



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

August 27, 2003

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 6, 2003, the NRC staff completed its midcycle plant performance assessment of Callaway Plant. The midcycle review for Callaway Plant involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the first half of the current assessment cycle, 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.

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 safety significance (White) in the Emergency Preparedness Cornerstone for failure to comply with the requirements of 10 CFR 50.47(b)(5). Consequently, in addition to baseline inspections, Inspection Procedure 95001, "Inspection for One or Two White Inputs in a Strategic Performance Area," will be performed later during this assessment cycle to review your evaluation of root causes, extent of condition, extent of cause, and corrective actions associated with this issue.

In our midcycle assessment letter dated August 27, 2002, we advised you of a substantive crosscutting issue in the area of problem identification and resolution. This issue was updated in our annual assessment letter dated March 4, 2003. NRC recognizes that you have implemented a number of actions intended to improve the processes associated with your corrective action program and that your performance in this area has demonstrated improvement. However, during the past 12 months, two findings were identified in the Mitigating Systems cornerstone where problem identification and/or resolution were inadequate. The findings, both of very low safety significance (Green), included the failure to correct a recurring air voiding condition in the containment spray system and not promptly identifying, correcting, or precluding recurrence of an industry known potential significant condition adverse to quality associated with failures of Magne-Blast 4160 volt circuit breakers. Given the recurring identification of findings associated with problem identification and resolution, we will continue to monitor your performance with regard to this substantive crosscutting issue during implementation of the baseline inspection program and Inspection Procedure 95001.

The enclosed inspection plan details the inspections scheduled through September 30, 2004. 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 6 months of the inspection plan are tentative and may be revised at the end-of-cycle review meeting.

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 David N. Graves at 817-860-8141 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Arthur T. Howell III, Director
Division of Reactor Projects

Docket: 50-483
License: NPF-30

Enclosure:
Callaway Plant Inspection/Activity Plan

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Callaway
Inspection / Activity Plan
08/01/2003 - 09/30/2004

| 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 | | 08/04/2003 | 08/08/2003 | Baseline Inspections |
| 1 | IP 71151 | Performance Indicator Verification | | 08/04/2003 | 08/08/2003 | Baseline Inspections |
| | EMB CIP - EMB CONSOLIDATED IP | | 2 | | | |
| 1 | IP 71111.DS | Safety System Design and Performance Capability | | 08/18/2003 | 08/18/2003 | Baseline Inspections |
| | EMB - BIENNIAL MR & PERM MODS | | 3 | | | |
| 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 |
| | EMB - TRIENNIAL FP | | 4 | | | |
| 1 | IP 7111105T | Fire Protection | | 09/02/2003 | 09/05/2003 | Baseline Inspections |
| 1 | IP 7111105T | Fire Protection | | 09/22/2003 | 09/26/2003 | Baseline Inspections |
| 1 | IP 7111105T | Fire Protection | | 09/29/2003 | 10/03/2003 | Baseline Inspections |
| | PSBS1-TD - SECURITY BASELINE INSPECTION | | 1 | | | |
| 1 | IP 7113002 | Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizat | | 09/08/2003 | 09/12/2003 | Baseline Inspections |
| 1 | IP 7113003 | Response to Contingency Events (Protective Strategy and Implementation of Protective Str | | 09/08/2003 | 09/12/2003 | Baseline Inspections |
| 1 | IP 71151 | Performance Indicator Verification | | 09/08/2003 | 09/12/2003 | Baseline Inspections |
| | ALARA3 - ALARA PLANNING AND CONTROLS | | 1 | | | |
| 1 | IP 7112102 | ALARA Planning and Controls | | 10/20/2003 | 10/24/2003 | Baseline Inspections |
| | OB-IN - INITIAL EXAM | | 4 | | | |
| 1 | X02258 | CALLAWAY - INITIAL EXAM (03/04) | | 02/09/2004 | 02/13/2004 | Not Applicable |
| 1 | X02258 | CALLAWAY - INITIAL EXAM (03/04) | | 03/01/2004 | 03/05/2004 | Not Applicable |
| | PSB-EP1 - EP PROGRAM INSPECTION | | 1 | | | |
| 1 | IP 7111402 | Alert and Notification System Testing | | 03/08/2004 | 03/12/2004 | Baseline Inspections |
| 1 | IP 7111403 | Emergency Response Organization Augmentation Testing | | 03/08/2004 | 03/12/2004 | Baseline Inspections |
| 1 | IP 7111404 | Emergency Action Level and Emergency Plan Changes | | 03/08/2004 | 03/12/2004 | Baseline Inspections |
| 1 | IP 7111405 | Correction of Emergency Preparedness Weaknesses and Deficiencies | | 03/08/2004 | 03/12/2004 | Baseline Inspections |
| 1 | IP 71151 | Performance Indicator Verification | | 03/08/2004 | 03/12/2004 | Baseline Inspections |
| | ACCESSPI - ACRSA/PIV | | 1 | | | |
| 1 | IP 7112101 | Access Control to Radiologically Significant Areas | | 04/12/2004 | 04/16/2004 | Baseline Inspections |
| | 2004021 - INSERVICE INSPECTION | | 1 | | | |
| 1 | IP 7111108P | Inservice Inspection Activities - PWR | | 04/19/2004 | 04/23/2004 | Baseline Inspections |
| 1 | IP 7111108P | Inservice Inspection Activities - PWR | | 05/03/2004 | 05/07/2004 | 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
08/01/2003 - 09/30/2004

| Unit Number | Inspection Activity | Title | No. of Staff on Site | Planned Dates | | Inspection Type |
|-------------|---------------------|---|----------------------|---------------|------------|----------------------|
| | | | | Start | End | |
| | 2004027 | - SAFETY SYS. DESIGN AND PERF. CAPABILITY | 5 | | | |
| 1 | IP 7111121 | Safety System Design and Performance Capability | | 06/14/2004 | 06/18/2004 | Baseline Inspections |
| 1 | IP 7111121 | Safety System Design and Performance Capability | | 06/28/2004 | 07/02/2004 | Baseline Inspections |
| | 2004028 | - EVAL. OF CHANGES, TESTS, AND EXPERIMENTS | 1 | | | |
| 1 | IP 7111102 | Evaluation of Changes, Tests, or Experiments | | 06/14/2004 | 06/18/2004 | Baseline Inspections |
| | ALARA1 | - ALARA PLANNING AND CONTROLS | 1 | | | |
| 1 | IP 7112102 | ALARA Planning and Controls | | 08/30/2004 | 09/03/2004 | Baseline Inspections |