

August 26, 2002

Mr. John Skolds
President and CNO
Exelon Nuclear
Exelon Generation Company, LLC
4300 Winfield Road
5th Floor
Warrenville, IL 60555

**SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -
THREE MILE ISLAND STATION, UNIT 1**

Dear Mr. Skolds:

On August 5, 2002, the NRC staff completed its mid-cycle plant performance assessment of Three Mile Island, Unit 1 (TMI). In accordance with NRC Inspection Manual Chapter 0305 "Operating Reactor Assessment Program," the mid-cycle review involved the participation of all technical divisions in evaluating the performance of your TMI facility for the first half of the current assessment cycle, January 1 - 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 which may conflict with your plant activities.

Plant performance 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 performance indicators (PIs) indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct only baseline inspections at your facility through September 30, 2003.

In our Annual Assessment Letter dated March 4, 2002, we identified an adverse trend in the cross-cutting area of human performance. Specifically, we noted lapses in equipment monitoring and procedure adherence. During the current assessment cycle, these cross-cutting issues have been inspected through the baseline inspection program and during the biennial Problem Identification and Resolution inspection. Regarding procedural adherence, there were no additional inspection findings in this area of more than minor safety significance, and we have concluded that you have adequately addressed this cross-cutting issue. In the area of equipment monitoring, you initiated actions to improve performance; however, our inspections have continued to identify findings of very low safety significance (Green) in the mitigating systems cornerstone that had causal factors involving lapses of human performance in equipment monitoring. Examples included: an inadequate evaluation and untimely initiation of corrective actions for inoperable intake structure equipment; an instance of inappropriate inservice test acceptance criteria; and, failure to implement proper corrective actions to monitor

and maintain the auxiliary building temperature within requirements. Therefore, we conclude that this substantive cross-cutting issue continues. Our baseline inspection program will continue to emphasize monitoring your performance in this area.

The enclosed inspection plan details the inspections scheduled through September 30, 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 last six months of the inspection plan are tentative and may be revised at the end-of-cycle review meeting.

In addition, the NRC is in the process of finalizing a Temporary Instruction (TI) that will be used to review implementation of the Interim Compensatory Measures required by the Agency's Security Order to all commercial nuclear power plants dated February 25, 2002. Schedules have not yet been finalized, but it is anticipated that these inspections will begin within the next calendar quarter. Once finalized, the details will be communicated by separate correspondence.

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 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 John Rogge at 610-337-5146 if you have any questions regarding this letter.

Sincerely,

/RA/

A. Randolph Blough, Director
Division of Reactor Projects, Region 1

Docket No: 50-289
License No: DPR-50

Enclosure: Three Mile Island Station, Unit 1 Inspection/Activity Plan

Mr. John Skolds

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cc w/encl:

AmerGen Energy Company - Correspondence Control Desk

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NAME		JRogge /JFR/	A R Blough /ARB/				
DATE		08/21/02	08/23/02				

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Three Mile Island
Inspection / Activity Plan
06/30/2002 - 09/30/2003

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	7111105T	- FIRE PROTECTION	5			
1	IP 7111105T	Fire Protection		10/07/2002	10/11/2002	Baseline Inspections
1	IP 7111105T	Fire Protection		10/21/2002	10/25/2002	Baseline Inspections
	7112103	- OCC RAD SAFETY - INSTRUMENTATION	1			
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		07/15/2002	07/19/2002	Baseline Inspections
1	IP 71151	Performance Indicator Verification		07/15/2002	07/19/2002	Baseline Inspections
	7112201	- PUB RAD SAFETY - RETS	1			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		07/22/2002	07/26/2002	Baseline Inspections
	71114	- EP PROGRAM REVIEW & EP PI VERIFICATION	1			
1	IP 7111402	Alert and Notification System Testing		10/21/2002	10/25/2002	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		10/21/2002	10/25/2002	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		10/21/2002	10/25/2002	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		10/21/2002	10/25/2002	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/21/2002	10/25/2002	Baseline Inspections
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		11/04/2002	11/08/2002	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		11/04/2002	11/08/2002	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		11/04/2002	11/08/2002	Baseline Inspections
1	IP 71151	Performance Indicator Verification		11/04/2002	11/08/2002	Baseline Inspections
	7111112B	- MAINTENANCE RULE	1			
1	IP 7111112B	Maintenance Effectiveness		12/16/2002	12/20/2002	Baseline Inspections
	2/17EXM	- OPERATOR LICENSING INITIAL EXAMS	3			
1	U01493	TMI INITIAL EXAM (2/23/03)		01/20/2003	01/23/2003	Not Applicable
1	U01493	TMI INITIAL EXAM (2/23/03)		02/17/2003	02/24/2003	Not Applicable
	71121	- OCC RAD SAFETY	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		02/03/2003	02/07/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		02/03/2003	02/07/2003	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		02/03/2003	02/07/2003	Baseline Inspections
	71130	- SECURITY	1			
1	IP 7113001	Access Authorization Program (Behavior Observation Only)		02/10/2003	02/14/2003	Baseline Inspections
1	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizati		02/10/2003	02/14/2003	Baseline Inspections
	7111401	- EP EXERCISE & PI VERIFICATION	5			
1	IP 7111401	Exercise Evaluation		04/21/2003	04/25/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		04/21/2003	04/25/2003	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
06/30/2002 - 09/30/2003

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	71122.03 - REMP		1			
1	IP 7112203	Radiological Environmental Monitoring Program		05/19/2003	05/23/2003	Baseline Inspections
	7111121 - SSDI		7			
1	IP 7111121	Safety System Design and Performance Capability		06/23/2003	06/27/2003	Baseline Inspections
1	IP 7111121	Safety System Design and Performance Capability		07/07/2003	07/11/2003	Baseline Inspections
	71122.02 - RADWASTE		1			
1	IP 7112202	Radioactive Material Processing and Transportation		07/14/2003	07/18/2003	Baseline Inspections
	71121 - OCC RAD SAFETY		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