



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET, SW, SUITE 23T85
ATLANTA, GEORGIA 30303-8931

September 2, 2008

Mr. J. Randy Johnson
Vice President - Farley
Southern Nuclear Operating Company, Inc.
7388 North State Highway 95
Columbia, AL 36319

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN - JOSEPH M.
FARLEY NUCLEAR PLANT

Dear Mr. Johnson:

On August 12, 2008, the NRC staff completed its performance review of Joseph M. Farley Nuclear Plant for the first half of the calendar year 2008 assessment cycle. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results over the previous twelve months. 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 performance review and enclosed inspection plan do not include security information. A separate letter designated and marked as "Official Use Only – Security Related Information" will include the Physical Protection/Security cornerstone performance review and resultant inspection plan.

Plant performance for the most recent quarter at Farley Unit 1 was within the Degraded Cornerstone column of the Nuclear Regulatory Commission's (NRC's) Action Matrix based on three White inputs. These included a White Mitigating System Performance Index (MSPI) Cooling Water System performance indicator (PI) that crossed the threshold from Green to White in the third quarter 2007, a parallel White Performance Indicator Finding in the Mitigating System Cornerstone for both units regarding breaker failures in the third quarter 2007 and a Unit 1 MSPI Emergency AC PI crossed the threshold from Green to White in the first quarter 2008 due to two independent run failures of the 1B Emergency Diesel Generator. The NRC completed a supplemental inspection in accordance with supplemental inspection procedure 95002, "Inspection For One Degraded Cornerstone Or Any Three White Inputs In a Strategic Performance Area," on June 13, 2008. This inspection addressed the Parallel White Performance Indicator Finding and the White MSPI Cooling Water PI.

Plant performance for the most recent quarter at Farley Unit 2 was within the Degraded Cornerstone column of the NRC's Action Matrix based on a Yellow Inspection Finding in the Mitigating System Cornerstone for repetitive failures of a Residual Heat Removal (RHR) containment sump valve and a parallel White Performance Indicator Finding in the Mitigating System Cornerstone for both units regarding breaker failures in the third quarter 2007. Also, you previously reported a White RHR MSPI in the second quarter of 2007, which was reported as Green in the second quarter 2008. The NRC completed a supplemental inspection in

accordance with inspection procedure 95002 "Inspection For One Degraded Cornerstone Or Any Three White Inputs In a Strategic Performance Area" on June 13, 2008. This inspection addressed the Yellow Inspection Finding, the Parallel White Performance Indicator Finding and the White RHR MSPI.

Although not covered under this assessment period, the NRC plans on issuing a final Notice of Violation and White Inspection Finding in accordance with the NRC's Enforcement Policy. The finding involved inadequate work instructions to install the 1B Emergency Diesel Generator (EDG) exhaust header.

On August 21, 2008, we were notified by your staff of your readiness for the NRC to conduct a Unit 1 95001 supplemental inspection to review the actions taken to address the White MSPI Emergency AC PI and the pending White Inspection Finding associated with the 1B EDG exhaust header failure. Therefore, we plan to conduct supplemental inspection procedure 95001, "Inspection For One Or Two White Inputs In A Strategic Performance Area," beginning on September 22, 2008. In addition, we plan to conduct reactor oversight process (ROP) baseline inspections at Unit 1 and 2. We also plan on conducting several non-ROP inspections of reactor coolant system dissimilar metal butt welds (Temporary Instruction (TI) 2515/172), site specific implementation of B.5.b phase 2 and 3 mitigation strategies (TI 2515/171), emergency diesel generator technical specification surveillance requirements (TI 2515/176), and Emergency Response Organization Drill/Exercise Performance Indicator (TI 2515/175).

In addition, TI 2515/173, "Review of the Implementation of the Industry Ground Water Protection Voluntary Initiative," will be performed at your facility prior to August 30, 2010. In the near term, we will contact you to assess your readiness for this inspection and then finalize our schedule accordingly.

The enclosed inspection plan details the inspections, less those related to physical protection scheduled through December 31, 2009. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last nine months of the inspection plan are tentative and may be revised at the end-of-cycle review.

In accordance with 10 CFR 2.390 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).

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If circumstances arise which cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact Scott Shaeffer at (404) 562-4521 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Luis A. Reyes
Regional Administrator

Docket Nos.: 50-348, 50-364
License Nos.: NPF-2, NPF-8

Enclosure: Farley Inspection/ Activity Plan

cc w/encl: (See page 4)

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SIGNATURE	SMS /RA for/	SMS /RA/	LDW /RA/				
NAME	TLighty	SShaeffer	LWert				
DATE	08/29/2008	08/29/2008	09/02/2008				
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

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Letter to J. Randy Johnson from Scott M. Shaeffer dated September 2, 2008

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -JOSEPH M.
FARLEY NUCLEAR PLANT

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