



UNITED STATES
NUCLEAR REGULATORY COMMISSION
ADVISORY COMMITTEE ON REACTOR SAFEGUARDS
WASHINGTON, DC 20555 - 0001

June 9, 2005

Mr. Luis A. Reyes
Executive Director for Operations
U.S. Nuclear Regulatory Commission
Washington, DC 2005-0001

SUBJECT: INTERIM REPORT ON THE SAFETY ASPECTS OF THE LICENSE RENEWAL APPLICATION FOR THE POINT BEACH NUCLEAR PLANT, UNITS 1 AND 2

Dear Mr. Reyes:

During the 523rd meeting of the Advisory Committee on Reactor Safeguards, June 1-3, 2005, we reviewed the license renewal application for the Point Beach Nuclear Plant (PBNP), Units 1 and 2, and the associated Safety Evaluation Report (SER) with open items prepared by the NRC staff. Our Plant License Renewal Subcommittee also reviewed this matter on May 31, 2005. During these reviews, we had the benefit of discussions with representatives of the NRC staff, including Region III personnel, and the Nuclear Management Company, LLC. We also had the benefit of the documents referenced.

We recognize that the license renewal rule does not include specific consideration of current operating performance. However, aspects of current performance may affect the development of license renewal programs and commitments as well as the effectiveness of the implemented programs.

The Confirmatory Action Letter (CAL) issued to the PBNP on April 21, 2004 will remain open until improvements are demonstrated in the areas of human performance, engineering design control, the engineering/operations interface, emergency preparedness, and the Corrective Action Program (CAP).

An adequate CAP is a key element in the successful implementation of the aging management programs critical to license renewal. A review of the events leading to the issuance of the CAL leads to the conclusion that the applicant's CAP has been in a degraded condition for a long time. The Region III staff stated that the problems are not in the design of the program but in its implementation. The inspections have also identified other weaknesses in the area of human performance. Errors in engineering calculations have been identified and are being corrected, but this work is not yet complete. These errors may have an impact on long-lived passive components.

It often takes a long time to successfully implement improvements in human performance, and we note that the current operating license for Unit 1 expires on October 5, 2010. The March 2, 2005 Annual Assessment Letter to the PBNP notes that some improvements in the human

performance area have been observed. However, problems continue to be identified in the CAP, and the PBNP remains in the Multiple/Repetitive Degraded Cornerstone column of the Reactor Oversight Process Action Matrix. The resources needed to address the CAL compete with the effective development, tracking, and implementation of license renewal programs and commitments.

In support of its final SER, the staff normally audits and inspects only a fraction of the license renewal programs and commitments. In the case of the PBNP, the staff should take additional actions to increase confidence that the requirements of the license renewal rule have been met and that there is reasonable assurance that aging degradation can be adequately managed. These actions may include, for example, an expanded inspection of license renewal commitments and a focused review of the effectiveness of the CAP before the PBNP enters the period of extended operation. We would like to hear about such planned actions during our review of the final SER.

Sincerely,

/RA/

Graham B. Wallis
Chairman

References

1. Nuclear Management Company, LLC, "Application for Renewed Operating Licenses Point Beach Nuclear Plant Units 1 & 2," February 2004
2. U.S. Nuclear Regulatory Commission, "Safety Evaluation Report Related to the License Renewal of the Point Beach Nuclear Plant, Units 1 and 2," May 2005
3. Letter from J. Caldwell, Regional Administrator, to G. Van Middlesworth, Site Vice President, Point Beach Nuclear Plant, Nuclear Management Company, LLC, "Confirmatory Action Letter," April 21, 2004
4. Letter from J. Caldwell, Regional Administrator, to D. Koehl, Site Vice President, Point Beach Nuclear Plant, Nuclear Management Company, LLC, "Annual Assessment Letter - Point Beach Nuclear Plant (Report 05000266/200501; 05000301/200501)," March 2, 2005
5. Letter from J. Dyer, Regional Administrator, to M. Warner, Site Vice President, Kewaunee and Point Beach Nuclear Plants, Nuclear Management Company, LLC, "Point Beach Special Inspection - NRC Inspection Report 50-266/01-17(DRS); 50-301/01-17(DRS), Preliminary Red Finding," April 3, 2002 and Preliminary Red Finding - Auxiliary Feedwater Orifice Plugging Issue; NRC Inspection Report 50-266/02-15(DRP); 50-301/02-15(DRP)," April 2, 2003

6. Letter from J. Caldwell, Regional Administrator, to A. Cayia, Site Vice President, Point Beach Nuclear Plant, Nuclear Management Company, LLC, "Point Beach Nuclear Plant, Units 1 and 2 Final Significance Determination for a Red Finding and Notice of Violation (NRC Inspection Report No. 50-266/02-15(DRP); 50-301/02-15(DRP))," December 11, 2003
7. Letter from G. Van Middlesworth, Site Vice President, Point Beach Nuclear Plant, Nuclear Management Company, LLC, to U.S. Nuclear Regulatory Commission Document Control Desk, "Commitments in Response to 95003 Supplemental Inspection," March 22, 2004
8. Pacific Northwest National Laboratory, "Audit and Review Report for Plant Aging Management Reviews and Programs, Point Beach Nuclear Plant Units 1 and 2," April 11, 2005
9. U.S. Nuclear Regulatory Commission, "Point Beach Nuclear Plant, Units 1 and 2 NRC License Renewal Scoping, Screening, and Aging Management Inspection Report 05000266/2005005 (DRS); 05000301/2005005 (DRS)," May 2, 2005