

March 4, 2004

Mr. William O'Connor, Jr.  
Vice President  
Nuclear Generation  
Detroit Edison Company  
6400 North Dixie Highway  
Newport, MI 48166

SUBJECT: ANNUAL ASSESSMENT LETTER - FERMI 2 NUCLEAR POWER STATION  
(REPORT 50-341/04-01)

Dear Mr. O'Connor:

On February 11, 2004, the NRC staff completed its end-of-cycle plant performance assessment of the Fermi 2 Nuclear Power 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 from January 1, 2003, 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, Fermi 2 operated in a manner that preserved public health and safety. Plant performance for the most recent quarter was within the Regulatory Response Column of the NRC's Action Matrix, based on one White PI (Emergency AC Power System Unavailability) in the mitigating systems cornerstone. The White PI was discovered in the fourth quarter 2003; however, it went White in the third quarter 2003. This was due to fault exposure hours incurred due to a partially connected lube oil system pressure switch fitting on Emergency Diesel Generator 12 which impacted seismic qualification. Supplemental inspection 95001 is planned for April 2004.

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 12 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 2.390 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 Mark Ring at 630/829-9703 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

***/P. Hiland for/***

Steve A. Reynolds, Acting Director  
Division of Reactor Projects

Docket No. 50-341  
License No. NPF-43

Enclosure: Fermi 2 Inspection/Activity Plan

See Attached Distribution

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Steve A. Reynolds, Acting Director  
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**OFFICIAL RECORD COPY**

cc w/encl: N. Peterson, Manager, Nuclear Licensing  
D. Pettinari, Corporate Legal Department  
Compliance Supervisor  
R. Whale, Michigan Public Service Commission  
L. Brandon, Michigan Department of Environmental Quality  
Monroe County, Emergency Management Division  
Planning Manager, Emergency Management Division  
MI Department of State Police  
J. Ware, Chairwoman, Wayne County Board  
of Commissioners  
W. Evans, Wayne County Sheriff  
M. Sparks, Director, Wayne County  
Emergency Management  
The Honorable Richard C. Jones  
The Honorable Richard Kuhn  
P. Lehr, City Administrator, Gibraltar  
L. Roe, Monroe County Board Chairman  
T. Crutchfield, Monroe County Sheriff  
M. Yudasz, Jr., Emergency Management Director  
J. Heath, Director, Monroe County  
Health Department  
The Honorable C. D. Cappuccilli  
R. Hamilton, Monroe City Manager  
The Honorable Glenn Goodnight  
The Honorable Daniel G. Guzzi  
K. Laub, Rockwood City Administrator  
J. Spas, Frenchtown Charter Township  
Supervisor  
INPO

ADAMS Distribution:

CAC

DFT

DWW

Project Director, NRR

Project Mgr., NRR

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**Fermi**  
**Inspection / Activity Plan**  
**03/01/2004 - 09/30/2005**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	<b>INSP - EP EXERCISE AND EP PI VERIFICATION</b>		<b>3</b>			
2	IP 7111401	Exercise Evaluation		03/22/2004	03/26/2004	Baseline Inspections
2	IP 71151	Performance Indicator Verification		03/22/2004	03/26/2004	Baseline Inspections
	<b>71121.01 - RADIOLOGICAL ACCESS CONTROL</b>		<b>1</b>			
2	IP 7112101	Access Control to Radiologically Significant Areas		03/29/2004	04/02/2004	Baseline Inspections
2	IP 71151	Performance Indicator Verification		03/29/2004	04/02/2004	Baseline Inspections
	<b>SG BASE - SG BASELINE 2004</b>		<b>2</b>			
2	IP 7113001	Access Authorization		04/12/2004	04/16/2004	Baseline Inspections
2	IP 7113002	Access Control		04/12/2004	04/16/2004	Baseline Inspections
2	IP 7113008	Fitness For Duty Program		04/12/2004	04/16/2004	Baseline Inspections
2	IP 71151	Performance Indicator Verification		04/12/2004	04/16/2004	Baseline Inspections
	<b>95001 - SUPPLEMENTAL INSP-WHITE PI FOR AC POWER</b>		<b>2</b>			
2	IP 95001	Supplemental Inspection For One Or Two White Inputs In A Strategic Performance Area		04/19/2004	04/23/2004	Supplemental Progra
	<b>71122.03 - REMP AND RAD MTL CONTROL</b>		<b>1</b>			
2	IP 7112203	Radiological Environmental Monitoring Program		06/21/2004	06/25/2004	Baseline Inspections
2	IP 71151	Performance Indicator Verification		06/21/2004	06/25/2004	Baseline Inspections
	<b>FY 2004 - FERMI INIT PREP 08/2004</b>		<b>3</b>			
2	W90110	OL - INITIAL EXAM - FERMI 2 - AUG/SEP 2004		08/23/2004	08/27/2004	Not Applicable
	<b>71121.03 - RADIOLOGICAL INSTRUMENTATION</b>		<b>1</b>			
2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		09/13/2004	09/17/2004	Baseline Inspections
2	IP 71151	Performance Indicator Verification		09/13/2004	09/17/2004	Baseline Inspections
	<b>FY 2004 - FERMI INIT EXAM 09/2004</b>		<b>3</b>			
2	W90110	OL - INITIAL EXAM - FERMI 2 - AUG/SEP 2004		09/13/2004	09/24/2004	Not Applicable
	<b>MOD/5059 - MODIFICATIONS &amp; 50.59</b>		<b>3</b>			
2	IP 7111102	Evaluation of Changes, Tests, or Experiments		10/04/2004	10/08/2004	Baseline Inspections
2	IP 7111117B	Permanent Plant Modifications		10/04/2004	10/08/2004	Baseline Inspections
	<b>ISI - INSERVICE INSPECTION</b>		<b>1</b>			
2	IP 7111108G	Inservice Inspection Activities - BWR		11/01/2004	11/05/2004	Baseline Inspections
	<b>71121.02 - OUTAGE ALARA</b>		<b>1</b>			
2	IP 7112102	ALARA Planning and Controls		11/15/2004	11/19/2004	Baseline Inspections
	<b>71122.02 - RADWASTE &amp; TRANSPORTATION</b>		<b>1</b>			
2	IP 7112202	Radioactive Material Processing and Transportation		02/21/2005	02/25/2005	Baseline Inspections
	<b>71114 - BASELINE EP INSPECTION</b>		<b>1</b>			
2	IP 7111402	Alert and Notification System Testing		04/25/2005	04/29/2005	Baseline Inspections

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

**Fermi**  
**Inspection / Activity Plan**  
**03/01/2004 - 09/30/2005**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	<b>71114</b>	<b>- BASELINE EP INSPECTION</b>	<b>1</b>			
2	IP 7111403	Emergency Response Organization Augmentation Testing		04/25/2005	04/29/2005	Baseline Inspections
2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		04/25/2005	04/29/2005	Baseline Inspections
2	IP 71151	Performance Indicator Verification		04/25/2005	04/29/2005	Baseline Inspections
	<b>HEATSKB</b>	<b>- BIENNIAL HEAT SINK INSPECTION</b>	<b>1</b>			
2	IP 7111107B	Heat Sink Performance		05/09/2005	05/13/2005	Baseline Inspections
	<b>71121.01</b>	<b>- RADIOLOGICAL ACCESS CONTROL</b>	<b>1</b>			
2	IP 7112101	Access Control to Radiologically Significant Areas		05/16/2005	05/20/2005	Baseline Inspections
2	IP 71151	Performance Indicator Verification		05/16/2005	05/20/2005	Baseline Inspections
	<b>FPI</b>	<b>- TRIENNIAL FIRE PROTECTION INSPECTION</b>	<b>3</b>			
2	IP 7111105T	Fire Protection		06/27/2005	07/15/2005	Baseline Inspections
	<b>71122.01</b>	<b>- RADIOLOGICAL EFFLUENT CONTROL</b>	<b>1</b>			
2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		08/22/2005	08/26/2005	Baseline Inspections
2	IP 71151	Performance Indicator Verification		08/22/2005	08/26/2005	Baseline Inspections