

August 30, 2004

Mr. Christopher M. Crane
President and CEO
AmerGen Energy Company, LLC
200 Exelon Way, KSA 3-E
Kennett Square, PA 19348

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -
THREE MILE ISLAND, UNIT 1

Dear Mr. Crane:

On August 5, 2004, the NRC staff completed its mid-cycle plant performance assessment of Three Mile Island, Unit 1 (TMI). The mid-cycle review for TMI involved the participation of all technical divisions in evaluating performance for the first half of the calendar year 2004 assessment cycle. The process included a review of performance indicators (PIs) for the most recent quarter and inspection results over the twelve month period, July 2003 to June 2004. 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. This performance review and enclosed inspection plan do not include physical protection information. A separate letter designated and marked as "Proprietary Information in accordance with 10 CFR 2.390(d)(1)" will include the physical protection review and resultant inspection plan.

Plant performance for the most recent quarter 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 only baseline inspections at your facility through March 31, 2006.

In our annual assessment letter dated March 3, 2004, we advised you of a substantive cross-cutting issue in the area of problem identification and resolution (PI&R). The substantive cross-cutting issue was based on instances where the organization either did not question or did not sufficiently evaluate plant equipment problems. The mid-cycle assessment of this cross-cutting issue included a review of inspection results over the twelve month period, July 2003 to June 2004. Overall, eight findings, six from the latter half of 2003 and two from 2004, reflect a continuing common theme of instances where the organization either did not question or did not sufficiently evaluate plant equipment problems. The two most recent findings involved not identifying excessive vibration levels on a Nuclear River pump motor and improper simulator modeling of plant event responses. Based on the common theme of findings in the above twelve month period, we have concluded this cross-cutting issue still exists. We are aware of a number of AmerGen initiatives, some of which are relatively recent, focused at improving performance in PI&R. We plan to monitor your performance during NRC baseline inspection activities.

Mr. Christopher Crane

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The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through March 31, 2006. 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 inspections in the last twelve months of the inspection plan are tentative and may be revised at the end-of-cycle review meeting.

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-room/adams.html> (the Electronic Reading Room).

If circumstances arise which cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact Mr. Peter Eselgroth of my staff at (610) 337-5234 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

A. Randolph Blough, Director
Division of Reactor Projects

Docket No. 05000289
License No. DPR-50

Enclosure: Three Mile Island Unit 1 Inspection/Activity Plan

cc w/encl:

Chief Operating Officer, AmerGen

Site Vice President - TMI Unit 1, AmerGen

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

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Chairman, Board of County Commissioners of Dauphin County

Chairman, Board of Supervisors of Londonderry Township

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OFFICE	RI/DRP		RI/DRP		RI/DRP			
NAME	JHernandez/ PWE for		PEselgroth/ PWE		ABlough/ ARB			
DATE	08/25/03		08/25/03		08/27/03			

Three Mile Island
Inspection / Activity Plan
07/01/2004 - 03/31/2006

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	7112201 - PUB RAD SAFETY - RETS		1			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		09/07/2004	09/10/2004	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		10/25/2004	10/29/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		10/25/2004	10/29/2004	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		10/25/2004	10/29/2004	Baseline Inspections
	71114 - EP PROGRAM INSP & PI VERIF.		1			
1	IP 7111402	Alert and Notification System Testing		11/15/2004	11/19/2004	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		11/15/2004	11/19/2004	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		11/15/2004	11/19/2004	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		11/15/2004	11/19/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		11/15/2004	11/19/2004	Baseline Inspections
	711112B - MAINTENANCE RULE		2			
1	IP 711112B	Maintenance Effectiveness		01/10/2005	01/14/2005	Baseline Inspections
	711111B - LICENSED OPERATOR REQUAL PROGRAM INSP.		2			
1	IP 711111B	Licensed Operator Requalification Program		02/28/2005	03/04/2005	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/07/2005	03/11/2005	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/07/2005	03/11/2005	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		03/07/2005	03/11/2005	Baseline Inspections
	5/9 EXM - OPERATOR LICENSING INITIAL EXAMS		3			
1	U01513	TMI UNIT 1 INITIAL EXAM (5/9-13/05)		04/11/2005	04/15/2005	Not Applicable
1	U01513	TMI UNIT 1 INITIAL EXAM (5/9-13/05)		05/09/2005	05/13/2005	Not Applicable
	7112202 - PUB RAD SAFETY - RADWASTE		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		04/11/2005	04/15/2005	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		04/11/2005	04/15/2005	Baseline Inspections
1	IP 7112202	Radioactive Material Processing and Transportation		04/11/2005	04/15/2005	Baseline Inspections
	7111401 - EXERCISE EVALUATION AND PI VERIFICATION		1			
1	IP 7111401	Exercise Evaluation		05/02/2005	05/06/2005	Baseline Inspections
1	IP 71151	Performance Indicator Verification		05/02/2005	05/06/2005	Baseline Inspections
	7112203 - PUB RAD SAFETY - REMP		1			
1	IP 7112203	Radiological Environmental Monitoring Program		05/16/2005	05/20/2005	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		05/23/2005	05/27/2005	Baseline Inspections

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

Three Mile Island
Inspection / Activity Plan
07/01/2004 - 03/31/2006

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	71121	- OCC RAD SAFETY	1			
1	IP 7112102	ALARA Planning and Controls		05/23/2005	05/27/2005	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		05/23/2005	05/27/2005	Baseline Inspections
	7111121	- SSDI	6			
1	IP 7111121	Safety System Design and Performance Capability		07/11/2005	07/15/2005	Baseline Inspections
1	IP 7111121	Safety System Design and Performance Capability		07/25/2005	07/29/2005	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		08/22/2005	08/26/2005	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		08/22/2005	08/26/2005	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		08/22/2005	08/26/2005	Baseline Inspections
	7111108P	- INSERVICE INSPECTION	1			
1	IP 7111108P	Inservice Inspection Activities - PWR		10/24/2005	10/28/2005	Baseline Inspections
	7111105T	- TRIENNIAL FIRE PROTECTION INSPECTION	5			
1	IP 7111105T	Fire Protection		11/14/2005	11/18/2005	Baseline Inspections
1	IP 7111105T	Fire Protection		11/28/2005	12/02/2005	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		12/05/2005	12/09/2005	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		12/05/2005	12/09/2005	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		12/05/2005	12/09/2005	Baseline Inspections
1	IP 71151	Performance Indicator Verification		12/05/2005	12/09/2005	Baseline Inspections
	7111107B	- HEAT SINK	1			
1	IP 7111107B	Heat Sink Performance		12/12/2005	12/16/2005	Baseline Inspections
	71121	- OCC RADIATION SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/06/2006	03/10/2006	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/06/2006	03/10/2006	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		03/06/2006	03/10/2006	Baseline Inspections
1	IP 71151	Performance Indicator Verification		03/06/2006	03/10/2006	Baseline Inspections
	71152B	- PROBLEM IDENTIFICATION AND RESOLUTION	1			
1	IP 71152B	Identification and Resolution of Problems		03/13/2006	03/17/2006	Baseline Inspections
1	IP 71152B	Identification and Resolution of Problems		03/27/2006	03/31/2006	Baseline Inspections
	71122	- PUBLIC RADIATION SAFETY	1			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		03/27/2006	03/31/2006	Baseline Inspections