

March 2, 2004

Mr. James Spina
Vice President Nine Mile Point
Nine Mile Point Nuclear Station, LLC
P.O. Box 63
Lycoming, NY 13093

SUBJECT: ANNUAL ASSESSMENT LETTER - NINE MILE POINT NUCLEAR STATION
(REPORT 05000220/2004001 AND 05000410/2004001)

Dear Mr. Spina:

On February 4, 2004, the NRC staff completed its end-of-cycle plant performance assessment of Nine Mile Point Nuclear Station. The end-of-cycle review involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period 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, both Nine Mile Point units operated in a manner that preserved public health and safety, and fully met all cornerstone objectives. Plant performance at Unit 1 for the most recent quarter was within the Regulatory Response Column of the NRC's Action Matrix, based on one finding of low to moderate safety significance (White) in the Mitigating Systems Cornerstone regarding degraded reactor building closed loop cooling system piping. This finding was identified during the first quarter of this assessment cycle. A Supplemental Inspection, conducted in September 2003, determined that the root causes of this performance issue were understood, the extent of condition was identified, and the corrective actions were sufficient to prevent recurrence.

Plant performance at Unit 2 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). While plant performance for the most recent quarter was within the Licensee Response Column of the Action Matrix, there was one White PI during the third quarter of the assessment cycle in the Initiating Event Cornerstone. The PI for Unplanned Scrams per 7000 Critical Hours exceeded the Green/White threshold due to two automatic scrams that occurred during the third quarter of 2003. We are planning to conduct a Supplemental Inspection, starting on March 8, 2004, to review your actions related to this PI.

During our mid-cycle assessment, we identified a substantive cross-cutting issue in the area of problem identification and resolution (PIR). During this assessment period, you initiated several actions to improve your PIR process. In October 2003, our PIR team inspection noted some improvement in program implementation and a reduction in the number of backlogged issues. However, a number of inspection findings during the past 12 months involved ineffective corrective actions for longstanding equipment deficiencies and narrowly focused operability assessments. Therefore, the cross-cutting issue will remain open. Findings included repetitive reactor building closed cooling system piping leaks, recurring problems with 115 kV offsite power availability, aging scram pilot solenoid diaphragms that caused slow rod scram times, and several incomplete operability determinations for degraded equipment. We request that you describe actions being taken to address this cross-cutting issue at our upcoming Annual Assessment Meeting. We plan to monitor your progress to improve PIR performance at the plant during baseline inspection activities.

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 six months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

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).

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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 James M. Trapp, Chief, Projects Branch 1, at 610-337-5186 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

A. Randolph Blough, Director
Division of Reactor Projects

Docket Nos. 50-220, 50-410
Licensee Nos. DPR-63, NPF-69

Enclosure: Nine Mile Point Inspection/Activity Plan

cc w/encl: M. J. Wallace, President, Nine Mile Point Nuclear Station, LLC
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M. J. Wetterhahn, Esquire, Winston and Strawn
P. R. Smith, President, New York State Energy, Research,
and Development Authority
J. Spath, Program Director, New York State Energy Research
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Mr. James Spina

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NAME	Ghunegs/JMT for	JTrapp/JMT	ABl ough/AB				
DATE	02/25/04	02/25/04	03/02/04	03/ /04	03/ /04		

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Nine Mile Point
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	
	95001	- WHITE PI - UNIT 2 SCRAMS - SUPPLEMENTAL	2			
2	IP 95001	Supplemental Inspection For One Or Two White Inputs In A Strategic Performance Area		03/08/2004	03/12/2004	Supplemental Program
	7111108G	- INSERVICE INSPECTION - UNIT 2	2			
2	IP 7111108G	Inservice Inspection Activities - BWR		03/22/2004	03/26/2004	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
2	IP 7112101	Access Control to Radiologically Significant Areas		03/22/2004	03/26/2004	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls		03/22/2004	03/26/2004	Baseline Inspections
2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		03/22/2004	03/26/2004	Baseline Inspections
	711112B	- MAINTENANCE RULE	2			
1, 2	IP 711112B	Maintenance Effectiveness		05/10/2004	05/14/2004	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		06/07/2004	06/11/2004	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		06/07/2004	06/11/2004	Baseline Inspections
1, 2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		06/07/2004	06/11/2004	Baseline Inspections
	71114	- EP PROGRAM INSPECTION & PI VERIFICATION	1			
1, 2	IP 7111402	Alert and Notification System Testing		07/12/2004	07/16/2004	Baseline Inspections
1, 2	IP 7111403	Emergency Response Organization Augmentation Testing		07/12/2004	07/16/2004	Baseline Inspections
1, 2	IP 7111404	Emergency Action Level and Emergency Plan Changes		07/12/2004	07/16/2004	Baseline Inspections
1, 2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		07/12/2004	07/16/2004	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		07/12/2004	07/16/2004	Baseline Inspections
	7111121	- SSDI	6			
1, 2	IP 7111121	Safety System Design and Performance Capability		08/16/2004	08/20/2004	Baseline Inspections
1, 2	IP 7111121	Safety System Design and Performance Capability		08/30/2004	09/03/2004	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		09/20/2004	09/24/2004	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		09/20/2004	09/24/2004	Baseline Inspections
1, 2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		09/20/2004	09/24/2004	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		09/20/2004	09/24/2004	Baseline Inspections
	71130	- SECURITY	2			
1, 2	IP 7113001	Access Authorization		09/20/2004	09/24/2004	Baseline Inspections
1, 2	IP 7113002	Access Control		09/20/2004	09/24/2004	Baseline Inspections
1, 2	IP 7113008	Fitness For Duty Program		09/20/2004	09/24/2004	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		09/20/2004	09/24/2004	Baseline Inspections

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	11/1 EXM - U1 OPERATOR LICENSING INITIAL EXAMS		3			
1	U01524	NINE MILE POINT UNIT 1 INITIAL EXAM (8/2-6/04)		10/04/2004	10/07/2004	Not Applicable
1	U01524	NINE MILE POINT UNIT 1 INITIAL EXAM (8/2-6/04)		11/01/2004	11/13/2004	Not Applicable
	7111107B - HEAT SINK		1			
1, 2	IP 7111107B	Heat Sink Performance		11/01/2004	11/05/2004	Baseline Inspections
	7111111B - LO REQUALIFICATION PROGRAM UNIT 2		2			
2	IP 7111111B	Licensed Operator Requalification Program		11/14/2004	11/19/2004	Baseline Inspections
	7112202 - PUB RAD SAFETY - RADWASTE		1			
1, 2	IP 7112202	Radioactive Material Processing and Transportation		11/15/2004	11/19/2004	Baseline Inspections
	7111108G - INSERVICE INSPECTION - U1		2			
1	IP 7111108G	Inservice Inspection Activities - BWR		03/21/2005	03/25/2005	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		03/21/2005	03/25/2005	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		03/21/2005	03/25/2005	Baseline Inspections
1, 2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		03/21/2005	03/25/2005	Baseline Inspections
	5/2+EXM - U2 OPERATOR LICENSING INITIAL EXAMS		3			
2	U01520	NINE MILE POINT UNIT 2 INITIAL EXAM (4/19-23/04)		04/04/2005	04/08/2005	Not Applicable
2	U01520	NINE MILE POINT UNIT 2 INITIAL EXAM (4/19-23/04)		05/02/2005	05/06/2005	Not Applicable
	7112201 - PUB RAD SAFETY - RETS (UNIT 1 ONLY)		1			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		04/11/2005	04/15/2005	Baseline Inspections
	7112201 - PUB RAD SAFETY - RETS (UNIT 2 ONLY)		1			
2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		04/18/2005	04/22/2005	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		06/27/2005	07/01/2005	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		06/27/2005	07/01/2005	Baseline Inspections
1, 2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		06/27/2005	07/01/2005	Baseline Inspections
	7111401 - EXERCISE EVALUATION & EP PI VERIFICATION		1			
1, 2	IP 7111401	Exercise Evaluation		08/15/2005	08/19/2005	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		08/15/2005	08/19/2005	Baseline Inspections
	7111117B - MODS & 50.59		1			
1, 2	IP 7111102	Evaluation of Changes, Tests, or Experiments		09/19/2005	09/23/2005	Baseline Inspections
1, 2	IP 7111117B	Permanent Plant Modifications		09/19/2005	09/23/2005	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		09/26/2005	09/30/2005	Baseline Inspections

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	71121	- OCC RAD SAFETY	1			
1, 2	IP 7112102	ALARA Planning and Controls		09/26/2005	09/30/2005	Baseline Inspections
1, 2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		09/26/2005	09/30/2005	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		09/26/2005	09/30/2005	Baseline Inspections

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