



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
612 EAST LAMAR BLVD, SUITE 400
ARLINGTON, TEXAS 76011-4125**

September 1, 2011

David J. Bannister, Vice President
and Chief Nuclear Officer
Omaha Public Power District
Fort Calhoun Station FC-2-4
P.O. Box 550
Fort Calhoun, NE 68023-0550

**SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN –
FORT CALHOUN STATION**

Dear Mr. Bannister:

On August 18, 2011, the NRC completed its mid-cycle performance review of the Fort Calhoun Station. The NRC reviewed the most recent quarterly performance indicators (PIs) in addition to inspection results and enforcement actions from July 1, 2010, through June 30, 2011. This letter informs you of the NRC's assessment of your facility during this period and its plans for future inspections at your facility. This performance review and enclosed inspection plan do not include security information. A separate letter will include the NRC's assessment of your performance in the Security Cornerstone and its security-related inspection plan.

Fort Calhoun Station operated in a manner that preserved public health and safety. While all cornerstone objectives were also met, we have determined that the performance at Fort Calhoun Station during the most recent quarter was within the Multiple/Repetitive Degraded Cornerstone Column of the NRC's Reactor Oversight Process (ROP) Action Matrix because of one Yellow finding and one White finding in the Mitigating Systems cornerstone. The Yellow finding involved the failure to have adequate procedures to protect the intake structure and auxiliary building from a flood. The White finding involved the failure to assure that the cause of a significant condition adverse to quality was determined, and failure to take corrective actions to preclude repetition of the condition which resulted in the June 14, 2010, malfunction of a reactor trip contactor (M2) in the plant's reactor protection system.

The enclosed inspection plan lists the inspections scheduled through December 31, 2012. Routine inspections performed by resident inspectors are not included in the inspection plan. The inspections listed during the last nine months of the inspection plan are tentative and may be revised at the end-of-cycle performance review. The NRC provides the inspection plan to allow for the resolution of any scheduling conflicts and personnel availability issues. The NRC will contact you as soon as possible to discuss changes to the inspection plan should circumstances warrant any changes.

In addition to ROP baseline inspections, the NRC is also anticipated to perform planned non-routine inspections. Specifically, Temporary Instruction 2515/177 Inspection, "Managing Gas Accumulation in Emergency Core Cooling, Decay Heat Removal, and Containment Spray Systems," which remains to be scheduled, will be completed during the 2011 or 2012 calendar year. Regional personnel will contact you to establish an appropriate time for this activity.

Because the Yellow and White findings in the Mitigating Systems cornerstone have resulted in Fort Calhoun Station being assessed in the Multiple/Repetitive Degraded Cornerstone column of the NRC's Action Matrix, additional regulatory oversight actions will be implemented at your facility. These actions include: (1) conducting supplemental inspections of the individual and collective issues; (2) issuing a confirmatory action letter to document OPPD's commitments stemming from its performance improvement plan (or other actions as warranted); (3) conducting public meetings to discuss progress in implementing your improvement initiatives. Consistent with NRC Manual Chapter 0305, the NRC will conduct an Inspection Procedure 95002 supplemental inspection, "Inspection For One Degraded Cornerstone Or Any Three White Inputs In a Strategic Performance Area" and an Inspection Procedure 95003 supplemental inspection, "Supplemental Inspection for Repetitive Degraded Cornerstones, Multiple Degraded Cornerstones, Multiple Yellow Inputs, or One Red Input," following notification from you on your readiness to support these inspections. The objectives of these inspections are described in detail in the individual inspection procedures, which are publicly available.

On June 6, 2011, plant personnel at Fort Calhoun Station declared a Notification of Unusual Event in anticipation that the Missouri River level at the plant would reach 1004 ft MSL. As a result of the flooding, Fort Calhoun Station remained in a shutdown condition for an extended period of time. Prior to the restart of the plant, the NRC will be performing additional inspections of plant systems, structures, and components that may have been impacted by the flooding.

In the days following the Fukushima Dai-ichi nuclear accident in Japan, the Commission directed the staff to establish a senior-level agency task force to conduct a methodical and systematic review of the NRC's processes and regulations to determine whether the agency should make additional improvements to its regulatory system. The NRC has since completed Temporary Instruction (TI) 183, "Follow-up to Fukushima Dai-ichi Nuclear Station Fuel Damage Event," and TI-184, "Availability and Readiness Inspection of Severe Accident Management Guidelines (SAMGs)" at your facility. Results of these inspections can be found here: <http://www.nrc.gov/japan/japan-activities.html>. Additionally, on May 11, 2011, the agency issued NRC Bulletin 2011-01, "Mitigating Strategies," to confirm compliance with Order EA-02-026, subsequently imposed license conditions, and 10 CFR 50.54(hh)(2), and to determine the status of licensee mitigating strategies programs. On July 12, 2011, the NRC's Task Force made its recommendations to the Commission in its report, "Recommendations for Enhancing Reactor Safety in the 21st Century: The Near-Term Task Force Review of Insights from the Fukushima Dai-ichi Accident." The Commission is currently reviewing the Task Force's recommendations to determine whether additional actions may be warranted.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter 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).

Please contact Mr. James Drake, at 817-276-6558 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Elmo E. Collins
Regional Administrator, Region IV

Docket No. 50-285
License No. DPR-40

Enclosure:
Fort Calhoun Station Inspection/Activity Plan

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Inspection Reports/MidCycle and EOC Letters to the following:

ROPreports

Only inspection reports to the following:

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DRS/TSB STA (Dale.Powers@nrc.gov)

File located: R:_REACTORS\FCS\MIDCYCLES\2011

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Publicly Avail	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Sensitive	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Sens. Type Initials	JFM1
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