

SAFEGUARDS INFORMATION

August 29, 2003

Mr. Alfred J. Cayia
Site-Vice President
Point Beach Nuclear Plant
Nuclear Management Company, LLC
6610 Nuclear Road
Two Rivers, WI 54241-9516

SUBJECT: POINT BEACH NUCLEAR PLANT, UNITS 1 AND 2
NRC SAFEGUARDS INSPECTION OF COMPLIANCE WITH ORDER
INSPECTION REPORT 50-266/03-08; 50-301/03-08

Dear Mr. Cayia:

On August 8, 2003, the NRC completed an inspection at your Point Beach Nuclear Plant, Units 1 and 2. The enclosed report documents the inspection findings which were discussed on August 8, 2003, with you and other members of your staff.

The inspection examined activities conducted under your license as they relate to safety and compliance with an Order issued on February 25, 2002, which required your site to implement specific measures related to the security of your facility. The inspection utilized Temporary Instruction 2515/148, "Inspection of Nuclear Reactor Safeguards Interim Compensatory Measures," to verify implementation of the Order as clarified in your responses dated March 18, 2002, and June 11, 2002. Within these areas, the inspection consisted of selected examination of procedures and representative records, observations of activities, and interviews with personnel.

On the basis of the results of this inspection, no findings of significance were identified.

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).

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A. Cayia

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

Sincerely,

/RA/

James R. Creed
Safeguards Program Manager
Division of Reactor Safety

Docket Nos. 50-266; 50-301
License Nos. DPR-24; DPR-27

Enclosure: Inspection Report 50-266/03-08(DRS);
50-301/03-08(DRS)
(SAFEGUARDS INFORMATION)

cc w/encl: R. Grigg, President and Chief
Operating Officer, WEPCo
J. Cowan, Chief Nuclear Officer
Licensing Manager
D. Weaver, Nuclear Asset Manager
J. Jensen, Plant Manager
E. McNeil, (NSIR/DNS/RSS)
B. Westreich, (NSIR/DNS)

cc w/encl w/o **SAFEGUARDS INFORMATION:**
G. Arent, Manager, Regulatory Affairs
J. Rogoff, Esquire General Counsel
M. Nazar, Senior Vice President
J. O'Neill, Jr., Shaw, Pittman,
Potts & Trowbridge
K. Duveneck, Town Chairman
Town of Two Creeks
D. Graham, Director
Bureau of Field Operations
A. Bie, Chairperson, Wisconsin
Public Service Commission
S. Jenkins, Electric Division
Wisconsin Public Service
Commission
State Liaison Officer

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James R. Creed
Safeguards Program Manager
Division of Reactor Safety

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Wisconsin Public Service
Commission
State Liaison Officer

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DATE	08/26/03	08/27/03	08/27/03	08/28/03	08/29/03

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U. S. NUCLEAR REGULATORY COMMISSION

REGION III

Docket Nos: 50-266; 50-301

License Nos: DPR-24; DPR-27

Report No: 50-266/03-08(DRS); 50-301/03-08(DRS)

Licensee: Nuclear Management Company, LLC

Facility: Point Beach Nuclear Plant, Units 1 and 2

Location: 6610 Nuclear Road
Two Rivers, WI 54241

Dates: August 4-8, 2003

Inspectors: J. Belanger, Senior Physical Security Inspector
J. Maynen, Physical Security Inspector
T. Ploski, Senior Emergency Preparedness Inspector

Approved by: James R. Creed
Safeguards Program Manager
Division of Reactor Safety

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SUMMARY OF FINDINGS

IR 05000266/2003-008; IR 05000301/2003-008; Nuclear Management Company, LLC; on 08/04/03 - 08/08/03, Point Beach Nuclear Plant Units 1 and 2. TI 2515/148, Verification of Compliance with Interim Compensatory Measures Order.

The inspection was conducted by two regional physical security inspectors and one regional emergency preparedness inspector.

Cornerstone: Physical Security and Emergency Preparedness

- On February 25, 2002, the NRC imposed by Order, Interim Compensatory Measures to enhance physical security. The inspectors determined that the licensee appropriately incorporated the Interim Compensatory Measures into the site protective strategy and access authorization program; developed and implemented relevant procedures; ensured that the emergency plan could be implemented; and established and effectively coordinated interface agreements with offsite organizations.
- The inspectors identified one unresolved item related to the implementation of compensatory measures. This item will remain open pending review of the Office of Nuclear Security and Incident Response (Section V.E.2).

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