



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

March 2, 2007

Mr. David A. Christian
Sr. Vice President and Chief Nuclear Officer
Dominion Resources
5000 Dominion Boulevard
Glenn Allen, VA 23060-6711

SUBJECT: ANNUAL ASSESSMENT LETTER - MILLSTONE POWER STATION
(REPORTS 05000336/2007001 AND 05000423/2007001)

Dear Mr. Christian:

On February 13, 2007, the U.S. Nuclear Regulatory Commission (NRC) staff completed its performance review of the Millstone Power Station (Millstone). Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2006. 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.

This performance review and enclosed inspection plan do not include physical protection information. A separate letter designated and marked as "Exempt from Public Disclosure in accordance with 10 CFR 2.390" will include the physical protection review and resultant inspection plan.

Overall, Millstone Units 2 and 3 operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter for Units 2 and 3, 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 reactor oversight process (ROP) baseline inspections at your facility.

While Unit 2 performance for the most recent quarter was within the Licensee Response column of the Action Matrix, Unit 2 was within the Regulatory Response column for the first three quarters of the assessment cycle due to one White (low to moderate safety significance) PI. Specifically, Unit 2 had a White PI in Scrams with Loss of Normal Heat Removal (LONHR). On February 23, 2006, Unit 2 was manually tripped from 100 percent power due to a loss of both main feedwater pumps following a partial loss of instrument air. This was the third scram with LONHR and caused the PI to cross the Green/White threshold. Millstone staff performed a root cause evaluation for the contributing events and the NRC completed a supplemental inspection of the scrams associated with the PI in September 2006. The PI returned to a level requiring no additional oversight (Green) with the reporting of the 4th quarter 2006 data.

Additionally, the staff identified that there were five Green findings for the current twelve month assessment period with documented cross-cutting aspects in the area of problem identification and resolution, and there was a cross-cutting theme associated with these findings. The theme was a failure to thoroughly evaluate problems through the implementation of the operability determination process and engineering support evaluation of degraded equipment conditions. In evaluating the scope of efforts and progress in addressing the cross-cutting theme, NRC staff determined that Millstone appropriately recognized the cross-cutting theme; scheduled and took actions to address the theme based on when the issues occurred; and took a range of corrective actions which have been implemented and are judged, at this point, to be effective in mitigating the cross-cutting theme. Therefore, the staff has determined that a substantive cross-cutting issue in problem identification and resolution does not exist at this time.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through June 30, 2008. In addition to baseline inspections, we plan on conducting an independent spent fuel storage facility inspection. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last nine months of the inspection plan are tentative and may be revised at the mid-cycle review.

In accordance with 10 CFR 2.390 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 Paul Krohn at 610-337-5120 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

David C. Lew, Director
Division of Reactor Projects

Docket Nos. 50-336, 50-423
License Nos. DPR-65, NPF-49

Enclosure: Millstone Inspection / Activity Plan

cc w/encl:

J. A. Price, Site Vice President, Millstone Station
C. L. Funderburk, Director, Nuclear Licensing and Operations Support
D. W. Dodson, Supervisor, Station Licensing
L. M. Cuoco, Senior Counsel
C. Brinkman, Manager, Washington Nuclear Operations
J. Roy, Director of Operations, Massachusetts Municipal Wholesale Electric Company
First Selectmen, Town of Waterford
B. Sheehan, Co-Chair, NEAC
E. Woollacott, Co-Chair, NEAC
E. Wilds, Director, State of Connecticut SLO Designee
J. Buckingham, Department of Public Utility Control
G. Proios, Suffolk County Planning Dept.
R. Shadis, New England Coalition Staff
G. Winslow, Citizens Regulatory Commission (CRC)
S. Comley, We The People
D. Katz, Citizens Awareness Network (CAN)
R. Bassilakis, CAN
J. M. Block, Attorney, CAN
P. Eddy, Electric Division, Department of Public Service, State of New York
P. Smith, President, New York State Energy Research and Development Authority
J. Spath, SLO Designee, New York State Energy Research and Development Authority

Millstone
Inspection / Activity Plan
01/01/2007 - 06/30/2008

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	3/12 EXM - U3 OPERATOR LICENSING INITIAL EXAMS		3			
3	U01638	MILLSTONE 3 INITIAL EXAM (FY07)		02/12/2007	02/16/2007	Not Applicable
3	U01638	MILLSTONE 3 INITIAL EXAM (FY07)		03/12/2007	03/16/2007	Not Applicable
	7111107 - U3 BIENNIAL HEAT SINK INSP		1			
3	IP 7111107B	Heat Sink Performance		01/08/2007	01/12/2007	Baseline Inspections
	7112101 - OCC RAD SAFETY		1			
2,3	IP 7112101	Access Control to Radiologically Significant Areas		02/12/2007	02/16/2007	Baseline Inspections
	SAFSTOR - SAFSTOR INSPECTION		1			
1	IP 40801	Self-Assessment, Auditing, And Corrective Action At Permanently Shutdown Reactors		03/19/2007	03/23/2007	Other Routine
1	IP 60801	Spent Fuel Pool Safety At Permanently Shutdown Reactors		03/19/2007	03/23/2007	Other Routine
1	IP 62801	Maintenance And Surveillance At Permanently Shutdown Reactors		03/19/2007	03/23/2007	Other Routine
1	IP 71801	Decommissioning Performance And Status Review At Permanently Shutdown Reactors		03/19/2007	03/23/2007	Other Routine
1	IP 83750	Occupational Radiation Exposure		03/19/2007	03/23/2007	Other Routine
	7111108P - U3 IN-SERVICE INSPECTION		1			
3	IP 7111108P	Inservice Inspection Activities - PWR		04/09/2007	04/20/2007	Baseline Inspections
	7112102 - OCC RAD SAFETY - ALARA		1			
2,3	IP 7112102	ALARA Planning and Controls		04/23/2007	04/27/2007	Baseline Inspections
	TI-166 - CONTAINMENT SUMP MODIFICATIONS - UNIT 3		1			
3	IP 2515/166	Pressurized Water Reactor Containment Sump Blockage [NRC GENERIC LETTER 2004-02]		04/23/2007	04/27/2007	Safety Issues
	7112201 - PUB RAD SAFETY - RETS		1			
2,3	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		06/04/2007	06/08/2007	Baseline Inspections
	7111111B - L.O. REQUAL.PROG.(FOCUS U3)+P/F RVW		3			
2,3	IP 7111111B	Licensed Operator Requalification Program		09/10/2007	09/14/2007	Baseline Inspections
	71114 - EP PRGM INSP		1			
2,3	IP 7111402	Alert and Notification System Testing		09/10/2007	09/14/2007	Baseline Inspections
2,3	IP 7111403	Emergency Response Organization Augmentation Testing		09/10/2007	09/14/2007	Baseline Inspections
2,3	IP 7111404	Emergency Action Level and Emergency Plan Changes		09/10/2007	09/14/2007	Baseline Inspections
2,3	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		09/10/2007	09/14/2007	Baseline Inspections
2,3	IP 71151-EP01	Drill/Exercise Performance		09/10/2007	09/14/2007	Baseline Inspections
2,3	IP 71151-EP02	ERO Drill Participation		09/10/2007	09/14/2007	Baseline Inspections
2,3	IP 71151-EP03	Alert & Notification System		09/10/2007	09/14/2007	Baseline Inspections
	TRI FIRE - TRIENNIAL FIRE PROTECTION INSPECTION		3			
3	IP 7111105T	Fire Protection [Triennial]		09/17/2007	09/21/2007	Baseline Inspections
3	IP 7111105T	Fire Protection [Triennial]		10/01/2007	10/05/2007	Baseline Inspections

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

Millstone
Inspection / Activity Plan
01/01/2007 - 06/30/2008

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	7112103 - OCC RAD SAFETY - INSTRUMENTS		1			
2, 3	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		09/24/2007	09/28/2007	Baseline Inspections
	ISFSI - ISFSI INSPECTIONS		1			
2, 3	IP 60854.1	Preoperational Testing of Independent Spent Fuel Storage Facility Installation at Operating F		10/01/2007	12/31/2007	Other Routine
	7112203 - PUB RAD SAFETY - REMP		1			
2, 3	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control Pr		10/29/2007	11/02/2007	Baseline Inspections
	7111117B - MODS AND 50.59		3			
2, 3	IP 7111102	Evaluation of Changes, Tests, or Experiments		11/05/2007	11/09/2007	Baseline Inspections
2, 3	IP 7111117B	Permanent Plant Modifications		11/05/2007	11/09/2007	Baseline Inspections
	2/11EXAM - U2 OPERATOR LICENSING INITIAL EXAMS		4			
2	U01634	MILLSTONE 2 INITIAL EXAM (FY08)		03/11/2008	03/14/2008	Not Applicable
2	U01634	MILLSTONE 2 INITIAL EXAM (FY08)		04/07/2008	04/11/2008	Not Applicable
	TRI FIRE - TRIENNIAL FIRE PROTECTION INSPECTION		3			
2	IP 7111105T	Fire Protection [Triennial]		01/14/2008	01/18/2008	Baseline Inspections
2	IP 7111105T	Fire Protection [Triennial]		01/28/2008	02/01/2008	Baseline Inspections
	7112101 - OCC RAD SAFETY - ACCESS		1			
2, 3	IP 7112101	Access Control to Radiologically Significant Areas		02/11/2008	02/15/2008	Baseline Inspections
	71152B - PI&R		4			
2, 3	IP 71152B	Identification and Resolution of Problems		02/11/2008	02/15/2008	Baseline Inspections
2, 3	IP 71152B	Identification and Resolution of Problems		02/25/2008	02/29/2008	Baseline Inspections
	7111108P - U2 INSERVICE INSPECTION		1			
2	IP 7111108P	Inservice Inspection Activities - PWR		04/07/2008	04/11/2008	Baseline Inspections
2	IP 7111108P	Inservice Inspection Activities - PWR		04/21/2008	04/25/2008	Baseline Inspections
	7111121 - CDBI		7			
2, 3	IP 7111121	Component Design Bases Inspection		06/23/2008	06/27/2008	Baseline Inspections

Additionally, the staff identified that there were five Green findings for the current twelve month assessment period with documented cross-cutting aspects in the area of problem identification and resolution, and there was a cross-cutting theme associated with these findings. The theme was a failure to thoroughly evaluate problems through the implementation of the operability determination process and engineering support evaluation of degraded equipment conditions. In evaluating the scope of efforts and progress in addressing the cross-cutting theme, NRC staff determined that Millstone appropriately recognized the cross-cutting theme; scheduled and took actions to address the theme based on when the issues occurred; and took a range of corrective actions which have been implemented and are judged, at this point, to be effective in mitigating the cross-cutting theme. Therefore, the staff has determined that a substantive cross-cutting issue in problem identification and resolution does not exist at this time.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through June 30, 2008. In addition to baseline inspections, we plan on conducting an independent spent fuel storage facility inspection. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last nine months of the inspection plan are tentative and may be revised at the mid-cycle review.

In accordance with 10 CFR 2.390 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 Paul Krohn at 610-337-5120 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/
David C. Lew, Director
Division of Reactor Projects

Docket Nos. 50-336, 50-423
License Nos. DPR-65, NPF-49

Enclosure: Millstone Inspection / Activity Plan

Distribution w/enc:

S. Collins, RA
M. Dapas, DRA
J. Lamb, RI OEDO
A. Kock, OEDO
H. Chernoff, NRR
J. Lubinski, NRR
M. Kowal, NRR
V. Nerses, NRR, PM
E. Miller, NRR
S. Schneider, Senior Resident Inspector
E. Bartels, Resident OA
P. Krohn, DRP
B. Norris, DRP
Region I Docket Room (with concurrences)

D. Lew, DRP
J. Clifford, DRP
A. Blough, DRS
M. Gamberoni, DRS
J. Trapp, DRS
J. White, DRS
R. Conte, DRS
L. Doerflein, DRS
J. Rogge, DRS
M. Sykes, DRS
D. Screnci, PAO
RidsNrrDirslpab
Institute of Nuclear Power Operations (INPO)

SUNSI Review Complete: PGK (Reviewer's Initials)

DOCUMENT NAME: S:\ROP-7 EOC Review\2006 ROP-7 Annual Assessment Letters\PDF Merged files\2006 EOC Millstone Assessment Letter.wpd

After declaring this document "An Official Agency Record" it will be released to the Public.

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure
"E" = Copy with attachment/enclosure "N" = No copy

OFFICE	RI/DRP	RI/DRP	RI/DRP
NAME	B. Norris/BSN	PKrohn/PGK	DLew/DCL
DATE	02/27/07	02/27/07	03/02/07