



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION II
245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

March 4, 2011

Mr. L. Michael Stinson
Vice President - Farley
Southern Nuclear Operating Company, Inc.
7388 North State Highway 95
Columbia, AL 36319

**SUBJECT: ANNUAL ASSESSMENT LETTER – JOSEPH M. FARLEY NUCLEAR PLANT
(REPORT 05000348/2011001 AND 05000364/2011001)**

Dear Mr. Stinson:

On February 8, 2011, the NRC staff completed its end-of-cycle performance review of Joseph M. Farley Nuclear Plant. The NRC reviewed the most recent quarterly performance indicators (PIs) in addition to inspection results and enforcement actions from January 1, 2010, through December 31, 2010. This letter informs you of the NRC's assessment of your facility during this period and its plans for future inspections at your facility. This performance review and enclosed inspection plan do not include security information. A separate letter will include the NRC's assessment of your performance in the Security Cornerstone and its security-related inspection plan.

The NRC determined the performance at Farley Unit 1 during the most recent quarter was within the Regulatory Response column of the NRC's Reactor Oversight Process (ROP) Action Matrix because the Mitigating Systems Performance Index (MSPI), Emergency AC systems crossed the threshold from Green to White in the first quarter 2008 due to failures of the 1B Emergency Diesel Generator (EDG). A Supplemental Inspection was conducted for Unit 1 during the third quarter 2008 (Inspection Report 05000348/2008013) using Inspection Procedure 95001, "Inspection for One or Two White Inputs in a Strategic Performance Area." No significant weaknesses were identified. Therefore, the NRC plans to conduct ROP baseline inspections at Farley Unit 1.

The NRC determined that overall, Farley Unit 2 operated in a manner that preserved public health and safety and met all cornerstone objectives. The NRC determined the performance at Farley Unit 2 during the assessment period including the most recent quarter was within the Licensee Response column of the NRC's ROP Action Matrix because all inspection findings had very low (i.e., green) safety significance, and all PIs indicated that your performance was within the nominal, expected range (i.e., green). Therefore, the NRC plans to conduct ROP baseline inspections at Farley Unit 2.

In its assessment letter dated March 3, 2010 (ML 100620881), the NRC opened a substantive cross-cutting issue (SCCI) in the human performance area associated with the aspect of procedure compliance a (H.4(b)). The NRC evaluated the actions taken to address the cross-

cutting issue. The staff determined that you appropriately identified the cross-cutting theme, took actions to address it, and scheduled actions based on judgment and risk insights to address this theme. The NRC also determined that the corrective actions have been in place for a sufficient duration to ensure sustainable improvement in the procedure adherence area. The NRC determined that you had established qualitative metrics which indicated improvement in the procedure adherence area. In addition, the effectiveness reviews you initiated were completed by an independent party which confirmed your progress in this area. The NRC also completed a semi-annual trend review which was documented in NRC Inspection report 05000348/2010005 and 05000364/2010005 (ML110280059), which also indicated an improvement in the procedure adherence area. Therefore, the NRC determined that the SCCI is closed.

The enclosed inspection plan lists the inspections scheduled through June 30, 2012. Routine inspections performed by resident inspectors are not included in the inspection plan. The inspections listed during the last nine months of the inspection plan are tentative and may be revised at the mid-cycle performance review. The NRC provides the inspection plan to allow for the resolution of any scheduling conflicts and personnel availability issues. The NRC will contact you as soon as possible to discuss changes to the inspection plan should circumstances warrant any changes. The NRC will also be conducting a Triennial Fire Protection inspection, Component Design Basis inspection, and Operator Licensing Examinations.

In accordance with 10 CFR 2.390 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 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 Scott Shaeffer at 404-997-4521 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/William Jones RA for/

Richard P. Croteau, Director
Division of Reactor Projects

Docket Nos.: 50-348 and 50-364
License Nos.: NPF-2 and NPF-8

Enclosure: Farley Inspection/Activity Plan (01/01/2011 – 06/30/2012)

cc w/encl: (See page 3)

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Unit Number	Planned Dates Start	Planned Dates End	Inspection Activity	Title	No. of Staff on Site
1, 2	02/14/2011	02/18/2011	EB3 HS - HEAT SINK IP 7111107T	Heat Sink Performance	1
			TFPI - 805 TFPI		
1, 2	03/07/2011	03/11/2011	IP 7111105P	Fire Protection-NFPA 805 Transition Period [Triennial]	6
1, 2	03/21/2011	03/25/2011	IP 7111105P	Fire Protection-NFPA 805 Transition Period [Triennial]	6
1	04/18/2011	04/22/2011	OL EXAM - INITIAL EXAM PREP V23349	FARLEY/MAY 2011 EXAM AT POWER FACILITIES	1
1, 2	05/02/2011	05/06/2011	PSB1EP - EMERGENCY PREPAREDNESS INSPECTION IP 7111402	Alert and Notification System Testing	1
1, 2	05/02/2011	05/06/2011	IP 7111403	Emergency Preparedness Organization Staffing and Augmentation System	
1, 2	05/02/2011	05/06/2011	IP 7111404	Emergency Action Level and Emergency Plan Changes	
1, 2	05/02/2011	05/06/2011	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies	
1, 2	05/02/2011	05/06/2011	IP 71151	Performance Indicator Verification	
1	05/09/2011	05/14/2011	OL EXAM - INITIAL EXAM - WEEK 1 V23349	FARLEY/MAY 2011 EXAM AT POWER FACILITIES	5
1	05/16/2011	05/20/2011	OL EXAM - INITIAL EXAM - WEEK 2 V23349	FARLEY/MAY 2011 EXAM AT POWER FACILITIES	5
1, 2	06/06/2011	06/10/2011	PI&R - PROBLEM IDENTIFICATION AND RESOLUTION IP 71152B	Identification and Resolution of Problems	4
1, 2	06/20/2011	06/24/2011	IP 71152B	Identification and Resolution of Problems	
1, 2	08/15/2011	08/19/2011	CDBI - COMPONENT DESIGN BASES INSPECTION IP 7111121	Component Design Bases Inspection	9
1, 2	08/29/2011	09/02/2011	IP 7111121	Component Design Bases Inspection	
1, 2	09/12/2011	09/16/2011	IP 7111121	Component Design Bases Inspection	
1, 2	09/26/2011	09/30/2011	IP 7111121	Component Design Bases Inspection	
2	10/17/2011	10/21/2011	EB3 ISI - UNIT 2 IN-SERVICE INSPECTION IP 7111108P	Inservice Inspection Activities - PWR	1
2	10/17/2011	10/21/2011	EB3SGISI - UNIT 2 SG IN-SERVICE INSPECTION IP 7111108P	Inservice Inspection Activities - PWR	2
1, 2	10/24/2011	10/28/2011	PSB1-RP - RP HAZARD ASSESSMENT IP 71124.01	Radiological Hazard Assessment and Exposure Controls	2
1, 2	12/12/2011	12/16/2011	PSB1-RP - RP PUBLIC RADIATION PROTECTION INSP IP 71124.04	Occupational Dose Assessment	4
1, 2	12/12/2011	12/16/2011	IP 71124.06	Radioactive Gaseous and Liquid Effluent Treatment	
1, 2	12/12/2011	12/16/2011	IP 71124.07	Radiological Environmental Monitoring Program	

This report does not include INPO and OUTAGE activities.

This report shows only on-site and announced inspection procedures.

Farley
Inspection / Activity Plan
01/01/2011 - 06/30/2012

Unit Number	Planned Dates Start	Planned Dates End	Inspection Activity	Title	No. of Staff on Site
1, 2	12/12/2011	12/16/2011	PSB1-RP	- RP PUBLIC RADIATION PROTECTION INSP	4
			IP 71124.08	Radioactive Solid Waste Processing and Radioactive Material Handling, Storage, and Transportation	
1, 2	12/12/2011	12/16/2011	IP 71151	Performance Indicator Verification	
1, 2	01/02/2012	12/31/2012	MC&A	- MC&A INSPECTION	2
			IP 7113011	Material Control and Accounting (MC&A)	
1	04/02/2012	04/06/2012	EB3 ISI	- UNIT 1 INSERVICE INSPECTION	1
			IP 7111108P	Inservice Inspection Activities - PWR	
1, 2	04/02/2012	04/06/2012	PSB1-RP	- OCCUPATIONAL RP BASELINE WK1	3
			IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1, 2	04/02/2012	04/06/2012	IP 71124.02	Occupational ALARA Planning and Controls	
1, 2	04/02/2012	04/06/2012	IP 71124.03	In-Plant Airborne Radioactivity Control and Mitigation	
1, 2	04/02/2012	04/06/2012	IP 71124.04	Occupational Dose Assessment	
1, 2	04/02/2012	04/06/2012	IP 71124.05	Radiation Monitoring Instrumentation	
1, 2	04/02/2012	04/06/2012	IP 71151	Performance Indicator Verification	
1	04/09/2012	04/13/2012	EB3SGISI	- UNIT 1 SG INSERVICE INSPECTION	1
			IP 7111108P	Inservice Inspection Activities - PWR	
1, 2	04/16/2012	04/20/2012	PSB1-RP	- OCCUPATIONAL RP BASELINE WK2	3
			IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1, 2	04/16/2012	04/20/2012	IP 71124.02	Occupational ALARA Planning and Controls	
1, 2	04/16/2012	04/20/2012	IP 71124.03	In-Plant Airborne Radioactivity Control and Mitigation	
1, 2	04/16/2012	04/20/2012	IP 71124.04	Occupational Dose Assessment	
1, 2	04/16/2012	04/20/2012	IP 71124.05	Radiation Monitoring Instrumentation	
1, 2	04/16/2012	04/20/2012	IP 71151	Performance Indicator Verification	
1, 2	05/07/2012	05/11/2012	PSB1EP	- EMERGENCY PREPAREDNESS EXERCISE	3
			IP 7111401	Exercise Evaluation	
1, 2	05/07/2012	05/11/2012	IP 7111404	Emergency Action Level and Emergency Plan Changes	
1, 2	05/07/2012	05/11/2012	IP 71151	Performance Indicator Verification	
1	05/28/2012	06/01/2012	OL EXAM	- INITIAL EXAM PREP	4
			V23373	FARLEY / JUNE 2012 EXAM AT POWER FACILITIES	
1	06/18/2012	06/22/2012	OL EXAM	- INITIAL EXAM - WEEK 1	4
			V23373	FARLEY / JUNE 2012 EXAM AT POWER FACILITIES	
1	06/25/2012	06/29/2012	OL EXAM	- INITIAL EXAM - WEEK 2	4
			V23373	FARLEY / JUNE 2012 EXAM AT POWER FACILITIES	

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This report shows only on-site and announced inspection procedures.