

March 2, 2005

Mr. C. Lambert  
Site Vice President  
Kewaunee Nuclear Power Plant  
Nuclear Management Company, LLC  
N490 Hwy 42  
Kewaunee, WI 54216-9511

SUBJECT: ANNUAL ASSESSMENT LETTER - KEWAUNEE NUCLEAR POWER PLANT  
(REPORT 05000305/2005001)

Dear Mr. Lambert:

On February 8, 2005, the NRC staff completed its end-of-cycle plant performance assessment of Kewaunee Nuclear Power Plant. The end-of-cycle review for Kewaunee involved the participation of the reactor technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2004. 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.

This performance review and enclosed inspection plan do not include physical protection information. A separate letter designated and marked as "Exempt from Public Disclosure in accordance with 10 CFR 2.390" will include the physical protection review and resultant inspection plan.

Overall, Kewaunee operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter, as well as for the first three quarters of the assessment cycle, 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). However, the significance of the finding associated with the inability to expeditiously close the containment equipment hatch early in your refueling outage is still under review as part of the Significance Determination Process. Until this issue is finalized, we plan to conduct only reactor oversight process (ROP) baseline inspections at your facility through September 30, 2006.

Additionally, the staff has identified a substantive cross-cutting issue in the area of Problem Identification and Resolution (PI&R). In our Mid-Cycle Performance Review Letter dated August 30, 2004, we advised you of deficiencies within the engineering program. The staff continued to identify issues that had a common performance theme of ineffective corrective actions to resolve known deficiencies. Examples of the failure to take effective corrective

actions were evident regarding the findings associated with blockage of the safety injection pump lubricating oil coolers, degraded and non-conforming conditions, non-conformance with the design basis of the containment sump screens, residual heat removal pump seal leakage, and the control of combustible materials.

We will continue to closely monitor the implementation of your PI&R programs during the course of routine baseline and plant status inspection activities to more thoroughly assess your corrective action program and its effectiveness in correcting issues. In accordance with Inspection Procedure 71152, "Identification and Resolution of Problems," a biennial PI&R inspection will be conducted in May 2005 and will focus on the noted weaknesses in developing effective corrective actions for known deficiencies. This substantive cross-cutting issue will not be cleared until sustained, improved performance is demonstrated through the identification of fewer findings related to the effectiveness of corrective actions implemented for known performance deficiencies.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through September 30, 2006. 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 nine months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

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 Thomas Kozak at 630-829-9866 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

*/RA/*

Mark A. Satorius, Director  
Division of Reactor Projects

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

Enclosure: Kewaunee Nuclear Power Plant Inspection/Activity Plan

See Attached Distribution

actions were evident regarding the findings associated with blockage of the safety injection pump lubricating oil coolers, degraded and non-conforming conditions, non-conformance with the design basis of the containment sump screens, residual heat removal pump seal leakage, and the control of combustible materials.

We will continue to closely monitor the implementation of your PI&R programs during the course of routine baseline and plant status inspection activities to more thoroughly assess your corrective action program and its effectiveness in correcting issues. In accordance with Inspection Procedure 71152, "Identification and Resolution of Problems," a biennial PI&R inspection will be conducted in May 2005 and will focus on the noted weaknesses in developing effective corrective actions for known deficiencies.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through September 30, 2006. 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 nine months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

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 Thomas Kozak at 630-829-9866 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

*/RA/*

Mark A. Satorius, Director  
Division of Reactor Projects

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

Enclosure: Kewaunee Nuclear Power Plant Inspection/Activity Plan

See Attached Distribution

DOCUMENT NAME: G:\Branch TSS\EOC Ltrs\leoc 030205\Kewaunee.wpd

To receive a copy of this document, indicate in the box "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy

OFFICE	RIII		RIII		RIII				
NAME	RNg:co		TKozak		MSatorius				
DATE	03/02/05		03/02/05		03/02/05				

**OFFICIAL RECORD COPY**

cc w/encl: J. Cowan, Executive Vice President,  
Chief Nuclear Officer  
Plant Manager  
Manager, Regulatory Affairs  
J. Rogoff, Vice President, Counsel & Secretary  
D. Molzahn, Nuclear Asset Manager,  
Wisconsin Public Service Corporation  
L. Weyers, Chairman, President and CEO,  
Wisconsin Public Service Corporation  
D. Zellner, Chairman, Town of Carlton  
J. Kitsembel, Public Service Commission of Wisconsin

ADAMS Distribution:

WDR

CFL

RidsNrrDipmlipb

GEG

KGO

JFL

CAA1

DRPIII

DRSIII

PLB1

JRK1

[ROPreports@nrc.gov](mailto:ROPreports@nrc.gov) (inspection reports, final SDP letters, any letter with an IR number)

Institute of Nuclear Power Operations (INPO)

**Kewaunee**  
**Inspection / Activity Plan**  
**03/01/2005 - 09/30/2006**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	<b>71121.03 - 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>PI&amp;R - PROBLEM IDENTIFICATION &amp; RESOLUTION INSP</b>		<b>4</b>			
1	IP 71152B	Identification and Resolution of Problems		05/02/2005	05/20/2005	Baseline Inspections
	<b>71122.02 - 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 - 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
	<b>FY 2006 - KEWAUNEE INIT PREP 10/2005</b>		<b>3</b>			
1	W90125	OL - INITIAL EXAM - KEWAUNEE - OCT/NOV 2005		10/10/2005	10/14/2005	Not Applicable
	<b>MOD/5059 - MODIFICATIONS AND 5059</b>		<b>1</b>			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		10/17/2005	10/21/2005	Baseline Inspections
1	IP 7111117B	Permanent Plant Modifications		10/17/2005	10/21/2005	Baseline Inspections
	<b>71114 - EP EXERCISE &amp; EP PI INSP</b>		<b>2</b>			
1	IP 7111401	Exercise Evaluation		10/31/2005	11/04/2005	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/31/2005	11/04/2005	Baseline Inspections
	<b>FY 2006 - KEWAUNEE INIT EXAM 11/2005</b>		<b>3</b>			
1	W90125	OL - INITIAL EXAM - KEWAUNEE - OCT/NOV 2005		11/07/2005	11/18/2005	Not Applicable
	<b>7112201 - RADIOLOGICAL EFFLUENT CONTROL</b>		<b>1</b>			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		01/09/2006	01/13/2006	Baseline Inspections
1	IP 71151	Performance Indicator Verification		01/09/2006	01/13/2006	Baseline Inspections
	<b>7112102 - ALARA PLANNING &amp; CONTROLS</b>		<b>1</b>			
1	IP 7112102	ALARA Planning and Controls		04/10/2006	04/14/2006	Baseline Inspections
1	IP 71151	Performance Indicator Verification		04/10/2006	04/14/2006	Baseline Inspections
	<b>71114 - BASELINE EP INSPECTION</b>		<b>1</b>			
1	IP 7111402	Alert and Notification System Testing		04/17/2006	04/21/2006	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		04/17/2006	04/21/2006	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		04/17/2006	04/21/2006	Baseline Inspections
1	IP 71151	Performance Indicator Verification		04/17/2006	04/21/2006	Baseline Inspections
	<b>MAINRULE - MAINTENANCE EFFECTIVENESS INSPECTION</b>		<b>1</b>			
1	IP 7111112B	Maintenance Effectiveness		05/01/2006	05/05/2006	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**  
**03/01/2005 - 09/30/2006**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	<b>SSDPC - SAFETY SYS DESIGN &amp; PERFORMANCE CAPABILI</b>		<b>6</b>			
1	IP 7111121	Safety System Design and Performance Capability		07/17/2006	08/04/2006	Baseline Inspections
	<b>7112101 - RADIOLOGICAL ACCESS CONTROLS</b>		<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		07/17/2006	07/21/2006	Baseline Inspections
1	IP 71151	Performance Indicator Verification		07/17/2006	07/21/2006	Baseline Inspections