



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

March 3, 2004

Southern Nuclear Operating Company, Inc.
ATTN: Mr. M. Stinson, Vice President
P. O. Box 1295
Birmingham, AL 35201-1295

**SUBJECT: ANNUAL ASSESSMENT LETTER - JOSEPH M. FARLEY NUCLEAR PLANT
REPORT 05000348/2004001 AND 05000364/2004001**

Dear Mr. Stinson:

On February 3, 2004, the NRC staff completed its end-of-cycle plant performance assessment of the Joseph M. Farley Nuclear Plant. The end-of-cycle review for Farley 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 so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities.

Overall, Farley 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. We also plan on conducting several non-ROP inspections which include the reactor pressure vessel head, vessel upper and lower head penetration nozzles, reactor containment sump blockage, spent fuel material control and accounting, license renewal, and independent spent fuel storage installation construction. Additionally, upon finalization of the force-on-force program, we will be conducting an inspection at the next available opportunity to verify the effectiveness of your efforts to address the White finding identified during the previous Operational Security Response Evaluation.

On October 16, 2003, you submitted a request to combine the emergency operating facilities (EOFs) for Farley, Hatch, and Vogtle in to one EOF in Birmingham, Alabama. As part of the review of that request, we made arrangements for a demonstration of the centralized EOF's capabilities on July 14, 2004. This demonstration will include supporting exercises at Plant Farley and Plant Hatch. These exercises are not being evaluated as part of the ROP but will be used to determine approval of the request to combine the EOFs.

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 this inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (404) 562-4540 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Brian R. Bonser, Chief
Reactor Projects Branch 2
Division of Reactor Projects

Docket Nos. 50-348, 50-364, and 72-42
License Nos. NPF-2 and NPF-8

Enclosure: Farley Nuclear Plant Inspection/Activity Plan

cc w/encl: (See page 3)

SNC

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cc w/encl:

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Farley
Inspection / Activity Plan
03/01/2004 - 09/30/2005

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	PB2-152 - RPV LOWER HEAD PENETRATIONS		2			
2	IP 2515/152	Reactor Pressure Vessel Lower Head Penetration Nozzles (NRC Bulletin 2003-02)		03/13/2004	04/11/2004	Safety Issues
	PB2-153 - RX CONTAINMENT SUMP BLOCKAGE		2			
2	IP 2515/153	Reactor Containment Sump Blockage (NRC Bulletin 2003-01)		03/13/2004	04/11/2004	Safety Issues
	EB2-ISI - INSERVICE INSPECTION-U2		1			
2	IP 7111108P	Inservice Inspection Activities - PWR		03/22/2004	03/26/2004	Baseline Inspections
	PB2-154 - SPENT FUEL MC&A		2			
1,2	IP 2515/154	Spent Fuel Material Control and Accounting at Nuclear Power Plants		03/28/2004	06/26/2004	Safety Issues
	EB2-150 - RPV & VHP NOZZLES		1			
2	IP 2515/150	Reactor Pressure Vessel Head and Vessel Head Penetration Nozzles (NRC Bulletin 2002-0		03/29/2004	04/02/2004	Safety Issues
	LIC RENE - FIRST LICENSE RENEWAL INSPECTION		5			
1,2	IP 71002	License Renewal Inspection		05/10/2004	05/14/2004	License Renewal Ins
	PS-SEC - SOUTH. NUC. CORP. ACCESS AUTH -BIRMINGHA		2			
1,2	IP 7113001	Access Authorization		05/24/2004	05/28/2004	Baseline Inspections
	PS-SEC - SECURITY		2			
1,2	IP 7113001	Access Authorization		06/07/2004	06/11/2004	Baseline Inspections
1,2	IP 7113002	Access Control		06/07/2004	06/11/2004	Baseline Inspections
1,2	IP 71151	Performance Indicator Verification		06/07/2004	06/11/2004	Baseline Inspections
	PB2-FP - FLOOD PROTECTION		1			
1,2	IP 7111106	Flood Protection Measures		07/12/2004	07/16/2004	Baseline Inspections
	EB2-ISFS - ISFSI PAD CONSTRUCTION		1			
1,2	IP 60853	On-Site Fabrication Of Components And Construction On An ISFSI		07/19/2004	07/23/2004	Other Routine
	EB2-HS - HEAT SINK		1			
1,2	IP 7111107B	Heat Sink Performance		08/09/2004	08/13/2004	Baseline Inspections
	OL RQ - REQUAL INSPECTION		2			
1,2	IP 7111111B	Licensed Operator Requalification Program		08/09/2004	08/13/2004	Baseline Inspections
	OL EP - EMERGENCY EXERCISE		2			
1,2	IP 7111401	Exercise Evaluation		08/16/2004	08/20/2004	Baseline Inspections
1,2	IP 7111404	Emergency Action Level and Emergency Plan Changes		08/16/2004	08/20/2004	Baseline Inspections
1,2	IP 71151	Performance Indicator Verification		08/16/2004	08/20/2004	Baseline Inspections
	LIC RENE - SECOND LICENSE RENEWAL INSPECTION		4			
1,2	IP 71002	License Renewal Inspection		09/13/2004	09/17/2004	License Renewal Ins
1,2	IP 71002	License Renewal Inspection		09/27/2004	10/01/2004	License Renewal Ins
	EB2 HEAD - REACTOR HEAD REPLACEMENT		1			
1	IP 71007	Reactor Vessel Head Replacement Inspection		09/27/2004	10/01/2004	Other Routine

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

Farley
Inspection / Activity Plan
03/01/2004 - 09/30/2005

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	PB2-152	- RPV LOWER HEAD PENETRATIONS	2			
1	IP 2515/152	Reactor Pressure Vessel Lower Head Penetration Nozzles (NRC Bulletin 2003-02)		10/02/2004	10/28/2004	Safety Issues
	PB2-153	- RX CONTAINMENT SUMP BLOCKAGE	2			
1	IP 2515/153	Reactor Containment Sump Blockage (NRC Bulletin 2003-01)		10/02/2004	10/28/2004	Safety Issues
	PS-RP	- RP OCCUPATION BL RX HEAD REPLACEMENT W-1	3			
1, 2	IP 71007	Reactor Vessel Head Replacement Inspection		10/04/2004	10/08/2004	Other Routine
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		10/04/2004	10/08/2004	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		10/04/2004	10/08/2004	Baseline Inspections
1, 2	IP 7112202	Radioactive Material Processing and Transportation		10/04/2004	10/08/2004	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		10/04/2004	10/08/2004	Baseline Inspections
	EB2-ISI	- INSERVICE INSPECTION-U1	1			
1	IP 7111108P	Inservice Inspection Activities - PWR		10/11/2004	10/15/2004	Baseline Inspections
	PS-RP	- RP OCCUPATION BL RX HEAD REPLACEMENT W-2	2			
1, 2	IP 71007	Reactor Vessel Head Replacement Inspection		10/18/2004	10/22/2004	Other Routine
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		10/18/2004	10/22/2004	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		10/18/2004	10/22/2004	Baseline Inspections
1, 2	IP 7112202	Radioactive Material Processing and Transportation		10/18/2004	10/22/2004	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		10/18/2004	10/22/2004	Baseline Inspections
	OL PREP	- INITIAL EXAM PREP	2			
1	V23227	FARLEY/EXAMS AT POWER FACILITIES		12/06/2004	12/10/2004	Not Applicable
	OL EXAM	- INITIAL EXAM	3			
1	V23227	FARLEY/EXAMS AT POWER FACILITIES		01/10/2005	01/14/2005	Not Applicable
	EB1-TFP	- TRIENNIAL FIRE PROTECTION PRE-INSP VISIT	4			
1, 2	IP 7111105T	Fire Protection		02/28/2005	03/04/2005	Baseline Inspections
	EB1-TFP	- TRIENNIAL FIRE PROTECTION INSPECTION	4			
1, 2	IP 7111105T	Fire Protection		03/21/2005	03/25/2005	Baseline Inspections
1, 2	IP 7111105T	Fire Protection		04/04/2005	04/08/2005	Baseline Inspections
	BR2-FP	- FLOOD PROTECTION	1			
1, 2	IP 7111106	Flood Protection Measures		06/26/2005	06/30/2005	Baseline Inspections
	EB2-MODS	- MODIFICATIONS/10CFR50.59	1			
1, 2	IP 7111102	Evaluation of Changes, Tests, or Experiments		07/18/2005	07/22/2005	Baseline Inspections
1, 2	IP 711117B	Permanent Plant Modifications		07/18/2005	07/22/2005	Baseline Inspections
	EB2-PI&R	- BIENNIAL PI&R	4			
1, 2	IP 71152B	Identification and Resolution of Problems		08/08/2005	08/12/2005	Baseline Inspections

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Farley
Inspection / Activity Plan
03/01/2004 - 09/30/2005

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	EB2-PI&R - BIENNIAL PI&R		4			
1,2	IP 71152B	Identification and Resolution of Problems		08/22/2005	08/26/2005	Baseline Inspections
	EB2-MR - MAINTENANCE RULE		1			
1,2	IP 711112B	Maintenance Effectiveness		08/08/2005	08/12/2005	Baseline Inspections
	OL EP - EP INSPECTION		1			
1,2	IP 7111402	Alert and Notification System Testing		08/22/2005	08/26/2005	Baseline Inspections
1,2	IP 7111403	Emergency Response Organization Augmentation Testing		08/22/2005	08/26/2005	Baseline Inspections
1,2	IP 7111404	Emergency Action Level and Emergency Plan Changes		08/22/2005	08/26/2005	Baseline Inspections
1,2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		08/22/2005	08/26/2005	Baseline Inspections
1,2	IP 71151	Performance Indicator Verification		08/22/2005	08/26/2005	Baseline Inspections
	EB2-ISI - INSERVICE INSPECTION-U2		1			
2	IP 7111108P	Inservice Inspection Activities - PWR		09/19/2005	09/23/2005	Baseline Inspections