

March 31, 2000

Mr. John B. Cotton
Vice President TMI Unit 1
AmerGen Energy Company, LLC
Three Mile Island Nuclear Station
P. O. Box 480
Middletown, Pennsylvania 17057-0480

SUBJECT: PLANT PERFORMANCE REVIEW - THREE MILE ISLAND NUCLEAR
STATION

The purpose of this letter is to communicate our assessment of your performance and to inform you of our planned inspections at your facility. On February 22, 2000, we completed a Plant Performance Review (PPR) of Three Mile Island Nuclear Station. We conduct these reviews to develop an integrated overview of the safety performance of each operating nuclear power plant. We use the results of the PPR in planning and allocating inspection resources and as inputs to our senior management meeting (SMM) process. This PPR evaluated inspection results and safety performance information for the period from January 16, 1999, through January 31, 2000, but emphasized the last six months to ensure that our assessment reflected your current performance. Our most recent summary of plant performance at Three Mile Island Nuclear Station was provided to you in a letter dated April 9, 1999.

The NRC has been developing a revised reactor oversight process that will replace our existing inspection and assessment processes, including the PPR, the SMM, and the Systematic Assessment of Licensee Performance (SALP). We recently completed a pilot program for the revised reactor oversight process at nine participating sites and are making necessary adjustments based on feedback and lessons learned. We plan to begin initial implementation of the revised reactor oversight process industry-wide on April 2, 2000.

This PPR reflects continued NRC process improvements as we make the transition into the revised reactor oversight process. You will notice that the following summary of plant performance is organized differently from our previous performance summaries. Instead of characterizing our assessment results by SALP functional area, we are organizing the results into the strategic performance areas embodied in the revised reactor oversight process. In addition, we have considered the historical performance indicator data that you submitted in January 2000 in conjunction with the inspection results in assessing your performance. The results of this PPR were used to establish the inspection plan in accordance with the new risk-informed inspection program (consisting of baseline and supplemental inspections). Although this letter incorporates some terms and concepts associated with the new oversight process, it does not reflect the much broader changes in inspection and assessment that will be evident after we have fully implemented our revised reactor oversight process.

During the last six months of the assessment period, Three Mile Island Nuclear Station operated at or near full power except for a refueling outage. We have not identified any significant performance issues in any of the strategic performance areas (reactor safety, radiation safety, and safeguards) during this assessment period and noted that Three Mile Island Nuclear Station continued to operate safely. Therefore, we plan to conduct only our normal baseline inspections at your facility as noted in the attached inspection plan.

Although your operational challenges were infrequent, we noted recurring minor human performance errors in the operations and maintenance areas. Additionally, management oversight of the plant startup from the refueling outage was not sufficiently conservative in that the plant startup continued with a degraded main steam isolation valve, resulting in operation outside the plant design basis. We will monitor your progress in response to these issues during our baseline inspections.

Enclosure 1 contains a historical listing of plant issues, referred to as the Plant Issues Matrix (PIM), that was used during this PPR process to arrive at our integrated view of your performance trends. The PIM for this assessment is grouped by the prior SALP functional areas of operations, maintenance, engineering and plant support, although the future PIM will be organized along the cornerstones of safety as described in the revised reactor oversight process. The attached PIM includes items summarized from inspection reports or other docketed correspondence regarding Three Mile Island Nuclear Station. We did not document all aspects of licensee programs and performance that may be functioning appropriately. Rather, we only documented issues that we believe warrant management attention or represent noteworthy aspects of performance. In addition, the PPR may also have considered some predecisional and draft material that does not appear in the attached PIM, including observations from events and inspections that had occurred since our last inspection report was issued, but had not yet received full review and consideration. We will make this material publically available as part of the normal issuance of our inspection reports and other correspondence.

Enclosure 2 lists our planned inspections for the period April 2000 through March 2001 at Three Mile Island Nuclear Station to allow you to resolve scheduling conflicts and personnel availability in advance of our inspector arrival onsite. Since many of the inspections at Three Mile Island Nuclear Station and at other Region 1 facilities during this period involve a team of inspectors, our ability to reschedule inspections is limited. The inspection schedule for the latter half of the period is more tentative and may be adjusted in the future due to emerging performance issues at Three Mile Island Nuclear Station or other Region 1 facilities. We also included some NRC non-inspection activities in Enclosure 2 for your information. Routine resident inspections are not listed due to their ongoing and continuous nature.

John B. Cotton

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We will inform you of any changes to the inspection plan. If you have any questions, please contact me at (610)-337-5146.

Sincerely,

/RA/

John F. Rogge, Chief
Reactor Projects Branch 7
Division of Reactor Projects

Docket No. 50-289
License No. DPR-50

Enclosures: 1. Plant Issues Matrix
2. Inspection Plan

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