



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION II  
SAM NUNN ATLANTA FEDERAL CENTER  
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ATLANTA, GEORGIA 30303-8931**

March 31, 2000

Southern Nuclear Operating Company, Inc.  
ATTN: Mr. H. L. Sumner, Jr.  
Vice-President, Hatch Nuclear Plant  
P.O. Box 1295  
Birmingham, AL 35201-1295

**SUBJECT: PLANT PERFORMANCE REVIEW - HATCH NUCLEAR PLANT**

Dear Mr. Sumner:

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 Hatch 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 Hatch was provided to you in a letter dated March 19, 1999, and was discussed with you in a public meeting on April 22, 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.

Our assessment included a review of the Hatch operating history over the period. During the last six months, Unit 1 operated at or near full power, except for a few secondary equipment challenges throughout the period and a reactor trip on January 26, 2000, due to a feedwater line isolation. This trip involved several equipment and operator challenges and was the subject of an NRC Augmented Inspection Team (AIT) review documented in Report 50-321/00-01 and 50-366/00-01. After recovery from a reactor trip on reactor vessel low level due to a personnel error in June 1999, Unit 2 operated at essentially full power for the last six months.

In our assessment, we noted that Hatch has experienced several plant shutdowns and unplanned power reductions over the past year which were complicated or initiated by secondary plant equipment problems, most notably the Unit 2 June 15, 1999 reactor trip, which was followed by multiple equipment failures as discussed in our Special Inspection Team Report 50-321/99-10 and 50-366/99-10. Additionally, the January 26, 2000 Unit 1 reactor trip revealed several operational performance issues. Although we have observed that you continue to work to achieve improvements in equipment reliability and human performance at the site, our inspections of both of these trips have identified concerns that these areas continue to be challenges for the plant. As requested in the AIT inspection report cover letter, you have scheduled a meeting with us in the NRC Region II office on May 17, 2000 to present your specific corrective actions for the human performance and other issues. However, we have not identified any significant performance issues during this assessment period in the reactor safety, radiation safety, or safeguards strategic performance areas that would warrant supplemental inspection and note that Hatch continues to operate in a safe manner. Therefore, we plan to conduct only baseline inspections at your facility as noted in the attached inspection plan.

We plan to conduct inspections to review construction and testing activities associated with your Independent Spent Fuel Storage Facility. Also, as a result of your license renewal application dated February 29, 2000, we plan to conduct aging management and other specialized inspections as part of our routine license renewal reviews. The exact schedule for our license renewal inspections has yet to be determined, but they will occur late in the upcoming yearly schedule and will be communicated to you as soon as they are finalized.

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, although the future PIM 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 Hatch. 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 Hatch to allow you to resolve scheduling conflicts and personnel availability in advance of arrival of our inspectors 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 Hatch or other Region II facilities. Routine resident inspections are not listed due to their ongoing and continuous nature.

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. 50-321, 50-366 and 72-36  
License Nos. DPR-57, NPF-7

Enclosures: 1. Plant Issues Matrix  
2. Inspection Plan

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