

March 4, 2004

Mr. T. Coutu  
Site Vice President  
Kewaunee Nuclear Plant  
Nuclear Management Company, LLC  
N490 Hwy 42  
Kewaunee, WI 54216-9511

SUBJECT: ANNUAL ASSESSMENT LETTER - KEWAUNEE NUCLEAR POWER PLANT  
(REPORT 50-305/04-01)

Dear Mr. Coutu:

On February 11, 2003, the NRC staff completed its end-of-cycle plant performance assessment of Kewaunee Nuclear Power Plant. The end-of-cycle review for Kewaunee Nuclear Power Plant involved the participation of all technical divisions in evaluating performance indicators 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, Kewaunee Nuclear Power Plant operated in a manner that preserved public health and safety. Plant performance for the most recent quarter, as well as for the first three quarters of the assessment cycle, was within the Regulatory Response Column of the NRC's Action Matrix, based on a White inspection finding in the mitigating systems cornerstone which originated in second quarter of 2002 involving a failure to have fixed fire suppression systems installed in certain fire zones within the plant.

A Supplemental Inspection was started in March 2003; however, the inspection was suspended because an adequate root cause and extent of condition evaluation of the White finding had not been completed. This led to the White finding being open for greater than four quarter and the site remaining in the Regulatory Response Column of the Action Matrix. We subsequently rescheduled and completed the Supplemental Inspection of the issue in December 2003.

It was noteworthy that several recent inspection findings indicated deficiencies within the engineering program. These issues were particularly evident regarding the findings involving a component cooling water system cross-tie modification, an evaluation completed to complete a component cooling water system piping pressure boundary change, and during the reviews associated with the identification of blockage on the safety injection pump lubricating oil coolers.

It was also noted during the Problem Identification and Resolution inspection that longstanding issues in the Emergency Preparedness area had not been resolved and implementation of the corrective action program in this area was not as effective as in other station organizations.

Additionally, on December 30, 2003, the staff issued a severity level III Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$60,000 in accordance with the enforcement policy. The Severity Level III violation involved the failure to implement effective monitoring measures to assure that personnel with access to the plant are fit for duty and to evaluate the risk involved in continued unescorted access of an employee that has demonstrated behavior that may have impaired the job performance.

The enclosed inspection plan details the inspections scheduled through September 30, 2005. 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 mid-cycle review meeting. 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.

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 Patrick Loudon at 630-829-9627 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

***/RA by Patrick L. Hiland for/***

Steve A. Reynolds, Acting Director  
Division of Reactor Projects

Docket No. 50-305  
License No. DPR-43

Enclosure: Kewaunee Nuclear Power Plant Inspection/Activity Plan

See Attached Distribution

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OFFICE	RIII		RIII		RIII				
NAME	FRamirez:co		PLoudon		SReynolds				
DATE	02/26/04		02/26/04		03/1/04				

**OFFICIAL RECORD COPY**

cc w/encl: D. Graham, Director, Bureau of Field Operations  
Chairman, Wisconsin Public Service Commission  
State Liaison Officer  
The Honorable Darin A. Jeanquart  
W. Glandt, President, Two Rivers City Council  
D. Markwardt, Chairperson, Manitowoc County  
G. Novickis, Chairman, Kewaunee County  
N. Crowley, Director, Manitowoc County  
Emergency Government  
L. Hucek, Director, Kewaunee County  
Emergency Government  
G. Buckley, Two Rivers City Manager  
C. Meyer, President, Village of Mishicot  
INPO

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AJM

DFT

DWW

Project Director, NRR

Project Mgr., NRR

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GEG

HBC

RML2

SRI Kewaunee

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**Kewaunee**  
**Inspection / Activity Plan**  
**03/01/2004 - 09/30/2005**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	<b>MR</b>	<b>- MAINTENANCE RULE</b>	<b>1</b>			
1	IP 711112B	Maintenance Effectiveness		04/19/2004	04/23/2004	Baseline Inspections
	<b>71114</b>	<b>- BASELINE NON-EXERCISE EP INSP</b>	<b>1</b>			
1	IP 7111402	Alert and Notification System Testing		06/28/2004	07/02/2004	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		06/28/2004	07/02/2004	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		06/28/2004	07/02/2004	Baseline Inspections
1	IP 711151	Performance Indicator Verification		06/28/2004	07/02/2004	Baseline Inspections
	<b>FPI</b>	<b>- FIRE PROTECTION, TRIENNIAL</b>	<b>3</b>			
1	IP 7111105T	Fire Protection		07/12/2004	07/30/2004	Baseline Inspections
	<b>71111.11</b>	<b>- LIC OPERATOR REQUAL PROGRAM EVALUATION</b>	<b>2</b>			
1	IP 7111111B	Licensed Operator Requalification Program		07/12/2004	07/16/2004	Baseline Inspections
	<b>SG BASE</b>	<b>- SG BASELINE 2004</b>	<b>2</b>			
1	IP 7113002	Access Control		07/12/2004	07/16/2004	Baseline Inspections
1	IP 7113008	Fitness For Duty Program		07/12/2004	07/16/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		07/12/2004	07/16/2004	Baseline Inspections
	<b>71122.03</b>	<b>- REMP &amp; RAD MTL CONTROL</b>	<b>1</b>			
1	IP 7112203	Radiological Environmental Monitoring Program		08/02/2004	08/06/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		08/02/2004	08/06/2004	Baseline Inspections
	<b>SSDI</b>	<b>- COMBINED SAFETY SYSTEM DESIGN/MODS/50.59</b>	<b>6</b>			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		08/16/2004	09/03/2004	Baseline Inspections
1	IP 7111117B	Permanent Plant Modifications		08/16/2004	09/03/2004	Baseline Inspections
1	IP 7111121	Safety System Design and Performance Capability		08/16/2004	09/03/2004	Baseline Inspections
	<b>FABHD</b>	<b>- REPLACEMENT HEAD FABRICATION REVIEW</b>	<b>1</b>			
1	IP 71007	Reactor Vessel Head Replacement Inspection		08/30/2004	12/10/2004	Other Routine
	<b>ISI</b>	<b>- INSERVICE INSPECTION &amp; LOWER HD TI-152</b>	<b>2</b>			
1	IP 2515/152	Reactor Pressure Vessel Lower Head Penetration Nozzles (NRC Bulletin 2003-02)		10/25/2004	11/12/2004	Safety Issues
1	IP 7111108P	Inservice Inspection Activities - PWR		10/25/2004	11/12/2004	Baseline Inspections
	<b>HTSNKB</b>	<b>- HEAT SINK BIENNIAL (DRS)</b>	<b>1</b>			
1	IP 7111107B	Heat Sink Performance		12/06/2004	12/10/2004	Baseline Inspections
	<b>71121.01</b>	<b>- RADIOLOGICAL ACCESS CONTROL</b>	<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		12/13/2004	12/17/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		12/13/2004	12/17/2004	Baseline Inspections
	<b>PI&amp;R</b>	<b>- PROBLEM IDENTIFICATION &amp; RESOLUTION INSP</b>	<b>5</b>			
1	IP 71152B	Identification and Resolution of Problems		01/10/2005	01/28/2005	Baseline Inspections

This report does not include INPO and OUTAGE activities.  
This report shows only on-site and announced inspection procedures.

**Kewaunee**  
**Inspection / Activity Plan**  
**03/01/2004 - 09/30/2005**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	<b>71121.03</b>	<b>- RADIOLOGICAL INSTRUMENTATION</b>	<b>1</b>			
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		03/14/2005	03/18/2005	Baseline Inspections
1	IP 71151	Performance Indicator Verification		03/14/2005	03/18/2005	Baseline Inspections
	<b>71122.02</b>	<b>- RADWASTE &amp; TRANSPORTATION</b>	<b>1</b>			
1	IP 7112202	Radioactive Material Processing and Transportation		06/13/2005	06/17/2005	Baseline Inspections
1	IP 71151	Performance Indicator Verification		06/13/2005	06/17/2005	Baseline Inspections
	<b>71121.01</b>	<b>- RADIOLOGICAL ACCESS CONTROL</b>	<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		09/19/2005	09/23/2005	Baseline Inspections
1	IP 71151	Performance Indicator Verification		09/19/2005	09/23/2005	Baseline Inspections