



**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

Southern Nuclear Operating Company, Inc.
ATTN: Mr. H. L. Sumner, Jr.
Vice President - Hatch Plant
Edwin I. Hatch Nuclear Power Plant
P. O. Box 1295
Birmingham, AL 35201-1295

**SUBJECT: ANNUAL ASSESSMENT LETTER - EDWIN I. HATCH NUCLEAR PLANT
(REPORT 50-321/02-01 AND 50-366/02-01)**

Dear Mr. Sumner:

On February 4, 2002, the NRC staff completed its end-of-cycle plant performance assessment of the Hatch Nuclear Plant. The end-of-cycle review for Hatch 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, Hatch 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 only baseline inspections and routine Independent Spent Fuel Storage Facility inspections at Hatch 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 Hatch, 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 the Southern Nuclear Operating Company'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 Hatch'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 this inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at 404-562-4520 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Stephen J. Cahill, Chief
Reactor Projects Branch 2
Division of Reactor Projects

Docket Nos. 50-321, 50-366
License Nos. DPR-57, NPF-5

Enclosure: Hatch Nuclear Plant Inspection/Activity Plan

cc w/encl: (See page 3)

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cc w/encl:
J. D. Woodard
Executive Vice President
Southern Nuclear Operating Company, Inc.
Electronic Mail Distribution

Ernest L. Blake, Esq.
Shaw, Pittman, Potts and
Trowbridge
2300 N Street, NW
Washington, D. C. 20037

P. H. Wells
General Manager, Plant Hatch
Southern Nuclear Operating Company, Inc.
Electronic Mail Distribution

Senior Engineer - Power Supply
Municipal Electric Authority
of Georgia
Electronic Mail Distribution

D. M. Crowe
Manager-Licensing
Southern Nuclear Operating Company, Inc.
Electronic Mail Distribution

Office of Planning and Budget
Room 615B
270 Washington Street, SW
Atlanta, GA 30334

Chairman
Appling County Commissioners
County Courthouse
Baxley, GA 31513

Director, Department of Natural Resources
205 Butler Street, SE, Suite 1252
Atlanta, GA 30334

Manager, Radioactive Materials Program
Department of Natural Resources
Electronic Mail Distribution

Resident Manager
Oglethorpe Power Corporation
Edwin I. Hatch Nuclear Plant
Electronic Mail Distribution

Charles A. Patrizia, Esq.
Paul, Hastings, Janofsky & Walker
10th Floor
1299 Pennsylvania Avenue
Washington, D. C. 20004-9500

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L. Olshan, NRR
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