

March 2, 2006

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 POWER PLANT
(REPORT 05000263/2006001)

Dear Mr. Conway:

On February 9, 2006, the NRC staff completed its performance review of the Monticello Nuclear Power 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, 2005. 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 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 baseline inspections at your facility.

The enclosed inspection plan details the inspections, less those related to physical protection scheduled through September 30, 2007. Significant inspections include a Component Design Basis Inspection in May 2006, a Problem Identification and Resolution Inspection in November 2006, and 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 mid-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 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: M. Sellman, Chief Executive Officer
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
Chairman, Wright County Board
Mayor of Monticello
Chairperson, Sherburne County
Administrator, City of Monticello
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Monticello
Inspection / Activity Plan
03/01/2006 - 09/30/2007

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	CDBI	- COMPONENT DESIGN BASES INSPECTION	6			
1	IP 7111121	Component Design Bases Inspection		05/22/2006	06/23/2006	Baseline Inspections
	BI	- RADIATION PROTECTION INSTRUMENTATION	2			
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		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
	BI	- RADIOLOGICAL ACCESS CONTROL AND ALARA	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		10/16/2006	10/20/2006	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		10/16/2006	10/20/2006	Baseline Inspections
	71152B	- PI&R BI-ENNIAL INSPECTION	3			
1	IP 71152B	Identification and Resolution of Problems		11/13/2006	12/01/2006	Baseline Inspections
	BI	- TRANSPORTATION AND RADWASTE	1			
1	IP 7112202	Radioactive Material Processing and Transportation		12/11/2006	12/15/2006	Baseline Inspections
	FY 2007	- MONTICELLO INIT PREP 01/2007	3			
1	W90147	OL - INITIAL EXAM - MONTICELLO JAN/FEB 2007		01/15/2007	01/19/2007	Not Applicable
	MOD50.59	- MOD/50.59 INSPECTION	2			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		01/15/2007	02/02/2007	Baseline Inspections
1	IP 7111117B	Permanent Plant Modifications		01/15/2007	02/02/2007	Baseline Inspections
	FY 2007	- MONTICELLO INIT EXAM 02/2007	3			
1	W90147	OL - INITIAL EXAM - MONTICELLO JAN/FEB 2007		02/05/2007	02/16/2007	Not Applicable
	71121.02	- ALARA AND ACCESS CONTROL	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/05/2007	03/09/2007	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/05/2007	03/09/2007	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
	HEATSINK	- HEAT SINK INSPECTION	1			
1	IP 7111107B	Heat Sink Performance		06/18/2007	06/22/2007	Baseline Inspections