

June 14, 2004

Mr. Ernest M. Hauser, President  
Caldon, Inc.  
1070 Banksville Avenue  
Pittsburgh, PA 15216

SUBJECT: ACCEPTANCE OF TOPICAL REPORT ER-404, "TOPICAL REPORT  
ENHANCED ACCURACY OF LEFM CHECKPLUS SYSTEMS IN BACKUP  
MODES OF OPERATION," REVISION 2, FOR REVIEW (TAC NO. MC3114)

Dear Mr. Hauser:

By letter dated May 11, 2004, Caldon, Inc. submitted for NRC staff review Topical Report (TR) ER-404, "Topical Report Enhanced Accuracy of LEFM CheckPlus Systems in Backup Modes of Operation," Revision 2. The NRC staff has performed an acceptance review of ER-404. We have found that the material presented is sufficient to begin our comprehensive review. The staff expects to issue requests for additional information by January 28, 2005, and complete its review by June 30, 2005, and estimates that the review will require approximately 430 staff hours including project management time. The review schedule milestones and estimated review costs were discussed and agreed upon in a telephone conference between you and the NRC staff on June 9, 2005.

Section 170.21 of Title 10 of the Code of Federal Regulations requires that TRs are subject to fees based on the full cost of the review. You did not request a fee waiver; therefore, staff hours will be billed accordingly.

Sincerely,

**/RA/**

William A. Macon, Jr., Project Manager, Section 2  
Project Directorate IV  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Project No. 1311

June 14, 2004

Mr. Ernest M. Hauser, President  
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Pittsburgh, PA 15216

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**NRR-106**

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