

March 1, 2001

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

SUBJECT: MONTICELLO NUCLEAR GENERATING PLANT - NRC INSPECTION REPORT
50-263/01-12(DRS)

Dear Mr. Morris:

On February 12 through 16, 2001, the NRC conducted its biennial inspection of the licensed operator requalification training program at the Monticello Nuclear Generating Plant. The results of this inspection were discussed with you and other members of your staff on February 16, 2001. The enclosed report presents the results of this inspection.

This inspection was an examination of activities conducted under your license as they relate to safety and to compliance with the Commission's rules and regulations and with the conditions of your license. Within these areas, the inspection consisted of a selective examination of procedures and representative records, observations of activities, and interviews with personnel.

No findings of significance were identified.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures 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).

We will gladly discuss any questions you have concerning this inspection.

Sincerely,

/RA/

David E. Hills, Chief
Operations Branch
Division of Reactor Safety

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

Enclosure: Inspection Report 50-263/01-12(DRS)

See Attached Distribution

J. Morris

-2-

cc w/encl: Plant Manager, Monticello
M. Wadley, Chief Nuclear Officer
S. Northard, Nuclear Asset Manager
M. Roth, Site Licensing Manager
J. Malcolm, Commissioner, Minnesota
Department of Health
J. Silberg, Esquire
Shaw, Pittman, Potts, and Trowbridge
R. Nelson, President
Minnesota Pollution Control Agency
Commissioner, Minnesota Pollution Control Agency
D. Gruber, Auditor/Treasurer
Wright County Government Center
Commissioner, Minnesota Department of Commerce
A. Neblett, Assistant Attorney General

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U.S. NUCLEAR REGULATORY COMMISSION

REGION III

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

Report No: 50-263/01-12(DRS)

Licensee: Nuclear Management Company, LLC

Facility: Monticello Nuclear Generating Plant

Location: 2807 West Highway 75
Monticello, MN 55362

Dates: February 12 - 16, 2001

Inspectors: M. Bielby, Senior Operations Lead Inspector
B. Palagi, License Operator Examiner

Approved by: David E. Hills, Chief
Operations Branch
Division of Reactor Safety

NRC's REVISED REACTOR OVERSIGHT PROCESS

The federal Nuclear Regulatory Commission (NRC) recently revamped its inspection, assessment, and enforcement programs for commercial nuclear power plants. The new process takes into account improvements in the performance of the nuclear industry over the past 25 years and improved approaches of inspecting and assessing safety performance at NRC licensed plants.

The new process monitors licensee performance in three broad areas (called strategic performance areas): reactor safety (avoiding accidents and reducing the consequences of accidents if they occur), radiation safety (protecting plant employees and the public during routine operations), and safeguards (protecting the plant against sabotage or other security threats). The process focuses on licensee performance within each of seven cornerstones of safety in the three areas:

Reactor Safety	Radiation Safety	Safeguards
<ul style="list-style-type: none">● Initiating Events● Mitigating Systems● Barrier Integrity● Emergency Preparedness	<ul style="list-style-type: none">● Occupational● Public	<ul style="list-style-type: none">● Physical Protection

To monitor these seven cornerstones of safety, the NRC uses two processes that generate information about the safety significance of plant operations: inspections and performance indicators. Inspection findings will be evaluated according to their potential significance for safety, using the Significance Determination Process, and assigned colors of GREEN, WHITE, YELLOW or RED. GREEN findings are indicative of issues that, while they may not be desirable, represent very low safety significance. WHITE findings indicate issues that are of low to moderate safety significance. YELLOW findings are issues that are of substantial safety significance. RED findings represent issues that are of high safety significance with a significant reduction in safety margin.

Performance indicator data will be compared to established criteria for measuring licensee performance in terms of potential safety. Based on prescribed thresholds, the indicators will be classified by color representing varying levels of performance and incremental degradation in safety: GREEN, WHITE, YELLOW, and RED. GREEN indicators represent performance at a level requiring no additional NRC oversight beyond the baseline inspections. WHITE corresponds to performance that may result in increased NRC oversight. YELLOW represents performance that minimally reduces safety margin and requires even more NRC oversight. RED indicates performance that represents a significant reduction in safety margin but still provides adequate protection to public health and safety.

The assessment process integrates performance indicators and inspection so the agency can reach objective conclusions regarding overall plant performance. The agency will use an Action Matrix to determine in a systematic, predictable manner, which regulatory actions should be taken based on a licensee's performance. The NRC's actions in response to the significance (as represented by the color) of issues will be the same for performance indicators as for inspection findings. As a licensee's safety performance degrades, the NRC will take more and increasingly significant action, which can include shutting down a plant, as described in the Action Matrix.

More information can be found at: <http://www.nrc.gov/NRR/OVERSIGHT/index.html>.

SUMMARY OF FINDINGS

IR 05000263-01-12(DRS), on 02/12 - 02/16/2001, Nuclear Management Company, LLC, Monticello Nuclear Generating Plant. Licensed Operator Requalification Training Program.

The inspection was conducted by a regional senior operations specialist and license operator examiner. No findings of significance were identified.

Report Details

1. REACTOR SAFETY

1R11 Licensed Operator Requalification

.1 Review of Operating History - Effectiveness of Operator Training

a. Inspection Scope

The inspectors reviewed the plant's operating history from February 1999 through February 2001, to assess whether the Licensed Operator Requalification Training (LORT) program had addressed operator performance deficiencies noted in the plant.

b. Findings

No findings of significance were identified.

.2 Requalification Examination Material

a. Inspection Scope

The inspectors reviewed the annual requalification operating and written examination material to evaluate general quality, construction, and difficulty level. The operating examination material consisted of dynamic simulator scenarios and job performance measures (JPMs). The biennial written examination was administered during the previous annual examination and consisted of a combined "Plant and Control Systems," Section A static simulator and "Administrative Controls/Procedural Limits," Section B. The written examination material included a total of 50 open reference multiple choice questions. The inspectors reviewed the methodology for developing the examinations, including the LORT program two year sample plan, probabilistic risk assessment insights, previously identified operator performance deficiencies, and plant modifications. The inspectors assessed the level of examination material duplication during the current year annual examination (through three examinations) and with last year's annual examinations. The inspectors also interviewed members of the licensee's training staff and discussed various aspects of the examination development.

Specific documents reviewed for this inspection are listed in Enclosure 2.

b. Findings

No findings of significance were identified.

.3 Requalification Examination Administration Practices

a. Inspection Scope

The inspectors observed the administration of the requalification operating test to assess the licensee's effectiveness in conducting the test and to assess the facility

evaluators' ability to determine adequate performance using objective, measurable performance standards. The inspectors evaluated the performance of one operating shift crew during two dynamic simulator scenarios and five JPMs in parallel with the facility evaluators. The inspectors observed the training staff personnel administering the operating test, including pre-examination briefings, observations of operator performance, individual and crew evaluations after dynamic scenarios, techniques for JPM cuing, and the final evaluation briefing for licensed operators. The inspectors noted the performance of the simulator to support the examinations. The inspectors also reviewed the licensee's overall examination security program.

Specific documents reviewed for this inspection are listed in Enclosure 2.

b. Findings

No findings of significance were identified.

.4 Requalification Training Program Feedback Process

a. Inspection Scope

The inspectors assessed the methods and effectiveness of the licensee's processes for revising and maintaining its LORT program up to date, including the use of feedback from plant events and industry experience information. The inspectors interviewed licensee personnel (operators, instructors, training management, and operations management) and reviewed the applicable licensee's procedures. In addition, the inspectors reviewed Quality Assurance and Self-Assessment Audits.

Specific documents reviewed for this inspection are listed in Enclosure 2.

b. Findings

No findings of significance were identified.

.5 Remedial Training Program

a. Inspection Scope

The inspectors assessed the adequacy and effectiveness of the remedial training conducted since the previous annual requalification examinations and the training planned for the current examination cycle to ensure that they addressed weaknesses in licensed operator or crew performance identified during training and plant operations. The inspectors reviewed remedial training procedures and individual remedial training plans, and interviewed licensee personnel (operators, instructors, and training management). In addition, the inspectors reviewed the licensee's current examination cycle remediation packages for unsatisfactory operator performance on the written and operating examinations to ensure that remediation and subsequent re-evaluations were completed prior to returning individuals to licensed duties.

Specific documents reviewed for this inspection are listed in Enclosure 2.

b. Findings

No findings of significance were identified.

.6 Conformance with Operator License Condition

a. Inspection Scope

The inspectors evaluated the facility and individual operator licensees' conformance with the requirements of 10 CFR Part 55. The inspectors reviewed the facility licensee's program for maintaining active operator licenses, including the process for tracking on-shift hours for licensed operators. The inspectors also reviewed five (two ROs and three SROs) licensed operators' medical records maintained by the facility for ensuring the medical fitness of its licensed operators and to assess compliance with medical standards delineated in ANSI/ANS-3.4 and with 10 CFR Part 55.21 and Part 55.25.

Specific documents reviewed for this inspection are listed in Enclosure 2.

b. Findings

No findings of significance were identified.

4. OTHER ACTIVITIES

4OA6 Management Meetings

Exit Meeting Summary

The inspectors presented the inspection results to Mr. J. Morris and other members of licensee management at the conclusion of the inspection on February 16, 2001. The licensee acknowledged the observations and did not identify any information as proprietary.

PARTIAL LIST OF PERSONS CONTACTED

Licensee

J. Morris, Site General Manager
B. Day, Plant Manager
G. Lashinski, Operations Training Supervisor
M. Mitchell, Training Manager
E. Sopkin, General Superintendent Operations

NRC

D. Kimble, Site Resident Inspector

ITEMS OPENED, CLOSED, AND DISCUSSED

Opened

None

Closed

None

Discussed

None

LIST OF ACRONYMS USED

ADAMS	Agency Wide Documents Access and Management System
CFR	Code of Federal Regulations
DRS	Division of Reactor Safety
JPM	Job Performance Measure
LORT	Licensed Operator Requalification Training
NRC	Nuclear Regulatory Commission
PARS	Publicly Available Records
RO	Reactor Operator
SRO	Senior Reactor Operator

LIST OF DOCUMENTS REVIEWED

The following is a list of licensee documents reviewed during the inspection, including documents prepared by others for the licensee. Inclusion on this list does not imply that NRC inspectors reviewed the documents in their entirety, but rather that selected sections or portions of the documents were evaluated as part of the overall inspection effort.

Procedures/References

MTCP-03.32, Requalification Examination Control, Revision 6
 MTCP-03.34, Requalification Written Examination Question Development, Revision 3
 MTCP-03.35, Initial and Requalification Examination Security, Revision 2
 M-8100, Licensed Operator Training Program Description, Revision 13
 M-8100-01-001-QM, Control Room Operator Qualification Manual, Revision 4
 M-8100-01-TTL, Control Room Operator Total Task List
 M-8100-01-TTM, Control Room Operator Initial and Requal Task to Training Matrix, Revision 9
 M-8100-02-TTL, Shift Supervisor Total Task List, Revision 8
 M-8100-02-TTM, Shift Supervisor Task to Training Matrix
 M-9300-TTL, Shift Manager/Shift Technical Advisor Total Task List
 M-9300-TTM, SM/STA Initial and Requal Task to Training Matrix
 Procedure 2142, Monticello Active NRC SRO/RO Qualification Checklist, Revision 1
 Procedure 1440, NRC License Active Status Maintenance, Revision 4
 OWI-01.08, NRC License Maintenance Responsibilities, Revision 0

Licensed Operator Requalification Training Documentation

2001 Requal Class Schedule, Revision 0
 Year 2000 Operations Training Advisory Committee (OTAC) Minutes
 Operations Training Group 2000/2001 Licensed Operator Requalification Training Plan, Revision 0
 Simulator Open Items List, February 7, 2001
 Requalification Training Attendance Records (1999 - 2000)
 Monticello Operations and Training Performance Indicators

Other Material Reviewed

Control Room Operator Proficiency Log Records for the Current Training Period which Indicated the On-Shift Watch Standing Hours for Licensed Operators
 Medical Records for Five Licensed Operators (3 SROs and 2 ROs)NRC Plant Issues Matrix for Monticello, January 1, 1999 - February 9, 2001
 Licensee Event Reports for Monticello, January 1999 - January 2001
 NRC Resident Inspector and Operations Branch Inspection Reports for Monticello, January 1999 - January 2001
 Monticello Nuclear Site Organization Diagram
 Monticello Nuclear Generation Plant Operations Department Organization Effective February 6, 2000

Current and Previous Annual Examination Material and Documentation

MTF-8100-018, Licensed Operator Requalification Examination Sample Plan Worksheet for
Year 2000, Revision 2
Year 1999, Weeks 1 through 6, Written Examinations (Part A and Part B) for SROs and ROs
Year 2000 Operating Examination Evaluations for One Operations Crew and Five Individual
Licensed Operators
Year 2000 Annual Operating Examination, Weeks 1 through 4 Dynamic Simulator Scenarios
Year 2000 Annual Operating Examination, Weeks 1 through 4 JPMs
Remedial Training Packages for 1999 and 2000 Annual Operating Examinations

Assessments

Letter to Mike Mitchell From Robert M. Pudish; Subject: Periodic Review of M-8100 Procedures
Year 2000 Requalification Exam Summary Report
Mid-Cycle Performance Review and Inspection Plan - Monticello
Northern States Power Company Generation Quality Services Internal Audit Report (Plant
Operations Personnel Training), January 1, 2000 - March 31, 2000

Condition Reports (CR) Nos.

20010720; 20010768; 20010769; 20010772