



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET SW SUITE 23T85
ATLANTA, GEORGIA 30303-8931**

March 4, 2002

Duke Energy Corporation
ATTN: Mr. G. R. Peterson
Site Vice President
Catawba Nuclear Station
4800 Concord Road
York, SC 29745

**SUBJECT: ANNUAL ASSESSMENT LETTER - CATAWBA NUCLEAR STATION
(NRC INSPECTION REPORT 50-413/02-01 AND 50-414/02-01)**

Dear Mr. Peterson

On February 4, 2002, the NRC staff completed its end-of-cycle plant performance assessment of the Catawba Nuclear Station. The end-of-cycle review for Catawba involved the participation of all technical divisions in evaluating performance indicators (PIs) and inspection results for the period from April 1 through December 31, 2001. 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. This will provide you with the opportunity to prepare for these inspections and to inform us of any planned inspections which may conflict with your plant activities.

As discussed in our previous annual assessment letter dated May 31, 2001, this inspection and assessment cycle consisted of three quarters (i.e. the second, third, and fourth calendar quarters of Calendar Year 2001) instead of the usual four quarters. This change was implemented in order to align the inspection and assessment cycle with the calendar year beginning on January 1, 2002.

Overall, Catawba operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter, as well as for the first two quarters of the assessment cycle, 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 PIs indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct baseline inspections and license renewal related inspections at your facility through March 31, 2003.

The enclosed inspection plan details the inspections scheduled through March 31, 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 mid-cycle review meeting.

With respect to the terrorist attacks on the World Trade Center and the Pentagon, immediately following the attacks, the NRC issued safeguards advisories recommending that nuclear power plant licensees go to the highest level of security, and all promptly did so. With continued uncertainty about the possibility of additional terrorist activities, the Nation's nuclear power plants, including Catawba, remain at a high level of security. On February 25, 2002, the NRC issued an Order to all nuclear power plant licensees, requiring them to take certain additional interim compensatory measures to address the generalized high-level threat environment. These additional compensatory requirements will provide the NRC with reasonable assurance that public health and safety and the common defense and security continue to be adequately protected in the current generalized high-level threat environment. These requirements will remain in effect pending notification from the Commission that a significant change in the threat environment occurs, or until the Commission determines that other changes are needed following a more comprehensive re-evaluation of current safeguards and security programs. To date, we have monitored Duke Energy Corporation's actions in response to the terrorist attacks through a series of audits. With the issuance of the Order, in addition to the inspections described in the enclosed plan, we will evaluate Catawba's compliance with these interim requirements.

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 Public Electronic Reading Room).

If circumstances arise which cause us to change our inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (404) 562-4550 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Robert C. Haag, Chief
Reactor Projects Branch 1
Division of Reactor Projects

Docket Nos.: 50-413, 50-414
License Nos.: NPF-35, NPF-52

Enclosure: Catawba Inspection/Activity Plan

cc w/encl: See page 3

DEC

3

cc w/encl:

Regulatory Compliance Manager
Duke Energy Corporation
Electronic Mail Distribution

Lisa Vaughn
Legal Department (PB05E)
Duke Energy Corporation
422 South Church Street
Charlotte, NC 28242

Anne Cottingham
Winston and Strawn
Electronic Mail Distribution

North Carolina MPA-1
Electronic Mail Distribution

Henry J. Porter, Assistant Director
Div. of Waste Mgmt.
S. C. Department of Health
and Environmental Control
Electronic Mail Distribution

R. Mike Gandy
Division of Radioactive Waste Mgmt.
S. C. Department of Health and
Environmental Control
Electronic Mail Distribution

Richard P. Wilson, Esq.
Assistant Attorney General
S. C. Attorney General's Office
Electronic Mail Distribution

Vanessa Quinn
Federal Emergency Management Agency
Electronic Mail Distribution

North Carolina Electric
Membership Corporation
Electronic Mail Distribution

Peggy Force
Assistant Attorney General
N. C. Department of Justice
Electronic Mail Distribution

County Manager of York County, SC
Electronic Mail Distribution

Piedmont Municipal Power Agency
Electronic Mail Distribution

Manager
Nuclear Regulatory Licensing
Duke Energy Corporation
526 S. Church Street
Charlotte, NC 28201-0006

DEC

4

Distribution w/encl:
C. Patel, NRR
RIDSNRRDIPMLIPB
PUBLIC

PUBLIC DOCUMENT (circle one): YES NO

OFFICE														
SIGNATURE	el													
NAME	ELea													
DATE	2/28/2002													
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY
L 2002.wpd

DOCUMENT NAME: C:\Program Files\Adobe\Acrobat 4.0\PDF Output\E O C Catawba Assess