Compensatory Measures		08/18/2003	08/22/2003	Safety Issues
	10/6 EXM	- OPERATOR LICENSING INITIAL EXAMS	3			
1	U01498	VERMONT YANKEE INITIAL EXAM (10/6/03)		09/08/2003	09/12/2003	Not Applicable
1	U01498	VERMONT YANKEE INITIAL EXAM (10/6/03)		10/06/2003	10/10/2003	Not Applicable
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		09/15/2003	09/19/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		09/15/2003	09/19/2003	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		09/15/2003	09/19/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		09/15/2003	09/19/2003	Baseline Inspections
	711112B	- MAINTENANCE RULE	1			
1	IP 711112B	Maintenance Effectiveness		09/29/2003	10/03/2003	Baseline Inspections
	71122.02	- RADWASTE	1			
1	IP 7112202	Radioactive Material Processing and Transportation		11/17/2003	11/21/2003	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		02/02/2004	02/06/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		02/02/2004	02/06/2004	Baseline Inspections

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

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71121 - OCC RAD SAFETY						
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment	1	02/02/2004	02/06/2004	Baseline Inspections

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