

August 30, 2004

Mr. T. Palmisano
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. Palmisano:

On August 11, 2004, the NRC staff completed its mid-cycle plant performance assessment of Monticello Nuclear Generating Plant. The mid-cycle review for Monticello Nuclear Generating Plant involved the participation of all technical divisions in evaluating performance for the first half of the calendar year 2004 assessment cycle. The process included a review of 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 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.

Plant performance for the most recent quarter 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 March 31, 2006.

The enclosed inspection plan details the inspections scheduled through March 31, 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 12 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 "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).

T. Palmisano

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If circumstances arise which cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at 630-829-9629 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Bruce Burgess, Chief
Branch 2
Division of Reactor Projects

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

Enclosure: Monticello Nuclear Generating Plant 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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J. Rogoff, Vice President, Counsel, and Secretary
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Commissioner, Minnesota Department of Health
R. Nelson, President
Minnesota Environmental Control Citizens
Association (MECCA)
Commissioner, Minnesota Pollution Control Agency
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Monticello
Inspection / Activity Plan
09/01/2004 - 03/31/2006

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	SSDPC - MONTICELLO SS DESIGN & PERFORMANCE		6			
1	IP 7111121	Safety System Design and Performance Capability		10/18/2004	11/05/2004	Baseline Inspections
	INSTRUM - RADIATION PROTECTION INSTRUMENTATION		1			
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		08/30/2004	09/03/2004	Baseline Inspections
	ALARA - OUTAGE ALARA ACCESS CONTROL		1			
1	IP 2515/149	Mitigating Systems Performance Index Pilot Verification		11/08/2004	11/12/2004	Safety Issues
1	IP 7112101	Access Control to Radiologically Significant Areas		11/08/2004	11/12/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		11/08/2004	11/12/2004	Baseline Inspections
	HT SNK B - MONTICELLO BIENNEAL HEAT SINK INSPECTION		1			
1	IP 7111107B	Heat Sink Performance		12/06/2004	12/10/2004	Baseline Inspections
	71111.11 - LIC OPERATOR REQUAL PROGRAM EVALUATION		2			
1	IP 7111111B	Licensed Operator Requalification Program		01/24/2005	01/28/2005	Baseline Inspections
	PI&R - PI&R BIENNIAL		1			
1	IP 71152B	Identification and Resolution of Problems		02/07/2005	02/25/2005	Baseline Inspections
	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

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.