

March 2, 2004

Mr. Jay K. Thayer  
Site Vice President - Vermont Yankee  
Entergy Nuclear Vermont Yankee, LLC  
P.O. Box 0500  
185 Old Ferry Road  
Brattleboro, VT 05302-0500

SUBJECT: ANNUAL ASSESSMENT LETTER - VERMONT YANKEE (REPORT  
05000271/2004001)

Dear Mr. Thayer:

On February 5, 2004, the NRC staff completed its end-of-cycle plant performance assessment of the Vermont Yankee Nuclear Power Station. The review involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2003. 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.

Overall, Vermont Yankee operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter, as well as for the first three quarters of the assessment cycle, 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). Based on plant performance, our risk-informed baseline inspection program is the appropriate level of NRC inspection.

The enclosed inspection plan details the inspections scheduled through September 30, 2005. 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 mid-cycle review meeting.

We note that you have recently submitted an amendment request to the NRC to increase the power output of Vermont Yankee. Our inspection plan includes baseline inspections that will review modifications made to the plant to support operation at the higher power output. These inspections will assure that the modifications will not adversely impact safe operation at the currently authorized power output. Our inspection plan may be revised to include specific inspections directed at operation at the higher power output as the NRC review of your amendment request proceeds.

Mr. Jay K. Thayer

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As you are aware, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force readiness since the terrorist attacks on September 11, 2001. We have conducted inspections to review your implementation of these requirements and have monitored your actions in response to changing threat conditions. For calendar year 2004, we plan to continue inspections of order implementation combined with newly developed portions of the security baseline inspection program.

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.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 me at 610-337-5227 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

*/RA/*

Clifford Anderson, Chief  
Projects Branch 5  
Division of Reactor Projects

Docket No. 50-271  
Licensee No. DPR-28

Enclosure: Vermont Yankee Inspection/Activity Plan

cc w/encl: M. R. Kansler, President, Entergy Nuclear Operations, Inc.  
G. Taylor, Chief Executive Officer, Entergy Operations  
J. Herron, Senior Vice President and Chief Operating Officer  
D. Pace, Vice President, Engineering  
R. Edington, Vice President, Operations Support  
Manager, Licensing, Vermont Yankee Nuclear Power Station  
M. Hamer, Operating Experience Coordinator - Vermont Yankee Nuclear  
Power Station  
Director of Oversight, Entergy Nuclear Operations, Inc.  
J. M. Fulton, Assistant General Counsel  
S. Lousteau, Treasury Department, Entergy Services, Inc.  
Administrator, Bureau of Radiological Health, State of New Hampshire  
Chief, Safety Unit, Office of the Attorney General, Commonwealth of Mass.  
D. Lewis, Esquire  
G. D. Bisbee, Esquire  
J. Block, Esquire  
D. Katz, Citizens Awareness Network (CAN)  
M. Daley, New England Coalition on Nuclear Pollution, Inc. (NECNP)  
R. Shadis, New England Coalition Staff  
C. McCombs, Commonwealth of Massachusetts, SLO Designee  
G. Sachs, President/Staff Person, c/o Stopthesale  
K. Graesser, BWR SRC Consultant  
J. Sniezek, BWR SRC Consultant  
R. Toole, BWR SRC Consultant  
J. P. Matteau, Executive Director, Windham Regional Commission  
State of New Hampshire, SLO Designee  
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Institute of Nuclear Power Operations (INPO)

Mr. Jay K. Thayer

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<b>NAME</b>	<b>DFlorek/DF</b>	<b>CAnderson/CA</b>					
<b>DATE</b>	<b>03/2/04</b>	<b>03/2/04</b>	<b>03/ /04</b>	<b>03/ /04</b>	<b>03/ /04</b>	<b>03/ /04</b>	

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**Vermont Yankee**  
**Inspection / Activity Plan**  
**01/01/2004 - 09/30/2005**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	<b>71121</b>	<b>- OCC RAD SAFETY</b>	<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		02/17/2004	02/20/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		02/17/2004	02/20/2004	Baseline Inspections
	<b>71130</b>	<b>- SECURITY</b>	<b>2</b>			
1	IP 7113001	Access Authorization		03/08/2004	03/12/2004	Baseline Inspections
1	IP 7113002	Access Control		03/08/2004	03/12/2004	Baseline Inspections
1	IP 7113008	Fitness For Duty Program		03/08/2004	03/12/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		03/08/2004	03/12/2004	Baseline Inspections
	<b>711108G</b>	<b>- INSERVICE INSPECTION</b>	<b>3</b>			
1	IP 7111108G	Inservice Inspection Activities - BWR		04/12/2004	04/16/2004	Baseline Inspections
	<b>71121</b>	<b>- OCC RAD SAFETY</b>	<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		04/12/2004	04/16/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		04/12/2004	04/16/2004	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		04/12/2004	04/16/2004	Baseline Inspections
	<b>71121</b>	<b>- OCC RAD SAFETY</b>	<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		07/12/2004	07/16/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		07/12/2004	07/16/2004	Baseline Inspections
	<b>71114</b>	<b>- EP PRGM INSP &amp; PI VERIFICATION</b>	<b>1</b>			
1	IP 7111402	Alert and Notification System Testing		08/02/2004	08/06/2004	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		08/02/2004	08/06/2004	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		08/02/2004	08/06/2004	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		08/02/2004	08/06/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		08/02/2004	08/06/2004	Baseline Inspections
	<b>7111121</b>	<b>- SSDI</b>	<b>6</b>			
1	IP 7111121	Safety System Design and Performance Capability		08/16/2004	08/20/2004	Baseline Inspections
1	IP 7111121	Safety System Design and Performance Capability		08/30/2004	09/03/2004	Baseline Inspections
	<b>7111111B</b>	<b>- LO REQUALIFICATION PROGRAM</b>	<b>2</b>			
1	IP 7111111B	Licensed Operator Requalification Program		08/29/2004	09/03/2004	Baseline Inspections
	<b>71111.05</b>	<b>- TRIENNIAL FIRE PROTECTION INSPECTION</b>	<b>3</b>			
1	IP 7111105T	Fire Protection		09/13/2004	09/17/2004	Baseline Inspections
1	IP 7111105T	Fire Protection		09/27/2004	10/01/2004	Baseline Inspections
	<b>7112201</b>	<b>- PUB RAD SAFETY - RETS</b>	<b>1</b>			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		09/13/2004	09/17/2004	Baseline Inspections

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

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**01/01/2004 - 09/30/2005**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	<b>7112103</b>	<b>- OCC RAD SAFETY - INSTRUMENTATION</b>	<b>1</b>			
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		11/01/2004	11/05/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		11/01/2004	11/05/2004	Baseline Inspections
	<b>7111107B</b>	<b>- HEAT SINK</b>	<b>1</b>			
1	IP 7111107B	Heat Sink Performance		11/15/2004	11/19/2004	Baseline Inspections
	<b>1/31 EXM</b>	<b>- OPERATOR LICENSING INITIAL EXAMS</b>	<b>3</b>			
1	U01540	VERMONT YANKEE INITIAL EXAM (6/1-5/05)		12/13/2004	12/17/2004	Not Applicable
1	U01540	VERMONT YANKEE INITIAL EXAM (6/1-5/05)		01/31/2005	02/04/2005	Not Applicable
	<b>7111117B</b>	<b>- MODS &amp; 50.59</b>	<b>1</b>			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		04/11/2005	04/15/2005	Baseline Inspections
1	IP 7111117B	Permanent Plant Modifications		04/11/2005	04/15/2005	Baseline Inspections
	<b>7111401</b>	<b>- EXERCISE EVALUATION &amp; EP PI VERIFICATION</b>	<b>1</b>			
1	IP 7111401	Exercise Evaluation		05/23/2005	05/27/2005	Baseline Inspections
1	IP 71151	Performance Indicator Verification		05/23/2005	05/27/2005	Baseline Inspections
	<b>7112202</b>	<b>- PUB RAD SAFETY - RADWASTE</b>	<b>1</b>			
1	IP 7112202	Radioactive Material Processing and Transportation		06/27/2005	07/01/2005	Baseline Inspections
	<b>71121</b>	<b>- OCC RAD SAFETY</b>	<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		08/08/2005	08/12/2005	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		08/08/2005	08/12/2005	Baseline Inspections
	<b>71152B</b>	<b>- PROBLEM IDENTIFICATION AND RESOLUTION</b>	<b>1</b>			
1	IP 71152B	Identification and Resolution of Problems		09/12/2005	09/16/2005	Baseline Inspections
1	IP 71152B	Identification and Resolution of Problems		09/26/2005	09/30/2005	Baseline Inspections