March 8, 2004

Mr. Lew W. Myers
Chief Operating Officer
FirstEnergy Nuclear Operating Company
Davis-Besse Nuclear Power Station
5501 North State Route 2
Oak Harbor, OH 43449-9760

SUBJECT: DAVIS-BESSE NUCLEAR POWER STATION - INSPECTION SCHEDULE UPDATE

Dear Mr. Myers:

The purpose of this letter is to provide you with a schedule of U.S. Nuclear Regulatory Commission (NRC) inspections at the Davis-Besse Nuclear Power Station so you will have an opportunity to prepare for the inspections or inform us of any conflicts between planned inspections and significant plant activities. This letter is an update to our previous inspection schedule letter dated June 30, 2003.

On April 29, 2002, we informed you of the formation of the NRC's Davis-Besse Oversight Panel (Panel) under NRC Inspection Manual Chapter (IMC) 0350, "Oversight of Operating Reactor Facilities in a Shutdown Condition with Performance Problems." Evaluation of plant performance under the routine Reactor Oversight Process (ROP) was suspended; but aspects of the ROP continued to be used for guidance. On March 8, 2004, the NRC issued its restart approval for Davis-Besse and began enhanced inspections of plant activities, which will include around-the-clock coverage during restart. The Oversight Panel will remain in place to monitor plant activities and meet periodically with FENOC and the public until the agency is satisfied that the plant's performance warrants resuming routine regulatory oversight under the ROP.

On November 23, 2003, FENOC submitted its "Integrated Report to Support Restart of the Davis-Besse Nuclear Power Station and Request for Restart Approval." On February 6, 2004, FENOC submitted a supplement to this report. The report provided an overall discussion of root cause determination for the reactor pressure vessel head degradation event, extent of condition evaluations, and corrective actions planned and completed to support FENOC's restart meeting with the NRC. The report also included the "Davis-Besse Nuclear Power Station Operational Improvement Plan Operating Cycle 14." On February 19, 2004, FENOC submitted Revision 3 of its Cycle 14 Operational Improvement Plan. This Plan contains key improvement initiatives and safety barriers FENOC stated were important for continuing performance improvement following restart. This Plan described the transition from the organizational and programmatic actions taken to support the Return-to-Service Plan to that of normal plant operations and refueling outages.

In addition to approving restart based on the Oversight Panel's assessment of the effectiveness of your performance improvement initiatives, our letter that approved restart of Davis-Besse included a Confirmatory Order adding two conditions to the Davis-Besse Nuclear Power Station Operating License No. NPF-3 to provide reasonable assurance that the long-term corrective actions remain effective for those conditions that resulted in risk significant performance deficiencies. The conditions of the Order require annual independent assessments for five years in the areas of operations, engineering, corrective actions, and safety culture, and inspection and evaluation of the reactor coolant system pressure boundary during a mid-cycle outage.

The NRC plans to perform a restart special inspection to observe the transition to Modes 2 and 1 and subsequent ascension to full power. Following restart, the NRC will perform special inspections to assess FENOC compliance with the Confirmatory Order to ensure that FENOC's corrective actions are lasting and effective. Further, the NRC will conduct periodic special inspections to evaluate the implementation of the commitments contained in the "Integrated Report to Support Restart of the Davis-Besse Nuclear Power Station and Request for Restart Approval" and the "Davis-Besse Nuclear Power Station Operational Improvement Plan Operating Cycle 14."

Enclosure 1 details the expanded baseline inspections we plan to perform through the end of CY 2005. The baseline inspection program has been expanded with additional focused inspections to regularly assess the effectiveness of the corrective action program. Enclosure 2 details enhanced inspections we plan to perform to gain perspective in areas monitored by NRC Performance Indicators (PIs) where the Oversight Panel has determined that the PIs do not afford sufficient insight into plant performance because of the extended shutdown. The specific PIs for which inspection will be enhanced are Unplanned Scrams, Scrams with Loss of Normal Heat Removal, Unplanned Power Changes, Emergency AC Power System Unavailability, High Pressure Injection System Unavailability, Heat Removal System Unavailability, Safety System Functional Failures, Reactor Coolant System Activity, and Reactor Coolant System Leakage. Inspection Procedure 71150, "Discrepant or Unreported Performance Indicator Data," will be used as guidance in determining the necessary level of additional inspection.

The NRC will document its inspection findings for all inspections using guidance in the revised Manual Chapter 0612 but will continue to provide additional detail in inspection reports to facilitate communication of NRC assessment of facility performance. The Oversight Panel will use the Significance Determination Process (SDP) and the Reactor Oversight Process Action Matrix to assist in determining the appropriate level of Agency response to plant issues and inspection findings, including performance of supplemental inspections and other appropriate regulatory actions. The Oversight Panel will use the results of baseline and special inspections, in addition to NRC Performance Indicators (PIs), to determine any necessary additional inspections.

Inspections listed in the enclosures are less firm in CY 2005 and may be adjusted due to changes in your schedule or emerging performance issues at Davis-Besse or other Region III facilities. The inspections may also be adjusted by the Oversight Panel as the Panel determines to be necessary. You will be notified of any changes in the inspection schedule.

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.

Inspection findings under the routine Reactor Oversight Process are normally included in performance assessments for four calendar quarters or until appropriate corrective actions have been completed, whichever is greater. The Oversight Panel has assessed significant inspection findings during the extended shutdown and has concluded that appropriate corrective actions have been completed. However, the Panel determined that the Red Finding initially characterized during the 1st quarter of CY 2003 regarding the degraded reactor vessel head, the Yellow finding initially characterized during the 3rd quarter of CY 2003 regarding control of containment foreign materials, and the White finding initially characterized during the 3rd quarter of CY 2003 regarding the high pressure injection pump design deficiency, will be carried forward in the assessment process while Davis-Besse is under the IMC 0350 process. Prior to returning to the normal assessment program in accordance with IMC 0350, “Operating Reactor Assessment Program”, we will notify you if these findings will be carried forward in the ROP Action Matrix.

The Oversight Panel has assessed the significant inspection findings associated with the two White Findings issued during the 4th quarter of CY 2002 regarding radiological protection deficiencies. The NRC completed a Supplemental Inspection and radiation protection program effectiveness review to address these Findings as documented in NRC Inspection Report 50-346/03-08. In addition, the Oversight Panel considered the appropriateness of your root cause investigation and corrective actions and closed the associated Restart Checklist Item 3.h, "Radiation Protection Program," on July 22, 2003. Therefore, the two White Findings will not be further considered in the Oversight Panel's determination of agency response starting with the next calendar quarter.

If you have any questions regarding the enclosed inspection plans, please contact Christine Lipa at (630) 829-9619.

Sincerely,

/RA/

John A. Grobe, Chairman
Davis-Besse Oversight Panel

Docket No. 50-346
License No. NPF-3

Enclosures: As stated

See Attached Distribution

See Previous Concurrence

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DATE	02/27/04		02/27/04		02/27/04		02/25/04		03/08/04	

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cc w/encl: The Honorable Dennis Kucinich
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Manager - Regulatory Affairs
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Ohio State Liaison Officer
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Enclosure 1

List of Baseline Inspections

		Planned Dates	
Inspection Procedure	Title	Start	End
TI 2515/154	Spent Fuel Material Control and Accounting	01/01/2004	02/14/2004
71114	Baseline EP Inspection & PI Verification	02/09/2004	02/13/2004
N/A	Initial Operator Exam On-site	04/12/2004	04/16/2004
71121.01 71122.01	Effluents and Access Control	04/19/2004	04/23/2004
N/A	Initial Operator Exam	05/03/2004	05/07/2004
71111.17B 71111.02	Permanent Plant Modifications & 50.59	06/28/2004	07/02/2004
71121.01 71122.03	REMP and Access Control	07/26/2004	07/30/2004
71111.05T	Triennial Fire Protection	08/30/2004	09/17/2004
71121.01 71121.02	ALARA and Access Control	10/25/2004	10/29/2004
71001	Licensed Operator Requalification	10/25/2004	10/29/2004
71152	Identification and Resolution of Problems	11/29/2004	12/17/2004
71121.01 71122.02 71151	Radwaste and Transportation and PI Verification and Access Control	12/06/2004	12/10/2004
71111.07B	Biennial Heat Sink	12/06/2004	12/10/2004
71111.21	Safety System Design and Performance Capability	04/08/2005	05/06/2005
71111.12	Maintenance Effectiveness	05/16/2005	05/20/2005
71152	Identification and Resolution of Problems	11/28/2005	12/16/2005

Enclosure 2

List of Enhanced Inspections for NRC Performance Indicators (PIs)

Initiating Events Cornerstone:

Key attributes that impact **Unplanned Scrams per 7000 Critical Hours, Scrams with Loss of Normal Heat Removal, and Unplanned Power Changes per 7000 Critical Hours PIs** are human performance, procedure quality, and equipment performance. Additional inspection samples will be completed during the performance of Inspection Procedures regarding Maintenance Effectiveness (71111.12), Problem Identification and Resolution (71152), Personnel Performance During Nonroutine Evolutions and Events (71111.14), and Operator Workarounds (71111.16).

Mitigating System Cornerstone:

Key attributes that impact the **Safety System Functional Failures and Safety System Unavailability PIs for the Emergency AC Power System, High Pressure Injection System, and Heat Removal System** are human performance, procedure quality, configuration control, and equipment performance. Additional inspection samples will be completed during the performance of Inspection Procedures regarding Equipment Alignment (71111.04S), Equipment Alignment (71111.04Q), Problem Identification and Resolution (71152), Surveillance Testing (71111.22), Post Maintenance Testing (71111.19), Permanent Plant Modifications (71111.17), and Temporary Plant Modifications (71111.23).

Barrier Integrity Cornerstone:

Key attributes that impact the **Reactor Coolant System Specific Activity and Reactor Coolant System Identified Leak Rate PIs** are cladding performance, reactor coolant system and barrier performance, human performance, procedure quality, design control, and configuration control. Additional inspection samples will be completed during the performance of Inspection Procedures regarding Surveillance Testing (71111.22).