

February 28, 2001

EA-00-214  
EA-01-040

Mr. M. Reddemann  
Site Vice President  
Kewaunee and Point Beach Nuclear Plants  
Nuclear Management Company, LLC  
6610 Nuclear Road  
Two Rivers, WI 54241

SUBJECT: FINAL SIGNIFICANCE DETERMINATION FOR A WHITE FINDING AND RELATED NOTICE OF VIOLATION (NRC INSPECTION REPORT 50-305/00-15) AND A YELLOW FINDING (NRC INSPECTION REPORT 50-305/00-17) - KEWAUNEE NUCLEAR POWER PLANT

Dear Mr. Reddemann:

The purpose of this letter is to provide you with the final results of our significance determinations of the preliminary White finding and the Yellow finding identified in Inspection Reports 50-305/00-15(DRS) and 50-305/00-17(DRS), respectively. The White issue was assessed using the significance determination process and determined to be a finding having low to moderate safety significance. The finding involved the failure to correct self-identified deficiencies disclosed through unannounced, off-hours, emergency response staffing drills during the second, third, and fourth quarters of 1999 and the second quarter of 2000. The Yellow finding involved corrective action program deficiencies within the Emergency Preparedness Cornerstone. This finding was determined to have substantial safety significance because repetitive performance weaknesses in your corrective action program resulted in your failure to correct performance deficiencies in the public Alert and Notification System (siren system) for an extended period of time. The siren system performance deficiencies resulted in Yellow performance indicators for four quarters. Two previous supplemental inspections conducted by regional staff determined that your efforts to determine the root causes for the Yellow performance indicators were inadequate.

At your request, a Regulatory Conference was held on January 30, 2001, to further discuss your views on these findings. A copy of the handout you provided at this meeting is enclosed. During the conference your staff described your assessments of the significance of the findings, detailed corrective actions, and root cause evaluations.

After considering the information developed during the inspections and the information you provided at the conference, the NRC has concluded that the inspection finding related to the emergency response staffing drills is appropriately characterized as White. The inspection finding related to performance weaknesses in your corrective actions to address

siren system performance concerns is also determined to be appropriately characterized as Yellow. During the Regulatory Conference, you noted that it was unclear how the staff determined that this issue was a Yellow inspection finding using the existing reactor oversight process guidance. In Manual Chapter (MC) 0305, "Operating Reactor Assessment Program," an inspection finding is retained beyond the four quarters as described in the Manual Chapter if weaknesses noted in the licensee's root cause evaluation are not corrected. While MC 0305 is not explicit in how such a situation associated with a performance indicator is addressed, we have applied the guidance for evaluating findings to the current problems with your corrective actions associated with the Yellow siren system performance indicator. Manual Chapter 0305 is being revised to better clarify the guidance to address this situation.

You have 10 business days from the date of this letter to appeal the staff's determination of the significance of the White and Yellow findings. Such appeals will be considered to have merit only if they meet the criteria given in NRC Inspection Manual 0609, Supplement 3.

The NRC has also determined that the failure to correct self-identified deficiencies disclosed through unannounced, off-hours, staff augmentation drills during the second, third, and fourth quarters of 1999 and the second quarter of 2000 is a violation of 10 CFR Part 50.47(b)(2) and (b)(14), as cited in the enclosed Notice of Violation (Notice). The circumstances surrounding the violation are described in detail in Inspection Report 50-305/00-15(DRS). In accordance with the NRC Enforcement Policy, NUREG-1600, the Notice of Violation is considered escalated enforcement action because it is associated with a White finding.

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.

Because plant performance for the emergency preparedness cornerstone has been determined to be in the degraded cornerstone column of the NRC Action Matrix, we used the pertinent MC 0305 guidance to determine the most appropriate NRC response for these issues. Consequently, we plan to conduct a supplemental inspection, using Inspection Procedure 95002, to review the emergency response staffing White finding during the week of March 26, 2001. We have also recently completed our third supplemental inspection of the Yellow siren system performance indicator which included a broader review of the corrective action deficiencies discussed above. We will be forwarding the results of those inspections in future correspondence.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be 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/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

Sincerely,

*/RA/*

J. E. Dyer  
Regional Administrator

Docket No. 50-305  
License No. DPR-43

Enclosures:   1. Notice of Violation  
                  2. Handout - NRC Regulatory Conference - Kewaunee Nuclear Power Plant  
                      Emergency Preparedness Findings

cc w/encl 1:   K. Hoops, Manager, Kewaunee Plant

cc w/encls:   D. Graham, Director, Bureau of Field Operations  
                  Chairman, Wisconsin Public Service Commission  
                  State Liaison Officer

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Regional Administrator

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Chairman, Wisconsin Public Service Commission  
State Liaison Officer

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**See Previous Concurrence**

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## NOTICE OF VIOLATION

Nuclear Management Company, LLC  
Kewaunee Nuclear Power Plant

Docket No. 50-305  
License No. DPR-43  
EA-00-214

During an NRC inspection conducted on August 14-18, 2000, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, the violation is listed below:

10 CFR 50.54(q) requires, in part, that a licensee authorized to possess and operate a nuclear power reactor must follow and maintain in effect emergency plans which meet the standards in 10 CFR 50.47(b) and the requirements of Appendix E to Part 50.

10 CFR 50.47(b)(2) requires, in part, that timely augmentation of response capabilities is available.

10 CFR 50.47(b)(14) requires, in part, that deficiencies identified as a result of exercises or drills will be corrected.

The Kewaunee Nuclear Power Plant Emergency Plan (KNPPEP) implements the requirements of 10 CFR 50.54(q). Section 8.2.2(2)g of KNPPEP, Revision 22, "Radio Pager Response Drill," requires that an unannounced radio pager response drill be conducted quarterly.

Emergency Plan Maintenance Procedure 09.01, Revision H, "Radio Pager Testing," implements the requirements of the KNPPEP, Section 8.2.2(2)g, Revision 22. Section 5.2 requires, in part, that for performance measure purposes, an augmentation (response) capability determination will be conducted each month.

Emergency Plan Maintenance Procedure 2.6, Revision B, "Emergency Preparedness (EP) Measurements," defines the acceptance criteria utilized to evaluate drill success for unannounced radio pager drills performed in accordance with EPMP 09.01. This procedure requires that 11 personnel respond within 30 minutes and 15 personnel respond within 60 minutes.

Contrary to the above, timely augmentation of response capabilities was not available, in that none of the monthly radio pager drills conducted during the second, third and fourth quarters of calendar year 1999 and the second quarter of calendar year 2000 were successful. Specifically, the licensee's drill records indicated that one to three of the 11 pre-designated 30-minute response positions would not have been filled during eight of the nine augmentation drills it conducted during the second, third, and fourth quarters of calendar year 1999. These records also indicated that one or two of the 15 pre-designated 60-minute response positions would not have been filled during five of these nine drills. Records of the two drills conducted during the second quarter of calendar year 2000 indicated that one 30-minute response position would not have been filled in each drill and a 60-minute position would not have been filled in one of the two drills. Furthermore, the licensee failed to correct these deficiencies that were identified as a result of the monthly drill failures.

This violation is associated with a White Significance Determination Process finding.

Pursuant to the provisions of 10 CFR Part 2.201, the Nuclear Management Company is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001 with a copy to the Regional Administrator, Region III, and a copy to the NRC Resident Inspector at the Kewaunee Nuclear Power Plant, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Because your response 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), to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room). If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR Part 2.790(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR Part 73.21.

In accordance with 10 CFR Part 19.11, you may be required to post this Notice within two working days.

Dated this 28th day of February 2001