



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
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ARLINGTON, TEXAS 76011-4005**

March 4, 2003

Clay C. Warren, Vice President of
Nuclear Energy
Nebraska Public Power District
P.O. Box 98
Brownville, Nebraska 68321

**SUBJECT: ANNUAL ASSESSMENT LETTER - COOPER NUCLEAR STATION
(REPORT 50-298/03-01)**

Dear Mr. Warren:

On February 6, 2003, the NRC staff completed its end-of-cycle plant performance assessment of Cooper Nuclear Station. The end-of-cycle review for Cooper Nuclear Station involved the participation of all technical divisions in evaluating performance indicators for the most recent quarter and inspection results for the period from 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 that may conflict with your plant activities.

Overall, the Cooper Nuclear Station operated in a manner that preserved public health and safety. While Cooper Nuclear Station met all cornerstone objectives, plant performance was within the Multiple/Repetitive Degraded Cornerstone column of the Action Matrix based on multiple White findings in the Emergency Preparedness Cornerstone for more than four quarters.

Cooper Nuclear Station began the assessment period in the Degraded Cornerstone Column of the Action Matrix. On April 1, 2002, Cooper Nuclear Station entered the Multiple/Repetitive Degraded Cornerstone Column due to a degraded Emergency Preparedness Cornerstone that existed for more than four quarters. The White findings that contributed to the repetitive degraded cornerstone were identified during the previous two assessment periods and were described in the annual assessment letters dated May 29, 2001, and March 4, 2002.

As a result of the degraded Emergency Preparedness Cornerstone, the NRC conducted a supplemental inspection in April 2002. The results of this inspection indicated that Nebraska Public Power District's (NPPD) root cause evaluation did not fully identify and assess all contributing causes that resulted in the breakdown of the Emergency Preparedness Program. These two findings, which were assessed during the third quarter of calendar year 2001, remained open during this assessment period.

Upon entry into the Multiple/Repetitive Degraded Cornerstone Column of the Action Matrix, and with oversight by the NRC, NPPD developed a plan to improve performance at Cooper Nuclear Station. On June 10, 2002, NPPD submitted Revision 1 of The Strategic Improvement Plan to the NRC. On August 22, 2002, the NRC completed a supplemental inspection using Inspection Procedure 95003, "Inspection for Repetitive Degraded Cornerstones, Multiple Degraded Cornerstones, Multiple Yellow Inputs, or One Red Input." The inspection found that a number of long-standing performance problems existed at Cooper Nuclear Station. Of greatest concern was the failure of Cooper Nuclear Station to correct recurring performance issues. For example, the improvement plan did not include actions to correct recurring equipment problems and was not comprehensive in addressing problems with the corrective action program. NPPD had been unsuccessful in previous efforts to improve performance with focused improvement plans. The inability to effectively correct problems resulted in recurring problems with the reliability of safety systems, personnel errors, implementation of the emergency plan, and the quality of engineering, training, and maintenance activities. On August 8, 2002, the NRC Executive Director for Operations and the Region IV Regional Administrator met with NPPD to discuss the performance at Cooper Nuclear Station.

Following completion of the NRC supplemental inspection, NPPD revised their improvement plan and submitted Revision 2 of the plan to the NRC on November 25, 2002. On January 30, 2003, NRC issued a Confirmatory Action Letter to NPPD. The purpose of the Confirmatory Action Letter was to confirm the commitments made by NPPD regarding completion of those actions in their improvement plan developed to address regulatory performance issues. Licensee actions confirmed in the Confirmatory Action Letter addressed long-standing performance issues in the areas of emergency preparedness, human performance, material condition and equipment reliability, plant modification and configuration control, corrective action program, and engineering programs. The NRC will conduct periodic inspections to verify completion of these actions and the effectiveness of these actions in addressing the specific performance issues. Cooper Nuclear Station will remain in the Multiple/Repetitive Degraded Cornerstone Column of the Action Matrix until the satisfactory completion of the actions listed in this Confirmatory Action Letter and NPPD has demonstrated sustained improvements in plant performance.

An additional White finding in the Mitigating Systems Cornerstone was finalized during this period and assessed during the fourth quarter of the previous assessment period. This White finding involved a compromise of the 2000 Biennial Requalification Written Examinations. A supplemental inspection, conducted by the NRC, determined that NPPD performed a comprehensive root cause evaluation, determined the extent of condition, and developed appropriate corrective actions for this issue. This finding was closed during the third quarter of this assessment period.

In our annual assessment letter dated March 4, 2002, we advised you of substantive crosscutting issues in the areas of Problem Identification and Resolution and Human Performance. Numerous findings identified during this assessment period indicate that these areas continue to exhibit an adverse trend. Your improvement plan provides for specific actions to address these areas. These activities and any changes resulting from these activities will be reviewed during the scheduled quarterly inspections and as part of the baseline inspection program.

In accordance with IMC 0305, "Operating Reactor Assessment Program," your plant will be discussed at the upcoming Agency Action Review Meeting. We will notify you via separate correspondence if any agency actions change as an outcome of the meeting.

This letter advises you of our planned inspection effort resulting from the Cooper Nuclear Station end-of-cycle review. The enclosed inspection plan details the inspections scheduled through March 31, 2004. In addition to the baseline inspections, quarterly inspections to verify the actions taken with respect to the improvement plan and the Confirmatory Action Letter will be conducted as shown. 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 six months of the inspection plan are tentative and may be revised at the midcycle review meeting.

As you are aware, since the terrorist attacks on September 11, 2001, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force readiness. 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 2003, we plan to continue these inspections and conduct portions of the security baseline inspection program, as well as perform additional inspections to evaluate your compliance with new requirements that may be ordered. Based on our final determinations in this regard, we will notify you of any inspection plan changes.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be 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 Mr. Kriss Kennedy at (817) 860-8144 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Ellis W. Merschoff
Regional Administrator

Docket: 50-298
License: DPR-46

Enclosure:
Cooper Nuclear Station
Inspection/Activity Plan

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/RA/	/RA/	/RA/	/RA/	
2/27/03	2/28/03	2/28/03	3/4/03	

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Cooper
Inspection / Activity Plan
03/02/2003 - 03/31/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	ALARA 2 - ALARA PLANNING AND CONTROLS		1			
1	IP 7112102	ALARA Planning and Controls		03/10/2003	03/14/2003	Baseline Inspections
	ACCESSPI - ACRSA		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/17/2003	03/21/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		03/17/2003	03/21/2003	Baseline Inspections
	EMB - ISI		1			
1	IP 7111108G	Inservice Inspection Activities - BWR		04/07/2003	04/11/2003	Baseline Inspections
	EMB - SSD&PCI		5			
1	IP 7111121	Safety System Design and Performance Capability		05/05/2003	05/09/2003	Baseline Inspections
1	IP 7111121	Safety System Design and Performance Capability		05/19/2003	05/23/2003	Baseline Inspections
	EMB - 50.59		1			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		05/05/2003	05/09/2003	Baseline Inspections
	OB-IN - INITIAL EXAM PREP		4			
1	X02234	COOPER - INITIAL EXAM (04/03)		05/26/2003	05/30/2003	Not Applicable
	CNS CAL - CAL QUARTERLY INSPECTION		4			
1	IP 71152	Identification and Resolution of Problems		06/02/2003	06/06/2003	Other Routine
	RP-TM - RAD SAFETY TEAM		5			
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		06/09/2003	06/13/2003	Baseline Inspections
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		06/09/2003	06/13/2003	Baseline Inspections
1	IP 7112202	Radioactive Material Processing and Transportation		06/09/2003	06/13/2003	Baseline Inspections
1	IP 7112203	Radiological Environmental Monitoring Program		06/09/2003	06/13/2003	Baseline Inspections
	OB-IN - INITIAL EXAMS		4			
1	X02234	COOPER - INITIAL EXAM (04/03)		06/16/2003	06/20/2003	Not Applicable
	ALARA3 - ALARA PLANNING AND CONTROLS		1			
1	IP 7112102	ALARA Planning and Controls		07/07/2003	07/11/2003	Baseline Inspections
	PSB-EP1 - EP PROGRAM BASELINE INSPECTION		1			
1	IP 7111402	Alert and Notification System Testing		07/14/2003	07/18/2003	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		07/14/2003	07/18/2003	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		07/14/2003	07/18/2003	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		07/14/2003	07/18/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		07/14/2003	07/18/2003	Baseline Inspections
	PSB-S1 - SECURITY INSPECTION PROGRAM		1			
1	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizat		08/04/2003	08/08/2003	Baseline Inspections
1	IP 7113003	Response to Contingency Events (Protective Strategy and Implementation of Protective Str		08/04/2003	08/08/2003	Baseline Inspections

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

Cooper
Inspection / Activity Plan
03/02/2003 - 03/31/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	PSB-S1 - SECURITY INSPECTION PROGRAM		1			
1	IP 71151	Performance Indicator Verification		08/04/2003	08/08/2003	Baseline Inspections
	CNS CAL - CAL QUARTERLY INSPECTION		4			
1	IP 71152	Identification and Resolution of Problems		08/11/2003	08/15/2003	Other Routine
	OB-PIR - CNS PIR INSPECTION		2			
1	IP 71152B	Identification and Resolution of Problems		09/15/2003	09/19/2003	Baseline Inspections
1	IP 71152B	Identification and Resolution of Problems		09/29/2003	10/03/2003	Baseline Inspections
	CNS CAL - CAL QUARTERLY INSPECTION		4			
1	IP 71152	Identification and Resolution of Problems		11/03/2003	11/07/2003	Other Routine
	OB-RQ - REQUALIFICATION INSPECTION		2			
1	IP 7111111B	Licensed Operator Requalification		11/17/2003	11/21/2003	Baseline Inspections
	CNS CAL - CAL QUARTERLY INSPECTION		4			
1	IP 71152	Identification and Resolution of Problems		02/23/2004	02/27/2004	Other Routine
	EMB - MAINTENANCE EFFECTIVENESS		1			
1	IP 7111112B	Maintenance Effectiveness		03/15/2004	03/19/2004	Baseline Inspections
	ACCESSPI - ACRSA/PIV		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/15/2004	03/19/2004	Baseline Inspections