

March 4, 2002

Mr. William O'Connor, Jr.  
Vice President  
Nuclear Generation  
The Detroit Edison Company  
6400 North Dixie Highway  
Newport, MI 48166

**SUBJECT: ANNUAL ASSESSMENT LETTER - FERMI 2  
(REPORT 50-341/02-01)**

Dear Mr. O'Connor:

On January 30, 2002, the NRC staff completed its end-of-cycle plant performance assessment of Fermi 2. The end-of-cycle review for Fermi 2 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, 2001, to 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 which may conflict with your plant activities.

As discussed in our previous annual assessment letter dated May 31, 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, Fermi 2 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 the White Emergency AC Power System unavailability PI in the mitigating systems cornerstone. This PI went White in the third quarter of 2000 due to fault exposure hours identified after a catastrophic failure of the outboard bearing for Emergency Diesel Generator 14 on March 21, 2001. On July 25, 2001, a White finding for inadequate design control was issued for the diesel failure. On August 17, 2001, a Supplemental Inspection for the White PI was issued which concluded that your corrective action adequately addressed the causes and the extent of condition actions appeared sufficient to prevent the recurrence of a similar condition on other safety-related equipment. A Final Significance Determination letter was issued for the White finding on September 14, 2001, and a Regulatory Performance Meeting was held on October 5, 2001. Therefore, we plan to conduct only baseline inspections at your facility through March 31, 2003.

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 last 6 months of the inspection plan are tentative and may be revised at the Mid-Cycle Review meeting.

In addition to the baseline inspection program, the NRC issued safeguards advisories recommending that nuclear power plant licensees go to the highest level of security immediately following the terrorist attacks on the World Trade Center and the Pentagon, and all promptly did so. With continued uncertainty about the possibility of additional terrorist activities, the Nation's nuclear power plants, including Fermi 2, 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 Fermi 2 actions in response to the terrorist attacks through a series of audits. With the issuance of the Order, we will evaluate Fermi 2'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/reading-rm/adams/index.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 Mark Ring at (630) 829-9703 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

**/RA/**

Geoffrey Grant, Director  
Division of Reactor Projects

Docket No. 50-341  
License No. NPF-43

Enclosure: Fermi 2 Inspection/Activity Plan

See Attached Distribution

DOCUMENT NAME: G:\EOC Ltrs\2002\Fer-eoc02.wpd

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**Fermi**  
**Inspection / Activity Plan**  
**03/04/2002 - 03/31/2003**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	<b>MOD</b>	<b>- MOD &amp; 50.59 INSPECTION</b>	<b>4</b>			
2	IP 7111102	Evaluation of Changes, Tests, or Experiments		05/06/2002	05/10/2002	Baseline Inspections
	<b>IP 71121</b>	<b>- RP INSTRUMENTATION &amp; ACCESS CNTRL INSP</b>	<b>1</b>			
2	IP 7112101	Access Control to Radiologically Significant Areas		06/17/2002	06/21/2002	Baseline Inspections
2	IP 7112103	Radiation Monitoring Instrumentation		06/17/2002	06/21/2002	Baseline Inspections
2	IP 71151	Performance Indicator Verification		06/17/2002	06/21/2002	Baseline Inspections
	<b>71130</b>	<b>- SAFEGUARDS INSPECTION-AA/AC/PI/PC</b>	<b>1</b>			
2	IP 7113001	Access Authorization Program (Behavior Observation Only)		08/05/2002	08/09/2002	Baseline Inspections
2	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizatio		08/05/2002	08/09/2002	Baseline Inspections
2	IP 7113004	Security Plan Changes		08/05/2002	08/09/2002	Baseline Inspections
2	IP 71151	Performance Indicator Verification		08/05/2002	08/09/2002	Baseline Inspections
	<b>MAINT B</b>	<b>- BIENNIAL MAINTENANCE RULE INSPECTION</b>	<b>1</b>			
2	IP 7111112B	Maintenance Rule Implementation		09/16/2002	09/20/2002	Baseline Inspections
	<b>IP 71114</b>	<b>- BIENNIAL EP EXERCISE INSPECTION</b>	<b>3</b>			
2	IP 7111401	Exercise Evaluation		09/23/2002	09/27/2002	Baseline Inspections
2	IP 71151	Performance Indicator Verification		09/23/2002	09/27/2002	Baseline Inspections
	<b>71111.07</b>	<b>- HEAT SINK PERFORMANCE</b>	<b>2</b>			
2	IP 7111107A	Heat Sink Performance		10/01/2002	11/15/2002	Baseline Inspections
	<b>IP 71122</b>	<b>- REMP &amp; UNCONDITIONAL RELEASE INSPECTION</b>	<b>1</b>			
2	IP 7112203	Radiological Environmental Monitoring Program		10/21/2002	10/25/2002	Baseline Inspections
2	IP 71151	Performance Indicator Verification		10/21/2002	10/25/2002	Baseline Inspections
	<b>FPI</b>	<b>- TRIENNIAL FIRE PROTECTION</b>	<b>3</b>			
2	IP 7111105T	Fire Protection		11/18/2002	12/06/2002	Baseline Inspections
	<b>IP 71121</b>	<b>- RP ACCESS CTRL &amp; ALARA INSPECTION</b>	<b>1</b>			
2	IP 7112101	Access Control to Radiologically Significant Areas		12/16/2002	12/20/2002	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls		12/16/2002	12/20/2002	Baseline Inspections
	<b>FY 2003</b>	<b>- FERMI INIT PREP 02/2003</b>	<b>3</b>			
2	W90077	OL - INITIAL EXAM - FERMI 2 - FEB/MAR 2003		02/10/2003	02/14/2003	Not Applicable
	<b>IP 71122</b>	<b>- LIQ/GASEOUS EFFLUENTS INSPECTION</b>	<b>1</b>			
2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		02/10/2003	02/14/2003	Baseline Inspections
	<b>FY 2003</b>	<b>- FERMI INIT EXAM 03/2003</b>	<b>3</b>			
2	W90077	OL - INITIAL EXAM - FERMI 2 - FEB/MAR 2003		03/10/2003	03/21/2003	Not Applicable

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