

August 27, 2002

Mr. D. N. Morey
Vice President - Farley Project
Southern Nuclear Operating
Company, Inc.
Post Office Box 1295
Birmingham, Alabama 35201-1295

SUBJECT: FARLEY NUCLEAR PLANT, UNITS 1 AND 2 - REPLY TO RESPONSE TO
ORDER FOR INTERIM SAFEGUARDS AND SECURITY COMPENSATORY
MEASURES (TAC NOS. MB4126 AND MB4127)

Dear Mr. Morey:

On February 25, 2002, the U.S. Nuclear Regulatory Commission (NRC) issued an Order modifying the operating license for the Farley Nuclear Plant, Units 1 and 2 (Farley) to require compliance with the specified interim safeguards and security compensatory measures. The interim compensatory measures (ICMs) were listed in Attachment 2 to the Order. When issuing the Order, the Commission recognized that you have voluntarily and responsibly implemented additional security measures following the events of September 11, 2001, but in light of the continuing generalized high-level threat environment, the Commission concluded that the security measures should be embodied in an Order consistent with the established regulatory framework.

The Order required responses and actions within specified timeframes. Section III.A of the Order required licensees to immediately start implementation of the requirements listed in Attachment 2 to the Order and to complete implementation no later than August 31, 2002. Section III.B of the Order required licensees to notify the Commission: (1) if they are unable to comply with the requirements described in Attachment 2, (2) if compliance with any of the requirements is unnecessary in their specific circumstances, (3) if implementation of any of the requirements would cause the licensee to be in violation of the provisions of any Commission regulation or the facility license, or (4) if implementation of any of the requirements described in Attachment 2 would adversely impact the safe operation of the facility. Section III.C.1 of the Order required licensees to submit to the Commission, within 20 days of the date of the Order, a schedule for achieving compliance with each requirement described in Attachment 2 to the Order. Section IV of the Order noted that in accordance with 10 C.F.R. § 2.202, the licensee must submit an answer to the Order and may request a hearing on the Order within 20 days of the date of the Order and, where good cause is shown, consideration would be given to extend the time to request a hearing.

In two letters dated March 18, 2002, you submitted a response to the Order for Farley. Your letter of May 10, 2002, provided supplementary information for ICMs B.2.a and B.4.e and your letter of June 20, 2002, provided supplementary information for ICM B.3.c. Your letter of March 18, 2002 (NEL-02-0062) requested an extension of time until August 31, 2002, to respond to ICMs B.1, B.2, and B.3.c. Your letter also requested a comparable extension of time to file a request for hearing for these ICMs.

D. Morey

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The NRC staff has reviewed your responses to each of the ICMs and finds that you have satisfied the current reporting requirements of the Order. However, we note that your response dated May 10, 2002, anticipated further actions by you that would be necessary to meet ICM B.2.a. As noted below, we will determine the effectiveness of your implementation of ICM B.2.a and the other ICMs through on-site inspections.

Since we have concluded that your responses for the ICMs meet the current reporting requirements of the Order, no further extension of time is necessary for submittal of responses to the ICMs nor is any further extension of time granted for the filing of a request for hearing for ICMs B.1, B.2, and B.3.c.

The NRC will determine the effectiveness of your implementation of the ICMs through on-site inspections. I would like to remind you that, pursuant to Section III.C.2 of the Order, you are to report to the Commission when you have achieved full compliance with the requirements described in Attachment 2 to the Order.

Please contact Frank Rinaldi at (301) 415-1447 if you have any other questions on these issues.

Sincerely,

/RA/

John A. Zwolinski, Director
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-348 and 50-364

cc: See next page

August 27, 2002

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/RA/

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Joseph M. Farley Nuclear Plant

cc:

Mr. Don E. Grissette
General Manager -
Southern Nuclear Operating Company
Post Office Box 470
Ashford, Alabama 36312

William D. Oldfield
SAER Supervisor
Southern Nuclear Operating Company
P. O. Box 470
Ashford, Alabama 36312

Mr. Mark Ajluni, Licensing Manager
Southern Nuclear Operating Company
Post Office Box 1295
Birmingham, Alabama 35201-1295

Mr. M. Stanford Blanton
Balch and Bingham Law Firm
Post Office Box 306
1710 Sixth Avenue North
Birmingham, Alabama 35201

Mr. J. D. Woodard
Executive Vice President
Southern Nuclear Operating Company
Post Office Box 1295
Birmingham, Alabama 35201

State Health Officer
Alabama Department of Public Health
434 Monroe Street
Montgomery, Alabama 36130-1701

Chairman
Houston County Commission
Post Office Box 6406
Dothan, Alabama 36302

Resident Inspector
U.S. Nuclear Regulatory Commission
7388 N. State Highway 95
Columbia, Alabama 36319