August 31, 2007

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, 2007, the NRC staff completed its performance review of the Monticello Nuclear Generating Plant for the first half of the calendar year 2007 assessment cycle. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results over the previous twelve 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 Information" will include the security cornerstone review and resultant inspection plan.

Plant performance for the most recent quarter at the Monticello Nuclear Generating Plant 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 baseline inspections at your facility.

The enclosed inspection plan details the inspections, less those related to security, scheduled through December 31, 2008. 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 triennial fire protection inspection, 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 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), accessible from the NRC Web site at http://www.nrc.gov/reading-rm/adams.html (the Public Electronic Reading Room).
The NRC is currently evaluating the scope and frequency of all the baseline inspection procedures. If the results of the evaluation, or any other circumstances, cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at 630-829-9628 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Kenneth Riemer, Chief
Projects Branch 2
Division of Reactor Projects

Docket Nos. 50-263
License Nos. DPR-22

Enclosure:  Monticello Nuclear Generating Plant Inspection/Activity Plan

DISTRIBUTION:
See next page
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Letter to T. O'Connor from K. Riemer dated August 31, 2007

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cc w/encl: M. Sellman, President and Chief Executive Officer
D. Cooper, Senior Vice President and Chief Nuclear Officer
J. Rogoff, Vice President, Counsel, and Secretary
Manager, Nuclear Safety Assessment
Nuclear Asset Manager, Xcel Energy, Inc.
State Liaison Officer, 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
Chairman, Wright County Board
Mayor of Monticello
Chairperson, Sherburne County
Administrator, City of Monticello
INPO
Letter to T. O'Connor from K. Riemer dated August 31, 2007

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JLC1
MAS
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JKH3
RML2
SAM9
SRI Monticello
DRPIII
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TXN
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