

March 4, 2003

Mr. William R. Kanda
Vice President - Nuclear
FirstEnergy Nuclear Operating Company
P. O. Box 97, A200
Perry, OH 44081

SUBJECT: ANNUAL ASSESSMENT LETTER - PERRY NUCLEAR POWER PLANT
(REPORT 50-440/03-01)

Dear Mr. Kanda:

On February 11, 2003, the NRC staff completed its end-of-cycle plant performance assessment of the Perry Nuclear Power Plant. 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 through December 31, 2002. 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, Perry 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 Regulatory Response Column of the NRC's Action Matrix, based on one White finding in the mitigating system cornerstone. This resulted from the failure of the high pressure core spray pump to start in October of 2002. A letter with the final significance determination was issued on March 4, 2003.

The enclosed inspection plan details the inspections scheduled through March 31, 2004. 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. Additionally, as a result of the White finding, a supplemental inspection conducted in accordance with Inspection Procedure 95001 will be scheduled in the near future. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last 6 months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

As you are aware, since the terrorist attacks on September 11, 2001, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force readiness. 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 2003, we plan to continue these inspections, conduct portions of the security baseline inspection program, as well as perform additional inspections to evaluate your

compliance with new requirements that may be ordered. Based on our final determinations in this regard, we will notify you of any inspection plan changes.

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

Sincerely,

/RA/

Geoffrey E. Grant, Director
Division of Reactor Projects

Docket Nos. 50-440
License Nos. NPF-58

Enclosure: Perry Inspection/Activity Plan

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Division of Reactor Projects

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Enclosure: Perry Inspection/Activity Plan

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cc w/encls: B. Saunders, President - FENOC
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E. Somppi, Emergency Management
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K. Gauntner, Jr., County Administrator
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The Honorable Dan DiLiberto
The Honorable Thomas Ruffner
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INPO

W. Kanda

-4-

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Perry
Inspection / Activity Plan
03/01/2003 - 03/31/2004

| Unit Number | Inspection Activity | Title | No. of Staff on Site | Planned Dates | | Inspection Type |
|----------------|---------------------|--|-------------------------|---------------|------------|----------------------|
| | | | | Start | End | |
| | 71111.20 | - REFUELING OUTAGE INSPECTION | 4 | | | |
| 1 | IP 7111120 | Refueling and Outage Activities | | 03/01/2003 | 03/31/2003 | Baseline Inspections |
| | ISI | - ISI | 1 | | | |
| 1 | IP 7111108G | Inservice Inspection Activities - BWR | | 04/14/2003 | 04/18/2003 | Baseline Inspections |
| | 71111.01 | - ADVERSE HOT WEATHER PROTECTION | 2 | | | |
| 1 | IP 7111101 | Adverse Weather Protection | | 04/01/2003 | 06/30/2003 | Baseline Inspections |
| | 71111.06 | - FLOOD PROTECTION MEASURES | 2 | | | |
| 1 | IP 7111106 | Flood Protection Measures | | 04/01/2003 | 06/30/2003 | Baseline Inspections |
| | 7112102 | - OUTAGE ALARA / ACCESS CONTROL | 1 | | | |
| 1 | IP 7112101 | Access Control to Radiologically Significant Areas | | 04/07/2003 | 04/11/2003 | Baseline Inspections |
| 1 | IP 7112102 | ALARA Planning and Controls | | 04/07/2003 | 04/11/2003 | Baseline Inspections |
| | PI&R | - PROBLEM IDENTIFICATION AND RESOLUTION | 3 | | | |
| 1 | IP 71152B | Identification and Resolution of Problems | | 06/09/2003 | 06/27/2003 | Baseline Inspections |
| | 71130.03 | - IP71130.03 SG CONTINGENCY RESP (PARTIAL) | 2 | | | |
| 1 | IP 7113003 | Response to Contingency Events (Protective Strategy and Implementation of Protective Strategy) | | 07/21/2003 | 07/29/2003 | Baseline Inspections |
| | IP 71122 | - RAD MATERIAL PROC/TRANS INSPECTION | 1 | | | |
| 1 | IP 7112101 | Access Control to Radiologically Significant Areas | | 08/04/2003 | 08/08/2003 | Baseline Inspections |
| 1 | IP 7112202 | Radioactive Material Processing and Transportation | | 08/04/2003 | 08/08/2003 | Baseline Inspections |
| | 7112102 | - ALARA OUTAGE REVIEW | 1 | | | |
| 1 | IP 7112101 | Access Control to Radiologically Significant Areas | | 09/15/2003 | 09/19/2003 | Baseline Inspections |
| 1 | IP 7112102 | ALARA Planning and Controls | | 09/15/2003 | 09/19/2003 | Baseline Inspections |
| 1 | IP 7112103 | Radiation Monitoring Instrumentation and Protective Equipment | | 09/15/2003 | 09/19/2003 | Baseline Inspections |
| 1 | IP 7112201 | Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems | | 09/15/2003 | 09/19/2003 | Baseline Inspections |
| | 71111.01 | - ADVERSE COLD WEATHER PROTECTION | 2 | | | |
| 1 | IP 7111101 | Adverse Weather Protection | | 10/01/2003 | 12/27/2003 | Baseline Inspections |
| | 71111.07 | - HEAT SINK PERFORMANCE | 2 | | | |
| 1 | IP 7111107A | Heat Sink Performance | | 10/01/2003 | 12/27/2003 | Baseline Inspections |
| | FPI | - TRIENNIAL FIRE PROTECTION | 3 | | | |
| 1 | IP 7111105T | Fire Protection | | 11/17/2003 | 12/05/2003 | Baseline Inspections |
| | 7112101 | - ACCESS CONTROL / ALARA | 1 | | | |
| 1 | IP 7112101 | Access Control to Radiologically Significant Areas | | 12/08/2003 | 12/12/2003 | Baseline Inspections |
| 1 | IP 7112102 | ALARA Planning and Controls | | 12/08/2003 | 12/12/2003 | Baseline Inspections |
| 1 | IP 7112103 | Radiation Monitoring Instrumentation and Protective Equipment | | 12/08/2003 | 12/12/2003 | Baseline Inspections |
| 1 | IP 71151 | Performance Indicator Verification | | 12/08/2003 | 12/12/2003 | Baseline Inspections |

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

Perry
Inspection / Activity Plan
03/01/2003 - 03/31/2004

| Unit Number | Inspection Activity | Title | No. of Staff on Site | Planned Dates | | Inspection Type |
|-------------|---------------------|--|----------------------|---------------|------------|----------------------|
| | | | | Start | End | |
| | 71121.02 | - ALARA AND ACCESS CONTROL | 1 | | | |
| 1 | IP 7112101 | Access Control to Radiologically Significant Areas | | 01/12/2004 | 01/16/2004 | Baseline Inspections |
| 1 | IP 7112102 | ALARA Planning and Controls | | 01/12/2004 | 01/16/2004 | Baseline Inspections |
| | MR | - MAINTENANCE RULE BIENNIAL (DRS) | 1 | | | |
| 1 | IP 7111112B | Maintenance Effectiveness | | 02/23/2004 | 02/27/2004 | Baseline Inspections |