

March 1, 2002

Mr. Robert G. Byram  
Senior Vice President and  
Chief Nuclear Officer  
PPL Susquehanna, LLC  
Susquehanna Steam Electric Station  
2 North Ninth Street  
Allentown, Pennsylvania 18101

SUBJECT: ANNUAL ASSESSMENT LETTER - SUSQUEHANNA STEAM ELECTRIC  
STATION (REPORT 50-387/02-01, 50-388/02-01)

Dear Mr. Byram:

On January 29, 2002, the NRC staff completed its end-of-cycle plant performance assessment of the Susquehanna Steam Electric Station Units 1 and 2. The end-of-cycle review for Susquehanna involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period from April 1 through December 31, 2001. 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 which may conflict with your plant activities.

As discussed in our previous annual assessment letter dated May 30, 2001, this inspection and assessment cycle consisted of three quarters (i.e. the second, third, and fourth calendar quarters of calendar year 2001) instead of the usual four quarters. This change was implemented in order to align the inspection and assessment cycle with the calendar year beginning on January 1, 2002.

Overall, both units of the Susquehanna Steam Electric Station 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 an inspection finding of low to moderate safety significance (White) in the Emergency Preparedness cornerstone. The inspection finding was a result of lapses in maintaining minimum on-shift staffing in accordance with PPL's Emergency Plan. We issued the results of the final significance determination of this finding in a letter dated September 13, 2001. On January 25, 2002, we performed a supplemental inspection of your response to the inspection finding. We could not conclude that your actions were acceptable because the issue had not been evaluated in sufficient detail to understand the root causes and performance problems in order to establish lasting corrective actions. We plan to repeat the supplemental inspection after you determine that your staff has performed an adequate evaluation.

The enclosed inspection plan details the inspections scheduled through March 31, 2003. 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 schedule for the last six months of the inspection plan is tentative and may be revised at the Mid-Cycle Review meeting.

Immediately following the terrorist attacks on the World Trade Center and the Pentagon, the NRC issued safeguards advisories recommending that nuclear power plant licensees go to the highest level of security, and all promptly did so. With continued uncertainty about the possibility of additional terrorist activities, the Nation's nuclear power plants, including the Susquehanna Steam Electric Station, remain at a high level of security. On February 25, 2002, the NRC issued an Order to all nuclear power plant licensees, requiring them to take certain additional interim compensatory measures to address the generalized high-level threat environment. These additional compensatory requirements will provide the NRC with reasonable assurance that public health and safety and the common defense and security continue to be adequately protected in the current generalized high-level threat environment. These requirements will remain in effect pending notification from the Commission that a significant change in the threat environment occurs, or until the Commission determines that other changes are needed following a more comprehensive re-evaluation of current safeguards and security programs. To date, we have monitored PPL's actions in response to the terrorist attacks through a series of audits. With the issuance of the Order, we will evaluate PPL's compliance with these interim requirements.

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/NRC/ADAMS/index.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 Dr. Mohamed Shanbaky of my staff at 610-337-5209 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. 50-387, 50-388  
Licensee Nos. NPF-14, NPF-22

Enclosure: Susquehanna Inspection/Activity Plan

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|--------|------------|--------------|------------|
| NAME   | DFlorek/DF | MShanbaky/MS | ABlough/AB |
| DATE   | 02/27/02   | 02/28/02     | 03/01/02   |

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**Susquehanna**  
**Inspection / Activity Plan**  
**12/30/2001 - 03/31/2003**

| Unit<br>Number | Inspection Activity | Title  | No. of Staff<br>on Site | Planned Dates |            | Inspection<br>Type   |
|----------------|---------------------|--|-------------------------|---------------|------------|----------------------|
|                |                     |  |                         | Start         | End        |                      |
|                | <b>71152B</b>       | <b>- PROBLEM IDENTIFICATION &amp; RESOLUTION</b>   | <b>3</b>                |               |            |                      |
| 1, 2           | IP 71152B           | Identification and Resolution of Problems  |                         | 01/14/2002    | 01/18/2002 | Baseline Inspections |
| 1, 2           | IP 71152B           | Identification and Resolution of Problems  |                         | 01/28/2002    | 02/01/2002 | Baseline Inspections |
|                | <b>71114</b>        | <b>- EP PRGM REVIEW &amp; 95001</b>  | <b>2</b>                |               |            |                      |
| 1, 2           | IP 7111403          | Emergency Response Organization Augmentation Testing   |                         | 01/21/2002    | 01/25/2002 | Baseline Inspections |
| 1, 2           | IP 7111404          | Emergency Action Level and Emergency Plan Changes  |                         | 01/21/2002    | 01/25/2002 | Baseline Inspections |
| 1, 2           | IP 7111405          | Correction of Emergency Preparedness Weaknesses and Deficiencies                             |                         | 01/21/2002    | 01/25/2002 | Baseline Inspections |
| 1, 2           | IP 95001            | Supplemental Inspection For One Or Two White Inputs In A Strategic Performance Area          |                         | 01/21/2002    | 01/25/2002 | Supplemental Program |
| 1              | IP 95001            | Supplemental Inspection For One Or Two White Inputs In A Strategic Performance Area          |                         | 02/04/2002    | 02/04/2002 | Supplemental Program |
|                | <b>711111B</b>      | <b>- LIC OPER RQ INSP</b>  | <b>3</b>                |               |            |                      |
| 1, 2           | IP 7111111B         | Licensed Operator Requalification  |                         | 01/28/2002    | 02/01/2002 | Baseline Inspections |
|                | <b>711117B</b>      | <b>- MODS</b>  | <b>3</b>                |               |            |                      |
| 1, 2           | IP 7111102          | Evaluation of Changes, Tests, or Experiments   |                         | 02/04/2002    | 02/08/2002 | Baseline Inspections |
| 1, 2           | IP 711117B          | Permanent Plant Modifications  |                         | 02/04/2002    | 02/08/2002 | Baseline Inspections |
|                | <b>71130</b>        | <b>- SECURITY</b>  | <b>1</b>                |               |            |                      |
| 1, 2           | IP 7113001          | Access Authorization Program (Behavior Observation Only)                                     |                         | 02/11/2002    | 02/15/2002 | Baseline Inspections |
| 1, 2           | IP 7113002          | Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizatio |                         | 02/11/2002    | 02/15/2002 | Baseline Inspections |
|                | <b>7112201</b>      | <b>- PUB RAD SAFETY - RETS</b>   | <b>1</b>                |               |            |                      |
| 1, 2           | IP 7112201          | Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems                     |                         | 03/04/2002    | 03/08/2002 | Baseline Inspections |
|                | <b>71121</b>        | <b>- OCC RAD SAFETY</b>  | <b>1</b>                |               |            |                      |
| 1              | IP 7112101          | Access Control to Radiologically Significant Areas   |                         | 03/18/2002    | 03/22/2002 | Baseline Inspections |
| 1              | IP 7112102          | ALARA Planning and Controls  |                         | 03/18/2002    | 03/22/2002 | Baseline Inspections |
|                | <b>7111108</b>      | <b>- INSERVICE INSPECTION</b>  | <b>1</b>                |               |            |                      |
| 1              | IP 7111108          | Inservice Inspection Activities  |                         | 03/25/2002    | 03/29/2002 | Baseline Inspections |
|                | <b>7112103</b>      | <b>- OCC RAD SAFETY - CALIBRATION</b>  | <b>1</b>                |               |            |                      |
| 1, 2           | IP 7112103          | Radiation Monitoring Instrumentation   |                         | 05/13/2002    | 05/17/2002 | Baseline Inspections |
|                | <b>7111105T</b>     | <b>- FIRE PROTECTION</b>   | <b>3</b>                |               |            |                      |
| 1, 2           | IP 7111105T         | Fire Protection  |                         | 08/12/2002    | 08/16/2002 | Baseline Inspections |
| 1, 2           | IP 7111105T         | Fire Protection  |                         | 08/26/2002    | 08/30/2002 | Baseline Inspections |
|                | <b>8/11EXM</b>      | <b>- INITIAL OPERATOR LICENSING EXAM</b>   | <b>3</b>                |               |            |                      |
| 1              | U01429              | SUSQUEHANNA 1 & 2 O/L INITIAL EXAM 08/13-17/2002   |                         | 07/15/2002    | 07/19/2002 | Not Applicable       |
| 1              | U01429              | SUSQUEHANNA 1 & 2 O/L INITIAL EXAM 08/13-17/2002   |                         | 08/12/2002    | 08/16/2002 | Not Applicable       |
|                | <b>71121</b>        | <b>- OCC RAD SAFETY</b>  | <b>1</b>                |               |            |                      |
| 1, 2           | IP 7112101          | Access Control to Radiologically Significant Areas   |                         | 09/16/2002    | 09/20/2002 | Baseline Inspections |

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

**Susquehanna**  
**Inspection / Activity Plan**  
**12/30/2001 - 03/31/2003**

| Unit Number | Inspection Activity                                   | Title   | No. of Staff on Site | Planned Dates |            | Inspection Type      |
|-------------|---|---|----------------------|---------------|------------|----------------------|
|             |   |   |                      | Start         | End        |                      |
| 1, 2        | IP 7112102  | ALARA Planning and Controls   |                      | 09/16/2002    | 09/20/2002 | Baseline Inspections |
|             | <b>7111401 - EP EXERCISE &amp; EP PI VERIFICATION</b> |   | <b>4</b>             |               |            |                      |
| 1, 2        | IP 7111401  | Exercise Evaluation   |                      | 10/07/2002    | 10/11/2002 | Baseline Inspections |
| 1, 2        | IP 71151  | Performance Indicator Verification  |                      | 10/07/2002    | 10/11/2002 | Baseline Inspections |
|             | <b>95001 - SUPPLEMENTAL FOLLOWUP</b>                  |   | <b>2</b>             |               |            |                      |
| 1, 2        | IP 95001  | Supplemental Inspection For One Or Two White Inputs In A Strategic Performance Area |                      | 11/04/2002    | 11/09/2002 | Supplemental Program |
|             | <b>71121 - OCC RAD SAFETY</b>                         |   | <b>1</b>             |               |            |                      |
| 1, 2        | IP 7112101  | Access Control to Radiologically Significant Areas                                  |                      | 12/02/2002    | 12/06/2002 | Baseline Inspections |
| 1, 2        | IP 7112102  | ALARA Planning and Controls   |                      | 12/02/2002    | 12/06/2002 | Baseline Inspections |
|             | <b>71151 - PUB RAD SAFETY PI VERIFICATION</b>         |   | <b>1</b>             |               |            |                      |
| 1, 2        | IP 71151  | Performance Indicator Verification  |                      | 12/02/2002    | 12/06/2002 | Baseline Inspections |
|             | <b>7111121 - SSDI</b>                                 |   | <b>5</b>             |               |            |                      |
| 1, 2        | IP 7111121  | Safety System Design and Performance Capability                                     |                      | 01/13/2003    | 01/17/2003 | Baseline Inspections |
| 1, 2        | IP 7111121  | Safety System Design and Performance Capability                                     |                      | 01/27/2003    | 01/31/2003 | Baseline Inspections |
|             | <b>7112102 - OCC RAD SAFETY - ALARA</b>               |   | <b>1</b>             |               |            |                      |
| 1, 2        | IP 7112102  | ALARA Planning and Controls   |                      | 02/10/2003    | 02/14/2003 | Baseline Inspections |
|             | <b>7111108 - INSERVICE INSPECTION</b>                 |   | <b>1</b>             |               |            |                      |
| 2           | IP 7111108  | Inservice Inspection Activities   |                      | 03/17/2003    | 03/21/2003 | Baseline Inspections |
|             | <b>71121 - OCC RAD SAFETY</b>                         |   | <b>1</b>             |               |            |                      |
| 1, 2        | IP 7112101  | Access Control to Radiologically Significant Areas                                  |                      | 03/24/2003    | 03/28/2003 | Baseline Inspections |
| 1, 2        | IP 7112102  | ALARA Planning and Controls   |                      | 03/24/2003    | 03/28/2003 | Baseline Inspections |

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