



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

March 3, 2004

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

**SUBJECT: ANNUAL ASSESSMENT LETTER - CALLAWAY PLANT
(NRC REPORT 05000483/2004001)**

Dear Mr. Randolph:

On February 4, 2004, the NRC staff completed its end-of-cycle plant performance assessment of Callaway Plant. The end-of-cycle 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 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, Callaway Plant operated in a manner that preserved public health and safety and fully met all cornerstone objectives. 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.

Callaway Plant staff failed to provide tone alert radios to some local residents that were not within emergency siren coverage areas. Your staff identified the issue, distributed the missing tone alert radios, and instituted procedure and audit revisions to ensure that future service area residence changes would be captured and tone alert radios appropriately distributed. NRC staff conducted a supplemental inspection in September 2003 and concluded that the root causes of the finding were appropriately evaluated and understood. We also determined that appropriate corrective actions were implemented.

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, and again in our midcycle assessment letter dated August 27, 2003. NRC acknowledges that a number of programmatic changes have been implemented to address this issue, including implementation of a Corrective Action Review Board and expanded training in activities associated with the corrective action program. Although improvement has been noted, instances of ineffective corrective actions continue to be identified. During the past 12 months, five findings related to ineffective problem identification and resolution were identified. We will continue to monitor your performance with

regard to this substantive crosscutting issue during implementation of the baseline inspection program, which includes a problem identification and resolution team inspection. Additionally, NRC requests that Callaway Plant provide a response to the issues raised in this letter at the public meeting to discuss NRC's assessment of Callaway Plant performance. The details regarding date, time, and location for this public meeting will be provided by separate correspondence.

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. The enclosed inspection plan details the inspections scheduled through September 30, 2005. In addition to the baseline inspections, NRC will also be conducting inspections related to Temporary Instruction 2515/152, "Reactor Pressure Vessel Lower Head Penetration Nozzles (NRC Bulletin 2003-02)," and Temporary Instruction 2515/153, "Reactor Containment Sump Blockage (NRC Bulletin 2003-01)." 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 inspections in the last 12 months of the inspection plan are tentative and may be revised at the midcycle review meeting.

In accordance with 10 CFR 2.390 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 David N. Graves at 817/860-8141 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/ by MASatorius for

Arthur T. Howell III, Director
Division of Reactor Projects

Docket: 50-483
License: NPF-30

Enclosure:
Callaway Plant Inspection/Activity Plan

Union Electric Company

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Publicly Available Non-Publicly Available Sensitive Non-Sensitive

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RIV:C:DRP/B	D:DRS	D:DRP		
DNGraves;df	DDChamberlain	ATHowell		
/RA/	/RA/	MASatorius for		
2/23/04	2/26/04	3/3/04		

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Callaway
Inspection / Activity Plan
03/01/2004 - 10/01/2005

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	OB-IN - INITIAL EXAM		4			
1	X02258	CALLAWAY - INITIAL EXAM (03/04)		03/01/2004	03/05/2004	Not Applicable
	PEB-52 - BIENNIAL PIR		4			
1	IP 71152B	Identification and Resolution of Problems		03/22/2004	04/02/2004	Baseline Inspections
	OB-EP1 - EP PROGRAM INSPECTION		1			
1	IP 7111402	Alert and Notification System Testing		03/15/2004	03/19/2004	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		03/15/2004	03/19/2004	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		03/15/2004	03/19/2004	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		03/15/2004	03/19/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		03/15/2004	03/19/2004	Baseline Inspections
	TI-152 - TI 2515/152 LOWER HEAD INSPECTION		4			
1	IP 2515/152	Reactor Pressure Vessel Lower Head Penetration Nozzles (NRC Bulletin 2003-02)		04/10/2004	05/20/2004	Safety Issues
	TI-153 - TI-153 REACTOR CONTAINMENT SUMP BLOCKAGE		2			
1	IP 2515/153	Reactor Containment Sump Blockage (NRC Bulletin 2003-01)		04/10/2004	05/20/2004	Safety Issues
	EB-08P - ISI		1			
1	IP 7111108P	Inservice Inspection Activities - PWR		04/26/2004	04/30/2004	Baseline Inspections
1	IP 7111108P	Inservice Inspection Activities - PWR		05/03/2004	05/07/2004	Baseline Inspections
	ACCESSPI - ACRSA/PIV		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		04/26/2004	04/30/2004	Baseline Inspections
	EB-21/02 - SSD&PCI AND 50.59		7			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		06/28/2004	07/02/2004	Baseline Inspections
1	IP 7111121	Safety System Design and Performance Capability		06/28/2004	07/02/2004	Baseline Inspections
1	IP 7111121	Safety System Design and Performance Capability		07/12/2004	07/16/2004	Baseline Inspections
1	IP 7111121	Safety System Design and Performance Capability		07/12/2004	07/16/2004	Baseline Inspections
	PSB-S1 - AA-AC-FF-PI		2			
1	IP 7113001	Access Authorization		09/06/2004	09/10/2004	Baseline Inspections
1	IP 7113002	Access Control		09/06/2004	09/10/2004	Baseline Inspections
1	IP 7113008	Fitness For Duty Program		09/06/2004	09/10/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		09/06/2004	09/10/2004	Baseline Inspections
	ALARA1 - ALARA PLANNING AND CONTROLS		1			
1	IP 7112102	ALARA Planning and Controls		10/04/2004	10/08/2004	Baseline Inspections
	PEB-07B - HX PERFORMANCE		1			
1	IP 7111107B	Heat Sink Performance		03/07/2005	03/11/2005	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
03/01/2004 - 10/01/2005

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	PEB-12B	- MAINTENANCE EFFECTIVENESS REVIEW	1			
1	IP 711112B	Maintenance Effectiveness		03/07/2005	03/11/2005	Baseline Inspections
	OB-EP EX	- EMERGENCY PREPAREDNESS EXERCISE	3			
1	IP 7111401	Exercise Evaluation		05/02/2005	05/06/2005	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		05/02/2005	05/06/2005	Baseline Inspections
1	IP 71151	Performance Indicator Verification		05/02/2005	05/06/2005	Baseline Inspections
	RP TEAM	- RADIATION SAFETY TEAM INSPECTION	4			
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		05/16/2005	05/20/2005	Baseline Inspections
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		05/16/2005	05/20/2005	Baseline Inspections
1	IP 7112202	Radioactive Material Processing and Transportation		05/16/2005	05/20/2005	Baseline Inspections
1	IP 7112203	Radiological Environmental Monitoring Program		05/16/2005	05/20/2005	Baseline Inspections
	OB-INIT	- INITIAL EXAM	4			
1	X02286	CALLAWAY (05/05) - INITIAL EXAM		08/01/2005	08/05/2005	Not Applicable
1	X02286	CALLAWAY (05/05) - INITIAL EXAM		08/22/2005	08/26/2005	Not Applicable
	OB-RQ	- REQUAL INSPECTION	2			
1	IP 7111111B	Licensed Operator Requalification Program		08/01/2005	08/05/2005	Baseline Inspections
	EB17B	- PERM PLANT MODS	2			
1	IP 7111117B	Permanent Plant Modifications		08/22/2005	08/26/2005	Baseline Inspections