



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064**

March 31, 2000

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

SUBJECT: PLANT PERFORMANCE REVIEW - CALLAWAY PLANT

Dear Mr. Randolph:

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 8, 2000, we completed a Plant Performance Review (PPR) of Callaway 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 one-year period through February 11, 2000, but emphasized the last 6 months to ensure that our assessment reflected your current performance. Our most recent summary of plant performance at Callaway Plant was provided to you in a letter dated March 19, 1999, and was discussed with you in a public meeting on April 1, 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 are beginning 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 will notice that the following summary 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 arenas embodied in the revised reactor oversight process. Additionally, in assessing your performance, we have considered the historical performance indicator data that you submitted in January 2000 in conjunction with the inspection results. 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 6 months, Callaway Plant operated at or near full power; however, the period included a refueling outage and two reactor trips. Although the NRC identified some performance issues during this assessment period, we note that Callaway Plant continues to operate in a safe manner.

In the reactor safety strategic arena, performance resulted in safe operation. Program weaknesses and material condition issues involving, for example, the essential service water system, have been captured by your corrective action program. Personnel errors identified during this assessment period also appeared to be isolated and not programmatic in nature. However, some of the personnel errors point to previously identified challenges in Workman's Protection Assurance (protective tagging) activities. All of these issues can be adequately reviewed within the baseline inspection program.

We did not identify any significant performance issues in the radiation safety or safeguards strategic arenas. Therefore, based on our overall assessment, only baseline inspections are planned.

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 enclosed PIM includes items summarized from inspection reports or other docketed correspondence regarding Callaway 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 Callaway Plant to allow you to resolve scheduling conflicts and personnel availability in advance of our inspector 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 Callaway Plant or other Region IV facilities. We also included some NRC noninspection activities in Enclosure 2 for your information. 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 817-860-8148.

Sincerely,

/RA/

William D. Johnson, Chief
Project Branch B
Division of Reactor Projects

Docket No.: 50-483
License No.: NPF-30

Enclosures:

1. Plant Issues Matrix
2. Inspection Plan

cc w/enclosures:

Professional Nuclear Consulting, Inc.
19041 Raines Drive
Derwood, Maryland 20855

John O'Neill, Esq.
Shaw, Pittman, Potts & Trowbridge
2300 N. Street, N.W.
Washington, D.C. 20037

H. D. Bono, Supervising Engineer
Quality Assurance Regulatory Support
Union Electric Company
P.O. Box 620
Fulton, Missouri 65251

Manager - Electric Department
Missouri Public Service Commission
301 W. High
P.O. Box 360
Jefferson City, Missouri 65102

Ronald A. Kucera, Director
of Intergovernmental Cooperation
P.O. Box 176
Jefferson City, Missouri 65102

Union Electric Company

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Otto L. Maynard, President and
Chief Executive Officer
Wolf Creek Nuclear Operating Corporation
P.O. Box 411
Burlington, Kansas 66839

Dan I. Bolef, President
Kay Drey, Representative
Board of Directors Coalition
for the Environment
6267 Delmar Boulevard
University City, Missouri 63130

Lee Fritz, Presiding Commissioner
Callaway County Court House
10 East Fifth Street
Fulton, Missouri 65151

Alan C. Passwater, Manager
Licensing and Fuels
AmerenUE
One Ameren Plaza
1901 Chouteau Avenue
P.O. Box 66149
St. Louis, Missouri 63166-6149

J. V. Laux, Manager
Quality Assurance
Union Electric Company
P.O. Box 620
Fulton, Missouri 65251

Jerry Uhlmann, Director
State Emergency Management Agency
P.O. Box 116
Jefferson City, Missouri 65101

Mayor of Chamois
Star Route
Chamois, Missouri 65024

Presiding Commissioner
P.O. Box 826
Linn, Missouri 65051

Union Electric Company

-5-

Emergency Preparedness
Coordinator
P.O. Box 826
Linn, Missouri 65051

Osage County Sheriff
P.O. Box 619
Linn, Missouri 65051

Public Administrator
Star Route
Chamois, Missouri 65024

Emergency Preparedness
Coordinator
P.O. Box 817
Fulton, Missouri 65251

Callaway County Sheriff
P.O. Box 817
Fulton, Missouri 65251

Presiding Commissioner
Montgomery County Courthouse
211 E. Third
Montgomery City, Missouri 63361

Director of Emergency Services
Montgomery County Courthouse
211 E. Third
Montgomery City, Missouri 63361

Montgomery County Sheriff
Montgomery County Courthouse
211 E. Third
Montgomery City, Missouri 63361

Presiding Commissioner
Gasconade County
119 E. First Street, Room 2
Hermann, Missouri 65041

Emergency Preparedness
Coordinator
Gasconade County
119 E. First Street, Room 2
Hermann, Missouri 65041

Union Electric Company

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Gasconade County Sheriff
119 E. First Street, Room 22
Hermann, Missouri 65041

Gasconade County Public
Administrator
501 S. Second St.
Owensville, Missouri 65066

Mayor of Fulton
P.O. Box 130
Fulton, Missouri 65251

Chief of Police
P.O. Box 130
Fulton, Missouri 65251

Fulton City Administrator
P.O. Box 130
Fulton, Missouri 65251

Mayor, City of Morrison
Route 1
Morrison, Missouri 65061

Mayor, City of Mokane
P.O. Box 41
Mokane, Missouri 65059

Mayor of Rhineland
P.O. Box 384
Rhineland, Missouri 65069

Assistant Emergency Director
Route 1, Box 2
Rhineland, Missouri 65069

Eastern Associate Commissioner
10 E. 5th Street
Fulton, Missouri 65251

Western Associate Commissioner
10 E. 5th Street
Fulton, Missouri 65251

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C. J. Gordon **(CJG)**

DRS Branch Chiefs **(GMG, DAP, JLP)**

W. D. Travers, EDO **(WDT)**

W. M. Dean, Chief, NRR/DIPM/IIPB **(WMD)**

R. K. Frahm, PPR Program Manager, NRR/ILPB **(RKF)**

B. A. Boger, Associate Dir. for Inspection and Programs **(BAB2)**

B. W. Sheron, Associate Dir. for Project Licensing and Technical Analysis **(BWS)**

G. M. Tracy, Chief, Regional Operations Staff, OEDO **(GMT)**

S. Richards, NRR Project Director **(SAR)**

J. Donohew, NRR Project Manager **(JND)**

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