December 29, 2003

Mr. T. Palmisano Site Vice President Monticello Nuclear Generating Plant Nuclear Management Company, LLC 2807 West County Road 75 Monticello, MN 55362-9637

SUBJECT: MONTICELLO NUCLEAR GENERATING PLANT

NRC SAFEGUARDS INSPECTION OF COMPLIANCE WITH ORDER

INSPECTION REPORT 05000263/2003008(DRS)

Dear Mr. Palmisano:

On October 10, 2003, the NRC completed an inspection at your Monticello Nuclear Generating Plant. The enclosed report documents the inspection findings which were discussed on October 10, 2003, with you and other members of your staff.

The inspection examined activities conducted under your license as they relate to public health and safety, the common defense and security, and to compliance with the Commission's regulations, orders, and the conditions of your license. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

The material enclosed herewith contains Safeguards Information as defined by 10 CFR 73.21 and its disclosure to unauthorized individuals is prohibited by Section 147 of the Atomic Energy Act of 1954, as amended. Therefore, the material will not be placed in the Public Document Room.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, without 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).

Enclosure Contains SAFEGUARDS INFORMATION Upon Separation This Page is Decontrolled

SAFEGUARDS INFORMATION

T. Palmisano -2-

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

/RA/

Cynthia D. Pederson, Director Division of Reactor Safety

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

Enclosure: Inspection Report 05000263/2003008(DRS);

(SAFEGUARDS INFORMATION)

cc w/encl (SAFEGUARDS INFORMATION):

E. McNeil, (NSIR/DNS/RSS)

B. Westreich, (NSIR/DNS)

cc w/encl w/o SAFEGUARDS INFORMATION:

J. Cowan, Executive Vice President and Chief Nuclear Officer

Manager, Regulatory Affairs

J. Rogoff, Esquire, 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

Enclosure Contains SAFEGUARDS INFORMATION

T. Palmisano

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(SAFEGUARDS INFORMATION)

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B. Westreich, NSIR/DNS

E. McNeil, NSIR/DNS/RSS/MS T4D8

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