Notice: Enclosure contains Safeguards Information. Upon separation, this cover document is decontrolled.

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January 15, 2004

Mr. Christopher M. Crane President and CEO AmerGen Energy Company, LLC 4300 Winfield Road 5th Floor Warrenville, IL 60555

SUBJECT: THREE MILE ISLAND UNIT 1 - PHYSICAL SECURITY BASELINE INSPECTION REPORT NO. 05000289/2003010

Dear Mr. Crane:

On December 16, 2003, the U. S. Nuclear Regulatory Commission (NRC) completed an inspection at your Three Mile Island Unit 1 (TMI). The enclosed inspection report documents the inspection details which were discussed by Messrs. Paul Frechette and Anthony Dimitriadis of this office on December 9 and 16, 2003, with George Gellrich, Michael Bruecks and other members of your staff.

The inspection examined activities conducted under your license as they relate to public health and safety, common defense and security, and to compliance with the Commission's regulations, orders, and the conditions of your license. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

The material enclosed herewith contains Safeguards Information as defined by 10 CFR 73.21 and its disclosure to unauthorized individuals is prohibited by Section 147 of the Atomic Energy Act of 1954, as amended. Therefore, the material will not be placed in the Public Document Room.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, without 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).

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Mr. Christopher M. Crane

Should you have any questions regarding this inspection please contact me at (610) 337-5114.

Sincerely,

/RA by R. V. Crlenjak Acting for/

John R. White, Chief Radiation Safety and Safeguards Branch Division of Reactor Safety

Docket Nos. 50-289 License Nos. DPR-73

Enclosure: Inspection Report No. 05000289/2003010 (Contains Safeguards Information (SGI)

<u>cc w/encl; w/SGI:</u> L.W. Pearce, Vice President M. Brueks, Manager Nuclear Security

cc w/o encl; w/o SGI: Chief Operating Officer, AmerGen Site Vice President - TMI Unit 1, AmerGen G. Gellrich, Plant Manager - TMI, Unit 1, AmerGen Regulatory Assurance Manager - TMI, Unit 1, AmerGen Senior Vice President - Nuclear Services, AmerGen Vice President - Mid-Atlantic Operations, AmerGen Vice President - Operations Support, AmerGen Vice President - Licensing and Regulatory Affairs, AmerGen Director Licensing - AmerGen Manager Licensing - TMI, AmerGen Vice President - General Counsel and Secretary, AmerGen Correspondence Control Desk - AmerGen Chairman, Board of County Commissioners of Dauphin County Chairman, Board of Supervisors of Londonderry Township R. Janati, Chief, Division of Nuclear Safety M. Schoppman, Framatome ANP J. Johnsrud, National Energy Committee E. Epstein, TMI-Alert (TMIA) D. Allard, PADER

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Mr. Christopher M. Crane

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Distribution w/encl; w/SGI:

- P. Frechette, DRS
- A. Dimitriadis, DRS
- D. Kern, SRI NRC Senior Resident Inspector
- B. Westreich, NSIR
- E. McNeil, NSIR

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OFFICE	RI/DRS	RI/DRS	RI/DRP	RI/DRS	RI/DRS
NAME	ADimitriadis	PFrechette	PEselgroth	ECobey	JWhite
DATE	01/14/04	01/13/04	01/09/04	01/14/04	01/15/04

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