

March 2, 2006

Mr. Donald K. Cobb
Assistant Vice President
Nuclear Generation
Detroit Edison Company
6400 North Dixie Highway
Newport, MI 48166

SUBJECT: ANNUAL ASSESSMENT LETTER - FERMI NUCLEAR POWER PLANT, UNIT 2
(REPORT 05000341/2006001)

Dear Mr. Cobb:

On February 8, 2006, the NRC staff completed its performance review of the Fermi 2 Nuclear Power Plant. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2005. 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, 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 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 plant performance for the most recent quarter is within the Licensee Response column of the Action Matrix, there was a safety significant performance indicator affecting the first quarter of the assessment cycle. Your performance indicator for Emergency AC Power System Unavailability in the Reactor Safety cornerstone went White during the third quarter of 2003 and remained in that state until the end of the first quarter of this assessment cycle.

A supplemental inspection to review the circumstances surrounding the White performance indicator was conducted in accordance with Inspection Procedure (IP) 95001, "Inspection For One Or Two White Inputs In A Strategic Performance Area," in April 2004. The inspection

concluded that your staff had adequately completed a root cause analysis of the event and had identified appropriate corrective actions. This performance indicator returned to green during the second quarter of the assessment period and has remained green since, therefore, no additional supplemental inspections are planned.

In our mid-cycle assessment letter dated August 30, 2005, [ADAMS Ref. ML052420232] we advised you of the continuation of a substantive cross-cutting issue in the area of human performance involving weaknesses in personnel performance. You were requested to respond to the 2005 mid-cycle letter. In your October 5, 2005, response, you outlined the actions taken and planned to address the human performance cross-cutting issue. Although your plans have only been recently implemented, there have been no human performance related findings resulting in operational events identified in the last two quarters of the assessment period. Given that your staff has implemented improvement plans and the lack of recent findings, we concluded that this cross-cutting issue is closed. We will continue to monitor your performance in this area during NRC baseline inspections.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through September 30, 2007. 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 9 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 Thomas Kozak of my staff at 630-829-9866 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Mark A. Satorius, Director
Division of Reactor Projects

Docket Nos. 50-341
License Nos. NPF-43

Enclosure: Fermi 2 Inspection/Activity Plan

See Attached Distribution

cc w/encl: N. Peterson, Manager, Nuclear Licensing
D. Pettinari, Legal Department
Compliance Supervisor
G. White, Michigan Public Service Commission
L. Brandon, Michigan Department of Environmental Quality -
Waste and Hazardous Materials Division
Monroe County, Emergency Management Division
Planning Manager, Emergency Management Division
MI Department of State Police
Chair, Wayne County Board of Commissioners
Wayne County Sheriff
Director, Wayne County Emergency
Management Agency
Mayor of Flat Rock
Mayor of Gibraltar
City Administrator of Gibraltar
Monroe County Board Chairman
Monroe County Sheriff
Director, Monroe County Emergency
Management Agency
Director, Monroe County Health Department
Mayor of Monroe
Monroe City Manager
Carleton Village President
Mayor of Rockwood
Rockwood City Administrator
Supervisor, Frenchtown Charter Township
INPO

Fermi
Inspection / Activity Plan
03/01/2006 - 09/30/2007

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	FY 2006 - FERMI INIT EXAM 03/2006		3			
2	W90145	OL - INITIAL EXAM - FERMI - JAN/FEB 2006		03/06/2006	03/10/2006	Not Applicable
	7112102 - ALARA OUTAGE INSP		2			
2	IP 7112102	ALARA Planning and Controls		03/27/2006	03/31/2006	Baseline Inspections
	ISI - FERMI ISI INSPECTION		1			
2	IP 7111108G	Inservice Inspection Activities - BWR		04/10/2006	04/14/2006	Baseline Inspections
	7111401 - EP EXERCISE BASELINE		2			
2	IP 7111401	Exercise Evaluation		06/05/2006	06/09/2006	Baseline Inspections
2	IP 71151	Performance Indicator Verification		06/05/2006	06/09/2006	Baseline Inspections
	7112101 - RADIOLOGICAL ACCESS CONTROL		2			
2	IP 7112101	Access Control to Radiologically Significant Areas		06/19/2006	06/23/2006	Baseline Inspections
2	IP 71151	Performance Indicator Verification		06/19/2006	06/23/2006	Baseline Inspections
	MOD/5059 - MODIFICATION/50.59 INSPECTIONS		2			
2	IP 7111102	Evaluation of Changes, Tests, or Experiments		07/17/2006	08/04/2006	Baseline Inspections
2	IP 7111117B	Permanent Plant Modifications		07/17/2006	08/04/2006	Baseline Inspections
	7112101 - RADIOLOGICAL ACCESS CONTROL		1			
2	IP 7112101	Access Control to Radiologically Significant Areas		07/24/2006	07/28/2006	Baseline Inspections
2	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control P		07/24/2006	07/28/2006	Baseline Inspections
	7112201 - EFFLUENTS		1			
2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		11/27/2006	12/01/2006	Baseline Inspections
2	IP 71151	Performance Indicator Verification		11/27/2006	12/01/2006	Baseline Inspections
	7112103 - INSTRUMENTATION & ACCESS CONTROL		1			
2	IP 7112101	Access Control to Radiologically Significant Areas		01/22/2007	01/26/2007	Baseline Inspections
2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		01/22/2007	01/26/2007	Baseline Inspections
	HEATSINK - HEAT SINK INSPECTION		1			
2	IP 7111107B	Heat Sink Performance		03/19/2007	03/23/2007	Baseline Inspections
	MAINT EF - MAINTENANCE EFFECTIVENESS BIENNIAL		1			
2	IP 7111112B	Maintenance Effectiveness		04/02/2007	04/06/2007	Baseline Inspections
	7112203 - REMP AND RAM CONTROL		1			
2	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control P		04/16/2007	04/20/2007	Baseline Inspections
	FY 2007 - FERMI INIT PREP 06/2007		3			
2	W90161	OL - INITIAL EXAM - FERMI 2 - JUN/JUL 2007		06/25/2007	06/29/2007	Not Applicable
	CDBI - COMPONENT DESIGN BASES INSPECTION		5			
2	IP 7111121	Component Design Bases Inspection		06/25/2007	07/27/2007	Baseline Inspections

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	FY 2007 - FERMI INIT EXAM 07/2007		3			
2	W90161	OL - INITIAL EXAM - FERMI 2 - JUN/JUL 2007		07/16/2007	07/27/2007	Not Applicable
	7112101 - ACCESS CONTROL		1			
2	IP 7112101	Access Control to Radiologically Significant Areas		08/06/2007	08/10/2007	Baseline Inspections