



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

March 2, 2005

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

SUBJECT: ANNUAL ASSESSMENT LETTER - THREE MILE ISLAND NUCLEAR POWER
STATION UNIT 1 (REPORT 05000289/2005001)

Dear Mr. Crane:

On February 10, 2005, the NRC staff completed its end-of-cycle plant performance assessment of Three Mile Island Unit 1 (TMI-1). The end-of-cycle review for TMI-1 involved the participation of the reactor technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1, 2004 through December 31, 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 "Exempt from Public Disclosure in accordance with 10 CFR 2.390" will include the physical protection review and resultant inspection plan.

Overall, TMI-1 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). Therefore, we plan to conduct only reactor oversight process (ROP) baseline inspections at your facility through September 30, 2006.

In our mid-cycle assessment letter dated August 2004, we advised you of the continuation 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 end-of-cycle assessment of this cross-cutting issue included a review of inspection results over the twelve month period, January 1, 2004 to December 31, 2004. While some NRC findings in the area of problem identification continue, the findings over this time period were of very low safety significance and more narrow in scope than the findings in the previous assessment period. Further, your corrective actions in the PI&R area resulted in increased use of your problem reporting system across the organization. Based on these trends and the ongoing corrective

actions that you initiated during the assessment period, we have concluded that this cross-cutting issue is closed. We plan to continue monitoring your performance in this area during NRC baseline inspection activities.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through September 30, 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 nine months of the inspection plan are tentative and may be revised at the mid-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-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 Mr. Arthur Burritt at (610) 337-5069 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Peter W. Eselgroth, Chief,
Reactor Projects Branch 7
Division of Reactor Projects

Docket No. 50-289
License No. DPR- 50

Enclosure: TMI 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
Vice President - General Counsel and Secretary, AmerGen
T. O'Neill, Associate General Counsel, Exelon Generation Company
J. Fewell, Esq., Assistant General Counsel, Exelon Nuclear
Correspondence Control Desk - AmerGen
Chairman, Board of County Commissioners of Dauphin County
Chairman, Board of Supervisors of Londonderry Township
R. Janati, Chief, Division of Nuclear Safety, State of PA
J. Johnsrud, National Energy Committee
E. Epstein, TMI-Alert (TMIA)
D. Allard, PADER
Institute of Nuclear Power Operations

Distribution w/encl: **(VIA E-MAIL)**

- S. Collins, RA
- J. Wiggins, DRA
- A. Blough, DRP
- B. Holian, DRP
- W. Lanning, DRS
- J. Lubinski, DRS
- P. Eselgroth, DRP
- R. Barkley, DRP
- C. O'Daniell, DRP
- D. Kern, DRP, Senior Resident Inspector
- P. Sauder, DRP, Resident OA
- J. Rogge, DRS
- L. Doerflein, DRS
- R. Conte, DRS
- R. Lorson, DRS
- J. White, DRS
- S. Lee, OEDO
- R. Laufer, NRR
- T. Colburn, NRR
- D. Screnci, PAO
- RidsNrrDipmLipb
- Region I Docket Room (with concurrences)

DOCUMENT NAME: S:\ROP5 End of Cycle Review\Branch 7\TMI 2005 EOC Letter FINAL.wpd

SISP Review Complete: RSB (Reviewer's Initials)

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	DKern/ RSB for	RBarkley/ RSB	PEselgroth/ PWE		
DATE	02 /23/05	02/23/2005	03/02/05		

OFFICIAL RECORD COPY

Three Mile Island
Inspection / Activity Plan
03/01/2005 - 09/30/2006

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	711111B - L.O REQUAL PROG. & PASS/FAIL RESULTS		3			
1	IP 711111B	Licensed Operator Requalification Program		02/28/2005	03/04/2005	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		3			
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
	7111121 - SSDI		7			
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
	7112203 - PUB RAD SAFETY - REMP		1			
1	IP 7112203	Radiological Environmental Monitoring Program		07/18/2005	07/22/2005	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		10/10/2005	10/14/2005	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		10/10/2005	10/14/2005	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		10/10/2005	10/14/2005	Baseline Inspections
	7111108P - INSERVICE INSPECTION		2			
1	IP 7111108P	Inservice Inspection Activities - PWR		10/24/2005	10/28/2005	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		10/31/2005	11/04/2005	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		10/31/2005	11/04/2005	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		10/31/2005	11/04/2005	Baseline Inspections
	TRI FIRE - TRIENNIAL FIRE PROTECTION INSPECTION		4			
1	IP 7111105T	Fire Protection		11/28/2005	12/02/2005	Baseline Inspections
1	IP 7111105T	Fire Protection		12/12/2005	12/16/2005	Baseline Inspections
	7111107B - HEAT SINK		1			
1	IP 7111107B	Heat Sink Performance		12/12/2005	12/16/2005	Baseline Inspections
	71121 - OCC RAD SAFETY		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		12/12/2005	12/16/2005	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		12/12/2005	12/16/2005	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
03/01/2005 - 09/30/2006

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	71121	- OCC RAD SAFETY	1			
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		12/12/2005	12/16/2005	Baseline Inspections
1	IP 71151	Performance Indicator Verification		12/12/2005	12/16/2005	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
	MODS	- MODS AND 50.59	3			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		07/17/2006	07/21/2006	Baseline Inspections
1	IP 7111117B	Permanent Plant Modifications		07/17/2006	07/21/2006	Baseline Inspections
	10/16EXM	- OPERATOR LICENSING INITIAL EXAMS	3			
1	U01603	TMI INITIAL EXAM (6/07)		09/18/2006	09/22/2006	Not Applicable