

March 31, 2000

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

SUBJECT: PLANT PERFORMANCE REVIEW - FARLEY NUCLEAR PLANT

Dear Mr. Morey:

The purpose of this letter is to communicate our assessment of your performance and to inform you of our planned inspections at your facility. On March 1, 2000, we completed a plant performance review (PPR) of the Farley Nuclear Plant. We conduct these reviews to develop an integrated overview of the safety performance of each operating nuclear power plant. We use the results of the PPR in planning and allocating inspection resources and as inputs to our senior management meeting (SMM) process. This PPR evaluated inspection results and safety performance information for the period from February 1, 1999, through January 31, 2000, but emphasized the last six months to ensure that our assessment reflected your current performance. Our most recent summary of plant performance at the Farley Nuclear Plant was provided to you in a letter dated March 19, 1999.

The NRC has been developing a revised reactor oversight process that will replace our existing inspection and assessment processes, including the PPR, the SMM, and the systematic assessment of licensee performance (SALP). We recently completed a pilot program for the revised reactor oversight process at nine participating sites and are making necessary adjustments based on feedback and lessons learned. We plan to begin initial implementation of the revised reactor oversight process industry-wide, including your facility, on April 2, 2000.

This PPR reflects continued process improvements as we make the transition into the revised reactor oversight process. You should notice that our assessment of plant performance is organized differently from our previous performance summaries. Instead of characterizing our assessment results by SALP functional area, we are organizing the results into the strategic performance areas embodied in the revised reactor oversight process. In addition, we have considered the historical performance indicator data that you submitted in January 2000 in conjunction with the inspection results in assessing your performance. The results of this PPR were used to establish the inspection plan in accordance with the new risk-informed inspection program (consisting of baseline and supplemental inspections). Although this letter incorporates some terms and concepts associated with the new oversight process, it does not reflect the much broader changes in inspection and assessment that will be evident after we have fully implemented our revised reactor oversight process.

During the last six months, Unit 1 operated at or near full power except for power reductions in November to repair a steam flow transmitter and in December to repair the 1A feedpump

lubricating oil system and due to an extraction steam supply line leak. Unit 1 remained at 62% power until the end of the period. Unit 2 entered a planned refueling outage in October and restarted in December. Unit 2 operated at full power following the restart.

We did not identify any significant performance issues during this assessment period and note that Farley continues to operate in a safe manner. As a result, we plan to conduct only baseline inspections at your facility as noted in the attached inspection plan.

In addition we plan to conduct an Operational Safeguards Response Evaluation (OSRE) inspection based upon past performance. We will continue with OSRE inspections until the industry proposed Self Assessment Program (SAP) is approved by the NRC staff as an acceptable substitute for the OSRE inspections.

We also plan to conduct steam generator replacement inspections during the Unit 2 refueling outage you currently have scheduled to commence in March, 2001. The exact scope and schedule of these inspections have yet to be determined, but they will be similar to recently completed inspections of the same activity during your Unit 1 refueling outage.

Enclosure 1 contains a historical listing of plant issues, referred to as the Plant Issues Matrix (PIM), that were used during this PPR process to arrive at our integrated view of your performance trends. The PIM for this assessment is grouped by the prior SALP functional areas of operations, maintenance, engineering and plant support. Future PIMs will be organized along the cornerstones of safety as described in the revised reactor oversight process. The attached PIM includes items summarized from inspection reports or other docketed correspondence regarding the Farley Nuclear Plant. We did not document all aspects of licensee programs and performance that may be functioning appropriately. Rather, we only documented issues that we believe warrant management attention or represent noteworthy aspects of performance. In addition, the PPR may also have considered some predecisional and draft material that does not appear in the attached PIM, including observations from events and inspections that had occurred since our last inspection report was issued, but had not yet received full review and consideration. We will make this material publically available as part of the normal issuance of our inspection reports and other correspondence.

Enclosure 2 lists our planned inspections for the period April 2000 through March 2001 at the Farley Nuclear Plant to allow you to resolve scheduling conflicts and personnel availability in advance of our inspectors' arrival onsite. The inspection schedule for the latter half of the period is more tentative and may be adjusted in the future due to emerging performance issues at the Farley Nuclear Plant or other nuclear facilities. Routine resident inspections are not listed due to their ongoing and continuous nature.

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We will inform you of any changes to the inspection plan. If you have any questions, please contact me at (404) 562-4520.

Sincerely,

(Original signed by)
Stephen J. Cahill, Chief
Reactor Projects Branch 2
Division of Reactor Projects

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

Enclosures: 1. Plant Issues Matrix
2. Inspection Plan

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cc w/encls. cont'd: (See page 4)

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