

~~OFFICIAL USE ONLY – SECURITY RELATED INFORMATION~~

December 3, 2007

Mr. Jack M. Davis
Senior Vice President and
Chief Nuclear Officer
Detroit Edison Company
Fermi 2 - 210 NOC
6400 North Dixie Highway
Newport, MI 48166

SUBJECT: FERMI 2 NUCLEAR PLANT NRC SPECIAL INSPECTION REPORT
05000341/2007010(DRS)

Dear Mr. Davis:

On October 19, 2007, the NRC completed a Special Inspection at your Fermi 2 Nuclear Plant to evaluate the facts and circumstances surrounding your identification of a safety relief valve (SRV) discharge tailpipe drilled hole and indentations and your staff's response. The enclosed report documents the inspection findings, which were discussed on October 19 and November 29, 2007, with members of your staff.

The inspection examined activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your license. The inspectors reviewed selected procedures and records, observed activities, and interviewed plant personnel.

EXEMPT FROM PUBLIC DISCLOSURE

May be exempt from public release under the Freedom of Information Act (5 U.S.C. 552)

Exemption number: (b)(5)
Nuclear Regulatory Commission review required before public release.

Anne T. Boland, Deputy Division Director, DRS
Name and organization of person making determination.

Date of determination: 12/03/07

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The decision to charter a special inspection team was based on the criteria in Management Directive (MD) 8.3, "NRC Incident Investigation Program," and Inspection Manual Chapter (IMC) 0309, "Reactive Inspection Decision Basis for Reactors." Based on the heightened public interest as well as the overall concerns raised in the areas of maintenance and work practices, emergency preparedness, and the security and operations interface, the NRC determined that a Special Inspection was warranted.

Based on the results of this special inspection, four non-security related inspector-identified findings of very low safety significance (Green) were identified. Three of these findings were determined to involve violations of NRC requirements. However, because of the very low safety significance and because they were entered into your corrective action program, the NRC is treating these violations as Non-Cited Violations (NCVs) consistent with Section VI.A.1 of the NRC Enforcement Policy.

The specific findings included: (1) a finding of very low safety significance and an associated NCV of 10 CFR 50, Appendix B, Criterion V, "Instructions, Procedures, and Drawings," when licensee personnel failed to establish a conduct of operations procedure that was appropriate for responding to potential tampering events. In particular, the existing procedure was deficient regarding internal communications and performance of equipment walkdowns; (2) a finding of very low safety significance and an associated NCV of 10 CFR 50, Appendix B, Criterion V, when licensee personnel failed to establish adequate procedures for the removal of insulation from SRVs. As a result, a hole and other indentations were inadvertently drilled into SRV tailpipe discharge piping when pop rivets were being removed from tailpipe insulation; (3) a finding of very low safety significance and an associated NCV of 10 CFR Part 50, Appendix B, Criterion III, "Design Control," when licensee personnel failed to ensure that the design specifications for SRV tailpipe discharge piping insulation were correctly translated into the maintenance procedure for SRV removal and installation. In particular, the design specification permitted the use of fasteners, such as buckles, but did not permit use of pop rivets; and (4) a finding of very low safety significance was identified when licensee personnel failed to follow the requirements of the Fermi 2 Radiological Emergency Response Preparedness (RERP) plan. In particular, the operators failed to declare a Notice of Unusual Event in a timely manner after evidence of potential tampering was identified.

In addition, one security-related finding of very low security significance (Green) was identified. The deficiency was promptly corrected or compensated for, and the plant was in compliance with applicable physical protection and security requirements within the scope of this inspection before the inspector left the site.

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At the conclusion of the inspection, several questions remained involving a potential decrease in effectiveness of the Radiological Emergency Response Preparedness Plan involving changes made to two Fermi 2 Emergency Action Levels which had not been reviewed and approved by the NRC. An Unresolved Item was opened to track resolution of this issue.

If you contest any NCV in this report, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with copies to the Regional Administrator, U.S. Nuclear Regulatory Commission - Region III, 2443 Warrenville Road, Suite 210, Lisle, IL 60532-4352; the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; and the Resident Inspector at the Fermi 2 Nuclear Plant.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records System (PARS) component of NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). However, because of the security-related concerns contained in the enclosure, and in accordance with 10 CFR 2.390, a copy of this letter's enclosure will not be available for public inspection.

Sincerely,

/RA by Anne T. Boland for/

Steven West, Director
Division of Reactor Safety

Docket No. 50-341
License No. NPF-43

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Nonpublic Enclosures: Inspection Report 05000341/2007010
1. Supplemental Information
2. Inspection Timeline
3. Special Inspection Charter

Distribution
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cc w/encl: J. Plona, Vice President
Nuclear Generation
K. Hlavaty, Plant Manager
R. Gaston, Manager, Nuclear Licensing
D. Pettinari, Legal Department
D. Riffle, (NSIRDSO/DDS)

cc w/o encl: Michigan Department of Environmental Quality
Waste and Hazardous Materials Division
M. Yudasz, Jr., Director, Monroe County
Emergency Management Division
Supervisor - Electric Operators
State Liaison Officer, State of Michigan
Wayne County Emergency Management Division

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