

July 16, 1997

EA 97-335

Mr. M. D. Wadley
Vice President, Nuclear Generation
Northern States Power Company
414 Nicollet Mall
Minneapolis, MN 55401

SUBJECT: NRC INSPECTION REPORT 50-263/97007(DRS) AND NOTICE OF VIOLATION

Dear Mr. Wadley:

On June 6, 1997, the NRC completed an inspection of your implementation of 10 CFR 50.65, "Requirements for Monitoring the Effectiveness of Maintenance at Nuclear Power Plants" (the maintenance rule) at the Monticello reactor facility. The enclosed report presents the results of that inspection.

Your program for implementing the requirements of the maintenance rule followed the guidance provided in NUMARC 93-01, "Industry Guideline for Monitoring the Effectiveness of Maintenance at Nuclear Power Plants," dated April 1996, which was endorsed in Regulatory Guide 1.160, "Monitoring the Effectiveness of Maintenance at Nuclear Power Plants," dated March 1997. Your program generally met the requirements of the maintenance rule; however, issues were identified with the establishment of performance criteria and the structural monitoring program. Two violations, associated with performance criteria, were identified. The first concerned not establishing appropriate performance criteria to adequately monitor a system function. The second concerned performance criteria for reliability and unavailability that were inconsistent with the assumptions in your probabilistic risk assessment. In addition, the performance criteria established were consistently higher than appropriate to demonstrate that you were effectively monitoring the performance of maintenance.

The structural monitoring program did not appear sufficiently well documented to verify compliance with the intent of the maintenance rule and the NUMARC guidance on which your program is based. To elaborate on how your program meets the intent of the rule or describe changes that will be made to bring the program into compliance, please respond to this unresolved item along with your response to the violations.

Your programs for monitoring the risk associated with taking components or systems out-of-service at power or during outages were considered a strength. The recent quality assurance audit and self-assessment provided significant insights into your maintenance rule program and were considered program strengths.

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M. Wadley

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The violations are cited in the enclosed Notice of Violation (Notice), and the circumstances surrounding the violations are described in the enclosed report. Please note that you are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room.

Sincerely,

/s/ J. M. Jacobson (for)

John A. Grobe, Acting Director
Division of Reactor Safety

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

Enclosures: 1. Notice of Violation
2. Inspection Report 50-263/97007(DRS)

cc w/encls: Plant Manager, Monticello
John W. Ferman, Ph.D.
Nuclear Engineer, MPCA
State Liaison Officer, State
of Minnesota

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J. Goldberg, OGC w/encl

R. Zimmerman, NRR w/encl

SEE ATTACHED CONCURRENCES

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M. Wadley

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