April 18, 2005

The Honorable George V. Voinovich, Chairman
Subcommittee on Clean Air, Climate Change,
and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Fiscal Year (FY) 2005 Energy and Water Development Appropriations Act, House Reports 108-554 and 108-792, directed the U.S. Nuclear Regulatory Commission (NRC) to continue to provide a monthly report on the status of its licensing and regulatory duties. The initial reporting requirement arose in the FY 1999 Energy and Water Development Appropriations Act, Senate Report 105-206. On behalf of the Commission, I am pleased to transmit the seventy-fifth report, which covers the month of February 2005. I am also providing more recent information in this cover letter in order to keep you fully and currently informed of NRC's licensing and regulatory activities.

The previous report provided information on a number of significant activities. These activities included the following items: (1) the NRC staff's inspection at the Hope Creek Nuclear Power Plant that determined that the licensee can safely operate the plant by implementing commitments to monitor the "B" reactor recirculation pump for vibrations continuously with enhanced monitoring devices and taking prompt action in response to any evidence that the pump's performance may be degrading; (2) the restoration of access to numerous documents in the NRC's online Agencywide Documents Access and Management System (ADAMS) through the NRC Web site; and (3) the publication in the Federal Register of the final environmental impact statement (EIS) on the proposed construction and operation of a mixed oxide (MOX) fuel fabrication facility at the Savannah River Site and NRC's conclusion that the proposed action would generally have small effects on the public and existing environment.

I want to provide you some additional information on the Hope Creek nuclear power plant. On March 26, 2005, the licensee began to reduce power at the Hope Creek reactor to locate and repair a leak within the drywell, an area that is normally not accessible when the reactor is at power. The licensee decided to conservatively take this action even though the amount of leakage was below the Technical Specification limit for unidentified leakage (if the amount of leakage had been above that limit, the Technical Specifications would have required the licensee to shut down the plant). When the drywell entry was made, plant personnel identified a leak where a decontamination connection is welded to the reactor coolant system piping. Upon locating the source of leakage, the licensee made the decision to transition the plant to cold shutdown to repair the leak. In addition to repairing the leak, the licensee developed plans to complete a detailed analysis of the failed weld in order to understand fully the cause of the failure and inspect other similar pipe welds to ensure their integrity. The preliminary root cause results identified a weld discontinuity that was propagated to failure by fatigue. The licensee concluded that the fatigue was due to vibration caused by pressure

pulsations at the impeller vane passing frequency, which is a normal characteristic of the reactor recirculation pump, and not by vibration induced by the 'B' recirculation pump shaft. The 'B' recirculation pump vibration data showed that the shaft condition did not significantly contribute to the weld failure because the highest shaft vibration occurs at a frequency where there is negligible stress in the decontamination connection pipe weld. As part of the corrective actions, the licensee modified the decontamination connection and a similar connection on the 'A' recirculation loop to make them less susceptible to the vane passing effect. The NRC staff has reviewed the licensee's assessment and agrees with it.

With regard to MOX, the NRC, on March 30, 2005, authorized Duke, Cogema, Stone & Webster (DCS) to construct a facility at the Savannah River Site in South Carolina to manufacture MOX fuel for eventual use in commercial nuclear power plants. The NRC staff performed environmental and safety reviews to ensure that the facility's design will have minimal environmental impacts and will protect the public health and safety. Although the staff has issued the construction authorization, the adjudicatory process on certain issues remains open. Issuance of the construction authorization is consistent with applicable regulations and procedures which note that such filings (i.e., the adjudicatory process) need not delay staff action regarding an application. In a related matter, in December 2004, the Atomic Safety and Licensing Board (ASLB) issued its decision on the safety aspect of the hearing on the request for use of MOX fuel at the Catawba nuclear power plant, located six miles north-northwest of Rock Hill, South Carolina. The ASLB found that there is reasonable assurance that the proposed use of the MOX assemblies in Catawba will not endanger the public health and safety. NRC regulations and procedures permit issuance of the license amendment after completion of the staff's safety and environmental review, provided the amendment would not (1) involve a significant increase in the probability or consequences of an accident previously evaluated, (2) create the possibility of a new or different kind of accident, or (3) involve a significant reduction in a margin of safety. Consistent with these regulations, the NRC issued a license amendment on March 3, 2005, for which a public notice was published in the Federal Register on March 9, 2005 (70 FR 11711), to authorize Duke Energy Corporation to use four MOX fuel assemblies, containing uranium and plutonium, as part of the nuclear fuel at its Catawba nuclear power plant. Subsequently, on March 10, 2005, the ASLB issued its decision on the remaining security contention, approving the license amendment and exemptions subject to certain conditions. The ASLB's decision is sealed and is not being made public at this time because it contains Safeguards Information, as defined in 10 CFR 73.2. The ASLB plans to issue a redacted version of the decision to make appropriate portions available to the public.

The FY 2005 Energy and Water Development Appropriations Act Conference Report (House Report 108-792) also directed the NRC to take the necessary steps to improve its analyses related to spent nuclear fuel storage at commercial reactor sites, including the preparation of site-specific models, and to work with the utilities to ensure timely application of this information to mitigate risks. The direction in the Conference Report was in relation to the study conducted by the National Academy of Sciences (NAS) on storage of spent nuclear fuel. Consistent with Congress direction, the NRC continues to take the necessary steps to improve its analyses related to spent nuclear fuel, including the use of appropriate models, in working to conduct plant-specific damage assessments of a range of potential terrorist attacks. The Commission provided a status of activities related to the NAS study to Congress by letter dated March 14, 2005. In that letter, the Commission agreed with the NAS recommendation that plant-specific analyses are needed and indicated that the NRC is working to conduct them and identify additional plant-specific mitigation strategies. The Commission also indicated that the

NRC has taken numerous actions to enhance the security of spent nuclear fuel and will take appropriate additional action if necessary. Some of these, including plant-specific damage assessments, are also consistent with specific NAS recommendations. The NRC's actions have included the issuance of Orders to licensees to strengthen the Commission's requirements in this area. With respect to analytical work, in 2002, the NRC initiated a classified program on the capability of nuclear facilities, including spent fuel pools and dry casks, to withstand terrorist attacks. The current work further underscores the Commission's commitment to security, including the security of spent fuel storage. The results of security assessments completed to date clearly show that storage of spent fuel in both spent fuel pools and in dry storage casks continues to be protective of public health and safety.

Recently, the Commission, or in some cases the NRC staff, also accomplished the following:

- approved on March 25, 2005, a request by Entergy Nuclear Operations, Inc., to increase the generating capacity of Unit 3 at the Indian Point Energy Center by 4.85 percent. The NRC staff determined that Entergy could safely increase the reactor's power output primarily by upgrading minor plant components, as well as performing evaluations that showed the plant's existing design can handle the increased power level. The power uprate for the unit, located 24 miles north of New York City, will increase its generating capacity from approximately 979 to 1024 megawatts electric.

- provided FirstEnergy Nuclear Operating Company (FENOC) on March 24, 2005, the results of the NRC staff's acceptance review of the license renewal application for the Beaver Valley Power Station, Units 1 and 2, located about 17 miles west of McCandless, Pennsylvania. The acceptance review determines whether or not the application is sufficiently complete to allow the staff to proceed with its detailed technical review. The staff informed FENOC that the application was not complete and, therefore, the application was not acceptable for docketing. In the March 24th letter, the NRC gave FENOC 30 days to decide what course of action it will take concerning Beaver Valley's license renewal.

- informed Constellation Energy by letter dated March 7, 2005, that the NRC is extending the time for its review of the license renewal application for its Nine Mile Point nuclear power plant. The agency's action was taken in response to a request by Constellation Energy for a grace period of 90 days in order for the licensee to address issues identified by the NRC staff during the review of the application. The agency's action will allow a thorough review of the information submitted to the NRC.

- received on March 16, 2005, an application from Nuclear Management Company, LLC, for a 20-year renewal of the operating license for the Monticello Nuclear Generating Plant. The plant is located approximately 30 miles northwest of Minneapolis, Minnesota. The NRC staff completed its initial review of the application to determine whether it contains enough information for the required formal review. The staff determined that the application contains sufficient information, and on April 6, 2005, the NRC announced in the Federal Register (70 FR 17482) the opportunity to request a public hearing.

- received on March 31, 2005, an application from Nuclear Management Company, LLC, for a 20-year renewal of the operating license for the Palisades nuclear power plant.

The plant is located approximately five miles south of South Haven, Michigan. The NRC staff is currently conducting an initial review of the application to determine whether it contains enough information for the required formal review. If the application has sufficient information, the NRC will formally "docket," or file, the application and will announce an opportunity to request a public hearing in the Federal Register.

- published in the Federal Register on April 7, 2007 (70 FR 17721), a notice of issuance of a license renewal for 40 years to Progress Energy Carolinas (PEC), Incorporated, for the dry-cask independent spent fuel storage installation (ISFSI) at its H.B. Robinson nuclear power plant located near Florence, South Carolina. PEC requested the renewal of the original ISFSI license for a renewal period of 20 years and an exemption for an additional 20 years. This is the second dry-cask ISFSI to be re-licensed by the NRC. Earlier this year, the agency re-licensed the dry-cask installation at Dominion Generation's Surry nuclear power plant in Virginia for an additional 40 years. Both licenses require inspections and strict monitoring to guard against the potential effects of aging on the casks.

- issued an Advisory to nuclear facility operators on March 23, 2005, emphasizing the need for a heightened level of awareness in ensuring the proper identity of personnel even though they may be escorted while in the facility. A recent incident of a foreign national using a false social security number and a false alien registration card to obtain escorted access to work at a nuclear power plant identified the need for additional checks on escorted personnel. Although the worker was escorted at all times while he was at the nuclear power plant, the incident points to the need for heightened vigilance in checking the true identity of such individuals. The NRC advisory urged licensees to check identities against a national security database. Licensees were encouraged to report promptly the fraudulent use, or attempted use of false identification information. The NRC continues to work closely with other Federal agencies to address this issue.

- issued on March 23, 2005, Regulatory Issue Summary (RIS) 2005-05, "Regulatory Issues Regarding Criticality Analyses for Spent Fuel Pools and Independent Spent Fuel Storage Installations," to all operating and decommissioning pressurized-water reactor (PWR) facilities regarding potential inconsistencies between the regulatory bases of spent fuel pools and ISFSIs. The RIS (1) alerts addressees to findings at PWR facilities suggesting that the spent fuel pool licensing and design bases and applicable regulatory requirements may not be met during loading, unloading, and handling of dry casks in the spent fuel pools; (2) emphasizes the importance of maintaining subcritical conditions for spent fuel storage in moderated environments; and (3) encourages addressees to review the current spent fuel pool and ISFSI licensing and design bases at their facilities to ensure compliance during dry cask loading, unloading, and handling operations. No specific action or written response is required for RISs; however, it is expected that recipients will review the information for applicability to their facility and consider actions, as appropriate.

- issued on March 10, 2005, Regulatory Issue Summary (RIS) 2004-13, "Supplement 1: Consideration of Sheltering In Licensees' Range of Protective Action Recommendations," which confirms the NRC staff position regarding inclusion of sheltering for consideration in licensees' range of protective action recommendations. The RIS Supplement also informs licensees that the NRC staff will begin evaluating the use of enforcement action for licensees in non-compliance; however, to provide licensees sufficient time to evaluate the issue and update their emergency plans as necessary, the NRC staff has decided to use discretion and not take enforcement action on this issue for a period extending 90 days following the issuance of this supplement. No specific action or written response is required for RISs; however, it is expected that recipients will review the information for applicability to their facility and consider actions, as appropriate.

- published in the Federal Register on March 18, 2005 (70 FR 13215), a notice to inform the public that the NRC has issued its final EIS on the proposed renewal of the operating licenses for the Joseph M. Farley nuclear power plant, Units 1 and 2. The report contains the NRC's finding that there are no environmental impacts that would preclude license renewal for an additional 20 years of operation. The Farley plant is located in Houston County, about 16 miles east of Dothan, Alabama. The current operating licenses expire on June 25, 2017, for Unit 1 and March 31, 2021, for Unit 2.

- published in the Federal Register on March 10, 2005 (70 FR 12022), a notice seeking public comment on NRC's preliminary conclusion that environmental impacts would not prevent issuing an Early Site Permit (ESP) for the Clinton site, located about six miles east of Clinton, Illinois. The preliminary conclusion is contained in NUREG-1815, "Draft Environmental Impact Statement (EIS) for an Early Site Permit at the Exelon ESP Site." The draft EIS is open for public comment until May 25, and will also be the subject of a public meeting April 19 in Clinton, Illinois.

- published in the Federal Register on March 7, 2005 (70 FR 10901), a proposed rule to revise the requirements nuclear power plant operators must meet in order for their fire protection plans to include manual actions for safely shutting down their plants after a fire. The proposed rule is intended to provide consistent standards by which the NRC can ensure that manual actions are adequate. The comment period for the proposed rule expires on May 23, 2005.

- dispatched a special inspection to St. Joseph's Regional Medical Center in South Bend, Indiana, to understand better the circumstances surrounding the radiation treatment of several patients in 2004. In its notification to the NRC during the week of March 28, 2005, the hospital reported that the patients had received unintended radiation exposures to their legs during treatment for cervical cancer. The NRC inspection team, which arrived on site on Wednesday, March 30, includes an NRC medical consultant to assist in evaluating the medical aspects of the unintended radiation exposures. The medical center has notified the patients and their physicians of the treatment problems. Following the completion of the inspection, the inspectors will present the results of the inspection to hospital management in a meeting open to public observation, and the inspection report will be available in ADAMS.

- participated in an evidentiary hearing on February 7-12, 2005, held by the ASLB in Hobbs, New Mexico, on Louisiana Energy Services' proposed gas centrifuge uranium enrichment plant known as the National Enrichment Facility (NEF). These evidentiary hearings focused on four environmental contentions admitted by the ASLB relative to the proposed NEF. The ASLB's partial initial decision on the four environmental contentions is scheduled to be issued on June 3, 2005. The ASLB will conduct an additional evidentiary hearing on the remaining six admitted technical/safety contentions in October 2005. An ASLB partial initial decision on those six contentions is scheduled for February 2006.

- met with Department of Homeland Security (DHS), Information Assurance and Infrastructure Protection (IAIP) staff to discuss improving the NRC-DHS partnership by enhancing communication regarding multiple initiatives that are underway. DHS reported that the Risk Assessment and Management for Critical Asset Protection (RAMCAP) survey tool would soon be available to DHS. DHS intends to vet RAMCAP with the NRC, FBI, and the industry prior to conducting a pilot exercise as part of the site-by-site Comprehensive Review of nuclear power plants that DHS is planning. NRC and DHS have agreed to increase the frequency of IAIP-NRC liaison meetings to ensure effective communication and coordination.

- reviewed the Wackenhut Corporation's program for the Composite Adversary Force (CAF) for force-on-force exercises, including the hiring and training of new members in accordance with the CAF standard established by the NRC. The review found that the Wackenhut Corporation's program meets the NRC's CAF standard, confirmed that appropriate management and administrative controls were in place within the Wackenhut organization to provide adequate independence between the CAF and nuclear guard force, and that CAF members are selected from sites where security is provided by Wackenhut's competitors. The review also confirmed that the industry has trained individuals to serve on the CAF that are from outside of the Wackenhut organization. Experience with recent force-on-force exercises has proven the CAF to be a significant improvement in ensuring a uniform high quality mock adversary.

Please do not hesitate to contact me if I may provide additional information.

Commissioner Jaczko did not participate in the development of this letter to the extent it deals with the Yucca Mountain project.

Sincerely,

/RA/

Nils J. Diaz

Enclosure:
Monthly Report

cc: Senator Thomas R. Carper

Identical letter sent to:

The Honorable George V. Voinovich, Chairman
Subcommittee on Clean Air, Climate Change,
and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510
cc: Senator Thomas R. Carper

The Honorable Ralph M. Hall, Chairman
Subcommittee on Energy and Air Quality
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515
cc: Representative Rick Boucher

The Honorable Pete V. Domenici, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, D.C. 20510
cc: Senator Harry Reid

The Honorable David L. Hobson, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515
cc: Representative Peter Visclosky

The Honorable James M. Inhofe, Chairman
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510
cc: Senator James Jeffords

The Honorable Joe Barton, Chairman
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515
cc: Representative John D. Dingell

MONTHLY STATUS REPORT ON THE
LICENSING ACTIVITIES AND REGULATORY DUTIES OF THE
UNITED STATES NUCLEAR REGULATORY COMMISSION

FEBRUARY 2005

Enclosure

TABLE OF CONTENTS[1]

[1]Note: The period of performance covered by this report includes activities occurring between the first and last day of February 2005. The transmittal letter to Congress accompanying this report may provide more recent information in order to keep Congress fully and currently informed of NRC's licensing and regulatory activities.

I Implementing Risk-Informed Regulations

The staff continues to make progress on tasks involving the use of probabilistic risk information in many areas; however, there were no reportable milestones scheduled or completed during the month of February 2005.

II Revised Reactor Oversight Process

The NRC continues to implement the Reactor Oversight Process (ROP) at all nuclear power plants. The NRC continues to meet with interested stakeholders on a periodic basis to collect feedback on the efficacy of the process and will consider the feedback in future ROP refinements. Recent activities include the following:

- On February 9 and 10, 2005, NRC staff attended an industry workshop on the Mitigating System Performance Indicator (MSPI) at Dana Point, California. The purpose of the workshop was for the industry to discuss the implementation guidance for the MSPI by reviewing the MSPI basis document from each of the four lead plants (one from each NRC region).

- On February 22, 2005, NRC staff met with a delegation from the Korean Institute of Nuclear Safety at the NRC Headquarters Office. NRC staff presented an overview of the ROP framework and a more detailed discussion of the development and implementation of the process, including inspection, significance determination process, assessment, and enforcement.

III Status of Issues in the Reactor Generic Issue Program

A Task Action Plan was approved in February for the technical assessment of GSI-196, “Boral Degradation,” to address the degradation of Boral plates in dry spent fuel storage systems. The Boral plates are used in these storage systems as neutron absorbers, and water intrusion into the Boral composite material could potentially result in degradation. Over the next several months, staff will be researching existing data on Boral degradation to understand the issue better.

IV Licensing Actions and Other Licensing Tasks

Operating power reactor licensing actions are defined as orders, license amendments, exemptions from regulations, relief from inspection or surveillance requirements, topical reports submitted on a plant-specific basis, notices of enforcement discretion, or other actions requiring NRC review and approval before they can be implemented by licensees. The FY 2005 NRC Performance Plan incorporates three output measures related to licensing actions -- number of licensing actions completed per year, age of the licensing action inventory, and size of licensing action inventory.

Other licensing tasks for operating power reactors are defined as licensee responses to NRC requests for information through generic letters or bulletins, NRC responses to 2.206 petitions, NRC review of generic topical reports, responses by the Office of Nuclear Reactor Regulation to regional requests for assistance, NRC review of licensee 10 CFR 50.59 analyses and Final Safety Analysis Report (FSAR) updates, or other licensee requests not requiring NRC review

and approval before they can be implemented by licensees. The FY 2005 NRC Performance Plan incorporates one output measure related to other licensing tasks -- number of other licensing tasks completed.

In FY 2004, several high priority activities, such as power grid reliability, changes to nuclear facility security plans, safeguards contingency plans, and guard force training and qualification plans, resulted in the NRC reprogramming resources to accommodate the additional work. One of the programs affected by the reprogramming of resources was operating power reactor licensing actions. As a result, at the end of FY 2004, the size of the licensing action inventory exceeded the goal of # 1000, and the goal of competing at least 96 percent of the licensing actions in less than or equal to one year was not met. The effects of the reprogramming will continue into FY 2005 and FY 2006. The licensing actions inventory and timeliness goals for FY 2005 will be relaxed. Additional resources will be allocated in FY 2006 to work down the inventory and improve timeliness to meet the original timeliness and inventory goals.

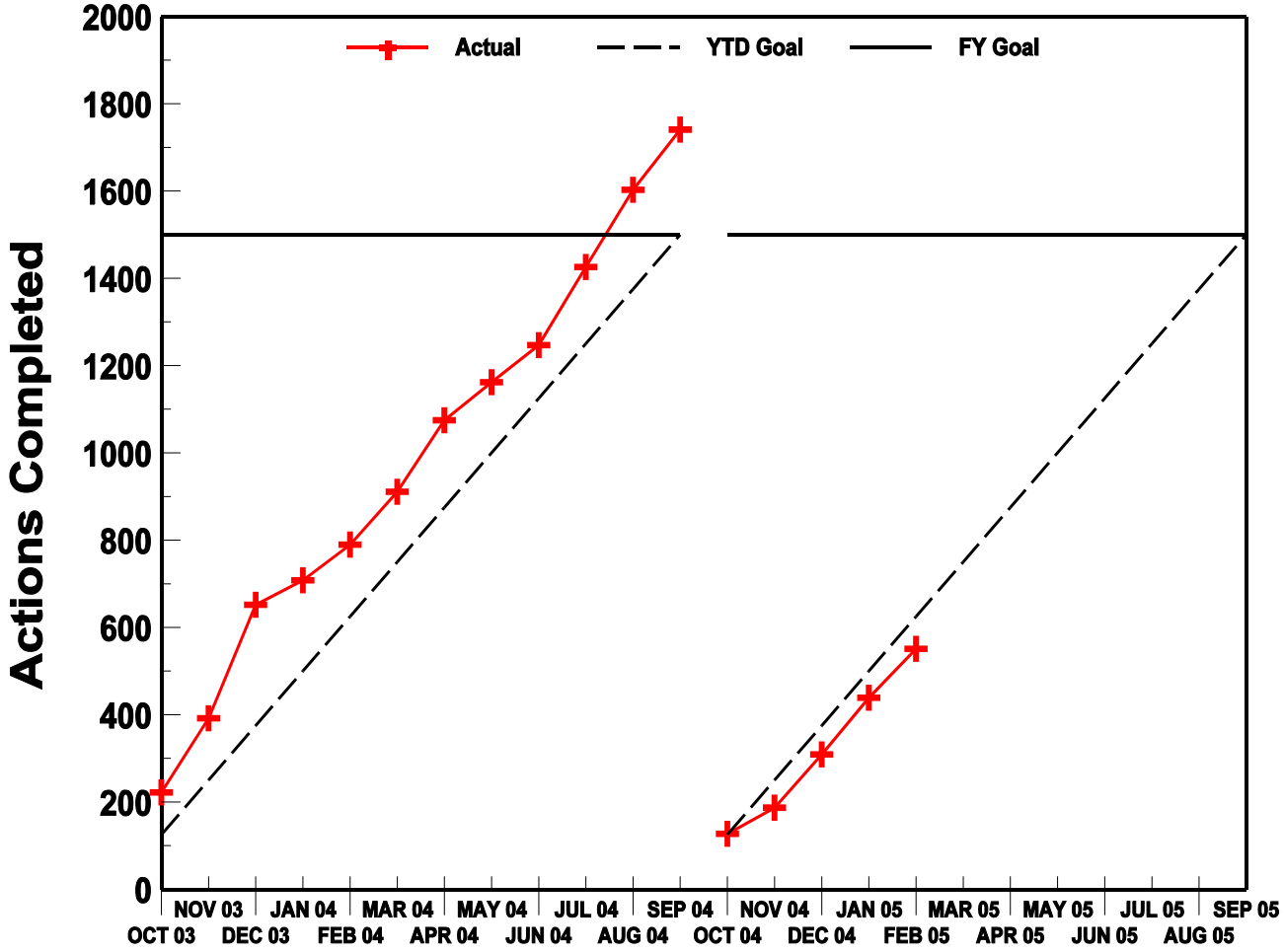
The actual FY 2003 and FY 2004 results, the FY 2005 goals, and the actual FY 2005 results, as of February 28, 2005, for the four NRC Performance Plan output measures for operating power reactor licensing actions and other licensing tasks are shown in the table below.

PERFORMANCE PLAN				
Output Measure	**FY 2003 Actual**	**FY 2004 Actual**	**FY 2005 Goals**	**FY 2005 Actual (thru 02/28/2005)**
Licensing actions completed/year	1774	1741	$ 1500	551
Age of licensing action inventory	96% # 1 year; and 100% # 2 years	91%# 1 year; and 100% # 2 years	90% # 1 year; and 100% # 2 years	88%# 1 year; and 99 % # 2 years
Size of licensing action inventory	1296	1135	# 1200	1242
Other licensing tasks completed/year	500	671	$ 500	226

The charts on the following pages show NRC's FY 2005 trends for the four operating power reactor licensing action and other licensing task output measure goals:

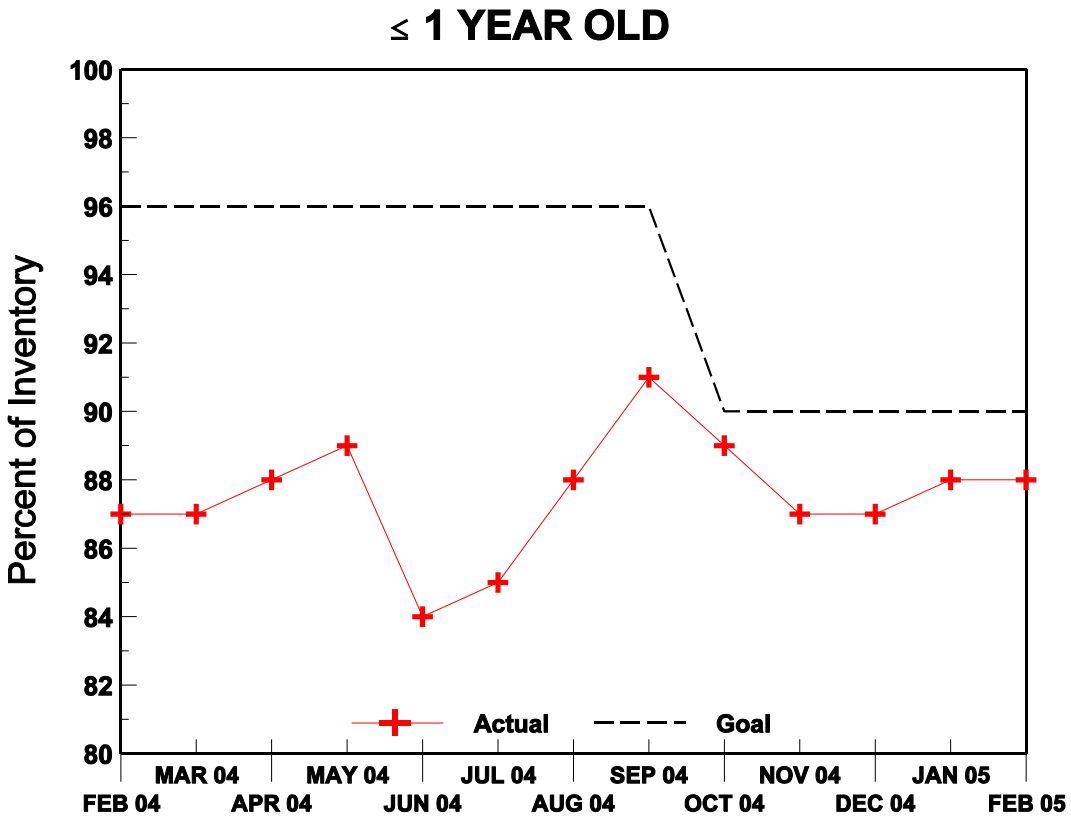
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Licensing Actions



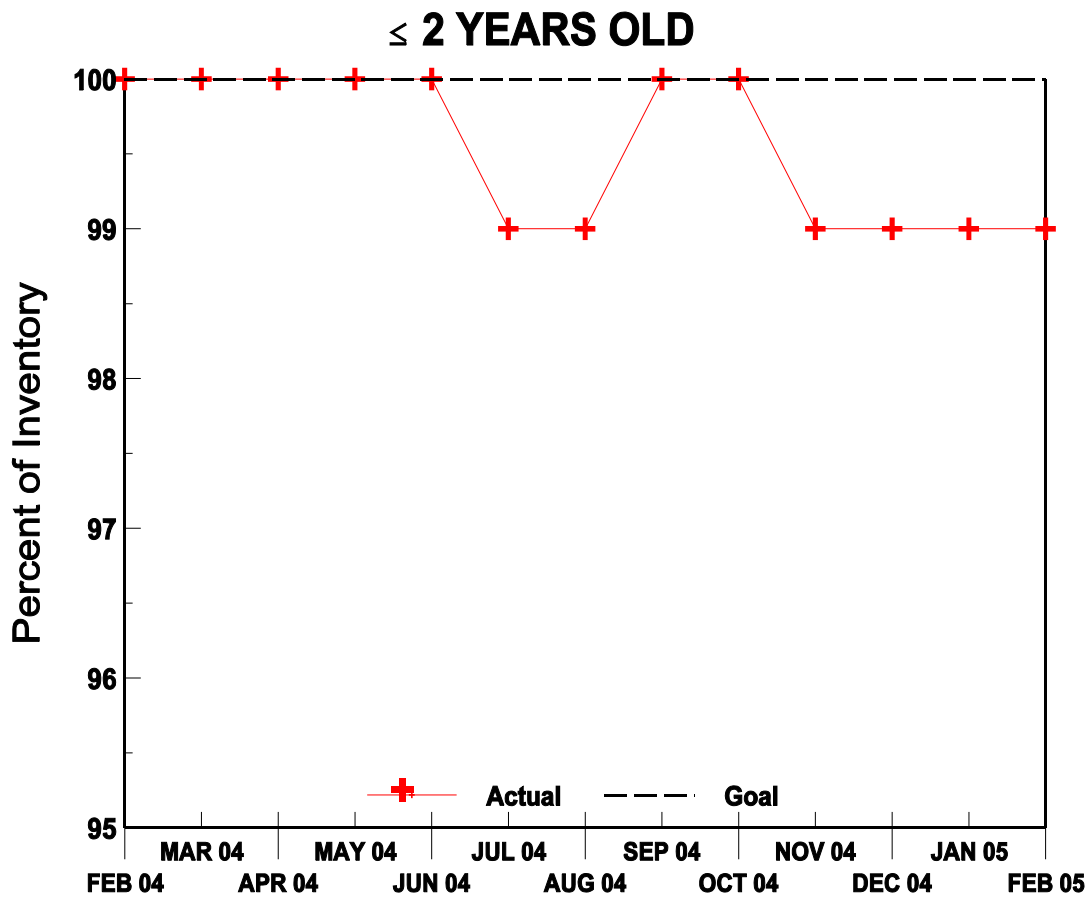
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Age of Licensing Action Inventory



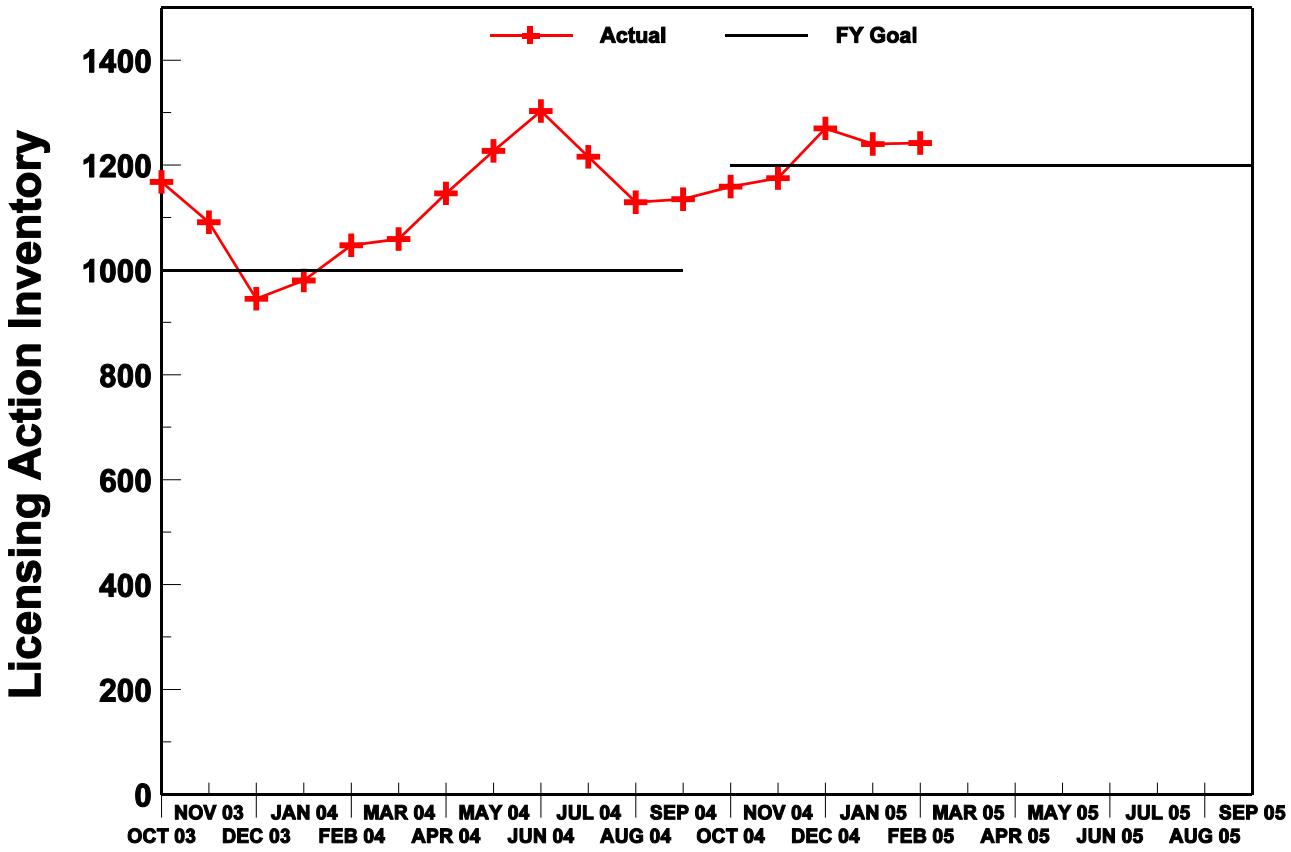
Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Age of Licensing Action Inventory



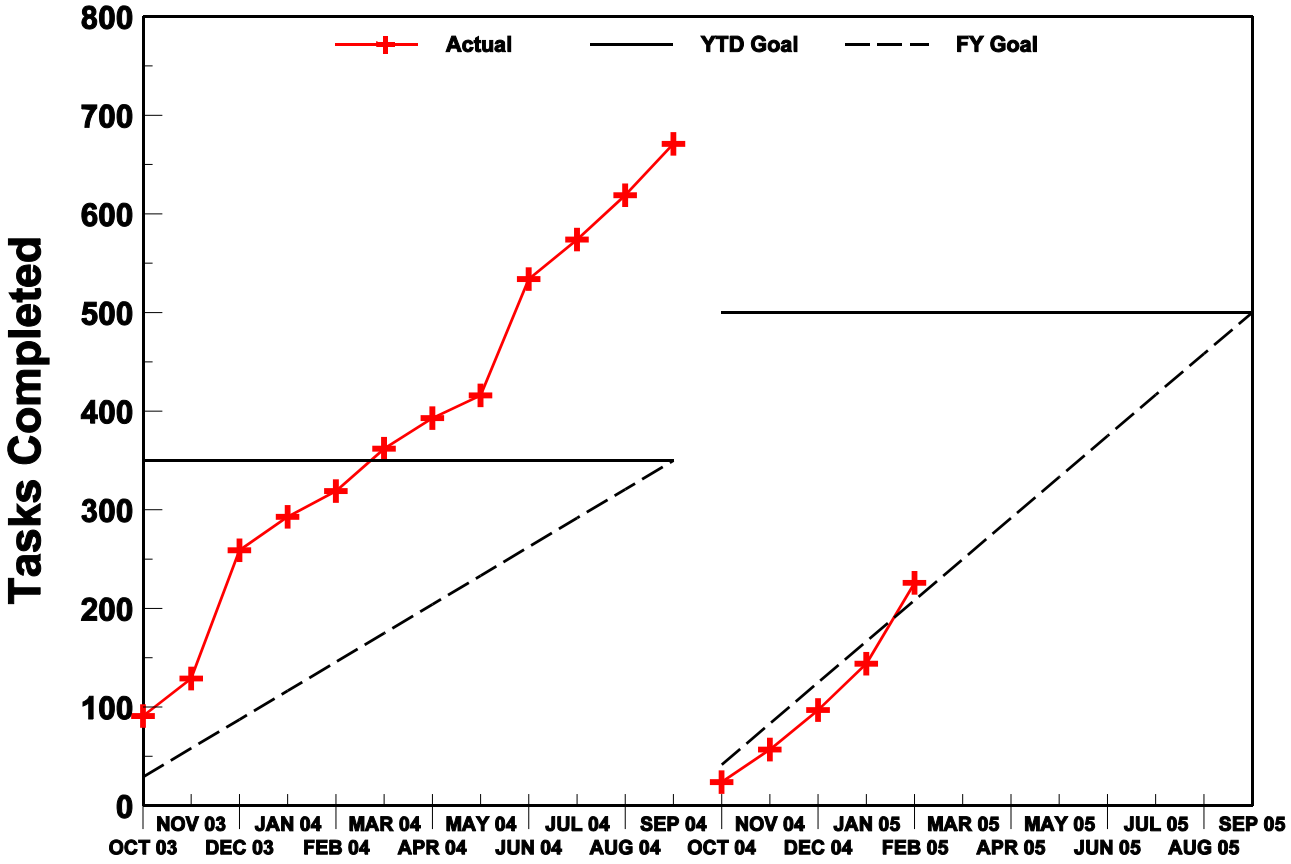
Nuclear Reactor Safety - Reactor Licensing

Performance Plan: Size of Licensing Action Inventory



Nuclear Reactor Safety - Reactor Licensing

Performance Plan Target: Completed Other Licensing Tasks



V. Status of License Renewal Activities

Farley, Units 1 and 2, License Renewal Application

The Farley license renewal application is currently under review. The draft supplemental environmental impact statement (SEIS) was issued for public comment in August 2004, and the comment period ended in November 2004. The staff is addressing the comments received on the draft SEIS and is preparing to issue the final SEIS in March 2005. The draft safety evaluation report was issued in October 2004. The applicant's comments on the draft safety evaluation report were received, and the staff is preparing to issue the report in March 2005.

Arkansas Nuclear One, Unit 2, License Renewal Application

The Arkansas Unit 2 license renewal application is currently under review. The draft SEIS was issued for public comment in August 2004, and the comment period ended in November 2004. The staff is addressing the comments received on the draft SEIS and is preparing to issue the final SEIS in April 2005. The draft safety evaluation report was issued in November 2004. The applicant's comments on the draft safety evaluation report were received, and the staff is preparing to issue the report in May 2005.

Cook, Units 1 and 2, License Renewal Application

The Cook license renewal application is currently under review. The draft SEIS was issued for public comment in September 2004, and the comment period ended in December 2004. The staff is addressing the comments received on the draft SEIS and is preparing to issue the final SEIS in May 2005. The safety evaluation report, identifying any remaining open items, was issued in December 2004, and the applicant's responses to the open items were received in January 2005. The staff is reviewing the applicant's responses and is preparing to issue the safety evaluation report in May 2005.

Browns Ferry, Units 1, 2, and 3, License Renewal Application

The Browns Ferry license renewal application is currently under review. The draft SEIS was issued for public comment in December 2004, and the public comment period ends in March 2005. The safety evaluation report, identifying any remaining open items, is scheduled to be issued in August 2005.

Millstone, Units 2 and 3, License Renewal Application

The Millstone license renewal application is currently under review, and the staff is preparing requests for additional information. The draft SEIS was issued for public comment in December 2004, and the public comment period ends in March 2005. The safety evaluation report, identifying any remaining open items, was issued in February 2005, and the responses to the open items are due in April 2005. A petition for late intervention and request for hearing was submitted in February 2005, and an Atomic Safety and Licensing Board (ASLB) has been established to preside over the proceeding.

Point Beach, Units 1 and 2, License Renewal Application

The Point Beach license renewal application is currently under review, and the staff is preparing requests for additional information. The draft SEIS was issued for public comment in January 2005, and the public comment period ends in April 2005. The safety evaluation report, identifying any remaining open items, is scheduled to be issued in May 2005.

Nine Mile Point, Units 1 and 2, License Renewal Application

The Nine Mile Point license renewal application is currently under review, and the staff is preparing requests for additional information. The draft SEIS is scheduled to be issued in April 2005, and the safety evaluation report, identifying any remaining open items, is scheduled to be issued in June 2005.

Brunswick, Units 1 and 2, License Renewal Application

The Brunswick license renewal application is currently under review, and the staff is preparing requests for additional information. The draft SEIS is scheduled to be issued in September 2005, and the safety evaluation report, identifying any remaining open items, is scheduled to be issued in December 2005.

Beaver Valley, Units 1 and 2, License Renewal Application

On February 14, 2005, the NRC received an application for renewal of the operating licenses for Beaver Valley, Units 1 and 2. The staff is currently performing the required acceptance review of the application and, if found acceptable, will docket the application, notice an opportunity for hearing, and issue the review schedule.

VI Status of Review of Private Fuel Storage, Limited Liability Corporation's Application for a License to Operate an Independent Spent Fuel Storage Installation on the Reservation of the Skull Valley Band of Goshute Indians

Litigation continues on the application by Private Fuel Storage, L.L.C. (PFS) for a license to construct and operate an independent spent fuel storage installation (ISFSI) on the Reservation of the Skull Valley Band of Goshute Indians in Skull Valley, Utah. As noted in previous monthly updates, one issue concerning the consequences of an F-16 aircraft crash accident at the proposed facility remained in litigation before the ASLB, and a late-filed contention (Contention Utah UU) had been filed by the State of Utah.

On February 24, 2005, the ASLB issued its decision on the aircraft crash issue in favor of the Applicant, finding that the probability of an accidental F-16 aircraft crash or ordnance impact into the facility that would result in a release of radioactive materials is less than one in one million per year. Also on February 24, 2005, the ASLB ruled that the State of Utah's late-filed Contention UU, alleging that the U.S. Department of Energy will not accept spent nuclear fuel from the proposed facility, lacked adequate factual foundation and is inadmissible. Any petition for Commission review of these decisions must be filed in March 2005.

VII Enforcement Process and Summary of Reactor Enforcement by Region

Reactor Enforcement by Region

Reactor Enforcement Actions						
		Region I	Region II	Region III	Region IV	TOTAL
Severity Level I	February 05	0	0	0	0	0
	FY 05 YTD Total	0	0	0	0	0
	FY 04 Total	0	0	0	0	0
	FY 03 Total	0	0	0	0	0
Severity Level II	February 05	0	0	0	0	0
	FY 05 YTD Total	0	0	0	0	0
	FY 04 Total	0	1	0	0	1
	FY 03 Total	0	0	0	0	0
Severity Level III	February 05	0	0	1	0	1
	FY 05 YTD Total	0	1	1	0	2
	FY 04 Total	1	2	4	0	7
	FY 03 Total	2	0	4	0	6
Cited Severity Level IV or GREEN	February 05	1	0	0	0	1
	FY 05 YTD Total	1[2]	0	0	0	1
	FY 04 Total	1	0	2	2	5
	FY 03 Total	1	0	2	1	4
Non-Cited Severity Level IV or GREEN	February 05	41	0	24	77	142
	FY 05 YTD Total	134[2]	88	135	152	509
	FY 04 Total	271	175	290	301	1037
	FY 03 Total	211	164	253	184	812

* Numbers of violations are based on enforcement action tracking system (EATS) data that may be subject to minor changes following verification. The numbers shown as Severity Level I, II, III or IV refer to the number of Severity Level I, II, III, and IV violations or problems. The

[2] The January 2005 data for Region I has been corrected to reflect an increase of 1 Cited Severity Level IV violation and a decrease of 1 NCV.

monthly totals generally lag by 30 days due to inspection report and enforcement development.

Escalated Reactor Enforcement Actions Associated with the Reactor Oversight Process						
		Region I	Region II	Region III	Region IV	Total
Notices of Violation Related to RED, YELLOW, or WHITE Findings	Feb 05 RED	0	0	0	0	0
	Feb 05 YELLOW	0	0	0	0	0
	Feb 05 WHITE	2	0	0	0	2
	FY 05 YTD Total	2	0	0	0	2
	FY 04 Total	3	4	7	6	20
	FY 03 Total	6	1	7	1	15

Description of Significant Actions Taken During January 2005[3]

Entergy Nuclear Operations, Inc. (Vermont Yankee) EA-04-173 - On February 2, 2005, a Notice of Violation was issued for a violation associated with a "White" finding involving the failure to issue tone alert radios to the entire populace within the emergency planning zone (EPZ). The violation cited the licensee's failure to follow its emergency plan to establish the means to provide early notification and clear instruction to the populace within the plume exposure pathway EPZ.

FirstEnergy Nuclear Operating Company (Perry) EA-01-083 - On February 24, 2005, the NRC issued a Severity Level III Notice of Violation and Proposed Imposition of Civil Penalty in the amount of $55,000 for violation of NRC's employee protection regulations by a licensee contractor, Williams Power Corporation, at the Perry site.

PSEG Nuclear, LLC. (Hope Creek) EA-05-001 - On February 28,2005, the NRC issued a White Finding for inadequate evaluation and corrective action of a degraded level control valve for the 'A' moisture separator drain tank.

VIII Power Reactor Security Regulations

In response to the terrorist attacks on September 11, 2001, the NRC and the nuclear industry have taken many actions to ensure the security at nuclear power plants. A series of Advisories, Orders, and Regulatory Issue Summaries have been, and as needed, continue to be issued to strengthen further the security of NRC-licensed facilities and control of nuclear materials. The

[3] Security related enforcement actions are not included in the statistics in the above Tables or in the Description of Significant Action due to the sensitive nature of security findings.

latest advisory was issued on March 1, 2005, and concerned updated criteria for reporting suspicious activity.

Orders were issued on April 29, 2003, to supplement the threat against which individual power reactor licensees and category I fuel cycle facilities must be able to defend (design basis threat [DBT]), limit the number of hours that security personnel can work, and enhance training and qualification requirements for security personnel. All licensees implemented the Orders by October 29, 2004.

Orders were issued on October 23, 2003, to all nuclear reactor licensees and research reactor licensees that transport spent nuclear fuel. The licensees subject to the Order have been issued a specific license by NRC authorizing the possession of spent nuclear fuel and a general license authorizing the transportation of spent nuclear fuel in a transport package approved by the Commission in accordance with the Atomic Energy Act of 1954, as amended, and 10 CFR Parts 50 and 71.

In March 2003, the NRC initiated a pilot program for full force-on-force exercises, which used expanded adversary characteristics that were developed as a result of the increased post 9/11 threat. The purpose of the force-on-force exercises is to assess and improve, as necessary, performance of defensive strategies at licensed facilities. Pilot force-on-force exercises were completed at fifteen plants in 2003. The staff provided a paper to the Commission summarizing lessons learned from the force-on-force pilot program and how these lessons could be factored into the full implementation of the force-on-force program. The Commission approved enhanced force-on-force testing, and sixteen transitional force-on-force tests were conducted through October 2004. In November 2004, the NRC implemented a triennial force-on-force testing program. Force-on-force exercises have been completed at three power reactor sites and are in process at two additional sites.

To enhance the realism and effectiveness of the force-on-force exercises, the NRC has established fitness and training standards for mock adversary force personnel. Application of these standards provides assurance that the mock adversary force has received appropriate training in offensive tactics and is a credible and challenging adversary. The NRC retains responsibility for oversight of the mock adversary force and evaluation of licensee performance. In addition, measures have been established to minimize any possibility for a conflict of interest with respect to responsibilities for physical protection. To date, the mock adversary force personnel have performed adequately in the force-on-force exercises they have participated in.

Since 9/11, the staff suspended the physical protection portion of the baseline inspections in the Reactor Oversight Process and focused NRC security inspections on licensee implementation of compensatory measures to address the post-9/11 threat environment. In March 2004, the staff began implementation of the revised baseline inspection program which took into consideration enhanced security requirements and the higher threat environment. During FY 2005, inspection efforts are focusing on verifying implementation of the revised security plans. Implementation of all elements of the baseline inspection program will commence in 2006.

The NRC continues to support U.S. Department of Homeland Security (DHS)/Homeland Security Council (HSC) initiative to enhance integrated response planning for power reactor facilities. Two Integrated Response Tabletop exercises were completed in 2004. The staff is continuing to work with HSC, DHS, Federal Bureau of Investigation (FBI) and others to develop

plans to address recommended actions. Additionally, the NRC completed six imminent aircraft threat announced walk-throughs with nuclear power plant licensees and lessons learned have been incorporated into a Safeguards Advisory. Walk-throughs are scheduled to resume in March 2005.

The staff is developing Emergency Action Levels (EALs) for all imminent threats. The EAL development program includes plans to coordinate issues with other agencies and state and local governments.

IX Power Uprates

The staff has assigned a high priority to power uprate license amendment reviews. The staff considers power uprate applications among the most significant licensing actions and is therefore conducting power uprate reviews on accelerated schedules.

There are three types of power uprates. A measurement uncertainty recapture (MUR) power uprate is a power uprate of less than 2 percent and is based on the use of more accurate feedwater flow measurement techniques. Stretch power uprates are power uprates that are typically on the order of less than 7 percent and are within the design capacity of the plant. Stretch power uprates require only minor plant modification. Extended power uprates (EPUs) are power uprates beyond the design capacity of the plant and, thus, require major plant modification.

Licensees have been applying for and implementing power uprates since the 1970s as a way to increase the power output of their plants. The staff has been conducting power uprate reviews since then, and to date, has completed 103 such reviews. Approximately 12,826 megawatts-thermal (4275 megawatts-electric) or an equivalent of about four nuclear power plant units has been gained through implementation of power uprates at existing plants. The staff currently has 12 plant-specific power uprate applications under review. The 12 applications under review include 2 MUR power uprates, 3 stretch power uprates, and 7 EPUs. On February 28, 2005, the NRC approved a 5.2 percent stretch power uprate for the Seabrook nuclear plant. In the near term, the staff expects to issue license amendments approving a stretch power uprate for the Indian Point 3 and an EPU for the Waterford plant.

In January 2005, the staff completed a survey of nuclear power plant licensees to obtain information regarding the industry's plans related to power uprate applications. Based on this survey, licensees plan to submit power uprate applications for 31 nuclear power plant units in the next 5 years. These include 17 MUR power uprates, 3 stretch power uprate, and 11 EPUs. Planned power uprates are expected to result in an increase of about 4236 megawatts-thermal (1412 megawatts-electric).

X Status of the Davis-Besse Nuclear Power Station

Interim reports to be provided in March 2005, September 2005, and March 2006.