

March 2, 2007

Mr. J. Conway
Site Vice President
Monticello Nuclear Generating Plant
Nuclear Management Company, LLC
2807 West County Road 75
Monticello, MN 55362-9637

SUBJECT: Annual Assessment Letter - Monticello Nuclear Generating Plant
(Report 05000263/2007001)

Dear Mr. Conway:

On February 14, 2007, the Nuclear Regulatory Commission (NRC) staff completed its performance review of the Monticello Nuclear Generating Plant. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2006. 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 physical protection information. A separate letter designated as "Exempt from Public Disclosure in Accordance with 10 CFR 2.390" and marked as "Official Use Only - Security-Related Information" will include the physical protection review and resultant inspection plan.

Overall, the Monticello Nuclear Generating Plant 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). Therefore, we plan to conduct reactor oversight process baseline inspections at your facility.

The enclosed inspection plan details the inspections, less those related to physical protection scheduled through June 30, 2008. Significant inspections planned include an Independent Spent Fuel Storage Installation Preoperational Inspection in May 2007. 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. The inspections in the last 9 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 (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).

If circumstances arise which cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (630) 829-9629 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Bruce Burgess, Chief
Branch 2
Division of Reactor Projects

Docket No. 50-263
License No. DPR-22

Enclosure: Monticello Nuclear Generating Plant Inspection/Activity Plan

cc w/encl: M. Sellman, President and Chief Executive Officer
Manager, Nuclear Safety Assessment
J. Rogoff, Vice President, Counsel, and Secretary
Nuclear Asset Manager, Xcel Energy, Inc.
State Liaison Officer, Minnesota Department of Health
R. Nelson, President
Minnesota Environmental Control Citizens
Association (MECCA)
Commissioner, Minnesota Pollution Control Agency
D. Gruber, Auditor/Treasurer,
Wright County Government Center
Commissioner, Minnesota Department of Commerce
Manager - Environmental Protection Division
Minnesota Attorney General's Office
Chairman, Wright County Board
Mayor of Monticello
Chairperson, Sherburne County
Administrator, City of Monticello
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D. Gruber, Auditor/Treasurer,
Wright County Government Center
Commissioner, Minnesota Department of Commerce
Manager - Environmental Protection Division
Minnesota Attorney General's Office
Chairman, Wright County Board
Mayor of Monticello
Chairperson, Sherburne County
Administrator, City of Monticello
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Monticello
Inspection / Activity Plan
03/01/2007 - 06/30/2008

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	MOD50.59 - MOD/50.59 INSPECTION		2			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		02/12/2007	03/02/2007	Baseline Inspections
1	IP 7111117B	Permanent Plant Modifications		02/12/2007	03/02/2007	Baseline Inspections
	ISI - ISI BASELINE INSPECTION		1			
1	IP 7111108G	Inservice Inspection Activities - BWR		03/19/2007	03/23/2007	Baseline Inspections
	71121.02 - ALARA AND ACCESS CONTROL		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/26/2007	03/30/2007	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/26/2007	03/30/2007	Baseline Inspections
	7112203 - REMP AND RAM CONTROL		1			
1	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control P		04/30/2007	05/04/2007	Baseline Inspections
1	IP 71151	Performance Indicator Verification		04/30/2007	05/04/2007	Baseline Inspections
	ISFSI - ISFSI INSPECTION - PREOP		4			
1	IP 60854	Preoperational Testing Of An ISFSI		05/01/2007	07/01/2007	Other Routine
1	IP 60854.1	Preoperational Testing of Independent Spent Fuel Storage Facility Installation at Operating F		05/01/2007	07/01/2007	Other Routine
	MAINRULE - MAINTENANCE EFFECTIVENESS INSPECTION		1			
1	IP 7111112B	Maintenance Effectiveness		05/14/2007	05/18/2007	Baseline Inspections
	7112103 - RAD INSTRUMENTATION		1			
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		07/09/2007	07/13/2007	Baseline Inspections
	EP BI - BASELINE EP EXERCISE INSP		1			
1	IP 7111401	Exercise Evaluation		10/01/2007	10/05/2007	Baseline Inspections
1	IP 71151-EP01	Drill/Exercise Performance		10/01/2007	10/05/2007	Baseline Inspections
1	IP 71151-EP03	Alert & Notification System		10/01/2007	10/05/2007	Baseline Inspections
1	IP 71151-EP03	Alert & Notification System		10/01/2007	10/05/2007	Baseline Inspections
	HEATSINK - HEAT SINK INSPECTION		1			
1	IP 7111107B	Heat Sink Performance		09/10/2007	09/14/2007	Baseline Inspections
	7112101 - ALARA PLANNING AND ACCESS CONTROL		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		10/01/2007	10/05/2007	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		10/01/2007	10/05/2007	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/01/2007	10/05/2007	Baseline Inspections
	7111111B - LIC OPERATOR REQUAL PROGRAM EVALUATION		2			
1	IP 7111111B	Licensed Operator Requalification Program		10/15/2007	10/19/2007	Baseline Inspections
	ISI - ISI INSPECTION		1			
1	IP 7111108G	Inservice Inspection Activities - BWR		03/08/2008	04/08/2008	Baseline Inspections
	FPI - TRIENNIAL FIRE PROTECTION INSPECTION		1			
1	IP 7111105T	Fire Protection [Triennial]		03/31/2008	04/18/2008	Baseline Inspections

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

Monticello
Inspection / Activity Plan
03/01/2007 - 06/30/2008

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	7112201	- GASEOUS AND LIQUID EFFLUENT	1			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		04/28/2008	05/02/2008	Baseline Inspections
1	IP 71151	Performance Indicator Verification		04/28/2008	05/02/2008	Baseline Inspections
	EP	- EP PROG AND PI INSP	1			
1	IP 7111402	Alert and Notification System Testing		06/23/2008	06/27/2008	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		06/23/2008	06/27/2008	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		06/23/2008	06/27/2008	Baseline Inspections
1	IP 71151	Performance Indicator Verification		06/23/2008	06/27/2008	Baseline Inspections
	CDBI	- COMPONENT DESIGN BASES INSPECTION	1			
1	IP 7111121	Component Design Bases Inspection		05/05/2008	06/06/2008	Baseline Inspections