



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV  
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March 4, 2003

Garry L. Randolph, Senior Vice  
President and Chief Nuclear Officer  
Union Electric Company  
P.O. Box 620  
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**SUBJECT: ANNUAL ASSESSMENT LETTER - CALLAWAY PLANT  
(REPORT 50-483/2003-01)**

Dear Mr. Randolph:

On February 6, 2003, the NRC staff completed its end-of-cycle plant performance assessment of Callaway Plant. The end-of-cycle review for Callaway Plant involved the participation of all technical divisions in evaluating performance indicators for the most recent quarter and inspection results for the period from January 1 through December 31, 2002. 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 so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities.

Overall, Callaway Plant operated in a manner that preserved public health and safety and met all cornerstone objectives with moderate degradation in safety performance. Plant performance for the most recent quarter was in the Regulatory Response Column of the NRC's Action Matrix based on one finding of low to moderate risk significance (White) in the Mitigating Systems cornerstone. This finding involved the failure to promptly identify and correct a significant condition adverse to quality, specifically the presence of foreign material in the condensate storage tank that resulted in the inoperability of an auxiliary feedwater pump.

While plant performance for the most recent quarter is within the Regulatory Response Column of the Action Matrix, there was an additional safety significant inspection finding present during the first quarter of the assessment cycle. Plant performance in the first quarter 2002 was in the Degraded Cornerstone Column of NRC's Action Matrix as a result of a finding (White) in the Mitigating Systems cornerstone in June 2001 (the inoperability of one train of the essential service water system) and the above mentioned finding regarding the auxiliary feedwater system. The NRC staff conducted inspections utilizing Inspection Procedure 95002, "Inspection for One Degraded Cornerstone or Any Three White Inputs in a Strategic Performance Area," regarding both issues. Callaway Plant was found to have satisfactorily addressed each issue with regard to evaluations involving the extent of condition and proposed corrective actions. Callaway Plant was in the Regulatory Response Column during the remainder of the assessment period.

In our midcycle assessment letter dated August 27, 2002, we advised you of a substantive crosscutting issue in the area of problem identification and resolution. Over the course of the assessment period, multiple findings were identified in the Mitigating Systems cornerstone where problem identification and/or problem resolution were inadequate. One finding was of low to moderate safety significance (White) and was related to the failure to identify and correct a condition in the Condensate Storage Tank that resulted in the inoperability of an auxiliary feedwater pump. Other findings of very low safety significance (Green) included incorrect or incomplete calculations pertaining to auxiliary feedwater pump net positive suction head, methods of evaluating degraded voltage conditions, motor-operated valve feeder cable voltage drops, requirements for emergency diesel generator steady-state loading, and degraded voltage setpoints used to determine the degraded voltage relay dropout setting. Additionally, one finding was identified, not cornerstone specific, regarding multiple missed problem identification opportunities. A failure of the turbine-driven auxiliary feedwater pump to restart following a reactor trip in December 2002 revealed that an existing problem with a risk-significant component had not been identified prior to pump failure. This issue is still being evaluated using the Significance Determination Process. NRC staff conducted an inspection utilizing Inspection Procedure 71152, "Identification and Resolution of Problems," in December 2002 and noted that changes made to the corrective action program appeared to result in improved performance and that no new issues were identified during that inspection. However, the recent failure to identify the condition that resulted in the failure of the turbine-driven auxiliary feedwater pump, in conjunction with the previously identified deficiencies regarding problem identification, indicate that additional progress is needed. Consequently, the substantive crosscutting issue will remain open, and NRC will conduct another problem identification and resolution inspection in June 2003 consistent with the guidance in NRC Inspection Manual Chapter 0305, "Operating Reactor Assessment Program," to further assess licensee progress in addressing this matter.

The enclosed inspection plan details the inspections scheduled through March 31, 2004. 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 inspections in the last 6 months of the inspection plan are tentative and may be revised at the Midcycle Review meeting.

As you are aware, since the terrorist attacks on September 11, 2001, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force readiness. We have conducted inspections to review your implementation of these requirements and have monitored your actions in response to changing threat conditions. For calendar year 2003, we plan to continue these inspections and conduct portions of the security baseline inspection program, as well as perform additional inspections to evaluate your compliance with new requirements that may be ordered. Based on our final determinations in this regard, we will notify you of any inspection plan changes.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records 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 David N. Graves at 817-860-8141 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

*/RA/*

Ellis W. Merschoff,  
Regional Administrator

Docket: 50-483  
License: NPF-30

Enclosure:  
Callaway Plant Inspection/Activity Plan

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-4-

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-5-

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-6-

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/RA/	/RA/	/RA/		/RA/
2/27/03	2/27/03	2/ /03	NA	3/4/03

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**Callaway**  
**Inspection / Activity Plan**  
**03/02/2003 - 03/31/2004**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	<b>PSB-EP1</b>	<b>- EP EXERCISE BASELINE INSPECTION</b>	<b>3</b>			
1	IP 7111401	Exercise Evaluation		04/14/2003	04/18/2003	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		04/14/2003	04/18/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		04/14/2003	04/18/2003	Baseline Inspections
	<b>RP-TM</b>	<b>- RAD SAFETY TEAM</b>	<b>5</b>			
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		05/19/2003	05/23/2003	Baseline Inspections
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		05/19/2003	05/23/2003	Baseline Inspections
1	IP 7112202	Radioactive Material Processing and Transportation		05/19/2003	05/23/2003	Baseline Inspections
1	IP 7112203	Radiological Environmental Monitoring Program		05/19/2003	05/23/2003	Baseline Inspections
	<b>PSB-S1</b>	<b>- SECURITY BASELINE INSPECTION</b>	<b>1</b>			
1	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizat		06/02/2003	06/06/2003	Baseline Inspections
1	IP 7113003	Response to Contingency Events (Protective Strategy and Implementation of Protective Stra		06/02/2003	06/06/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		06/02/2003	06/06/2003	Baseline Inspections
	<b>EMB</b>	<b>- HEAT SINKS</b>	<b>1</b>			
1	IP 7111107B	Heat Sink Performance		06/16/2003	06/20/2003	Baseline Inspections
	<b>OB-PIR</b>	<b>- ADDITIONAL PIR</b>	<b>3</b>			
1	IP 71152	Identification and Resolution of Problems		06/23/2003	06/27/2003	Baseline Inspections
	<b>ALARA3</b>	<b>- ALARA PLANNING AND CONTROLS</b>	<b>1</b>			
1	IP 7112102	ALARA Planning and Controls		07/21/2003	07/25/2003	Baseline Inspections
	<b>ACCESSPI</b>	<b>- ACRSA/PI</b>	<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		08/04/2003	08/09/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		08/04/2003	08/09/2003	Baseline Inspections
	<b>EMB</b>	<b>- BIENNIAL MR &amp; PERM MODS</b>	<b>4</b>			
1	IP 7111112B	Maintenance Effectiveness		08/18/2003	08/22/2003	Baseline Inspections
1	IP 7111117B	Permanent Plant Modifications		08/18/2003	08/22/2003	Baseline Inspections
	<b>OB-RQ</b>	<b>- REQUAL INSPECTION</b>	<b>3</b>			
1	IP 7111111B	Licensed Operator Requalification		09/08/2003	09/12/2003	Baseline Inspections
	<b>EMB</b>	<b>- TRIENNIAL FP</b>	<b>5</b>			
1	IP 7111105T	Fire Protection		09/02/2003	09/05/2003	Baseline Inspections
1	IP 7111105T	Fire Protection		09/15/2003	09/19/2003	Baseline Inspections
1	IP 7111105T	Fire Protection		09/29/2003	10/03/2003	Baseline Inspections
	<b>OB-IN</b>	<b>- INITIAL EXAM</b>	<b>4</b>			
1	X02258	CALLAWAY - INITIAL EXAM (03/04)		02/09/2004	02/13/2004	Not Applicable
1	X02258	CALLAWAY - INITIAL EXAM (03/04)		03/01/2004	03/05/2004	Not Applicable

This report does not include INPO and OUTAGE activities.  
This report shows only on-site and announced inspection procedures.

**Callaway**  
**Inspection / Activity Plan**  
**03/02/2003 - 03/31/2004**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
<b>PSB-EP1 - EP PROGRAM INSPECTION</b>			<b>1</b>			
1	IP 7111402	Alert and Notification System Testing		03/08/2004	03/12/2004	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		03/08/2004	03/12/2004	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		03/08/2004	03/12/2004	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		03/08/2004	03/12/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		03/08/2004	03/12/2004	Baseline Inspections

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