

March 20, 2001

Mr. J. Morris
Site General Manager
Monticello Nuclear Generating Plant
Nuclear Management Company, LLC
2807 West County Road 75
Monticello, MN 55362-9637

SUBJECT: MONTICELLO - NRC INSPECTION REPORT 50-263/01-13(DRS)

Dear Mr. Morris:

On March 9, 2001, the NRC completed a baseline inspection at your Monticello Plant. The enclosed report presents the results of that inspection which were discussed on March 9, 2001, with you, Mr. Day and other members of your staff.

The inspection was an examination of activities conducted under your license as they relate to radiation safety and to compliance with the Commission's rules and regulations and the conditions of your license. Within these areas the inspection consisted of a selective examination of procedures and representative records, observations of activities, and interviews with personnel. Specifically, this inspection focused on aspects of Occupational and Public Radiation Safety.

Based on the results of this inspection, no findings of significance were identified.

In accordance with 10 CFR Part 2.790 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). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

We will gladly discuss any questions you have concerning this inspection.

Sincerely,

/RA/

Gary L. Shear, Chief
Plant Support Branch
Division of Reactor Safety

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

Enclosure: Inspection Report 50-263/01-13(DRS)

See Attached Distribution

J. Morris

-2-

cc w/encl: Plant Manager, Monticello
M. Wadley, Chief Nuclear Officer
S. Northard, Nuclear Asset Manager
M. Roth, Site Licensing Manager
J. Malcolm, Commissioner, Minnesota
Department of Health
J. Silberg, Esquire
Shaw, Pittman, Potts, and Trowbridge
R. Nelson, President
Minnesota Pollution Control Agency
Commissioner, Minnesota Pollution Control Agency
D. Gruber, Auditor/Treasurer
Wright County Government Center
Commissioner, Minnesota Department of Commerce
A. Neblett, Assistant Attorney General

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U. S. NUCLEAR REGULATORY COMMISSION

REGION III

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

Report No: 50-263/01-13(DRS)

Licensee: Nuclear Management Company, LLC

Facility: Monticello Nuclear Generating Plant

Location: 2807 West Highway 75
Monticello, MN 55362

Dates: March 5-9, 2001

Inspector: M. Mitchell, Radiation Specialist

Approved by: Gary L. Shear, Chief
Plant Support Branch
Division of Reactor Safety

NRC's REVISED REACTOR OVERSIGHT PROCESS

The federal Nuclear Regulatory Commission (NRC) recently revamped its inspection, assessment, and enforcement programs for commercial nuclear power plants. The new process takes into account improvements in the performance of the nuclear industry over the past 25 years and improved approaches of inspecting and assessing safety performance at NRC licensed plants.

The new process monitors licensee performance in three broad areas (called strategic performance areas): reactor safety (avoiding accidents and reducing the consequences of accidents if they occur), radiation safety (protecting plant employees and the public during routine operations), and safeguards (protecting the plant against sabotage or other security threats). The process focuses on licensee performance within each of seven cornerstones of safety in the three areas:

Reactor Safety	Radiation Safety	Safeguards
<ul style="list-style-type: none">● Initiating Events● Mitigating Systems● Barrier Integrity● Emergency Preparedness	<ul style="list-style-type: none">● Occupational● Public	<ul style="list-style-type: none">● Physical Protection

To monitor these seven cornerstones of safety, the NRC uses two processes that generate information about the safety significance of plant operations: inspections and performance indicators. Inspection findings will be evaluated according to their potential significance for safety, using the Significance Determination Process, and assigned colors of GREEN, WHITE, YELLOW or RED. GREEN findings are indicative of issues that, while they may not be desirable, represent very low safety significance. WHITE findings indicate issues that are of low to moderate safety significance. YELLOW findings are issues that are of substantial safety significance. RED findings represent issues that are of high safety significance with a significant reduction in safety margin.

Performance indicator data will be compared to established criteria for measuring licensee performance in terms of potential safety. Based on prescribed thresholds, the indicators will be classified by color representing varying levels of performance and incremental degradation in safety: GREEN, WHITE, YELLOW, and RED. GREEN indicators represent performance at a level requiring no additional NRC oversight beyond the baseline inspections. WHITE corresponds to performance that may result in increased NRC oversight. YELLOW represents performance that minimally reduces safety margin and requires even more NRC oversight. And RED indicates performance that represents a significant reduction in safety margin but still provides adequate protection to public health and safety.

The assessment process integrates performance indicators and inspection so the agency can reach objective conclusions regarding overall plant performance. The agency will use an Action Matrix to determine in a systematic, predictable manner which regulatory actions should be taken based on a licensee's performance. The NRC's actions in response to the significance (as represented by the color) of issues will be the same for performance indicators as for inspection findings. As a licensee's safety performance degrades, the NRC will take more and increasingly significant action, which can include shutting down a plant, as described in the Action Matrix.

More information can be found at: <http://www.nrc.gov/NRR/OVERSIGHT/index.html>.

SUMMARY OF FINDINGS

IR 05000263-01-13(DRS), on 03/05-03/09/2001, Nuclear Management Company, LLC, Monticello Nuclear Generating Plant. Liquid and gaseous effluent public radiation safety.

The inspection was conducted by a regional radiation specialist.

Cornerstones: Occupational and Public Radiation Safety

A. Inspector Identified Findings

No findings of significance were identified.

B. Licensee Identified Findings

No findings of significance were identified.

Report Details

Summary of Plant Status: The unit was shutdown throughout the inspection period.

2. RADIATION SAFETY

Cornerstone: Occupational Radiation Safety

2OS1 Access Control

.1 Plant Walkdowns and Radiological Boundary Verifications

a. Inspection Scope

The inspector conducted walkdowns of the radiologically restricted area (RRA) to verify the adequacy of radiological boundaries and postings. Specifically, the inspector walked down work area boundaries including high and locked-high radiation areas in the Reactor Building.

b. Findings

No findings of significance were identified.

Cornerstone: Public Radiation Safety

2PS2 Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems

.1 Offsite Dose Calculation Manual

a. Inspection Scope

The inspector reviewed the Effluent and Waste Disposal Semi-annual Reports for 2000, in order to verify that the effluent program was implemented as described in the Updated Safety Analysis Report (USAR) and the Offsite Dose Calculation Manual (ODCM). There were no changes to the ODCM, and the inspector reviewed radioactive waste system design and operation to assure that it was consistent with the USAR and ODCM.

b. Findings

No findings of significance were identified.

.2 Gaseous and Liquid Release Systems Walkdowns

a. Inspection Scope

The inspector performed walkdowns of the major components of the gaseous release system (e.g., radiation and flow monitors) to verify that the current system configuration was as described in the USAR and the ODCM, and to observe ongoing activities and equipment material condition. The inspector observed gaseous sample collection and counting to verify procedural adherence and proper counting techniques.

b. Findings

No findings of significance were identified.

.3 Gaseous and Liquid Release

a. Inspection Scope

Since there were no liquid or gaseous batch releases during the inspection period, the inspector reviewed the assessment and analysis of a containment purge, and a radioactive compressed gas storage release. The assessment included the projected doses to members of the public in order to verify that appropriate treatment equipment was used and that the radioactive gaseous effluents were processed and released in accordance with ODCM requirements.

b. Findings

No findings of significance were identified.

.4 Changes to the ODCM

a. Inspection Scope

The inspector verified that there were no changes made by the licensee to the ODCM, the liquid or gaseous radioactive waste system design or significant changes to procedures, or operation since the last inspection.

b. Findings

No findings of significance were identified.

.5 Dose Calculations

a. Inspection Scope

The inspector reviewed a selection of monthly, quarterly, and annual dose calculations to ensure that the licensee had properly calculated the offsite dose from radiological effluent releases and to determine if any annual Technical Specifications or ODCM limits (i.e., Appendix I to 10 CFR Part 50 values) were exceeded.

b. Findings

No findings of significance were identified.

.6 Air Cleaning Systems

a. Inspection Scope

The inspector reviewed gaseous air cleaning system surveillance test results to ensure that test results are within the licensee's acceptance criteria. The inspector reviewed surveillance test results for the stack and vent flow rates to verify that the flow rates and periodicity of testing were consistent with USAR values.

b. Findings

No findings of significance were identified.

.7 Effluent Monitor Calibrations

a. Inspection Scope

The inspector reviewed selected records of instrument calibrations, performed since the last inspection, for stack and vent Wide Range Gas Monitors to assure timely and complete calibration program implementation. The inspector reviewed the current gaseous effluent radiation monitor alarm setpoint values to assess compliance with ODCM requirements. The inspector also verified that the licensee was using proper efficiency assumptions for iodine sample collections.

b. Findings

No findings of significance were identified.

.8 Interlaboratory Comparison Program

a. Inspection Scope

The inspector reviewed the results of the 2000 interlaboratory comparison program, reported in the 2000 Annual Radioactive Effluent Release and Radiological Environmental Operation Report, in order to verify the quality of radioactive effluent sample analyses performed by the licensee. The inspector reviewed the licensee's quality control evaluation of the interlaboratory comparison for any associated corrective actions.

b. Findings

No findings of significance were identified.

.9 Identification and Resolution of Problems

a. Inspection Scope

The inspector reviewed selected year 2000 licensee quality assurance audit and radiation protection department self-assessments used to evaluate the self- assessment process and to identify, characterize and prioritize problems. Further, the inspector verified that radiological effluent issues were adequately addressed. The inspector also reviewed selected years 1999 to 2001 Condition Reports that addressed radioactive effluent treatment and monitored program deficiencies. The review was conducted to verify that the licensee had effectively implemented the corrective action program.

b. Findings

No findings of significance were identified.

4. OTHER ACTIVITIES (OA)

4OA1 Performance Indicator Verification

a. Inspection Scope

The inspector reviewed the licensee's corrective action program records for liquid and gaseous effluent releases that were reported to the NRC for the last four quarters to ensure that all Performance Indicator data was properly counted. The inspector also reviewed plant incidents to assess if there were any that involved radioactive liquids and gases that were not bounded by plant collection and monitoring systems and to assess the potential for unmonitored release paths.

b. Findings

No findings of significance were identified.

4OA6 Management Meetings

Exit Meeting Summary

The inspector presented the inspection results to Mr. Morris and other members of licensee management at the conclusion of the inspection on March 9, 2001. The licensee acknowledged the findings presented. No proprietary information was identified.

PARTIAL LIST OF PERSONS CONTACTED

B. Day, Plant Manager
M. Holmes, Chemistry Supervisor
K. Jepsen, Radiation Protection Supervisor
J. McKay, Chemistry Technician
J. Morris, Site Vice President

ITEMS OPENED, CLOSED, AND DISCUSSED

Opened

None

Closed

None

Discussed

None

INSPECTION PROCEDURE USED

IP71122.01 Radioactive Gaseous and Liquid Effluent Monitoring Systems

LIST OF ACRONYMS USED

ADAMS	Agency Document Access Management System
DRS	Division of Reactor Safety
ODCM	Off Site Dose Calculation Manual
PARS	Publically Available Records
USAR	Updated Safety Analysis Report

LIST OF DOCUMENTS REVIEWED

Documents

Monticello Technical Specifications (Amendment 40), Section 3.8
Updated Safety Analysis Report (Revision 17), Section 9

Reports

Effluent and Waste Disposal Semi-annual Report for January through June, 2000
Effluent and Waste Disposal Semi-annual Report for July through December, 2000
Monticello Nuclear Plant 2000 Interlaboratory Comparison Data
Northern States Power Company Generation Quality Services Internal Audit AG 2000-S-2
Observation Report 1999112
Observation Report 2000037
Observation Report 2000082
Observation Report 2000094
Typical Performance Information on the Scott P/N 003575-01 Radioiodine Sampling Cartridge

Condition Reports

19991972
20001027
20001028
20001102
20001475
20002668
20003512
20003593
20003655
20004510
20010277
20010381
20011211
20011271

Procedures

MNGP 0071 Revision 23, Off-Gas Monitor Calibration Procedure
MNGP 0163 Revision 23, Stack Wide Range Gas Monitor Calibration
MNGP 0171 Revision 10, Discharge Canal Monitor Calibration
MNGP 0248 Revision 18, Reactor Building Vent Wide Range Gas Monitor Calibration
MNGP 0248 Revision 20, Reactor Building Vent Wide Range Gas Monitor Calibration
MNGP 0290 Revision 8, Service Water Monitor Calibration
MNGP 0354 Revision 8, Turbine Building Normal Waste Sump Monitor Calibration
MNGP0363 Revision 2, RBV Wide Range Gas Monitors Process and Sample Flow Instrument
Calibration Procedure
MNGP 0372 Revision 7, Stack Wide Range Gas Monitor Process and Sample Flow Instrument
Calibration Procedure
MNGP 1118 Revision 4, Off-Gas Compressors Suction Filters DOP and Freon Efficiency Test
MNGP 1119 Revision 3, Stack Filters DOP Efficiency Test
MNGP 1259 Revision 8, Reactor Building Closed Cooling Water Monitor Calibration
MNGP 1323 Revision 1, Sewer Radiation Monitor Calibration