

March 2, 2005

Mr. T. Palmisano
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 POWER PLANT
(REPORT 05000263/200501)

Dear Mr. Palmisano:

On February 9, 2005, the NRC staff completed its end-of-cycle plant performance assessment of the Monticello Nuclear Power Plant. The end-of-cycle review for Monticello 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, 2004, 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, the Monticello Nuclear Power 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 only reactor oversight process (ROP) baseline inspections at your facility through September 30, 2006.

The enclosed inspection plan details the inspections, less those related to physical protection scheduled through September 30, 2006. Significant inspections include a license renewal inspection in January 2006, a safety systems performance design capability/safety systems modification (SSDPC/SSMO) inspection starting February 2006, and a Problem Identification and Resolution inspection in July 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 me at (630) 829-9629 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Bruce Burgess, Chief
Reactor Projects Branch 2
Division of Reactor Projects

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

Enclosure: Monticello Inspection/ Activity Plan

cc w/encl: J. Cowan, Executive Vice President
and Chief Nuclear Officer
Manager, Regulatory Affairs
J. Rogoff, Vice President, Counsel, and Secretary
Nuclear Asset Manager, Xcel Energy, Inc.
Commissioner, 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

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Institute of Nuclear Power Operations (INPO)

Monticello
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
	ISI - ISI INSPECTION		1			
1	IP 7111108G	Inservice Inspection Activities - BWR		03/14/2005	03/18/2005	Baseline Inspections
	INSPECT - ACCESS CONTROL AND ALARA		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/14/2005	03/18/2005	Baseline Inspections
	FY 2005 - MONTICELLO INIT PREP 04/2005		3			
1	W90115	OL - INITIAL EXAM - MONTICELLO - MAR/APR 2005		04/11/2005	04/15/2005	Not Applicable
	FY 2005 - MONTICELLO INIT EXAM 05/2005		3			
1	W90115	OL - INITIAL EXAM - MONTICELLO - MAR/APR 2005		05/02/2005	05/13/2005	Not Applicable
	MAINT - BIENNIAL MAINTENANCE RULE INSPECTION		1			
1	IP 7111112B	Maintenance Effectiveness		07/11/2005	07/15/2005	Baseline Inspections
	INSPECT - REMP		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		07/18/2005	07/22/2005	Baseline Inspections
1	IP 7112203	Radiological Environmental Monitoring Program		07/18/2005	07/22/2005	Baseline Inspections
	71114 - EP EXERCISE & EP PI INSP		2			
1	IP 7111401	Exercise Evaluation		08/29/2005	09/02/2005	Baseline Inspections
1	IP 71151	Performance Indicator Verification		08/29/2005	09/02/2005	Baseline Inspections
	MOD/5059 - MODIFICATIONS/50.59 INSPECTION		4			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		09/12/2005	09/16/2005	Baseline Inspections
1	IP 7111117B	Permanent Plant Modifications		09/12/2005	09/16/2005	Baseline Inspections
	FPI - TRIENNIAL FIRE PROTECTION INSPECTION		3			
1	IP 7111105T	Fire Protection		10/17/2005	11/04/2005	Baseline Inspections
	BI - LIQUID AND GASEOUS EFFLUENTS		1			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		01/09/2006	01/13/2006	Baseline Inspections
	LR - LICENSE RENEWAL INSPECTION		5			
1	IP 71002	License Renewal Inspection		01/23/2006	02/10/2006	License Renewal Insp
	SSDPC - SAFETY SYS DESIGN & PERFORMANCE CAPABILIT		6			
1	IP 7111121	Safety System Design and Performance Capability		03/20/2006	04/07/2006	Baseline Inspections
	BI - REMP		1			
1	IP 7112203	Radiological Environmental Monitoring Program		06/26/2006	06/30/2006	Baseline Inspections
	IP 71114 - EP NON-EXERCISE BASELINE		1			
1	IP 7111402	Alert and Notification System Testing		06/26/2006	06/30/2006	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		06/26/2006	06/30/2006	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		06/26/2006	06/30/2006	Baseline Inspections
1	IP 71151	Performance Indicator Verification		06/26/2006	06/30/2006	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
03/01/2005 - 09/30/2006

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	BI	- OUTAGE ALARA AND ACCESS CONTROL	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		07/17/2006	07/21/2006	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		07/17/2006	07/21/2006	Baseline Inspections

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