

May 15, 2000

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

SUBJECT: ORDER APPROVING THE TRANSFER OF OPERATING AUTHORITY UNDER FACILITY OPERATING LICENSE FOR MONTICELLO NUCLEAR GENERATING PLANT FROM NORTHERN STATES POWER COMPANY TO NUCLEAR MANAGEMENT COMPANY, LLC (TAC NO. MA7313)

Dear Mr. Wadley:

The staff has completed its review of your application dated November 24, 1999, as supplemented February 2, 2000, requesting approval of the transfer of operating authority under Facility Operating License No. DPR-22, held by Northern States Power Company for the Monticello Nuclear Generating Plant, to Nuclear Management Company, LLC, and approval of a conforming amendment, pursuant to 10 CFR 50.80 and 10 CFR 50.90. The enclosed Order approves the proposed transfer, subject to the conditions described therein. The Order also approves a conforming license amendment, which will be issued and made effective at the time the transfer is completed.

This Order is being forwarded to the Office of the Federal Register for publication.

Sincerely,

/RA/

Carl F. Lyon, Project Manager, Section 1
Project Directorate III
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-263

- Enclosures: 1. Order
- 2. Conforming Amendment
- 3. Safety Evaluation

cc w/encls: See next page

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*Previously Concurred

OFFICE	PDIII-1/PM	PDIII-1/LA	TECH ED*	IOLB/SC	RGEB/BC	OGC
NAME	FLyon	RBouling	BCalure	DTrimble*	CCarpenter*	OHorn
DATE	5/2/00	5/2/00	03/17/00	5/8/00	5/4/00	5/5/00
OFFICE	PDIII-1/SC	PDIII/D	DLPM/D	NRR/ADP	NRR/D	
NAME	CCraig	SBajwa	JZwolinski	BSheron	SCollins	NTC
DATE	5/8/00	5/8/00		5/11/00	5/11/00	

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UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

May 15, 2000

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

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Office of Nuclear Reactor Regulation

Docket No. 50-263

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cc w/encls: See next page

Monticello Nuclear Generating Plant

cc:

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2300 N Street, N. W.
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U.S. Nuclear Regulatory Commission
Resident Inspector's Office
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Monticello, MN 55362

Plant Manager
Monticello Nuclear Generating Plant
ATTN: Site Licensing
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Minnesota Environmental Control
Citizens Association (MECCA)
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Commissioner
Minnesota Pollution Control Agency
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445 Minnesota Street
Suite 900
St. Paul, MN 55101-2127

February 2000

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	Docket No. 50-263
)	
NORTHERN STATES POWER COMPANY)	License No. DPR-22
)	
(Monticello Nuclear Generating Plant,)	
Unit No. 1))	

ORDER APPROVING TRANSFER OF OPERATING AUTHORITY
AND CONFORMING AMENDMENT

I.

Northern States Power Company (NSP or the licensee) is the holder of Facility Operating License No. DPR-22, which authorizes operation of Monticello Nuclear Generating Plant, Unit No. 1 (Monticello or the facility). The facility is located in Wright County at the licensee's site in Wright and Sherburne Counties, Minnesota. The license authorizes NSP to possess, use, and operate Monticello.

II.

By application dated November 24, 1999, as supplemented February 2, 2000, NSP informed the Commission that NSP entered into operating service agreements with Nuclear Management Company, LLC (NMC). The initial application and the supplement are hereinafter collectively referred to as "the application," unless otherwise indicated. Under the proposed transaction, NMC will be designated as the exclusive licensee authorized to use and operate Monticello in accordance with the terms and conditions of the license. The transaction involves no change in plant ownership. The licensee requested approval of the proposed transfer of

operating authority under the Monticello facility operating license to NMC. The application also requested a conforming amendment to reflect the transfer. The proposed amendment would add NMC to the license as the licensee authorized to use and operate Monticello and delete references to NSP as the operator.

According to the application for approval filed by NSP, NMC would become the licensee authorized to use and operate Monticello following approval of the proposed license transfer. NMC will assume exclusive responsibility for the operation and maintenance of Monticello. Ownership of Monticello will not be affected by the proposed transfer of operating authority. NSP will retain its current ownership interest. NMC will not own any portion of Monticello. Likewise, NSP's entitlement to capacity and energy from Monticello will not be affected by the transfer of operating authority. No physical changes to the Monticello facility were proposed in the application.

Approval of the transfer of operating authority under the facility operating license and conforming license amendment was requested by NSP pursuant to 10 CFR 50.80 and 50.90. Notice of the application for approval and an opportunity for a hearing was published in the *Federal Register* on February 15, 2000 (65 FR 7574). Pursuant to such notice, Carol Overland, an individual, and North American Water Office, an environmental organization, filed hearing requests. The Commission presently has the matter under consideration.

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. Upon review of the information in the application by NSP, and other information before the Commission, and relying upon the representations and agreements contained in the application, the NRC staff has determined that NMC is qualified to hold the operating authority under the license, and that the transfer of the operating authority under the license to NMC is otherwise consistent with applicable provisions of law, regulations, and orders

issued by the Commission, subject to the conditions set forth below. The NRC staff has further found that the application for the proposed license amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter 1; the facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission; there is reasonable assurance that the activities authorized by the proposed license amendment can be conducted without endangering the health and safety of the public and that such activities will be conducted in compliance with the Commission's regulations; the issuance of the proposed license amendment will not be inimical to the common defense and security or the health and safety of the public; and the issuance of the proposed amendment will be in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied. The foregoing findings are supported by a safety evaluation dated May 15, 2000

III.

Accordingly, pursuant to Sections 161b, 161i, and 184 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. §§ 2201(b), 2201(i), and 2234, and 10 CFR 50.80, IT IS HEREBY ORDERED that the transfer of operating authority under the license, as described herein, to NMC is approved, subject to the following conditions:

- (1) After receipt of all required regulatory approvals of the transfer of operating authority to NMC, NSP and NMC shall inform the Director of the Office of Nuclear Reactor Regulation in writing of such receipt within 5 business days, and of the date of the closing of the transfer of Monticello no later than 7 business days prior to the date of closing. If the transfer is not completed by April 1, 2001, this Order shall become null and void, provided, however, upon written application and for good cause shown, such date may in writing be extended.

- (2) NMC shall, prior to completion of the transfer of operating authority for Monticello, provide the Director of the Office of Nuclear Reactor Regulation satisfactory documentary evidence that NMC has obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations.

IT IS FURTHER ORDERED that, consistent with 10 CFR 2.1315(b), a license amendment that makes changes, as indicated in Enclosure 2 to the cover letter forwarding this Order, to conform the license to reflect the subject transfer of operating authority is approved. The amendment shall be issued and made effective at the time the proposed transfer is completed.

This Order is effective upon issuance.

For further details with respect to this action, see the initial application dated November 24, 1999, and supplement dated February 2, 2000, and the safety evaluation dated May 15, 2000, which are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and accessible electronically through the ADAMS Public Electronic Reading Room link at the NRC Web site (<http://www.nrc.gov>).

Dated at Rockville, Maryland this 15th day of May 2000.

FOR THE NUCLEAR REGULATORY COMMISSION



Brian W. Sheron, Acting Director
Office of Nuclear Reactor Regulation



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

NORTHERN STATES POWER COMPANY

DOCKET NO. 50-263

MONTICELLO NUCLEAR GENERATING PLANT
AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No.
License No. DPR-22

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by Northern States Power Company (the licensee) dated November 24, 1999, as supplemented February 2, 2000, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.
2. Accordingly, the license is amended as indicated in the attachment to this license amendment.

3. This license amendment is effective as of its date of issuance and shall be implemented within 45 days.

FOR THE NUCLEAR REGULATORY COMMISSION

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Attachment: Changes to the License

Date of Issuance:

ATTACHMENT TO LICENSE AMENDMENT NO. _____

FACILITY OPERATING LICENSE NO. DPR-22

DOCKET NO. 50-263

Replace the following pages of the License with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

REMOVE

1
2
3
4
5

INSERT

1
2
3
4
5

Replace the following pages of Appendix A Technical Specifications with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

REMOVE

Title page
232
233
234
237
239
240
241
242
243
250

INSERT

Title page
232
233
234
237
239
240
241
242
243
250

Replace the following pages of the Appendix C Additional Conditions with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

REMOVE

C-1
C-3
C-4

INSERT

C-1
C-3
C-4



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

NORTHERN STATES POWER COMPANY

NUCLEAR MANAGEMENT COMPANY, LLC

DOCKET NO. 50-263

MONTICELLO NUCLEAR GENERATING PLANT, UNIT NO. 1

FACILITY OPERATING LICENSE

License No. DPR-22
Amendment No.

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for license by the Northern States Power Company* dated June 15, 1972, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations set forth in 10 CFR Chapter I and all required notifications to other agencies or bodies have been duly made;
 - B. Construction of the Monticello Nuclear Generating Plant, Unit No. 1 (the facility), has been completed in conformity with Construction Permit No. CPPR-31 and the application, the provisions of the Act, and the regulations of the Commission;
 - C. The facility will operate in conformity with the application, the provisions of the Act, and regulations of the Commission;
 - D. There is reasonable assurance: (i) that the activities authorized by this operating license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations set forth in 10 CFR Chapter I;
 - E. NMC is technically qualified and Northern States Power Company is financially qualified to engage in the activities authorized by this operating license in accordance with the Commission's regulations set forth in 10 CFR Chapter I;
 - F. Northern States Power Company and NMC have satisfied the applicable provisions of 10 CFR Part 140 "Financial Protection Requirements and Indemnity Agreements" of the Commission's regulations;
 - G. The issuance of this full term operating license will not be inimical to the common defense and security or to the health and safety of the public;

* Nuclear Management Company, LLC, hereinafter referred to as NMC, succeeds Northern States Power Company as operator of the Monticello Nuclear Generating Plant. Consequently, NMC is authorized to act as agent for Northern States Power Company and has exclusive responsibility and control over physical construction, operation, and maintenance of the facility.

- H. After weighing the environmental, economic, technical, and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of the full-term Facility Operating License No. DPR-22, subject to the conditions for protection of the environment set forth herein, is in accordance with 10 CFR Part 50, Appendix D, of the Commission's regulations and all applicable requirements have been satisfied; and
 - I. The receipt, possession, and use of source, byproduct, and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40, and 70.
2. The Provisional Operating License dated September 8, 1970, is superseded by Facility Operating License No. DPR-22 hereby issued to Northern States Power Company and NMC to read as follows:
- A. This license applies to the Monticello Nuclear Generating Plant, Unit No. 1, a single cycle, forced circulation, boiling water nuclear reactor and electric generating equipment (the facility). The facility is located in Wright County on the Northern States' site in Wright and Sherburne Counties, Minnesota, and is described in the "Final Safety Analysis Report," as supplemented and amended (Amendment Nos. 9 through 28) and in its Environmental Report, as supplemented and amended.
 - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
 - 1. Pursuant to Section 104(b) of the Act, and 10 CFR Part 50, "Licensing of Production and Utilization Facilities," Northern States Power Company to possess, and NMC to use, and operate the facility as a utilization facility at the designated location in Wright County, Minnesota, in accordance with the procedures and limitations set forth in this license.
 - 2. Pursuant to the Act and 10 CFR Part 70, NMC to receive, possess, and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operations, as described in the Final Safety Analysis Report, as supplemented and amended, and the licensee's filings dated August 16, 1974 (those portions dealing with handling of reactor fuel) and August 17, 1977 (those portions dealing with fuel assembly storage capacity);
 - 3. Pursuant to the Act and 10 CFR Parts 30, 40 and 70, NMC to receive, possess, and use at any time any byproduct, source and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;

4. Pursuant to the Act and 10 CFR Parts 30, 40 and 70, NMC to receive, possess, and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and |
 5. Pursuant to the Act and 10 CFR Parts 30 and 70, NMC to possess, but not separate, such byproduct and special nuclear material as may be produced by operation of the facility. |
- C. This license shall be deemed to contain and is subject to the conditions specified in the Commission's regulations in 10 CFR Chapter I and is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission, now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:
1. Maximum Power Level
NMC is authorized to operate the facility at steady state reactor core power levels not in excess of 1775 megawatts (thermal) |
 2. Technical Specifications
The Technical Specifications contained in Appendix A, as revised through Amendment No. 109, are hereby incorporated in the license. NMC shall operate the facility in accordance with the Technical Specifications. |
 3. Physical Protection
NMC shall fully implement and maintain in effect all provisions of the Commission-approved physical security, guard training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The plans, which contain Safeguards Information protected under 10 CFR 73.21, are entitled: "Monticello Nuclear Generating Plant Physical Security Plan", with revisions submitted through November 30, 1987; "Monticello Nuclear Generating Plant Guard Training and Qualification Plan," with revisions submitted through February 26, 1986, and "Monticello Nuclear Generating Plant Safeguards Contingency Plan," with revisions submitted through August 20, 1980. Changes made in accordance with 10 CFR 73.55 shall be implemented in accordance with the schedule set forth therein. |

4. Fire Protection

Northern States Power Company may proceed with and is required to complete the modifications identified in the NRC's Fire Protection Safety Evaluation (SE) of the facility dated August 29, 1979 and Supplement 1 to this SE dated February 12, 1981. The modifications identified in this SE and its Supplement shall be completed on the following schedule:

- a) Approved modifications in section 3.1 of the SE or Supplement 1 thereto, other than those pertaining to requirements set forth in Sections III-G, III-J, and III-0 of 10 CFR 50 Appendix R, are to be completed by February 17, 1981, unless the Director of Nuclear Reactor Regulation determines that there is good cause for extending this date in accordance with 10 CFR 50.48(d)
- b) Approved modifications in section 3.2 of the SE or Supplement 1 thereto, other than those pertaining to requirements set forth in Section III-G, III-J, and III-0 of 10 CFR 50 Appendix R, are to be completed by the dates established by 10 CFR 50.48(d).

5. Emergency Preparedness Plan

NMC shall follow and maintain in effect emergency plans which meet the standards of 10 CFR 50.47(b) and the requirements in 10 CFR Part 50, Appendix E, including amendments and changes made pursuant to the authority of 10 CFR 50.54(q). The licensee shall meet the requirements of 10 CFR 50.54(s), 50.54(t), and 50.54(u).

6. TMI Action Plan

Northern States Power Company has satisfactorily met all TMI-2 Lessons Learned Category "A" requirements applicable to the facility. Northern States Power Company shall make a timely submittal in response to the letter dated October 31, 1980 regarding post-TMI requirements from Darrell G. Eisenhut, Director, Division of Licensing, Office of Nuclear Reactor Regulation to All Licensees of Operating Plants and Applicants for Operating Licenses and Holders of Construction Permits (NUREG-0737).

7. Repairs to the Recirculation System Piping

The repairs to the recirculation system piping are approved and the unit is hereby authorized to return to power operation, subject to the following condition:

Prior to the startup of Cycle 11, Northern States Power Company shall submit by August 1, 1983 for the Commission's review and approval, a program for inspection and/or modification of the recirculation system piping.

8. Additional Conditions

The Additional Conditions contained in Appendix C, as revised through Amendment No. 102, are hereby incorporated into this license. NMC shall operate the facility in accordance with the Additional Conditions. |

- D. NMC shall immediately notify the NRC of any accident at this facility which could result in an unplanned release of quantities of fission products in excess of allowable limits for normal operation established by the Commission. |
- E. Northern States Power Company shall have and maintain financial protection of such type and in such amounts as the Commission shall require in accordance with Section 170 of the Atomic Energy Act of 1954, as amended, to cover public liability claims.
- F. NMC shall observe such standards and requirements for the protection of the environment as are validly imposed pursuant to authority established under Federal and State law and as determined by the Commission to be applicable to the facility covered by this facility operating license. |
- G. This license is effective as of the date of issuance and shall expire at midnight, September 8, 2010.

FOR THE NUCLEAR REGULATORY COMMISSION

Original, signed by: Darrell G. Eisenhut

Darrell G. Eisenhut, Director
Division of Licensing

- Attachments: 1. Appendix A - Technical Specifications
2. Appendix B - (Deleted per Amendment 15, 12/17/82)
3. Appendix C - Additional Conditions

Date of Issuance: January 9, 1981

APPENDIX A
TO
FACILITY OPERATING LICENSE DPR-22
TECHNICAL SPECIFICATIONS AND BASES
FOR
MONTICELLO NUCLEAR GENERATING PLANT
UNIT 1
MONTICELLO, MINNESOTA
NORTHERN STATES POWER COMPANY
NUCLEAR MANAGEMENT COMPANY, LLC
DOCKET NO. 50-263

Date: JAN 9 1981

6.0 ADMINISTRATIVE CONTROLS

6.1 Organization

- A. The Plant Manager shall be responsible for overall unit safe operation and shall have control over those onsite activities necessary for the safe operation and maintenance of the plant. During periods when the Plant Manager is unavailable, this responsibility may be delegated to other qualified supervisory personnel.

The Shift Supervisor (or, a designated individual during periods of absence from the control room and shift supervisor's office) shall be responsible for the control room command function.

B. Offsite and Onsite Organizations

Onsite and offsite organizations shall be established for plant operation and corporate management, respectively. The onsite and offsite organizations shall include positions for activities affecting plant safety.

1. Lines of authority, responsibility and communication shall be established and defined for the highest management levels through intermediate levels to and including all operating organization positions. These relationships shall be documented and updated, as appropriate, in the form of organization charts, function descriptions of department responsibilities and relationships, and job descriptions for key personnel positions, or in equivalent forms of documentation. These requirements are documented in corporate and plant procedures, or the Updated Safety Analysis Report or the Operational Quality Assurance Plan.
2. A corporate officer with direct responsibility for the plant shall have corporate responsibility for overall plant nuclear safety and shall take any measures needed to ensure acceptable performance of the staff in operating, maintaining and providing technical support to the plant to ensure nuclear safety. This position has the responsibility for the Fire Protection Program.
3. The individuals who train the operating staff and those who carry out health physics and quality assurance functions may report to the appropriate onsite manager; however, they shall have sufficient organizational freedom to ensure their independence from operating pressures.

C. Plant Staff

1. Each on duty shift shall be composed of at least the minimum shift crew composition shown in Table 6.1.1.
2. At least one licensed operator shall be in the control room when fuel is in the reactor.
3. At least two licensed operators shall be present in the control room during cold startup, scheduled reactor shutdown, and during recovery from reactor trips.
4. An individual qualified in radiation protection procedures shall be onsite when fuel is in the reactor.
5. All alterations of the reactor core shall be directly supervised by a licensed Senior Reactor Operator or Senior Reactor Operator Limited to Fuel Handling who has no other concurrent responsibilities during this operation.
6. A fire brigade of at least five members shall be maintained onsite at all times.* The fire brigade shall not include the three members of the shift organization required for safe shutdown of the reactor from outside the control room.
7. The General Superintendent, Operations shall be formerly licensed as a Senior Reactor Operator or hold a current Senior Reactor Operator License.
8. At least one member of plant management holding a current Senior Reactor Operator License shall be assigned to the plant operations group on a long term basis (approximately two years). This individual will not be assigned to a rotating shift.

- D. Each member of the unit staff shall meet or exceed the minimum qualifications of ANSI N18.1-1971 for comparable positions, except for (1) the General Superintendent Radiation Services who shall meet or exceed the qualifications of Regulatory Guide 1.8, September 1975, (2) the Shift Technical Advisor who shall have a bachelor's degree or equivalent in a scientific or engineering discipline with specific training in plant design, and response and analysis of the plant for transients and accidents, and (3) the General Superintendent, Operations who shall meet the requirement of ANSI N18.1-1971 except that NRC license requirements are as specified in Specification 6.1.C.7. The training program shall be under the direction of a designated member of Nuclear Management Company, LLC management.

* Fire Brigade composition may be less than the minimum requirements for a period of time not to exceed 2 hours in order to accommodate unexpected absence of Fire Brigade members provided immediate action is taken to restore the Fire Brigade to within the minimum requirements.

- E. A training program for individuals serving in the fire brigade shall be maintained under the direction of a designated member of Nuclear Management Company, LLC management. This program shall meet the requirement of Section 27 of the NFPA Code - 1976 with the exception of training scheduling. Fire brigade training shall be scheduled as set forth in the training program.
- F. Administrative procedures shall be developed and implemented to limit the working hours of unit staff who perform safety-related functions; e.g., senior reactor operators, reactor operators, health physicists, auxiliary operators, and key maintenance personnel. Procedures shall include the following provisions:
1. Adequate shift coverage shall be maintained without routine heavy use of overtime. The objective shall be to have operating personnel work a normal 8 or 12-hour day, nominal 40-hour week while the plant is operating. However, in the event that unforeseen problems require substantial amounts of overtime to be used, or during extended periods of shutdown for refueling, major maintenance or major plant modifications, on a temporary basis, the following guidelines shall be followed:
 - a. An individual should not be permitted to work more than 16 hours straight, excluding shift turnover time.
 - b. Overtime should be limited for all nuclear plant staff personnel so that total work time does not exceed 16 hours in any 24-hour period, nor more than 24 hours in any 48-hour period, not more than 84 hours in any seven day period, all excluding shift turnover time. Individuals should not be required to work more than 15 consecutive days without two consecutive days off.
 - c. A break of at least eight hours including shift turnover time should be allowed between work periods.
 - d. Except during extended shutdown periods, the use of overtime should be considered on an individual basis and not for the entire staff on a shift.

6.2 Review and Audit

Organizational units for the review and audit of facility operations shall be constituted and have the responsibilities and authorities outlined below:

A. Safety Audit Committee (SAC)

The Safety Audit Committee provides the independent review of plant operations from a nuclear safety standpoint. Audits of plant operation are conducted under the cognizance of the SAC.

1. Membership

- a. The SAC shall consist of at least five (5) persons.
- b. The SAC Chairman shall be a Nuclear Management Company, LLC representative, not having line responsibility for operation of the plant, appointed by the corporate officer with direct responsibility for the plant. Other members shall be appointed by the corporate officer with direct responsibility for the plant or by such other person as he may designate. The Chairman shall appoint a Vice Chairman from the SAC membership to act in his absence.
- c. No more than two members of the SAC shall be from groups holding line responsibility for operation of the plant.
- d. A SAC member may appoint an alternate to serve in his absence, with concurrence of the Chairman. No more than one alternate shall serve on the SAC at any one time. The alternate member shall have voting rights.

2. Qualifications

- a. The SAC members should collectively have the capability required to review activities in the following areas: nuclear power plant operations, nuclear engineering, chemistry and radiochemistry, metallurgy, instrumentation and control, radiological safety, mechanical and electrical engineering, quality assurance practices, and other appropriate fields associated with the unique characteristics of the nuclear power plant.

- f. Investigation of all Reportable Events and Events requiring Special Reports to the Commission.
 - g. Revisions to the Facility Emergency Plan, the Facility Security Plan, and the Fire Protection Program.
 - h. Operations Committee minutes to determine if matters considered by that Committee involve unreviewed or unresolved safety questions.
 - i. Other nuclear safety matters referred to the SAC by the Operations Committee, plant management or company management.
 - j. All recognized indications of an unanticipated deficiency in some aspect of design or operation of safety-related structures, systems, or components.
 - k. Reports of special inspections and audits conducted in accordance with specification 6.3.
 - l. Changes to the Offsite Dose Calculation Manual (ODCM).
 - m. Review of investigative reports of unplanned releases of radioactive material to the environs.
6. Audit - The operation of the nuclear power plant shall be audited formally under the cognizance of the SAC to assure safe facility operation.
- a. Audits of selected aspects of plant operation, as delineated in ANSI N18.7-1976 as modified by the Operational Quality Assurance Plan, shall be performed with a frequency commensurate with their nuclear safety significance and in a manner to assure that an audit of all nuclear safety-related activities is completed within a period of two years. The audits shall be performed in accordance with appropriate written instructions and procedures.
 - b. Audits of aspects of plant radioactive effluent treatment and radiological environmental monitoring shall be performed as follows:
 - 1. Implementation of the Offsite Dose Calculation Manual and quality controls for effluent monitoring at least once every two years.
 - 2. Implementation of the Process Control Program for solidification of radioactive waste at least once every two years.
 - 3. The Radiological Environmental Monitoring Program and the results thereof, including quality controls, at least once every year.
 - c. Periodic review of the audit program should be performed by the SAC at least twice a year to assure its adequacy.
 - d. Written reports of the audits shall be reviewed by the corporate officer with direct responsibility for the plant, by the SAC at a scheduled meeting, and by members of Management having responsibility in the areas audited.

7. Authority

The SAC shall be advisory to the corporate officer with direct responsibility for the plant.

8. Records

Minutes shall be prepared and retained for all scheduled meetings of the Safety Audit Committee. The minutes shall be distributed within one month of the meeting to the corporate officer with direct responsibility for the plant, the Plant Manager, each member of the SAC, and others designated by the Chairman or Vice Chairman. There shall be a formal approval of the minutes.

9. Procedures

A written charter for the SAC shall be prepared that contains:

- a. Subjects within the purview of the group.
- b. Responsibility and authority of the group.
- c. Mechanisms for convening meetings.
- d. Provisions of use of specialists or subgroups.
- e. Authority to obtain access to the nuclear power plant operating record files and operating personnel when assigned audit functions.
- f. Requirements for distribution of reports and minutes prepared by the group to others in the Nuclear Management Company, LLC Organization.

B. Operations Committee (OC)

1. Membership

The Operations Committee shall consist of at least six (6) regular members drawn from the key supervisors of the onsite supervisory staff. The Plant Manager shall serve as Chairman of the OC and shall appoint a regular member to act as Vice Chairman in his absence. Alternates to the regular members shall be designated in writing by the Chairman, or Vice Chairman in the Chairman's absence, to serve on a temporary basis. No more than two alternates shall participate as voting members of the Operations Committee at any one time.

2. Meeting Frequency

The Operations Committee will meet on call by the Chairman or as requested by individual members and at least monthly.

3. Quorum

A quorum shall include a majority of the membership, including the Chairman or Vice Chairman.

4. Responsibilities - The following subjects shall be reviewed by the Operations Committee:

- a. Proposed tests and experiments and their results.
- b. Modifications to plant systems or equipment as described in the Updated Safety Analysis Report and having nuclear safety significance or which involve an unreviewed safety question as defined in 10 CFR 50.59.
- c. Proposals which would effect permanent changes to normal and emergency operating procedures and any other proposed changes or procedures that are determined by the Plant Manager to affect nuclear safety.
- d. Proposed changes to the Technical Specifications or operating license.
- e. All reported or suspected violations of Technical Specifications, operating license requirements, administrative procedures, or operating procedures. Results of investigations, including evaluation and recommendations to prevent recurrence, will be reported, in writing, to the corporate officer with direct responsibility for the plant and to the Chairman of the Safety Audit Committee.

- f. Investigation of all Reportable Events and Events requiring Special Reports to the Commission.
- g. Drills on emergency procedures (including plant evacuation) and adequacy of communication with off-site support groups.
- h. All procedures required by these Technical Specifications, including implementing procedures of the Emergency Plan and the Security Plan (except as exempted in Section 6.5.F), shall be reviewed with a frequency commensurate with their safety significance but at an interval of not more than two years.
- i. Perform special reviews and investigations, as requested by the Safety Audit Committee.
- j. Review of investigative reports of unplanned releases of radioactive material to the environs.
- k. All changes to the Process Control Program (PCP) and the Offsite Dose Calculation Manual (ODCM).

5. Authority

The OC Shall be advisory to the Plant Manager. In the event of disagreement between the recommendations of the OC and the Plant Manager, the course determined by the Plant Manager to be the more conservative will be followed. A written summary of the disagreement will be sent to the corporate officer with direct responsibility for the plant and the Chairman of the SAC for review.

6. Records

Minutes shall be recorded for all meetings of the OC and shall identify all documentary material reviewed. The minutes shall be distributed to each member of the OC, the Chairman and each member of the Safety Audit Committee, the corporate officer with direct responsibility for the plant and others designated by OC Chairman or Vice Chairman.

7. Procedures

A written charter for the OC shall be prepared that contains:

- a. Responsibility and authority of the group.
- b. Content and method of submission of presentations to the Operations Committee.

- c. Mechanism for scheduling meetings
- d. Meeting agenda
- e. Use of subcommittee
- f. Review and approval, by members, of OC actions
- g. Distribution of minutes

6.3 Special Inspections and Audits

- A. An independent fire protection and loss prevention inspection and audit shall be performed annually utilizing either qualified offsite Nuclear Management Company, LLC personnel or an outside fire protection consultant.
- B. An inspection and audit by an outside qualified fire protection consultant shall be performed at intervals no greater than three years.

6.4 Action to be Taken if a Safety Limit is Exceeded

If a Safety Limit is exceeded, the reactor shall be shut down immediately. An immediate report shall be made to the Commission and to the corporate officer with direct responsibility for the plant or his designated alternate in his absence. A complete analysis of the circumstances leading up to and resulting from the situation, together with recommendations by the Operations Committee, shall also be prepared. This report shall be submitted to the Commission, to the corporate officer with direct responsibility for the plant and the Chairman of the Safety Audit Committee within 14 days of the occurrence.

Reactor operation shall not be resumed until authorized by the U.S. Nuclear Regulatory Commission.

B. Reportable Events

The following actions shall be taken for Reportable Events:

- a. The Commission shall be notified by a report submitted pursuant to the requirements of Section 50.73 to 10 CFR Part 50 and,
- b. Each Reportable Event shall be reviewed by the Operations Committee and the results of this review shall be submitted to the Safety Audit Committee and the corporate officer with direct responsibility for the plant.

APPENDIX C
ADDITIONAL CONDITIONS
FACILITY OPERATING LICENSE NO. DPR-22

Nuclear Management Company, LLC shall comply with the following conditions on the schedules noted below:

<u>Amendment Number</u>	<u>Additional Condition</u>	<u>Implementation Date</u>
98	The emergency operating procedures (EOPs) shall be changed to require manual isolation of torus and drywell sprays prior to the point where primary containment pressure would not provide adequate net positive suction head (NPSH) for the emergency core cooling system (ECCS) pumps, change the caution statement regarding NPSH in the Primary Containment Pressure EOP to include the core spray pumps, and add a caution statement regarding NPSH considerations for pressure control while venting to control primary containment pressure.	Prior to starting up from the current maintenance outage, or August 1, 1997, whichever is later.
98	Finalize the additional containment analysis and associated NPSH evaluation which extends the existing long-term cause evaluation to the time when the required containment overpressure returns to atmospheric conditions. Changes to the requested long-term containment overpressure, if any, shall be promptly reported to the NRC prior to starting up the unit from the current maintenance outage.	Prior to starting up from the current maintenance outage, or August 1, 1997, whichever is later.
98	Submit the results of the additional containment analysis and associated NPSH evaluation discussed above.	Within 90 days from the date of the plant startup from the current maintenance outage, or November 1, 1997, whichever is later.

APPENDIX C - continued

<u>Amendment Number</u>	<u>Additional Condition</u>	<u>Implementation Date</u>
102	All affected process computer and SPDS data points shall be changed to reflect uprate operating conditions	Prior to implementation of Amendment No. 102 (prior to exceeding 1670 MWt).
102	Control room simulator changes shall be completed in accordance with ANSI/ANS 3.5-1985 Section 5.4.1, Simulator Performance Testing, and Monticello simulator configuration control procedures.	Prior to implementation of Amendment No. 102 (prior to exceeding 1670 MWt).
102	Classroom and simulator training on new knowledge and abilities associated with the power uprate shall be provided in accordance with Monticello Training Center procedures.	Prior to implementation of Amendment No. 102 (prior to exceeding 1670 MWt).
102	NMC shall monitor plant operational parameters for uprate impacts on the PRA models	During and after the power uprate ascension test program.
102	Control room simulator changes shall be verified against actual plant startup data.	Within 3 months of completion of the power uprate ascension test program.
102	The applicable training programs and the simulator shall be modified, or appropriate compensatory actions shall be taken, in accordance with the Monticello Training Center procedures to reflect issues and discrepancies identified during startup testing.	Within 6 months of completion of the power uprate ascension test program.
102	The MNGP USAR shall be updated to reflect the changes associated with power uprate operation. This update shall not include credit for suppression pool scrubbing in the MSIV leakage pathway in the revised LOCA analysis.	Within 9 months of completion of the power uprate ascension test program.

APPENDIX C - continued

<u>Amendment Number</u>	<u>Additional Condition</u>	<u>Implementation Date</u>
102	NSP* shall evaluate whether MO-2034 and MO-4229 are capable of allowing a subsequent operation after the required isolation safety functions are completed. This evaluation may include an examination of assumptions and methodologies, additional administrative controls, and modifications. The evaluation shall be completed in order to institute the corrective actions, if any, by the end of the next scheduled refueling outage.	By the end of the next scheduled refueling outage from the date of Amendment No. 102.
102	NSP* shall evaluate the capacity margins of MO-2398 and MO-2034. This evaluation may include an examination of assumptions and methodologies, additional administrative controls, and modifications. The evaluation shall be completed in order to institute the corrective actions.	By the end of the next scheduled refueling outage from the date of Amendment No. 102.

* Reference to NSP is maintained for historical purposes.



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

TRANSFER OF OPERATING AUTHORITY

FROM NORTHERN STATES POWER COMPANY

TO NUCLEAR MANAGEMENT COMPANY, LLC,

AND APPROVAL OF CONFORMING AMENDMENT

MONTICELLO NUCLEAR GENERATING PLANT

DOCKET NO. 50-263

1.0 INTRODUCTION

By application dated November 24, 1999, as supplemented February 2, 2000, the Northern States Power Company (NSP or the licensee), the sole owner and operator of Monticello Nuclear Generating Plant (Monticello), requested that the U.S. Nuclear Regulatory Commission (NRC) consent to the transfer of operating authority under Facility Operating License No. DPR-22 for Monticello from NSP to a new operating company called Nuclear Management Company, LLC (NMC). The application also requested the approval of a conforming license amendment to reflect the proposed transfer. The initial application and supplement are hereinafter collectively referred to as "the application," unless otherwise indicated.

Ownership of the Monticello facility will not be affected by the proposed transfer of operating authority to NMC. NSP will retain ownership of Monticello. NMC will not own any portion of Monticello. Also, NSP's entitlement to capacity and energy from Monticello will not be affected by the transfer of operating authority.

NMC has been established as a Wisconsin limited liability corporation owned equally by Alliant Energy Nuclear, LLC, NSP Nuclear Corporation, WEC Nuclear Corporation, and WPS Nuclear Corporation. Alliant Energy Nuclear, LLC is a wholly owned subsidiary of Alliant Energy Corporation, the parent holding company of IES Utilities Inc. NSP Nuclear Corporation is a wholly owned subsidiary of NSP, owner and operator of the Prairie Island and Monticello Nuclear Generating Plants. WEC Nuclear Corporation is a wholly owned subsidiary of Wisconsin Energy Corporation, the parent holding company of Wisconsin Electric Power Company, which owns and operates the Point Beach Nuclear Plant. WPS Nuclear Corporation is a wholly owned subsidiary of WPS Resources, Inc., the parent holding company of Wisconsin Public Service Corporation, majority owner and operator of the Kewaunee Nuclear Power Plant. NMC's corporate purpose, according to the application, is to provide services in connection with the operation and eventual decommissioning of licensed nuclear facilities on behalf of and for the benefit of the owner utilities.

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. Such action is contingent upon the Commission's determination that the transferee is qualified to hold the license, and that the transfer is otherwise consistent with applicable provisions of law, regulations, and orders of the Commission.

The February 2, 2000, supplemental submittal disclosed the change of address of the NMC principal place of business from Milwaukee, Wisconsin, to Hudson, Wisconsin, and identified that Mr. W. Harvey replaced Mr. E. Davis as a member of the Board of Directors. Mr. Harvey is currently Executive Vice President of Alliant Energy Corporation and is a citizen of the United States. The supplemental information did not expand the scope of the application as originally noticed in the *Federal Register*.

2.0 TECHNICAL QUALIFICATIONS

2.1 Basis and Guidance for the Evaluation

The staff used the following regulations and guidance to complete its evaluation: (1) 10 CFR 50.40(b), "Common Standards"; (2) 10 CFR 50.80, "Transfer of licenses"; (3) the Standard Review Plan (SRP) NUREG-0800, Chapter 13, "Conduct of Operations," Section 13.1.1, "Management and Technical Organization," and Section 13.1.2-13.1.3, "Operating Organization"; and (4) ANSI N18.1-1971, "Selection and Training of Nuclear Power Plant Personnel," as endorsed by Regulatory Guide 1.8, Revision 2, April 1987, "Qualification and Training of Personnel for Nuclear Power Plants."

2.2 Purpose of the Evaluation

The purpose of this evaluation is to ensure that the proposed corporate management will be involved with, informed of, and dedicated to the safe operation of Monticello, and that sufficient, qualified technical resources will be provided to support safe plant operation and maintenance. In addition, changes to the Monticello operating organization or personnel qualifications that may occur as a result of the license transfer are also evaluated.

2.3 Evaluation: Management and Technical Support Organization

In its November 24, 1999, application (page 7/14), the licensee states that,

The technical qualifications of NMC to carry out its responsibilities under the operating licenses for Monticello . . . , as amended, will be equivalent to or exceed the present technical qualifications of NSP. NMC will have a corporate headquarters staffed with executives, principal officers and centralized support staff . . .

The applicant further indicates in its November 24, 1999, application (page 8/14) that, "NMC's senior management will be devoted to the business of nuclear plant operation. Such a single-purpose management will be able to focus on overall excellence in nuclear power operations."

Based on the foregoing information, the applicant is proposing an organization responsible for managing and providing technical support to Monticello that will meet or exceed the current qualifications of the NSP management and technical support organization, regarding which the

staff is aware of no deficiencies. Accordingly, the staff concludes that the proposed NMC organization for managing and its means of providing off-site technical support for the continued operation of Monticello under both normal and off-normal conditions after the transfer of operating authority are satisfactory.

2.4 Evaluation: Operating Organization

As described below, current NSP operating personnel will, for the most part, become NMC operating personnel. Thus, the staff's review of the proposed operating organization is focused here on evaluating proposed changes to the operating organization as a result of the transfer. The initial operating organization was determined to be acceptable by the initial licensing review, and any subsequent safety-related changes to the operating organization were required to be evaluated with an appropriate methodology. The staff is aware of no deficiencies with the existing operating organization.

In its November 24, 1999, application, the applicant indicated (page 7/14) that,

Concurrent with the transfer of the operating authority to the NMC, it is expected that substantially all NSP operating personnel who are dedicated to Monticello . . . will be transferred to NMC, as NMC employees or as utility employees under the supervision of the NMC. The technical qualifications of the proposed NMC organization, therefore, will be substantially equivalent to those of the existing organization, and personnel qualification requirements defined in the Monticello . . . Technical Specifications will continue to be met.

Based on the foregoing, the applicant is proposing a plant operating organization and personnel with qualifications that will meet current Monticello Technical Specification requirements.

Since substantially all of the operating organization personnel now responsible for the operation and maintenance of Monticello will be transferred to NMC, the staff concludes that NMC's on-site organization that will operate and maintain Monticello will be acceptable.

2.5 Conclusions Regarding Technical Qualifications

The application adequately addresses the relevant requirements of 10 CFR 50.40(b) and 10 CFR 50.80. The applicant has described NMC's corporate level management and technical support organization and the onsite operating organizations to be responsible for the operation and maintenance of Monticello after the transfer of operating authority. The staff concludes that NMC will have an acceptable corporate organization, onsite organizations, and adequate resources to provide technical support for the safe operation of Monticello under both normal and off-normal conditions after the transfer of operating authority to NMC.

3.0 FINANCIAL QUALIFICATIONS ANALYSIS

The application states that the ownership of the Monticello facility will not change as a result of the proposed transfer of operating authority to NMC. Pursuant to the Operating Services Agreement included as part of the transfer application, NSP will retain all financial responsibility for the operation and eventual decommissioning of Monticello. The application states that under the Operating Services Agreement, NSP will not be liable for costs associated with the

operation of other facilities owned by the other utilities contracting with NMC for operating services. NSP will remain an "electric utility," as defined in 10 CFR 50.2, engaged in the generation, transmission, and distribution of electric energy for wholesale and retail sale, and subject to State cost of service and Federal rate regulation. The staff has reviewed the Operating Services Agreement and concurs with the applicant's assessment that all costs associated with the operation and decommissioning of the Monticello facility will continue to be the responsibility of NSP. Thus, NMC need not be reviewed concerning financial qualifications.

4.0 INSURANCE

The provisions of the Price-Anderson Act (Section 170 of the Atomic Energy Act) and the Commission's regulations at 10 CFR Part 140 require that NMC be added to the current NSP indemnity agreement. Under these provisions, NMC will also be required to be added as a named insured on the NSP applicable nuclear liability insurance policies and participate in the secondary retrospective insurance pool. NMC also will be required to maintain property insurance as specified in 10 CFR 50.54(w), which requirement can be satisfied by being added to the NSP property insurance policy. The staff does not have any reason to believe that NMC will be unable to meet the statutory and regulatory insurance requirements applicable to all power reactor licensees.

Consistent with NRC practice, the staff will require NMC to provide satisfactory documentary evidence that NMC has obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations, prior to the issuance of the amended license reflecting NMC as a licensee. Since the issuance of the amended license is directly tied to the consummation of the proposed transfer, the order approving the transfer will contain the following condition:

NMC shall, prior to completion of the transfer of operating authority for Monticello, provide the Director of the Office of Nuclear Reactor Regulation satisfactory documentary evidence that NMC has obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations.

5.0 ANTITRUST REVIEW

The Atomic Energy Act does not require or authorize antitrust reviews of post-operating license transfer applications. Kansas Gas and Electric Co., et al. (Wolf Creek Generating Station Unit 1), CLI-99-19, 49 NRC 441(1999). Therefore, since the transfer application post-dates the issuance of the Monticello operating license, no antitrust review is required or authorized.

6.0 FOREIGN OWNERSHIP, CONTROL, OR DOMINATION

The application states that NMC is a limited liability company organized and existing under the laws of the State of Wisconsin, with headquarters located in Hudson, Wisconsin. The owners of NMC are all publicly traded U.S. companies whose shares of common stock are widely traded. All of the NMC directors are U.S. citizens. The principal officers of NMC are citizens of the United States, with the exception of a Vice President who is a Canadian citizen.

The application states that NMC is neither owned, controlled, nor dominated by an alien, foreign corporation, or a foreign government. The staff has no reason to believe otherwise.

7.0 CONCLUSIONS REGARDING TRANSFER OF OPERATING AUTHORITY

In view of the foregoing, the staff concludes that NMC is technically qualified to hold the operating authority under the Monticello operating license. There is no indication that the proposed transfer of operating authority under Facility Operating License No. DPR-22 for Monticello to NMC will adversely affect the financial qualifications of NSP, which will remain fully financially responsible for the operation and decommissioning of the Monticello facility. Also, there do not appear to be any problematic antitrust, foreign ownership, or insurance considerations related to the Monticello license that would result from the proposed transfer. Thus, the staff concludes that NMC is qualified to hold the operating authority under the license as described herein, and the transfer of operating authority is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission.

8.0 CONFORMING AMENDMENT

A. Introduction

As stated previously, NSP requested approval of a proposed conforming amendment to Monticello Facility Operating License No. DPR-22. The requested changes replace references to NSP or its organizations or officials in the license with references to NMC or its organizations or officials to reflect the proposed transfer of operating authority.

The supplemental information received after the initial *Federal Register* notice did not affect the applicability of the Commission's generic no significant hazards consideration determination set forth in 10 CFR 2.1315. The specific text of the changes as proposed by the licensee was modified by the staff for clarification and the pages were repaginated.

B. Discussion

The changes to be made to the license are indicated in the conforming amendment, as indicated in Enclosure 2 to the cover letter forwarding the staff's order regarding the subject transfer. The changes do no more than accurately reflect the approved transfer action. The amendment involves no safety questions and is administrative in nature. Accordingly, the proposed amendment is acceptable.

C. State Consultation

In accordance with the Commission's regulations, the Minnesota State official was notified of the proposed issuance of the amendment. The State official had no comments.

D. Conclusion With Respect to the Conforming Amendment

The Commission has concluded, based on the considerations discussed above, that: (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendment will not be inimical to the common defense and security or to the health and safety of the public.

9.0 ENVIRONMENTAL CONSIDERATION

The subject application is for approval of a transfer of a license issued by the NRC and approval of a conforming amendment. Accordingly, the actions involved meet the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(21). Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with approval of the application.

Principal Contributors: M. Davis
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Date: May 15, 2000