

August 31, 2007

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

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -  
MONTICELLO NUCLEAR GENERATING PLANT

Dear Mr. O'Connor:

On August 14, 2007, the NRC staff completed its performance review of the Monticello Nuclear Generating Plant 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 twelve 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 the most recent quarter at the Monticello Nuclear Generating Plant 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 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 a triennial fire protection inspection, 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 (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).

T. O'Connor

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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 me at 630-829-9628 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

*/RA/*

Kenneth Riemer, Chief  
Projects Branch 2  
Division of Reactor Projects

Docket Nos. 50-263  
License Nos. DPR-22

Enclosure: Monticello Nuclear Generating Plant Inspection/Activity Plan

DISTRIBUTION:  
See next page

T. O'Connor

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Letter to T. O'Connor from K. Riemer dated August 31, 2007

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -  
MONTICELLO NUCLEAR GENERATING PLANT

cc w/encl: M. Sellman, President and Chief Executive Officer  
D. Cooper, Senior Vice President and Chief  
Nuclear 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  
INPO

Letter to T. O'Connor from K. Riemer dated August 31, 2007

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MONTICELLO NUCLEAR GENERATING PLANT

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

Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	End	Inspection Type
<b>BI ENG - BIENNIAL HEAT SINK INSPECTION</b>		<b>1</b>			
IP 7111107B	Heat Sink Performance		09/10/2007	09/14/2007	Baseline Inspections
<b>BI EP - EP EXERCISE INSPECTION / PI VERIFICATION</b>		<b>3</b>			
IP 7111401	Exercise Evaluation		11/05/2007	11/09/2007	Baseline Inspections
IP 71151-EP01	Drill/Exercise Performance		11/05/2007	11/09/2007	Baseline Inspections
IP 71151-EP02	ERO Drill Participation		11/05/2007	11/09/2007	Baseline Inspections
IP 71151-EP03	Alert & Notification System		11/05/2007	11/09/2007	Baseline Inspections
<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>			
IP 7112101	Access Control to Radiologically Significant Areas		10/01/2007	10/05/2007	Baseline Inspections
IP 7112102	ALARA Planning and Controls		10/01/2007	10/05/2007	Baseline Inspections
IP 71151-OR01	Occupational Exposure Control Effectiveness		10/01/2007	10/05/2007	Baseline Inspections
<b>BI OL - BIENNIAL REQUAL. PROGRAM INSPECTION</b>		<b>2</b>			
IP 7111111B	Licensed Operator Requalification Program		10/15/2007	10/19/2007	Baseline Inspections
<b>BI ENG - TRIENNIAL FIRE PROTECTION INSPECTION</b>		<b>3</b>			
IP 7111105T	Fire Protection [Triennial]		03/31/2008	04/18/2008	Baseline Inspections
<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>			
IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		04/28/2008	05/02/2008	Baseline Inspections
IP 71151-PR01	RETS/ODCM Radiological Effluent		04/28/2008	05/02/2008	Baseline Inspections
<b>BI ENG - COMPONENT DESIGN BASES INSPECTION</b>		<b>5</b>			
IP 7111121	Component Design Bases Inspection		05/05/2008	06/06/2008	Baseline Inspections
<b>BI EP - EP ROUTINE INSPECTION / PI VERIFICATION</b>		<b>1</b>			
IP 7111402	Alert and Notification System Testing		06/23/2008	06/27/2008	Baseline Inspections
IP 7111403	Emergency Response Organization Augmentation Testing		06/23/2008	06/27/2008	Baseline Inspections
IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		06/23/2008	06/27/2008	Baseline Inspections
IP 71151-EP01	Drill/Exercise Performance		06/23/2008	06/27/2008	Baseline Inspections
IP 71151-EP02	ERO Drill Participation		06/23/2008	06/27/2008	Baseline Inspections
IP 71151-EP03	Alert & Notification System		06/23/2008	06/27/2008	Baseline Inspections
<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>			
IP 7112202	Radioactive Material Processing and Transportation		07/07/2008	07/11/2008	Baseline Inspections
IP 71151-BI01	Reactor Coolant System Activity		07/07/2008	07/11/2008	Baseline Inspections
<b>ISFSI - ISFSI INSPECTION</b>		<b>1</b>			
IP 60854.1	Preoperational Testing of Independent Spent Fuel Storage Facility Installation at Operating F		07/01/2008	07/15/2008	Other Routine
IP 60854	Preoperational Testing Of An ISFSI		07/16/2008	07/30/2008	Other Routine
IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants		08/01/2008	09/30/2008	Other Routine

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

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<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>			
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
IP 71151-OR01	Occupational Exposure Control Effectiveness		09/29/2008	10/03/2008	Baseline Inspections
<b>BI PI&amp;R - BIENNIAL PI&amp;R INSPECTION</b>		<b>4</b>			
IP 71152B	Identification and Resolution of Problems		10/20/2008	11/07/2008	Baseline Inspections