

August 31, 2007

Mr. Dennis L. Koehl
Site Vice President
Point Beach Nuclear Plant
Nuclear Management Company, LLC
6590 Nuclear Road
Two Rivers, WI 54241-9516

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -
POINT BEACH NUCLEAR PLANT

Dear Mr. Koehl:

On August 14, 2007, the NRC staff completed its performance review of Point Beach Nuclear Plant (PBNP) for the first half of the calendar year 2007 assessment cycle. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results over the previous 12 months. 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.

This performance review and enclosed inspection plan do not include security information. A separate letter designated and marked as "Official Use Only - Security Information" will include the security cornerstone review and resultant inspection plan.

Plant performance for both units for the most recent quarter was within the Licensee Response column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct reactor oversight process baseline inspections at your facility.

In the first quarter of 2006, the NRC closed a long-standing cross-cutting issue in the Human Performance (HP) area because of sustainable improvement. In 2005 and 2006, you continued to demonstrate sustainability in this area; however, since January 2007, we have noted a declining trend in this area. Consequently, the staff has identified a substantive cross-cutting issue in the HP area. For this mid-cycle 2007 assessment, we considered four findings in the HP area with the same aspect of not maintaining long-term plant safety by not maintaining design margins (H.2(a)) and six findings with the same aspect of not having complete, accurate, and up-to-date design documentation, procedures, and work packages (H.2(c)). In addition, six of the ten findings have occurred since January 2007, and we have observed a decline in the utilization of supervisory engagement and human performance tools that helped you sustain performance in 2005 and 2006. The number of findings exceeded the threshold of three, specified in NRC Inspection Manual Chapter (IMC) 0305, "Operating Reactor Assessment Program," dated April 4, 2007, and involved the Initiating Events, Mitigating Systems, and Barrier Integrity cornerstones. Because of the decline in the area of HP, the NRC has a concern with your scope of efforts and progress in addressing the cross-cutting

area performance deficiencies and has concluded that a substantive cross-cutting issue exists in this area. This substantive cross-cutting issue will remain open until the number of findings with the same cross-cutting aspect is reduced or when the NRC gains confidence in the performance of your corrective action program to evaluate and correct problems.

The enclosed inspection plan details the inspections, less those related to security, scheduled through December 31, 2008. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. Of note, the plan includes an inspection using Temporary Instruction TI-150 related to reactor pressure vessel head and vessel head penetration nozzles, a component design bases inspection, and a biennial PI&R inspection. The inspections in the last nine months of the inspection plan are tentative and may be revised at the end-of-cycle review.

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 System (PARS) component of NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

The NRC is currently evaluating the scope and frequency of all the baseline inspection procedures. If the results of the evaluation, or any other circumstances, cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact James Cameron at (630) 829-9833 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA A. H. Hsia for/

Cynthia D. Pederson, Director
Division of Reactor Projects

Docket Nos. 50-266; 50-301
License Nos. DPR-24; DPR-27

Enclosure: Point Beach Nuclear Plant Inspection/Activity Plan

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Letter to Dennis L. Koehl from Cynthia D. Pederson dated August 31, 2007

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POINT BEACH NUCLEAR PLANT

cc w/encl: F. Kuester, President and Chief
Executive Officer, We Generation
D. Cooper, Senior Vice President and Chief
Nuclear Officer
J. McCarthy, Site Director of Operations
D. Weaver, Nuclear Asset Manager
Plant Manager
Regulatory Affairs Manager
Training Manager
Site Assessment Manager
Site Engineering Director
Emergency Planning Manager
J. Rogoff, Vice President, Counsel & Secretary
K. Duveneck, Town Chairman
Town of Two Creeks
Chairperson
Public Service Commission of Wisconsin
J. Kitsembel, Electric Division
Public Service Commission of Wisconsin
State Liaison Officer
Chairman, Manitowoc County Board
County Executive, Manitowoc
Director, Manitowoc County Emergency
Management Agency
Chairman, Kewaunee County Board
Mayor of Kewaunee
City Manager, Two Rivers
Director, Kewaunee County Emergency
Management Agency
President, Village of Mishicot
Chairman, Village of Two Creeks
INPO

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**Point Beach
Inspection / Activity Plan
09/01/2007 - 12/31/2008**

Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	End	Inspection Type
BI RP - RADIATION PROTECTION BASELINE INSPECTION		1			
IP 7112202	Radioactive Material Processing and Transportation		09/24/2007	09/28/2007	Baseline Inspections
IP 71151-BI01	Reactor Coolant System Activity		09/24/2007	09/28/2007	Baseline Inspections
BI EP - EP ROUTINE INSPECTION / PI VERIFICATION		1			
IP 7111402	Alert and Notification System Testing		10/01/2007	10/05/2007	Baseline Inspections
IP 7111403	Emergency Response Organization Augmentation Testing		10/01/2007	10/05/2007	Baseline Inspections
IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		10/01/2007	10/05/2007	Baseline Inspections
IP 71151-EP01	Drill/Exercise Performance		10/01/2007	10/05/2007	Baseline Inspections
IP 71151-EP02	ERO Drill Participation		10/01/2007	10/05/2007	Baseline Inspections
IP 71151-EP03	Alert & Notification System		10/01/2007	10/05/2007	Baseline Inspections
BI ENG - BIENNIAL MAINTENANCE EFFECTIVENESS INSP.		1			
IP 7111112B	Maintenance Effectiveness		10/29/2007	11/02/2007	Baseline Inspections
BI OL - BIENNIAL REQUAL. PROGRAM INSPECTION		2			
IP 7111111B	Licensed Operator Requalification Program		11/05/2007	11/09/2007	Baseline Inspections
BI ENG - ENGINEERING MODIFICATIONS / 50.59 INSP.		2			
IP 7111102	Evaluation of Changes, Tests, or Experiments		11/12/2007	11/30/2007	Baseline Inspections
IP 7111117B	Permanent Plant Modifications		11/12/2007	11/30/2007	Baseline Inspections
BI RP - RADIATION PROTECTION BASELINE INSPECTION		1			
IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		12/10/2007	12/14/2007	Baseline Inspections
IP 71151-PR01	RETS/ODCM Radiological Effluent		12/10/2007	12/14/2007	Baseline Inspections
BI ENG - BIENNIAL HEAT SINK INSPECTION		1			
IP 7111107B	Heat Sink Performance		01/07/2008	01/11/2008	Baseline Inspections
BI RP - RADIATION PROTECTION BASELINE INSPECTION		1			
IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		02/11/2008	02/15/2008	Baseline Inspections
IP 71151-BI01	Reactor Coolant System Activity		02/11/2008	02/15/2008	Baseline Inspections
BI RP - RADIATION PROTECTION BASELINE INSPECTION		1			
IP 7112101	Access Control to Radiologically Significant Areas		04/07/2008	04/11/2008	Baseline Inspections
IP 7112102	ALARA Planning and Controls		04/07/2008	04/11/2008	Baseline Inspections
IP 71151-OR01	Occupational Exposure Control Effectiveness		04/07/2008	04/11/2008	Baseline Inspections
BI ENG - ENGINEERING INSERVICE INSPECTION/ TI-150		1			
IP 2515/150	Reactor Pressure Vessel Head and Vessel Head Penetration Nozzles (NRC ORDER EA-03-		04/07/2008	05/02/2008	Safety Issues
IP 7111108P	Inservice Inspection Activities - PWR		04/07/2008	05/02/2008	Baseline Inspections
BI ENG - COMPONENT DESIGN BASES INSPECTION		5			
IP 7111121	Component Design Bases Inspection		06/23/2008	07/25/2008	Baseline Inspections

**Point Beach
Inspection / Activity Plan
09/01/2007 - 12/31/2008**

Inspection Activity	Title	No. of Staff on Site	Planned Dates Start End		Inspection Type
BI RP	- RADIATION PROTECTION BASELINE INSPECTION	1			
IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control P		07/07/2008	07/11/2008	Baseline Inspections
IP 71151-PR01	RETS/ODCM Radiological Effluent		07/07/2008	07/11/2008	Baseline Inspections
BI ENG	- ENGINEERING INSERVICE INSPECTION	1			
IP 7111108P	Inservice Inspection Activities - PWR		09/15/2008	10/10/2008	Baseline Inspections
BI RP	- RADIATION PROTECTION BASELINE INSPECTION	1			
IP 7112101	Access Control to Radiologically Significant Areas		09/29/2008	10/03/2008	Baseline Inspections
IP 7112102	ALARA Planning and Controls		09/29/2008	10/03/2008	Baseline Inspections
BI PI&R	- BIENNIAL PI&R INSPECTION	4			
IP 71152B	Identification and Resolution of Problems		11/03/2008	11/21/2008	Baseline Inspections
BI EP	- EP EXERCISE INSPECTION / PI VERIFICATION	3			
IP 7111401	Exercise Evaluation		12/08/2008	12/12/2008	Baseline Inspections
IP 71151-EP01	Drill/Exercise Performance		12/08/2008	12/12/2008	Baseline Inspections
IP 71151-EP02	ERO Drill Participation		12/08/2008	12/12/2008	Baseline Inspections
IP 71151-EP03	Alert & Notification System		12/08/2008	12/12/2008	Baseline Inspections