

February 5, 2001

Mr. James R. Morris  
Site General Manager  
Monticello Nuclear Generating Plant  
Nuclear Management Company, LLC  
2807 West County Road 75  
Monticello, MN 55362-9637

SUBJECT: NOTICE OF ENFORCEMENT DISCRETION (NOED) FOR NUCLEAR  
MANAGEMENT COMPANY, LLC, REGARDING MONTICELLO  
(TAC NO. MB1079, NOED NO. 01-6-002)

Dear Mr. Morris:

By letter dated February 1, 2001, you requested that the Nuclear Regulatory Commission (NRC) exercise discretion not to enforce compliance with the actions required in Technical Specification (TS) 3.15.A.1. Your letter documented information previously discussed with the NRC in a telephone conversation on January 30, 2001, beginning at 1:00 a.m. (EST). The principal NRC staff members who participated in that telephone call included:

NRC Region III Staff

G. Grant, Director, Division of Reactor Projects (DRP)  
B. Burgess, Chief, Projects Branch 2, DRP  
S. Burton, Senior Resident Inspector, Monticello  
M. Parker, Senior Reactor Analyst, Division of Reactor Safety

NRC Headquarters Staff

A. Mendiola, Acting Director, Project Directorate III, Division of Licensing Project Management (DLPM), Office of Nuclear Reactor Regulation (NRR)  
E. Imbro, Chief, Mechanical and Civil Engineering Branch (EMEB), Division of Engineering (DE), NRR  
C. Hammer, Mechanical Engineer, EMEB, DE, NRR  
F. Lyon, Project Manager, Section 1, Project Directorate III, DLPM, NRR

You stated that as of 7:30 p.m. (EST) on January 29, 2001, you were not in compliance with TS 3.6.E.1, which states that, "During power operating conditions and whenever reactor coolant pressure is greater than 110 psig and temperature is greater than 345 °F the safety valve function (self actuation) of seven safety/relief valves shall be operable. . . ." You declared the safety/relief valves (SRVs) inoperable because you were not in compliance with TS 3.15.A.1, which requires that, "To be considered operable, Quality Group A, B, and C components shall satisfy the requirements contained in Section XI of the ASME [American Society of Mechanical Engineers] Boiler and Pressure Vessel Code and applicable Addenda for continued service of ASME Code Class 1, 2, and 3 components, respectively, except where relief has been granted by the Commission pursuant to 10 CFR 50, Section 50.55a(g)(6)(i)." Since you were not in compliance with TS 3.6.E.1, you had commenced a plant shutdown in accordance with TS 3.6.E.2, which requires that, "If Specification 3.6.E.1 is not met, initiate an orderly shutdown

and have reactor coolant pressure and temperature reduced to 110 psig or less and 345 °F or less within 24 hours.” You requested that an NOED be issued pursuant to the NRC’s policy regarding exercise of discretion for an operating facility, set out in Section VII.C of the “General Statement of Policy and Procedures for NRC Enforcement Actions” (Enforcement Policy), NUREG-1600, and be effective until an exigent license amendment request that would relocate inservice inspection requirements from the TSs to a licensee-controlled program is processed by the NRC. This letter documents our telephone conversation on January 30, 2001, beginning at 1:00 a.m. (EST), during which we orally issued this NOED.

On January 24, 2001, in response to questions raised by the NRC resident inspectors, you had determined that you were not in compliance with TS 3.15.A.1 regarding certain safety-related snubbers. Section XI of the ASME *Boiler and Pressure Vessel Code* (the Code) requires that the services of an Authorized Inspection Agency be used when making repair or replacement of certain components, including notifying the agency prior to beginning the work and keeping the authorized nuclear inservice inspector (ANII) informed of the progress of the work so that necessary inspections may be performed. The Code also requires that certain reports and records of the work be maintained, including the completed Owner’s Report for Repairs or Replacements, Form NIS-2. You determined that you had not involved an ANII or maintained NIS-2 forms for certain past snubber work. As a result, you established snubber operability in accordance with TS 3.6.H.2.b. In the course of your extent-of-condition review of the snubber issue, you determined on January 29, 2001, that you had not involved an ANII or maintained NIS-2 forms for certain past work on the SRVs, specifically, replacement of the SRV topworks. Therefore, you concluded that the SRVs were inoperable in accordance with TS 3.15.A.1, and that TS 3.6.E.1 and TS 3.6.E.2 were applicable. You requested this NOED after evaluation and conclusion that, while appropriate ANII involvement has not been obtained for the SRV topworks replacements, the SRVs remain operable in all other respects. You have tentatively concluded that the apparent root cause of the situation was a misunderstanding of the requirements of the Code in your maintenance processes. Review of the associated documentation to date indicates that all required testing, inspection, and surveillance requirements have been met, with the exception of the ANII requirements. Further, your evaluation to date shows that Monticello work control, quality control, and quality assurance programs provide assurance that the SRVs will adequately perform their functions such that they may be considered operable when evaluated in accordance with NRC Generic Letter (GL) 91-18. The ANII involvement provides and documents third party review of technical and quality requirements of the Code. The Monticello quality assurance, quality control, and work control processes provide a certain level of assurance of the quality of the work despite the lack of ANII involvement in the repairs. Based on the above, you concluded that there is a very low safety significance and potential consequences associated with the NOED. You also performed a bounding quantitative risk assessment as a sensitivity study to show that the potential increase in risk associated with failure to involve the ANII as required by the Code is small, amounting to less than a 1.5-percent increase in core damage frequency due to an exaggerated degradation in reliability of the SRVs to perform their safety function. As compensatory measures, (1) you have performed an operability determination of the SRVs and concluded that they are operable; (2) root cause and extent-of-condition investigations regarding ASME Section XI compliance are in progress; and (3) future ASME Section XI nonconformances will be evaluated under the Monticello corrective action program, including prompt operability determinations in accordance with GL 91-18.

The NRC's basis for this discretion considered: (1) completion of a satisfactory operability determination of the SRVs, including review of the associated documentation to date indicating that all required testing, inspection, and surveillance requirements have been met, with the exception of the ANII involvement; (2) Monticello work control, quality control, and quality assurance programs provide assurance that the SRVs will adequately perform their safety functions; (3) the minimal increase in risk due to the lack of ANII involvement in the repair process; (4) root cause and extent-of-condition investigations regarding ASME Section XI compliance are in progress; and (5) future ASME Section XI nonconformances will be evaluated under the Monticello corrective action program, including prompt operability determinations in accordance with GL 91-18.

Based on the above considerations, the staff concluded that Criterion B.2.1.1.a and the applicable criteria in Section C.4 to NRC Inspection Manual Part 9900, "Technical Guidance, Operation - Notices of Enforcement Discretion," were met. Criterion B.2.1.1.a states that for an operating plant, the NOED is intended to avoid undesirable transients as a result of forcing compliance with the license condition and, thus, minimize potential safety consequences and operational risks.

On the basis of the staff's evaluation of your request, we have concluded that an NOED is warranted because we are clearly satisfied that this action involves minimal or no safety impact, is consistent with the enforcement policy and staff guidance, and has no adverse impact on public health and safety. Therefore, it is our intention to exercise discretion not to enforce compliance with TS 3.15.A.1 for the period from 2:26 a.m. (EST) on January 30, 2001, until issuance of a license amendment in response to your application dated February 1, 2001. The staff plans to complete its review and issue the license amendment within 4 weeks of the date of this letter.

As stated in the Enforcement Policy, action will be taken, to the extent that violations were involved, for the root cause that led to the noncompliance for which this NOED was necessary.

Sincerely,

*/RA/*

S. Singh Bajwa, Director  
Project Directorate III  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Docket No. 50-263

cc: See next page

The NRC's basis for this discretion considered: (1) completion of a satisfactory operability determination of the SRVs, including review of the associated documentation to date indicating that all required testing, inspection, and surveillance requirements have been met, with the exception of the ANII involvement; (2) Monticello work control, quality control, and quality assurance programs provide assurance that the SRVs will adequately perform their safety functions; (3) the minimal increase in risk due to the lack of ANII involvement in the repair process; (4) root cause and extent-of-condition investigations regarding ASME Section XI compliance are in progress; and (5) future ASME Section XI nonconformances will be evaluated under the Monticello corrective action program, including prompt operability determinations in accordance with GL 91-18.

Based on the above considerations, the staff concluded that Criterion B.2.1.1.a and the applicable criteria in Section C.4 to NRC Inspection Manual Part 9900, "Technical Guidance, Operation - Notices of Enforcement Discretion," were met. Criterion B.2.1.1.a states that for an operating plant, the NOED is intended to avoid undesirable transients as a result of forcing compliance with the license condition and, thus, minimize potential safety consequences and operational risks.

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Sincerely,

*/RA/*

S. Singh Bajwa, Director  
 Project Directorate III  
 Division of Licensing Project Management  
 Office of Nuclear Reactor Regulation

Docket No. 50-263

cc: See next page

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PUBLIC	CLyon	WBeckner	NOED
PDIII-1 Reading	RBouling	TBergman	OEWEB
SCollins/RZimmerman	WLong	Elmbro	
BSheron	OGC	SBurton	
JZwolinski/SBlack	ACRS	TKim	
SBajwa	RBorchardt	JDyer, RIII	
CCraig	PMadden	BBurgess, RIII	

\*Previously concurred \*\* Previously concurred, DFischer for Elmbro

\*\*\*Concurred via phoncon w/BBurgess

OFFICE	PDIII-1/PM	PDIII-1/LA	PDIII-2/SC	EMEB/BC	RIIIDRP/D	PDIII-1/(A)SC	PDIII/D
NAME	FLyon	THarris for RBouling	AMendiola*	DFischer**	GGrant***	TKim*	SBajwa
DATE	2/5/01	2/5/01	2/5/01	2/5/01	2/5/01	2/5/01	2/5/01

ACCESSION NO. ML010360438

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Monticello Nuclear Generating Plant

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