Annual Assessment Meeting
Farley Nuclear Power Plant

Nuclear Regulatory Commission
March 27, 2003

Annual Licensee Assessment Meeting

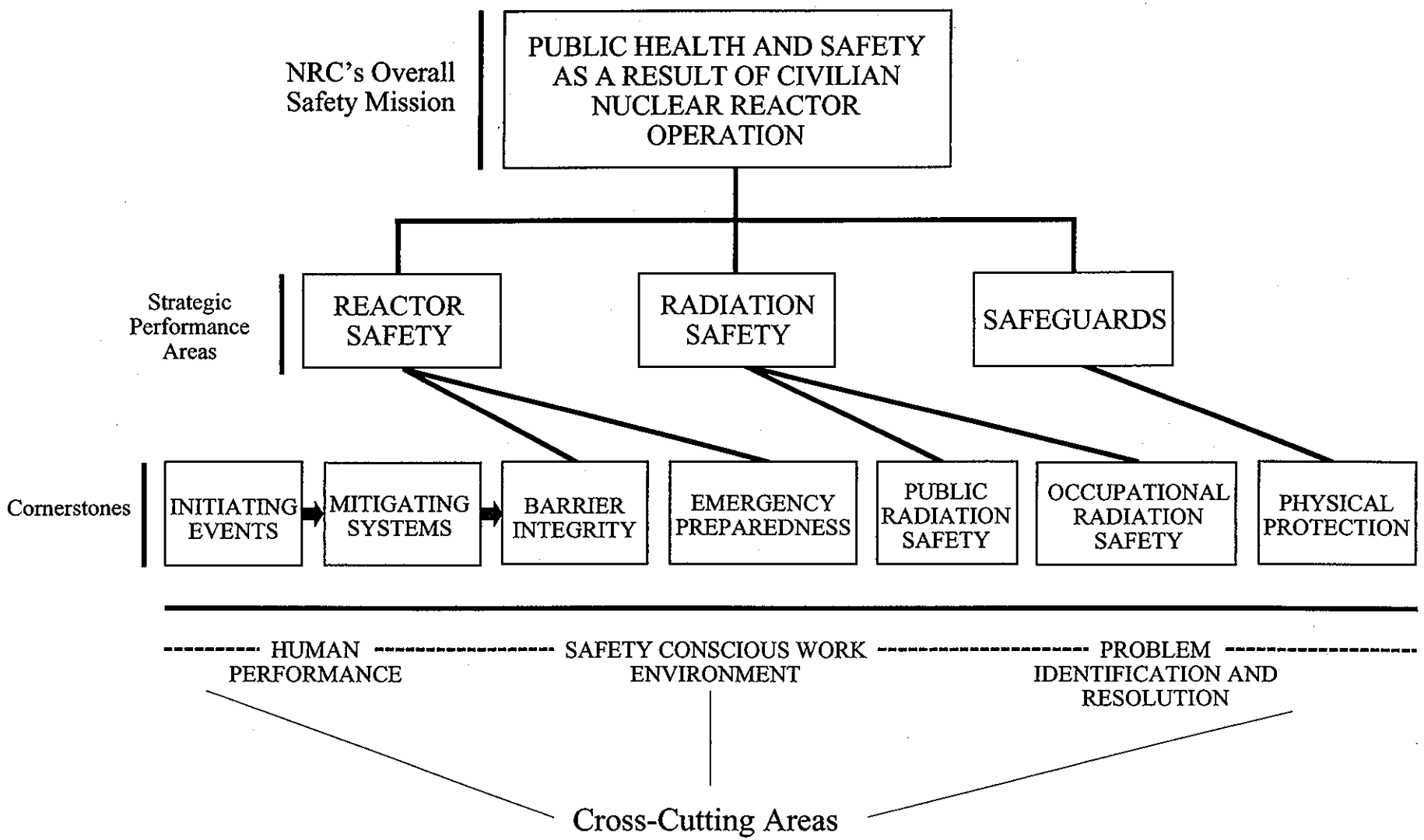
- A public forum for discussion of the licensee's performance as outlined in the NRC's Annual Assessment Letter

- Provide licensee with an opportunity to respond to the information in the Assessment Letter

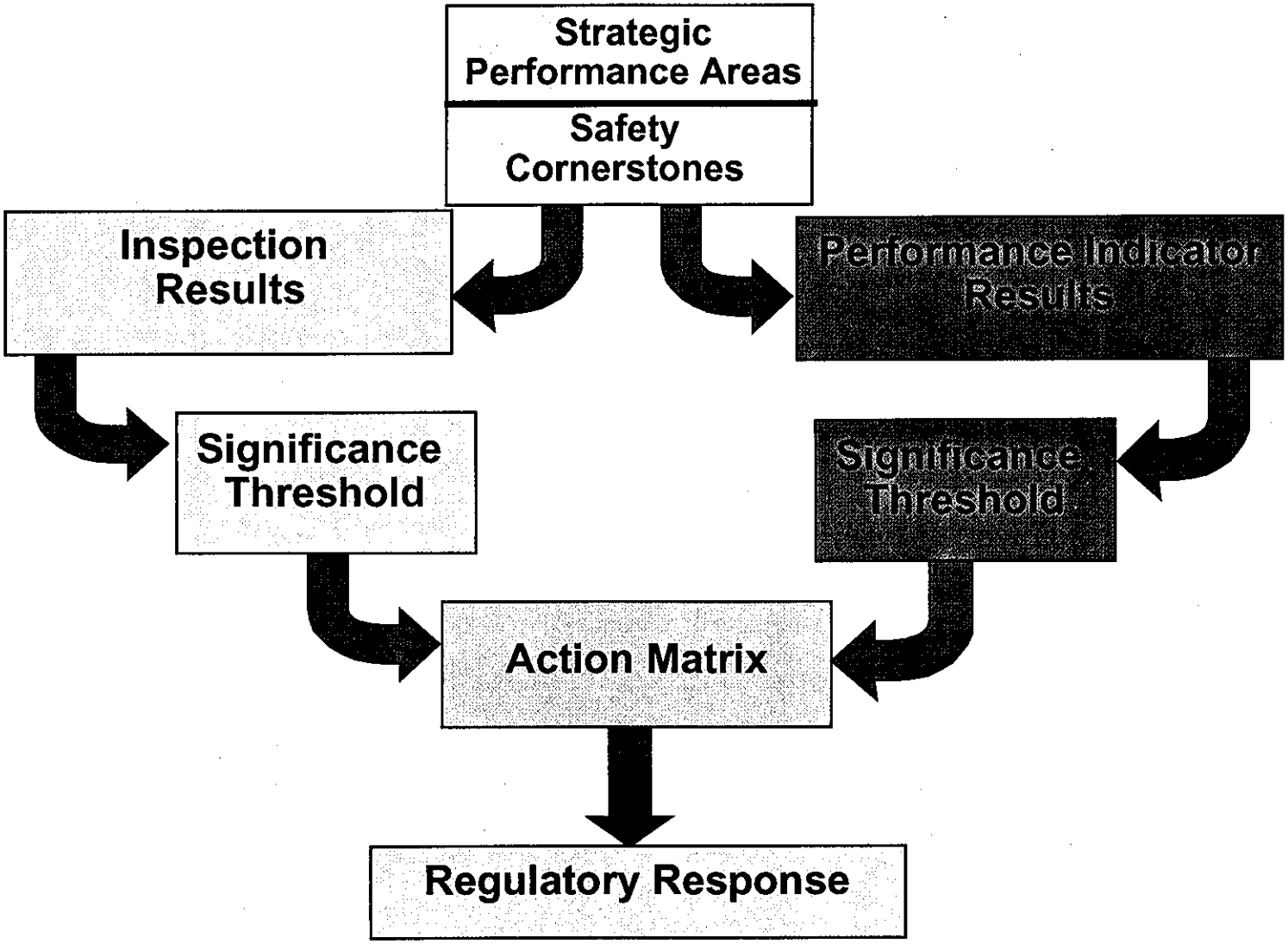
NRC Performance Goals

- Maintain safety and protect the environment
- Enhance public confidence
- Improve effectiveness, efficiency, and realism of processes and decision making
- Reduce unnecessary regulatory burden

Regulatory Framework



Reactor Oversight Process



Action Matrix

		Licensee Response Column	Regulatory Response Column	Degraded Cornerstone Column	Multiple/ Repetitive Degraded Cornerstone Column	Unacceptable Performance Column
RESULTS		All Assessment Inputs (Performance Indicators (PIs) and Inspection Findings) Green; Cornerstone Objectives Fully Met	One or Two White Inputs (in different cornerstones) in a Strategic Performance Area; Cornerstone Objectives Fully Met	One Degraded Cornerstone (2 White Inputs or 1 Yellow Input) or any 3 White Inputs in a Strategic Performance Area; Cornerstone Objectives Met with Moderate Degradation in Safety Performance	Repetitive Degraded Cornerstone, Multiple Degraded Cornerstones, Multiple Yellow Inputs, or 1 Red Input; Cornerstone Objectives Met with Longstanding Issues or Significant Degradation in Safety Performance	Overall Unacceptable Performance; Plants Not Permitted to Operate Within this Band, Unacceptable Margin to Safety
RESPONSE	Regulatory Performance Meeting	None	Branch Chief (BC) or Division Director (DD) Meet with Licensee	DD or Regional Administrator (RA) Meet with Licensee	RA (or EDO) Meet with Senior Licensee Management	Commission meeting with Senior Licensee Management
	Licensee Action	Licensee Corrective Action	Licensee root cause evaluation and corrective action with NRC Oversight	Licensee cumulative root cause evaluation with NRC Oversight	Licensee cumulative root cause evaluation with consideration of a Performance Improvement Plan with NRC Oversight	
	NRC Inspection	Risk-Informed Baseline Inspection Program	Baseline and supplemental inspection procedure 95001	Baseline and supplemental inspection procedure 95002	Baseline and supplemental inspection procedure 95003	
	Regulatory Actions[1]	None	Supplemental inspection only	Supplemental inspection only	-10 CFR 2.204 DFI -10 CFR 50.54(f) Letter - CAL/Order	Order to Modify, Suspend, or Revoke Licensed Activities
COMMUNICATION	Assessment Letters	BC or DD review/sign assessment report (w/ inspection plan)	DD review/sign assessment report (w/ inspection plan)	RA review/sign assessment report (w/ inspection plan)	RA review/sign assessment report (w/ inspection plan)	
	Annual Public Meeting	SRI or BC Meet with Licensee	BC or DD Meet with Licensee	RA (or DD) Discuss Performance with Licensee	RA or EDO Discuss Performance with Senior Licensee Management	
	Commission Involvement	None	None	None	Plant discussed at AARM	Commission Meeting with Senior Licensee Management
	INCREASING SAFETY SIGNIFICANCE -------->					

Note 1: The regulatory actions for plants in the Multiple/Repetitive Degraded Cornerstone column are not mandatory agency actions. However, the regional office should consider each of these regulatory actions when significant new information regarding licensee performance becomes available.

Key Aspects of the Assessment Program

- Objective review of licensee performance
- "Action Matrix" identifies agency response commensurate with safety significance
- Increasing safety significance results in:
  - Increased levels of inspection
  - Involvement of higher levels of NRC and Licensee management
  - Increased regulatory action
- Plant specific assessment information on NRC public web site:
  - http://www.nrc.gov/NRR/ OVERSIGHT/ASSESS/ actionmatrix_summary.html

NRC Inspection Activities in 2002

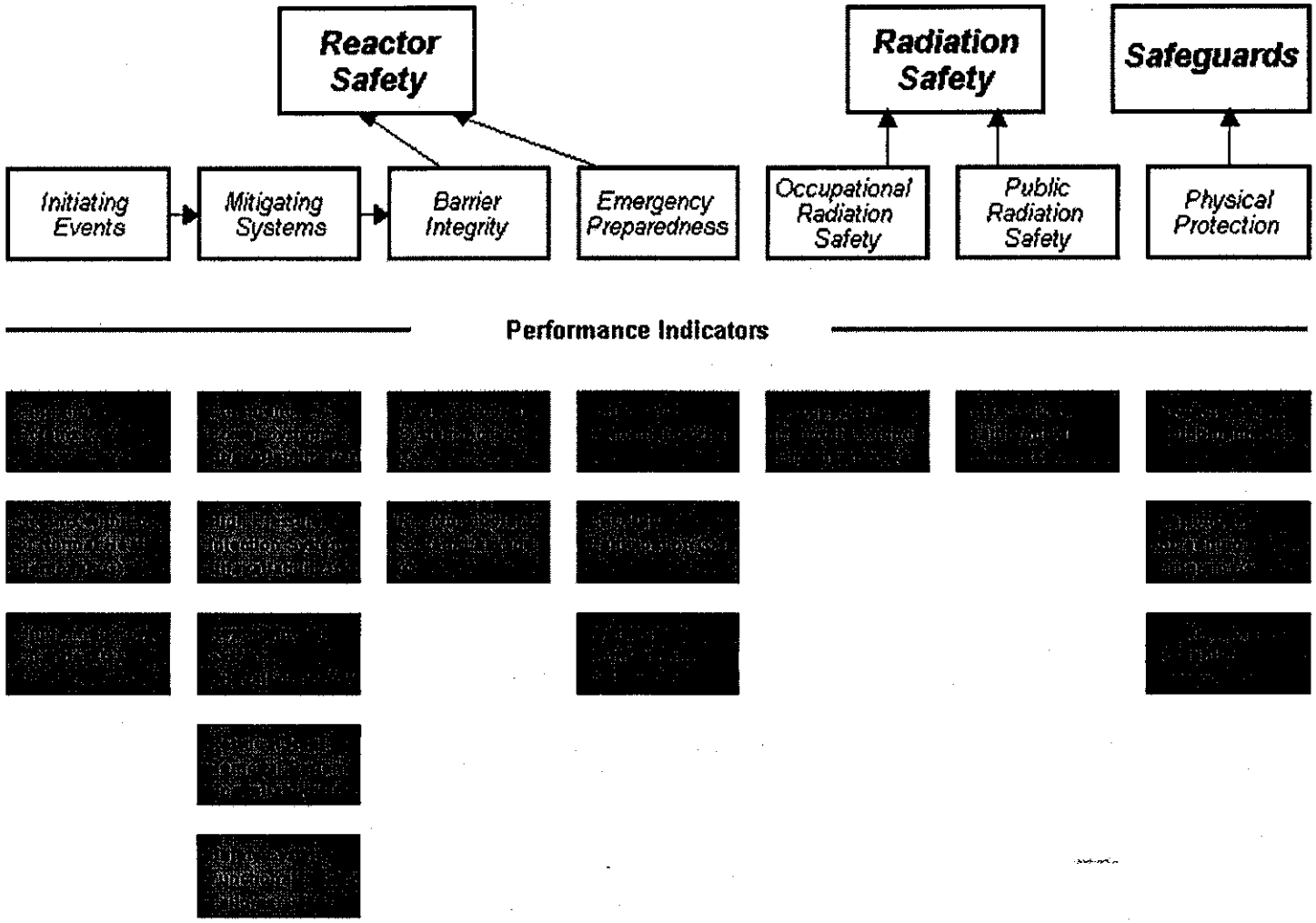
- Routine Resident Baseline Inspections
- Security Inspections
- Reactor Vessel Head Inspection (Unit 2)
- Fire Protection Inspection
- Safety System Design and Performance Capability Inspection
- Emergency Exercise Inspection

Plant Performance Summary

- All Performance Indicators and Inspection Findings were Green
- All cornerstone objectives fully met
- In Licensee Response Column for all four quarters
- Preserved public health and safety
- Baseline inspection program to be performed

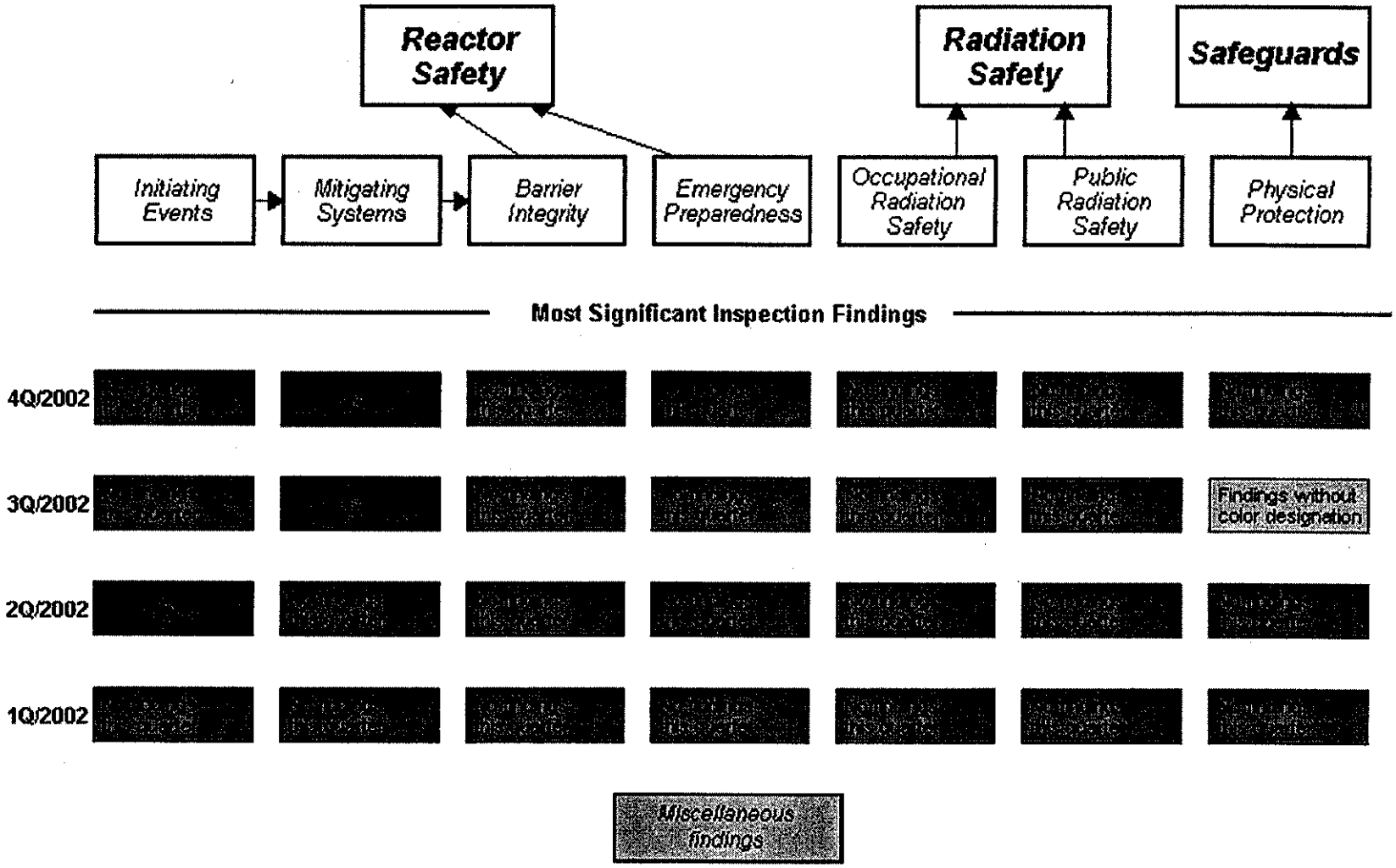
Fourth Quarter 2002 Performance Summary
Performance Indicators

Farley Unit 1: Licensee Response Column



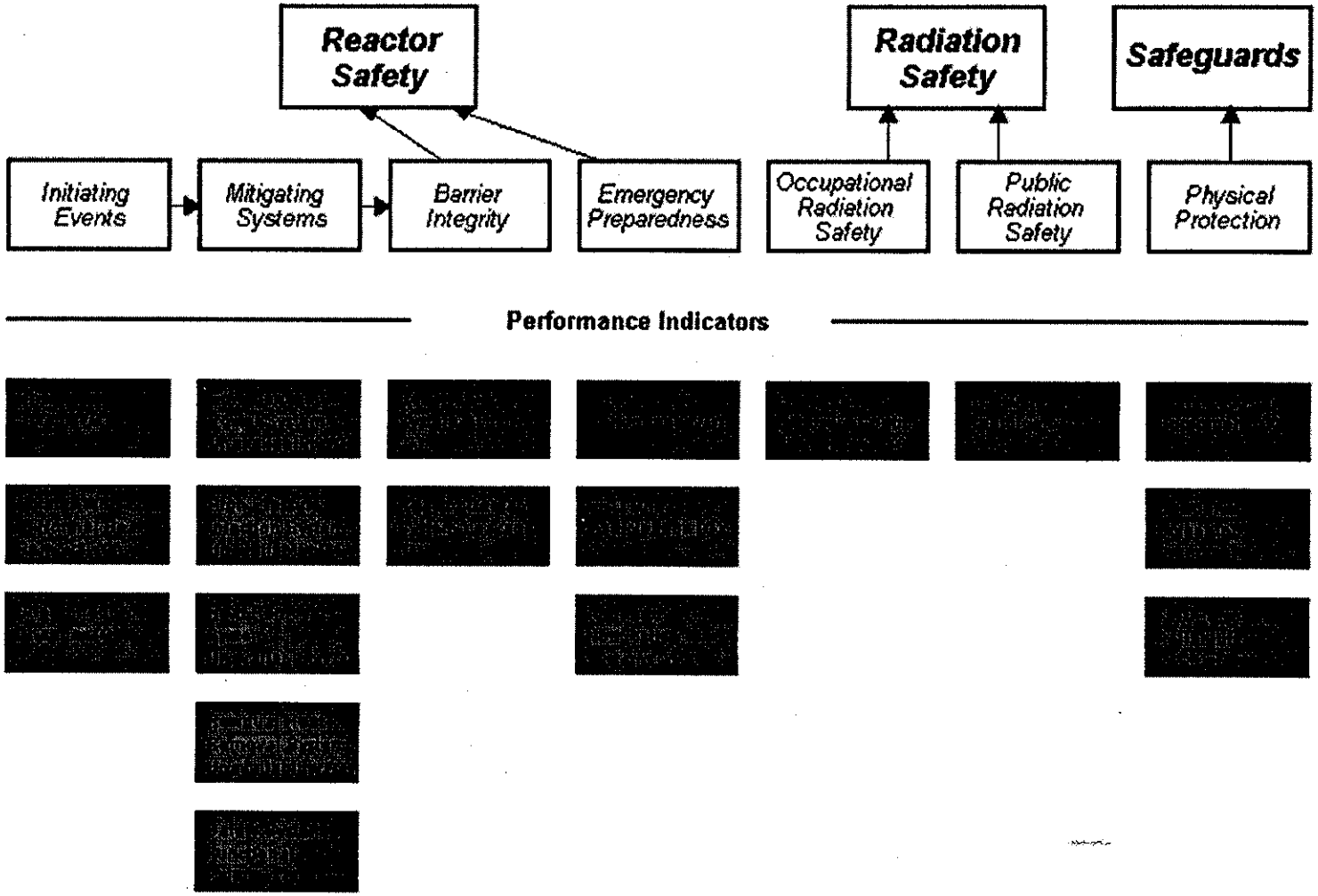
Year 2002 Performance Summary
Inspection Findings

Farley Unit 1: Licensee Response Column



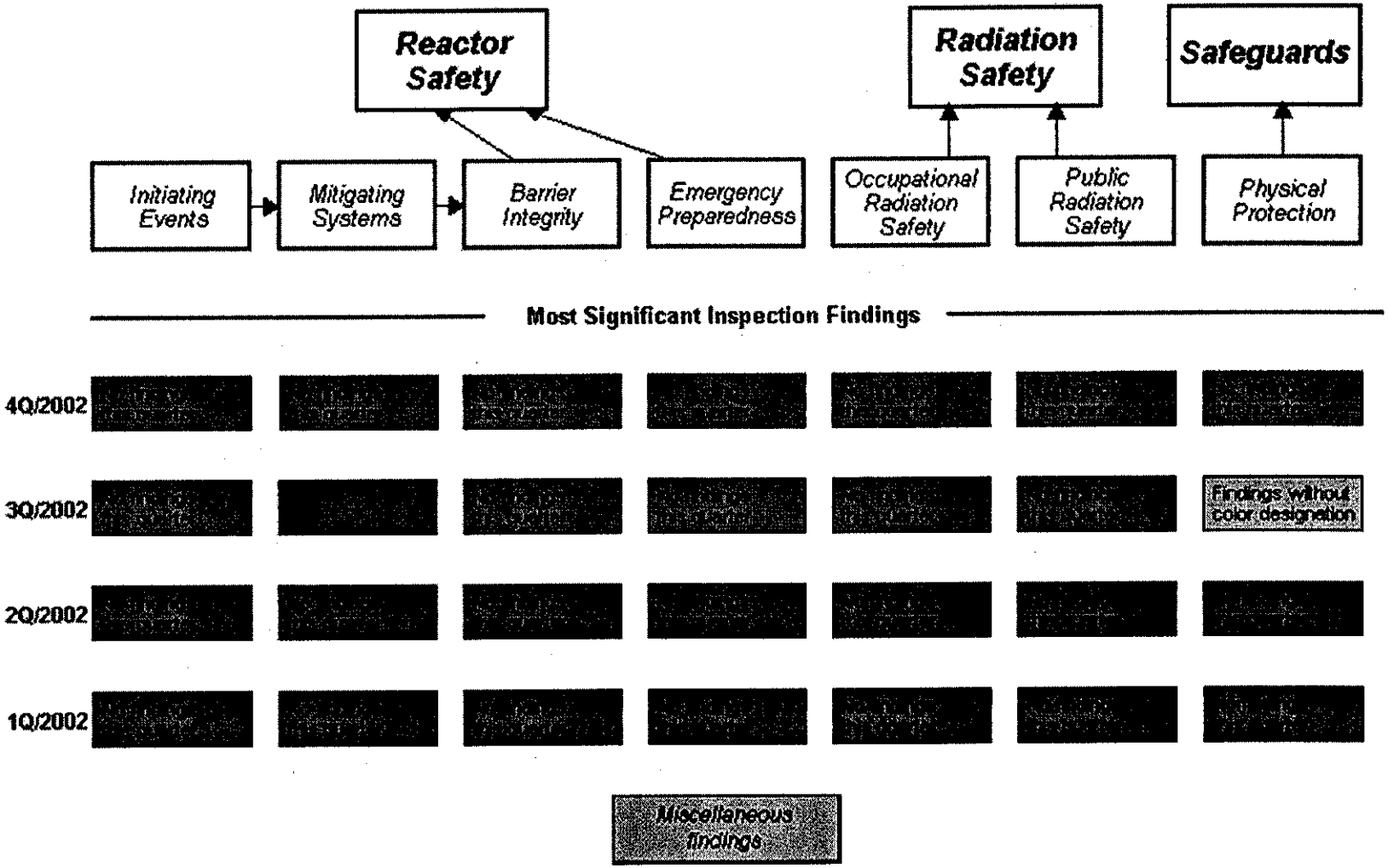
Fourth Quarter 2002 Performance Summary
Performance Indicators

Farley Unit 2: Licensee Response Column



Year 2002 Performance Summary
Inspection Findings

Farley Unit 2: Licensee Response Column



ROP Action Matrix Summary for 2002

- Column 1 - Licensee Response
- Column 2 - Regulatory Response
- Column 3 - Degraded Cornerstone
- Column 4 - Multiple/ Repetitive Degraded Cornerstone
- Column 5 - Unacceptable Performance

(Nationwide number does not contain Davis Besse)

	Column 1	Column 2	Column 3	Column 4	Column 5
Nationwide	59	33	7	3	0
Region I	9	14	2	1	0
Region II	26	4	1	1	0
Region III	11	10	2	0	0
Region IV	13	5	2	1	0

Security & Safeguards Update

- Creation of Office of Nuclear Security and Incident Response
- Top-to-Bottom Review of Security Program Initiated
- Issuance of Orders/ Interim Compensatory Measures (ICM)
- Verification of Licensee Actions on ICM

Security & Safeguards Update

- Proposed Revisions to Design Basis Threat
- Pending Orders on Fatigue/Guard Training
- Initiation of Pilot Force-on-Force Exercise Program

Contacts for additional information for:

Farley Nuclear Power Plant

- Regional Public Affairs Officer:
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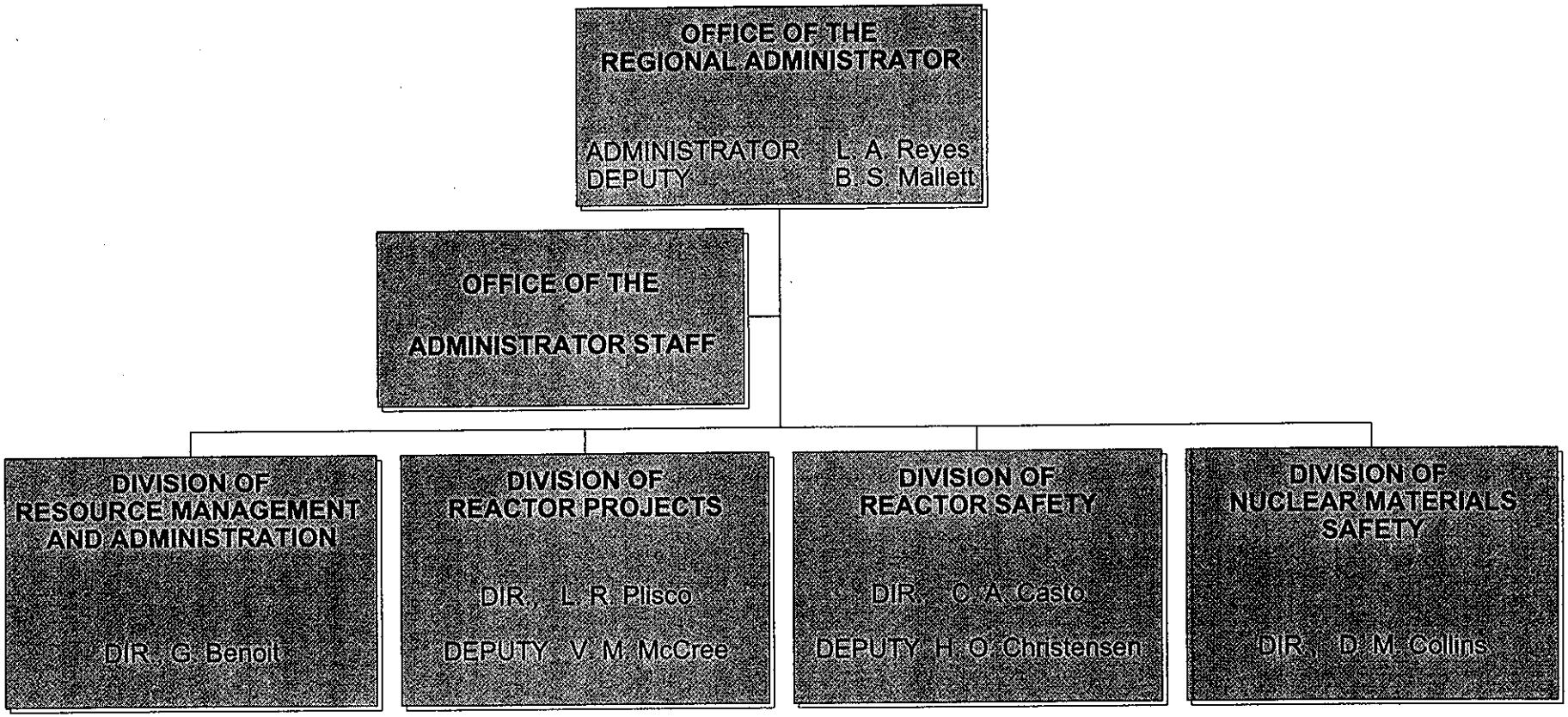
- State Liaison Officer:
  - Name: Robert E. Trojanowski
  - Phone: 404-562-4427
  - E-mail: ret@nrc.gov
- Branch Chief:
  - Name: Brian R. Bonser
  - Phone: 404-562-4540
  - E-mail: brb1@nrc.gov
- Senior Resident Inspector:
  - Name: Tom P. Johnson
  - Phone: 334-899-3386
  - E-mail: tpj@nrc.gov

Contacting the NRC

- Report an emergency
  - (301) 816-5100 (call collect)
- Report a safety concern:
  - (800) 695-7403
  - Allegation@nrc.gov
- General information or questions
  - www.nrc.gov
  - Select "What We Do" for Public Affairs

Regional Organization



Regional Organization