



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005**

August 26, 2002

Garry L. Randolph, Senior Vice
President and Chief Nuclear Officer
Union Electric Company
P.O. Box 620
Fulton, Missouri 65251

**SUBJECT: MIDCYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -
CALLAWAY PLANT**

Dear Mr. Randolph:

On August 1, 2002, the NRC staff completed its midcycle plant performance assessment of Callaway Plant. In accordance with NRC Inspection Manual Chapter 0305, "Operating Reactor Assessment Program," the midcycle review involved the participation of all technical divisions in evaluating the performance of your Callaway Plant facility for the first half of the current assessment cycle, 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 which may conflict with your plant activities.

Plant performance for the most recent quarter was within 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, foreign material in the auxiliary feedwater system and condensate storage tank, which resulted in the failure of an auxiliary feedwater pump on December 3, 2001. A supplemental inspection utilizing Inspection Procedure 95002, "Inspection for One Degraded Cornerstone or Any Three White Inputs in a Strategic Performance Area," is scheduled to be performed during the week of August 19, 2002, to assess the adequacy of your evaluation, and to review the corrective actions you have taken for this risk-significant performance issue.

While plant performance for the most recent quarter was within the Regulatory Response column of the NRC's Action Matrix, plant performance had been in the Degraded Cornerstone column of the NRC's Action Matrix during the first quarter of 2002 as a result of the White finding discussed above and a second, previously identified, White finding in the Mitigating Systems Cornerstone regarding an essential service water pump which was inoperable for approximately 132 hours. A supplemental inspection was completed for this issue in March 2002. During that inspection, we concluded that your staff had performed a thorough evaluation of the causes of the inoperable essential service water pump and correctly identified the extent of the condition. We also determined that appropriate corrective actions were identified by your staff to address the root causes.

Additionally, we have identified a substantive crosscutting issue in the area of Problem Identification and Resolution. Over the course of this assessment period (January through June 2002), the inspectors identified a number of examples that were indicative of problem identification and resolution deficiencies. Specifically: (1) your staff failed to take adequate corrective actions to repair, and prevent recurrence of, a deficiency associated with an emergency diesel generator overspeed trip switch; (2) your staff failed to address a flow anomaly condition in auxiliary feedwater Train B that had existed between February 2000 and March 2001; (3) your staff failed to take corrective action to correct abnormally high vibration on both motor-driven auxiliary feedwater pumps; and (4) your staff failed to identify and correct a significant condition adverse to quality involving foreign material in the condensate storage tank. A separate finding associated with this issue was identified regarding your staff's performance associated with missed opportunities to identify and correct the degraded condensate storage tank cover. In addition to the above-listed items, the following problem identification and resolution issues were identified: (1) a previously identified condition, associated with auxiliary feedwater minimum discharge pressure and recirculation flow, had not been corrected; and (2) your staff failed to take corrective action to ensure flood doors leading into the emergency core cooling system pump rooms were properly controlled. This crosscutting issue will be reviewed during the Problem Identification and Resolution inspection scheduled to be conducted in December 2002 as part of the baseline inspection program.

The enclosed inspection plan details the inspections scheduled through September 30, 2003, and includes Temporary Instruction 2515/145, "Circumferential Cracking of Reactor Pressure Vessel Head Penetration Nozzles (NRC Bulletin 2001-01)". 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 last 6 months of the inspection plan are tentative and may be revised at the end-of-cycle review.

In addition, the NRC is in the process of finalizing a Temporary Instruction (TI) that will be used to review implementation of the Interim Compensatory Measures required by the Agency's Security Order to all commercial nuclear power plants dated February 25, 2002. Schedules have not yet been finalized, but it is anticipated that these inspections will begin within the next calendar quarter. Once finalized, the details will be communicated by separate correspondence.

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 the inspection plan, we will contact you to discuss the change as soon as possible. Please contact me 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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| RIV:C:DRP/B | D:DRS | D:DRP | DRA | RA |
|--------------|---------------------|----------------|----------------------|--------------|
| DNGGraves;df | EECollins | KEBrockman | TPGwynn | EWMerschhoff |
| /RA/ | DAPowers for | NMamish | not available | /RA/ |
| 8/9/02 | 8/15/02 | 8/21/02 | 8/ /02 | 8/22/02 |

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T=Telephone

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Callaway
Inspection / Activity Plan
08/18/2002 - 09/30/2003

| Unit Number | Inspection Activity | Title | No. of Staff on Site | Planned Dates | | Inspection Type |
|----------------|---|--|-------------------------|---------------|------------|----------------------|
| | | | | Start | End | |
| | 95002 AU - 95002 AUXILLIARY FEEDWATER INSPECTION | | 4 | | | |
| 1 | IP 95002 | Inspection For One Degraded Cornerstone Or Any Three White Inputs In A Strategic Perform | | 08/19/2002 | 08/23/2002 | Supplemental Progra |
| | ACCESSPI - ACRSA AND PIV | | 1 | | | |
| 1 | IP 7112101 | Access Control to Radiologically Significant Areas | | 10/21/2002 | 10/25/2002 | Baseline Inspections |
| 1 | IP 71151 | Performance Indicator Verification | | 10/21/2002 | 10/25/2002 | Baseline Inspections |
| | EMB - ISI/SG | | 2 | | | |
| 1 | IP 7111108 | Inservice Inspection Activities | | 10/28/2002 | 11/07/2002 | Baseline Inspections |
| | EMB - ISI | | 1 | | | |
| 1 | IP 7111108 | Inservice Inspection Activities | | 11/04/2002 | 11/08/2002 | Baseline Inspections |
| | TI 145 - TI 2515/145 | | 2 | | | |
| 1 | IP 2515/145 | Circumferential Cracking of Reactor Pressure Vessel Head Penetration Nozzles (NRC Bulle | | 11/18/2002 | 11/22/2002 | Safety Issues |
| | PSB-S1 - ACCESS AUTH/CONTROL, SEC PLAN AND PIV | | 1 | | | |
| 1 | IP 7113001 | Access Authorization Program (Behavior Observation Only) | | 12/02/2002 | 12/06/2002 | Baseline Inspections |
| 1 | IP 7113002 | Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizat | | 12/02/2002 | 12/06/2002 | Baseline Inspections |
| 1 | IP 7113004 | Security Plan Changes | | 12/02/2002 | 12/06/2002 | Baseline Inspections |
| 1 | IP 71151 | Performance Indicator Verification | | 12/02/2002 | 12/06/2002 | Baseline Inspections |
| | PBB-PIR - CW PIR INSPECTION | | 4 | | | |
| 1 | IP 71152B | Identification and Resolution of Problems | | 12/02/2002 | 12/13/2002 | Baseline Inspections |
| | ALARA2 - ALARA PLANNING AND CONTROLS | | 1 | | | |
| 1 | IP 7112102 | ALARA Planning and Controls | | 01/27/2003 | 01/31/2003 | Baseline Inspections |
| | PSB-EP1 - EP EXERCISE BASELINE INSPECTION | | 2 | | | |
| 1 | IP 7111401 | Exercise Evaluation | | 04/15/2003 | 04/16/2003 | Baseline Inspections |
| 1 | IP 7111404 | Emergency Action Level and Emergency Plan Changes | | 04/15/2003 | 04/16/2003 | Baseline Inspections |
| 1 | IP 71151 | Performance Indicator Verification | | 04/15/2003 | 04/16/2003 | Baseline Inspections |
| | RP-TM - RAD SAFETY TEAM | | 4 | | | |
| 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 |
| | EMB - HEAT SINKS | | 1 | | | |
| 1 | IP 7111107B | Heat Sink Performance | | 06/16/2003 | 06/20/2003 | Baseline Inspections |
| | ALARA3 - ALARA PLANNING AND CONTROLS | | 1 | | | |
| 1 | IP 7112102 | ALARA Planning and Controls | | 07/21/2003 | 07/25/2003 | Baseline Inspections |

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

Callaway
Inspection / Activity Plan
08/18/2002 - 09/30/2003

| Unit Number | Inspection Activity | Title | No. of Staff on Site | Planned Dates | | Inspection Type |
|--|---------------------|--|-------------------------|---------------|------------|----------------------|
| | | | | Start | End | |
| ACCESSPI - ACRSA/PI | | | 1 | | | |
| 1 | IP 7112101 | Access Control to Radiologically Significant Areas | | 07/28/2003 | 08/01/2003 | Baseline Inspections |
| 1 | IP 71151 | Performance Indicator Verification | | 07/28/2003 | 08/01/2003 | Baseline Inspections |
| EMB - BIENNIAL MR & PERM MODS | | | 4 | | | |
| 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 |
| OB-RQ - REQUAL INSPECTION | | | 3 | | | |
| 1 | IP 7111111B | Licensed Operator Requalification | | 09/08/2003 | 09/12/2003 | Baseline Inspections |
| 711105T - TRIENNIAL FP | | | 5 | | | |
| 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 | | 09/15/2003 | 09/19/2003 | Baseline Inspections |

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