

March 4, 2002

Mr. Oliver D. Kingsley  
President and CNO  
Exelon Nuclear  
Exelon Generation Company, LLC  
200 Exelon Way, KSA 3-E  
Kennett Square, PA 19348

SUBJECT: ANNUAL ASSESSMENT LETTER - THREE MILE ISLAND STATION, UNIT 1  
(REPORT 50-289/02-01)

Dear Mr. Kingsley:

On January 29, 2002, the NRC staff completed its end-of-cycle plant performance assessment of Three Mile Island Station, Unit 1 (TMI). The end-of-cycle review for TMI involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period from April 1 through December 31, 2001. 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.

As discussed in our previous annual assessment letter dated May 30, 2001, this inspection and assessment cycle consisted of three quarters (i.e., the second, third, and fourth calendar quarters of calendar year 2001) instead of the usual four quarters. This change was implemented in order to align the inspection and assessment cycle with the calendar year beginning on January 1, 2002.

Overall, TMI 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 Regulatory Response Column of the NRC's Action Matrix, based on a finding of low to moderate safety significance (White), effective March 31, 2001, in the Mitigating Systems cornerstone. Specifically, the NRC staff determined that AmerGen personnel missed several opportunities to identify the degraded condition of the "A" motor-driven emergency feedwater (EFW) pump and take appropriate corrective actions. The results of our recent supplemental inspection of this issue are being forwarded to you separately.

Additionally, the NRC staff identified a substantive cross-cutting issue in the human performance area. Specifically, the staff noted instances of lapses in human performance in procedure adherence and equipment monitoring. Procedure adherence inadequacies were identified in the barrier integrity, mitigating systems, and initiating events cornerstones involving several findings of very low safety significance (Green) and included procedures controlling reactor coolant system temperature, component heatup and cooldown rates, and alignment of plant components. Human performance problems in equipment monitoring involved multiple Green findings in the mitigating systems cornerstone including untimely initiation of corrective actions to evaluate a breaker

failure, delays in reporting out-of-specification equipment parameters, and instances of inadequately established inservice test acceptance criteria. Personnel following procedures and monitoring equipment performance are important because lapses in these areas could initiate plant transients and may affect the operability, availability and reliability of risk-significant systems. The NRC staff is aware that these findings have been individually addressed in your corrective action program. This human performance cross-cutting issue will be inspected through our baseline inspection program. Additionally, the Problem Identification and Resolution inspection, scheduled to be conducted in March 2002, will emphasize review of your corrective actions in these specific areas.

The enclosed inspection plan details the inspections scheduled through March 31, 2003. 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 schedule for the last six months of the inspection plan is tentative and may be revised at the Mid-Cycle Review meeting.

Immediately following the terrorist attacks on the World Trade Center and the Pentagon, the NRC issued safeguards advisories recommending that nuclear power plant licensees go to the highest level of security, and all promptly did so. With continued uncertainty about the possibility of additional terrorist activities, the Nation's nuclear power plants, including TMI, remain at a high level of security. On February 25, 2002, the NRC issued an Order to all nuclear power plant licensees, requiring them to take certain additional interim compensatory measures to address the generalized high-level threat environment. These additional compensatory requirements will provide the NRC with reasonable assurance that public health and safety and the common defense and security continue to be adequately protected in the current generalized high-level threat environment. These requirements will remain in effect pending notification from the Commission that a significant change in the threat environment occurs, or until the Commission determines that other changes are needed following a more comprehensive re-evaluation of current safeguards and security programs. To date, we have monitored TMI's actions in response to the terrorist attacks through a series of audits. With the issuance of the Order, we will evaluate TMI's compliance with these interim requirements.

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/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

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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 John Rogge at (610) 337-5146 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

*/RA/*

A. Randolph Blough, Director  
Division of Reactor Projects  
Region I

Docket No. 50-289  
Licensee No. DPR-50

Enclosure: Three Mile Island Station, Unit 1 Inspection/Activity Plan

cc w/encl.: Mr. Bruce Williams, Vice President, TMI Unit 1  
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<b>NAME</b>	<b>Rogge/NSP f/</b>	<b>Bl ough/ARB</b>						
<b>DATE</b>	<b>03/01/02</b>	<b>03/04/02</b>						

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**Three Mile Island**  
**Inspection / Activity Plan**  
**12/30/2001 - 03/31/2003**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	<b>711111B - LIC OPER RQ INSP</b>		<b>3</b>			
1	IP 711111B	Licensed Operator Requalification		01/28/2002	02/01/2002	Baseline Inspections
	<b>71130 - SECURITY</b>		<b>1</b>			
1	IP 7113001	Access Authorization Program (Behavior Observation Only)		02/11/2002	02/15/2002	Baseline Inspections
1	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizatio		02/11/2002	02/15/2002	Baseline Inspections
	<b>71152B - PROBLEM IDENTIFICATION &amp; RESOLUTION</b>		<b>4</b>			
1	IP 71152B	Identification and Resolution of Problems		03/04/2002	03/08/2002	Baseline Inspections
1	IP 71152B	Identification and Resolution of Problems		03/18/2002	03/22/2002	Baseline Inspections
	<b>71121 - OCC RAD SAFETY</b>		<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		04/22/2002	04/26/2002	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		04/22/2002	04/26/2002	Baseline Inspections
1	IP 71151	Performance Indicator Verification		04/22/2002	04/26/2002	Baseline Inspections
	<b>711117B - PERMANENT PLANT MODS</b>		<b>3</b>			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		05/20/2002	05/24/2002	Baseline Inspections
1	IP 711117B	Permanent Plant Modifications		05/20/2002	05/24/2002	Baseline Inspections
	<b>7111105T - FIRE PROTECTION</b>		<b>5</b>			
1	IP 7111105T	Fire Protection		10/07/2002	10/11/2002	Baseline Inspections
1	IP 7111105T	Fire Protection		10/21/2002	10/25/2002	Baseline Inspections
	<b>7112103 - OCC RAD SAFETY - INSTRUMENTATION</b>		<b>1</b>			
1	IP 7112103	Radiation Monitoring Instrumentation		07/15/2002	07/19/2002	Baseline Inspections
1	IP 71151	Performance Indicator Verification		07/15/2002	07/19/2002	Baseline Inspections
	<b>7112201 - PUB RAD SAFETY - RETS</b>		<b>1</b>			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		07/22/2002	07/26/2002	Baseline Inspections
	<b>71114 - EP PROGRAM REVIEW &amp; EP PI VERIFICATION</b>		<b>1</b>			
1	IP 7111402	Alert and Notification System Testing		10/20/2002	10/24/2002	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		10/20/2002	10/24/2002	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		10/20/2002	10/24/2002	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		10/20/2002	10/24/2002	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/20/2002	10/24/2002	Baseline Inspections
	<b>71121 - OCC RAD SAFETY</b>		<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		11/04/2002	11/08/2002	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		11/04/2002	11/08/2002	Baseline Inspections
1	IP 71151	Performance Indicator Verification		11/04/2002	11/08/2002	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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Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	<b>7111112B - MAINTENANCE RULE</b>		<b>1</b>			
1	IP 7111112B	Maintenance Rule Implementation		12/16/2002	12/20/2002	Baseline Inspections
	<b>2/17EXM - OPERATOR LICENSING INITIAL EXAMS</b>		<b>3</b>			
1	U01493	TMI INITIAL EXAM (2/23/03)		01/27/2003	01/31/2003	Not Applicable
1	U01493	TMI INITIAL EXAM (2/23/03)		02/17/2003	02/21/2003	Not Applicable
	<b>71121 - OCC RAD SAFETY</b>		<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		02/10/2003	02/14/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		02/10/2003	02/14/2003	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation		02/10/2003	02/14/2003	Baseline Inspections
	<b>71130 - SECURITY</b>		<b>1</b>			
1	IP 7113001	Access Authorization Program (Behavior Observation Only)		02/10/2003	02/14/2003	Baseline Inspections
1	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizator		02/10/2003	02/14/2003	Baseline Inspections