

August 27, 2003

Mr. T. Palmisano
Site Vice President
Monticello Nuclear Generating Plant
Nuclear Management Company, LLC
2807 West County Road 755
Monticello, MN 55362-9637

SUBJECT: MID-CYCLE ASSESSMENT LETTER - MONTICELLO NUCLEAR PLANT
(REPORT 50-263/04-01)

Dear Mr. Palmisano:

On July 30, 2003, the U.S. Nuclear Regulatory Commission (NRC) staff completed its mid-cycle plant performance assessment of the Monticello Nuclear Plant. The mid-cycle review for Monticello involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period July 1, 2002 through June 20, 2003. 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.

Overall, Monticello 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 only baseline inspections at your facility through September 30, 2004.

The enclosed inspection plan details the inspection scheduled through September 30, 2004. 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 or inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last 6 months of the inspection plan are tentative and may be revised at the end-of-cycle review meeting.

In accordance with 10 CFR 2.790 of the NRC's "Rule 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 the 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 me at 630-829-9629 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Bruce L Burgess, Chief
Branch 2
Division of Reactor Projects

Docket No. 50-263
License No. DPR22

Enclosure: Monticello Inspection/Activity Plan

cc w/encl: J. Purkis, Plant Manager
J. Cowan, Chief Nuclear Officer
J. Forbes, Senior Vice President
D. Neve, Manager, Regulatory Affairs
J. Rogoff, Esquire General Counsel
W. Brunetti, President and CEO
Xcel Energy Inc.
Nuclear Asset Manager
Site Licensing Manager
Commissioner, Minnesota Department of Health
J. Silberg, Esquire
Shaw, Pittman, Potts, and Trowbridge
R. Nelson, President
Minnesota Environmental Control Citizens
Association (MECCA)
Commissioner, Minnesota Pollution Control Agency
D. Gruber, Auditor,
Wright County Board of Commissioners
Commissioner, Minnesota Department of Commerce
G. Wilson, Commissioner of Commerce
P. Marker, Office of Attorney General
C. Bomberger, Nuclear Asset Manager
E. Eichelberg, Chairman, Wright County Board
The Honorable Bruce Thielen
A. Engstrom, Chairperson, Sherburne County
R. Wolfsteller, Administrator, City of Monticello
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Project Mgr., NRR

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Monticello
Inspection / Activity Plan
09/01/2003 - 09/30/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	FY 2003 - MONTICELLO INIT EXAM 09/2003		3			
1	W90080	OL - INITIAL EXAM - MONTICELLO - AUG/SEP 2003		09/22/2003	09/26/2003	Not Applicable
	TI 148 - TI2515/148 SECURITY ICMS		4			
1	IP 2515/148	Inspection of Nuclear Reactor Safeguards - Interim Compensatory Measures		10/06/2003	10/10/2003	Safety Issues
	MR - MAINTENANCE RULE		1			
1	IP 7111112B	Maintenance Effectiveness		12/08/2003	12/12/2003	Baseline Inspections
	INSP - ALARA AND ACCESS CONTROL INSPECTION		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		11/03/2003	11/07/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		11/03/2003	11/07/2003	Baseline Inspections
	71152B - BIENNIAL PI&R INSPECTION		2			
1	IP 71152B	Identification and Resolution of Problems		11/03/2003	11/21/2003	Baseline Inspections
	INSP - BIENNIAL EP EXERCISE		2			
1	IP 7111401	Exercise Evaluation		11/17/2003	11/21/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		11/17/2003	11/21/2003	Baseline Inspections
	HT SNK B - HEAT SINK BIENNIAL (DRS)		1			
1	IP 7111107B	Heat Sink Performance		02/23/2004	02/27/2004	Baseline Inspections
	INSP - RADIOACTIVE MATERIAL PROCESSING AND TRAN		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		04/05/2004	04/09/2004	Baseline Inspections
1	IP 7112202	Radioactive Material Processing and Transportation		04/05/2004	04/09/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		04/05/2004	04/09/2004	Baseline Inspections
	INSP - EMER. PREP. INSPECTION		1			
1	IP 7111402	Alert and Notification System Testing		05/03/2004	05/07/2004	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		05/03/2004	05/07/2004	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		05/03/2004	05/07/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		05/03/2004	05/07/2004	Baseline Inspections
	PUBLIC - GASEOUS AND LIQUID EFFLUENTS		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		06/07/2004	06/11/2004	Baseline Inspections
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		06/07/2004	06/11/2004	Baseline Inspections
	INSTRUM - RADIATION PROTECTION INSTRUMENTATION		1			
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		09/20/2004	09/24/2004	Baseline Inspections