



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**  
REGION III  
2443 WARRENVILLE ROAD, SUITE 210  
LISLE, IL 60532-4352

September 2, 2008

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, 2008, the NRC staff completed its performance review of the Monticello Generating Station for the first half of the calendar year 2008 assessment cycle. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results over the previous 12 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 Related Information" will include the Security Cornerstone review and resultant inspection plan.

Overall, 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 (ROP) baseline inspections at your facility.

The staff identified that there were more than three green inspection findings for the current 12 month assessment period with documented cross-cutting aspects in the area of human performance, and there is a cross-cutting theme in the aspect associated with sufficient resources not always being available [H.2(c)] associated with these findings. In evaluating your scope of efforts and progress in addressing the cross-cutting theme, the staff determined that we have no concerns with your scope of efforts in addressing the cross-cutting area performance deficiencies. Therefore, the staff has concluded that a substantive cross-cutting issue in human performance does not exist at this time. However, we continue to be concerned with the ability of the operations staff to demonstrate appropriate decision making [H.1(a)], as indicated by the three human performance related findings you received during this assessment period. We plan to continue monitoring your performance in the area of operations human performance through the baseline process and a PI&R inspection scheduled for this fall.

The enclosed inspection plan details the inspections, less those related to security, scheduled through December 31, 2009. 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 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 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 630-829-9628 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

***/RA by Michael Kunowski, Acting for/***

Kenneth Riemer, Chief  
Branch 2  
Division of Reactor Projects

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

Enclosure: Monticello Inspection/Activity Plan

**DISTRIBUTION:**  
See next page

Letter to T. O'Connor from K. Riemer dated September 2, 2008

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

cc w/encl: D. Koehl, Chief Nuclear Officer  
Manager, Nuclear Safety Assessment  
P. Glass, Assistant General Counsel  
Nuclear Asset Manager, Xcel Energy, Inc.  
J. Stine, State Liaison Officer, Minnesota Department of Health  
R. Nelson, President  
Minnesota Environmental Control Citizens  
Association (MECCA)  
Commissioner, Minnesota Pollution Control Agency  
R. Hiivala, 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  
G. Mortensen, INPO

The enclosed inspection plan details the inspections, less those related to security, scheduled through December 31, 2009. 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 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 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 630-829-9628 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

*/RA by Michael Kunowski, Acting for/*

Kenneth Riemer, Chief  
Branch 2  
Division of Reactor Projects

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

Enclosure: Monticello Inspection/Activity Plan

DISTRIBUTION:  
See next page

DOCUMENT NAME: G:\1-Secy\2008 Mid-cycle final letters\2008 Monticello MOC Letter.doc  
 Publicly Available       Non-Publicly Available       Sensitive       Non-Sensitive  
**To receive a copy of this document, indicate in the concurrence box "C" = Copy without attach/encl "E" = Copy with attach/encl "N" = No copy**

OFFICE	RIII	N	RIII						
NAME	KRiemer:cms								
DATE	8/27/08								

**OFFICIAL RECORD COPY**

Letter to T. O'Connor from K. Riemer dated September 2, 2008

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

DISTRIBUTION:

Tamara Bloomer

RidsNrrDorLpl3-1

RidsNrrPMMonticello

RidsNrrDirslpab Resource

James Caldwell

Mark Satorius

Kenneth Obrien

Jared Heck

Allan Barker

DRPIII

DRSIII

Patricia Buckley

Tammy Tomczak

[ROPreports@nrc.gov](mailto:ROPreports@nrc.gov)

**Monticello**  
**Inspection / Activity Plan**  
**09/01/2008 - 12/31/2009**

Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	End	Inspection Type
<b>ISFSI - ISFSI INSPECTION</b>		<b>1</b>			
IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants		08/01/2008	09/30/2008	Other Routine
<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
<b>FY 2009 - MONTICELLO INIT PREP FEB/2009</b>		<b>3</b>			
W90198	OL - INITIAL EXAM - JAN 2009 - MONT		02/02/2009	02/06/2009	Not Applicable
<b>OL EXAM - MONTICELLO INITIAL LICENSE EXAMINATION</b>		<b>3</b>			
W90198	OL - INITIAL EXAM - JAN 2009 - MONT		02/23/2009	03/06/2009	Not Applicable
<b>RENEWAL - POST-APPROVAL SITE INSP. FOR LR</b>		<b>2</b>			
IP 71003	Post-Approval Site Inspection for License Renewal		03/13/2009	04/13/2009	License Renewal Insper
<b>BI ENG - ENGINEERING INSERVICE INSPECTION</b>		<b>1</b>			
IP 7111108G	Inservice Inspection Activities - BWR		03/23/2009	03/27/2009	Baseline Inspections
<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>			
IP 7112101	Access Control to Radiologically Significant Areas		04/13/2009	04/17/2009	Baseline Inspections
IP 7112102	ALARA Planning and Controls		04/13/2009	04/17/2009	Baseline Inspections
<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>			
IP 2515/173	Review of the Implementation of the Industry Ground Water Protection Voluntary Initiative		05/18/2009	05/22/2009	Generic Safety Inspectio
IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control Program		05/18/2009	05/22/2009	Baseline Inspections
IP 71151-PR01	RETS/ODCM Radiological Effluent		05/18/2009	05/22/2009	Baseline Inspections
<b>BI EP - EP EXERCISE INSPECTION / PI VERIFICATION</b>		<b>1</b>			
IP 7111401	Exercise Evaluation		08/17/2009	08/21/2009	EP Baseline Inspection
IP 71151-EP01	Drill/Exercise Performance		08/17/2009	08/21/2009	Baseline Inspections
IP 71151-EP02	ERO Drill Participation		08/17/2009	08/21/2009	Baseline Inspections
IP 71151-EP03	Alert & Notification System		08/17/2009	08/21/2009	Baseline Inspections
<b>BI ENG - COMPONENT DESIGN BASES INSPECTION</b>		<b>6</b>			
IP 7111121	Component Design Bases Inspection		08/31/2009	10/02/2009	Baseline Inspections
<b>BI OL - BIENNIAL REQUAL. PROGRAM INSPECTION</b>		<b>2</b>			
IP 7111111B	Licensed Operator Requalification Program		10/12/2009	10/16/2009	Baseline Inspections
<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>			
IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		10/19/2009	10/23/2009	Baseline Inspections
IP 71151-BI01	Reactor Coolant System Activity		10/19/2009	10/23/2009	Baseline Inspections

**Monticello**  
**Inspection / Activity Plan**  
**09/01/2008 - 12/31/2009**

Inspection Activity	Title	No. of Staff on Site	Planned Dates Start      End		Inspection Type
<b>BI RP</b>	<b>- RADIATION PROTECTION BASELINE INSPECTION</b>	<b>1</b>			
IP 7112101	Access Control to Radiologically Significant Areas		12/14/2009	12/18/2009	Baseline Inspections
IP 7112102	ALARA Planning and Controls		12/14/2009	12/18/2009	Baseline Inspections