

May 31, 2001

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

SUBJECT: ANNUAL ASSESSMENT LETTER - KEWAUNEE NUCLEAR PLANT
(REPORT 50-305/01-01)

Dear Mr. Reddemann:

On May 2, 2001, the NRC staff completed its End-of-Cycle plant performance assessment of Kewaunee. The End-of-Cycle review for Kewaunee involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period April 2, 2000, to March 31, 2001. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections which may conflict with your plant activities.

Overall, Kewaunee operated in a manner that preserved public health and safety and met all cornerstone objectives with minimal reduction in safety margin. Performance Indicators (PIs) for the most recent quarter were all Green. However, plant performance for the most recent quarter was within the Degraded Cornerstone Regulatory Response Column of the NRC's Action Matrix. This is based upon one Yellow and one White inspection finding identified in the third quarter of 2000 and first quarter of 2001, respectively, in the Emergency Preparedness cornerstone. The Yellow inspection finding was for an inadequate root cause evaluation for a previously reported Yellow PI associated with the Alert and Notification System (ANS). This resulted in a continuing Yellow PI for ANS in the subsequent quarter. The White inspection finding was for inadequate corrective action for Emergency Response Organization augmentation drill deficiencies.

As stated in our mid-cycle review letter dated November 29, 2000, we conducted two supplemental inspections in the Emergency Preparedness cornerstone for the Yellow ANS PI and identified deficiencies in the corrective action program. We were unable to close the Yellow ANS issue following these supplemental inspections because your root cause evaluation was not adequate. Additionally, we identified that inadequate corrective actions directly contributed to the White augmentation drill finding. Further evidence of problems in the corrective action program were identified during the conduct of the annual Problem Identification and Resolution inspection performed in the third quarter of 2000. Following this inspection you initiated significant changes to your Corrective Action Program and initiated action to complete a through root cause evaluation for the Yellow ANS PI. Based on a meeting

conducted at our regional office with your staff on January 10, 2001, and supplemental inspections conducted in February and March 2001 using Inspection Procedure 95002 to review your evaluations of the Yellow and White inspection findings, we concluded that your actions to address the issues were adequate.

The enclosure details the scheduled inspections that will occur through May 31, 2002. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. A special, non-baseline inspection using Procedure 50001 will be conducted from September to November 2001 to review steam generator replacement activities (including mechanical engineering, radiation protection, and security).

For your information, the NRC is in the process of aligning the inspection and assessment cycle with the calendar year. In order to transition to a calendar year cycle (January 1 - December 31), the next inspection and assessment cycle will consist of only three quarters (i.e., the second, third, and fourth calendar quarters of calendar year 2001). As a result, a quarterly review will be conducted for the third calendar quarter (July 1 - September 30) in lieu of a mid-cycle review. The impact on the inspection plan, which is included as an enclosure, is minimal. Activities planned for the transition cycle represent only 60-80 percent of those activities that would be accomplished during a typical 12-month inspection and assessment cycle.

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).

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the changes as soon as possible. Please contact Roger Lanksbury at (630) 829-9631 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

J. E. Dyer
Regional Administrator

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

Enclosure: Kewaunee Inspection/Activity Plan

See Attached Distribution

DOCUMENT NAME: G:\EOC letters\Kewaunee 2001.wpd

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M. Reddemann

-3-

cc w/encl: K. Hoops, Manager, Kewaunee Plant
D. Graham, Director, Bureau of Field Operations
Chairman, Wisconsin Public Service Commission
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