



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
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ATLANTA, GEORGIA 30303-8931**

March 3, 2004

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

**SUBJECT: ANNUAL ASSESSMENT LETTER - CATAWBA NUCLEAR STATION
(NRC INSPECTION REPORT 05000413/2004001 AND 05000414/2004001)**

Dear Mr. Jamil

On February 3, 2004, 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) for the most recent quarter and inspection results for the period from January 1 through December 31, 2003. 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 allow you an opportunity to prepare for these inspections and to inform us of any planned inspections which may conflict with your plant activities.

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 three 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 reactor oversight process (ROP) baseline inspections at your facility through September 30, 2005, as well as the following non-reactor oversight program inspections: (1) routine inspections of activities associated with your planned Independent Spent Fuel Storage Installation; (2) safety issue inspections concerning the reactor pressure vessel lower head penetration nozzles (NRC Bulletin 2003-02) and the reactor containment sump (NRC Bulletin 2003-01); and (3) operator licensing examinations.

The enclosed inspection plan details the inspections scheduled through September 30, 2005. 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 twelve months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

As you are aware, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force readiness since the terrorist attacks on September 11, 2001. 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 2004, we plan to continue inspections of order implementation combined with newly developed portions of the security baseline inspection program.

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

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