

June 28, 2002

Mr. Michael B. Sellman  
President and Chief Executive Officer  
Nuclear Management Company, LLC  
700 First Street  
Hudson, WI 54016

SUBJECT: NMC PLANTS - REPLY TO RESPONSE TO ORDER FOR INTERIM  
SAFEGUARDS AND SECURITY COMPENSATORY MEASURES  
(TAC NOS. MB4125, NB4139, MB4148, MB4157, MB4165, MB4166, MB4167,  
AND MB4168)

Dear Mr. Sellman:

On February 25, 2002, the U.S. Nuclear Regulatory Commission (NRC) issued Orders modifying the operating licenses for the Duane Arnold Energy Center, Kewaunee Nuclear Power Plant, Monticello Nuclear Generating Plant, Palisades Plant, Point Beach Nuclear Plant, Units 1 and 2, and Prairie Island Nuclear Generating Plant, Units 1 and 2, to require compliance with the specified interim safeguards and security compensatory measures. The interim compensatory measures (ICMs) were listed in Attachment 2 to the Orders. When issuing the Orders, the Commission recognized that you have voluntarily and responsibly implemented additional security measures following the events of September 11, 2001, but in light of the continuing generalized high-level threat environment, the Commission concluded that the security measures should be embodied in an Order consistent with the established regulatory framework.

The Orders required responses and actions within specified timeframes. Section III.A of the Orders required licensees to immediately start implementation of the requirements listed in Attachment 2 to the Orders and to complete implementation no later than August 31, 2002. Section III.B of the Orders required licensees to notify the Commission: (1) if they are unable to comply with the requirements described in Attachment 2, (2) if compliance with any of the requirements is unnecessary in their specific circumstances, (3) if implementation of any of the requirements would cause the licensee to be in violation of the provisions of any Commission regulation or the facility license, or (4) if implementation of any of the requirements described in Attachment 2 would adversely impact the safe operation of the facility. Section III.C.1 of the Orders required licensees to submit to the Commission, within 20 days of the date of the Orders, a schedule for achieving compliance with each requirement described in Attachment 2 to the Orders. Section IV of the Orders noted that in accordance with 10 C.F.R. § 2.202, the licensee must submit an answer to the Order and may request a hearing on the Order within 20 days of the date of the Order and, where good cause is shown, consideration would be given to extend the time to request a hearing.

In letters dated March 18, 2002, you submitted responses to the Orders for the Duane Arnold Energy Center, Kewaunee Nuclear Power Plant, Monticello Nuclear Generating Plant, Palisades Plant, Point Beach Nuclear Plant, Units 1 and 2, and Prairie Island Nuclear

M. Sellman

- 2 -

Generating Plant, Units 1 and 2. You did not request either an extension of time to respond to the ICMs or an extension of time in which to request a hearing. Your letter of June 11, 2002, provided supplementary information.

The NRC staff has reviewed your responses and finds that you have satisfied the current reporting requirements of the Orders.

The NRC will determine the effectiveness of your implementation of the ICMs through onsite inspections. I would like to remind you that, pursuant to Section III.C.2 of the Orders, you are to report to the Commission when you have achieved full compliance with the requirements described in Attachment 2 to the Orders.

Please contact John Lamb at (301) 415-1446 if you have any other questions on these issues.

Sincerely,

*/RA/*

John A. Zwolinski, Director  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Docket Nos. 50-331, 50-305, 50-263, 50-255  
50-266, 50-301, 50-282, and 50-306

cc: See next page

M. Sellman

- 2 -

Generating Plant, Units 1 and 2. You did not request either an extension of time to respond to the ICMs or an extension of time in which to request a hearing. Your letter of June 11, 2002, provided supplementary information.

The NRC staff has reviewed your responses and finds that you have satisfied the current reporting requirements of the Orders.

The NRC will determine the effectiveness of your implementation of the ICMs through onsite inspections. I would like to remind you that, pursuant to Section III.C.2 of the Orders, you are to report to the Commission when you have achieved full compliance with the requirements described in Attachment 2 to the Orders.

Please contact John Lamb at (301) 415-1446 if you have any other questions on these issues.

Sincerely,

*/RA/*

John A. Zwolinski, Director  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Docket Nos. 50-331, 50-305, 50-263, 50-255  
50-266, 50-301, 50-282, and 50-306

cc: See next page

DISTRIBUTION:

PUBLIC	OGC	SCollins/JJohnson	ACRS/ACNW	LRaghavan
BSheron	SECY	WBorchardt	Ghill	MRing, RIII
LMarsh	PDIII-1 Reading	BBoger	RMartin	AVegel, RIII
VDricks	RAIbert	JShea	RSullivan	RLanksbury, RIII
GTracy	VOrdaz	RCrlenjak	JBelanger	
RPalla	RBouling	TKoshy	JLamb	
DHood	SMiranda	TJKim	DSpaulding	

ADAMS Accession No. ML021700041

\*With no legal objection

OFFICE	DLPM/PM	EP	DSSA	DIPM	NSIR	OGC*
NAME	RMartin	KGibson	MRubin	WDean	JPeralta for AMadison	JGoldberg
DATE	06/26/02	06/21/02	06/25/02	06/26/02	06/25/02	06/26/02

OFFICE	PDIII-1/PM	PDIII-1/LA	PDIII-1/SC	PDIII/D	DLPM/D
NAME	DHood for JLamb	RBouling	LRaghavan	SBajwa	JZwolinski
DATE	06/20/02	06/19/02	06/20/02	06/26/02	06/26/02

OFFICIAL RECORD COPY

Duane Arnold Energy Center

cc:

Mr. Al Gutterman  
Morgan, Lewis & Bockius LLP  
111 Pennsylvania Avenue NW  
Washington, DC 20004

Chairman, Linn County  
Board of Supervisors  
Cedar Rapids, IA 52406

Plant Manager, Nuclear  
Duane Arnold Energy Center  
Nuclear Management Company, LLC  
3277 DAEC Road  
Palo, IA 52324

U.S. Nuclear Regulatory Commission  
Resident Inspector's Office  
Rural Route #1  
Palo, IA 52324

Regional Administrator  
U.S. NRC, Region III  
801 Warrenville Road  
Lisle, IL 60532-4531

Daniel McGhee  
Utilities Division  
Iowa Department of Commerce  
Lucas Office Building, 5th floor  
Des Moines, IA 50319

Mr. Roy A. Anderson  
Executive Vice President and  
Chief Nuclear Officer  
Nuclear Management Company, LLC  
700 First Street  
Hudson, WI 54016

Nuclear Asset Manager  
Alliant Energy/IES Utilities, Inc.  
3277 DAEC Road  
Palo, IA 52324

Mr. Gary Van Middlesworth  
Site Vice President  
Duane Arnold Energy Center  
Nuclear Management Company, LLC  
3277 DAEC Road  
Palo, IA 52324

Kewaunee Nuclear Power Plant

cc:

Foley & Lardner  
ATTN: Bradley D. Jackson  
One South Pinckney Street  
P.O. Box 1497  
Madison, WI 53701-1497

Chairman  
Town of Carlton  
Route 1  
Kewaunee, WI 54216

Mr. Gerald Novickis, Chairman  
Kewaunee County Board  
Kewaunee County Courthouse  
613 Dodge Street  
Kewaunee, WI 54216

Attorney General  
114 East, State Capitol  
Madison, WI 53702

U.S. Nuclear Regulatory Commission  
Resident Inspectors Office  
Route #1, Box 999  
Kewaunee, WI 54216

Regional Administrator - Region III  
U.S. Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, IL 60532-4531

James D. Loock, Chief Engineer  
Public Service Commission  
of Wisconsin  
610 N. Whitney Way  
Madison, WI 53707-7854

Mr. Roy A. Anderson  
Executive Vice President and  
Chief Nuclear Officer  
Nuclear Management Company, LLC  
700 First Street  
Hudson, WI 54016

Nuclear Asset Manager  
Wisconsin Public Service Corporation  
600 N. Adams Street  
Green Bay, WI 54307-9002

Plant Manager  
Kewaunee Nuclear Power Plant  
Nuclear Management Company, LLC  
North 490, Highway 42  
Kewaunee, WI 54216-9511

Mr. Mark Warner  
Site Vice President  
Kewaunee Nuclear Power Plant  
Nuclear Management Company, LLC  
6610 Nuclear Road  
Two Rivers, WI 54241

Monticello Nuclear Generating Plant

cc:

J. E. Silberg, Esquire  
Shaw, Pittman, Potts and Trowbridge  
2300 N Street, N. W.  
Washington, DC 20037

U.S. Nuclear Regulatory Commission  
Resident Inspector's Office  
2807 W. County Road 75  
Monticello, MN 55362

Site Licensing Manager  
Monticello Nuclear Generating Plant  
Nuclear Management Company, LLC  
2807 West County Road 75  
Monticello, MN 55362-9637

Robert Nelson, President  
Minnesota Environmental Control  
Citizens Association (MECCA)  
1051 South McKnight Road  
St. Paul, MN 55119

Commissioner  
Minnesota Pollution Control Agency  
520 Lafayette Road  
St. Paul, MN 55155-4194

Regional Administrator, Region III  
U.S. Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, IL 60532-4351

Commissioner  
Minnesota Department of Health  
717 Delaware Street, S. E.  
Minneapolis, MN 55440

Douglas M. Gruber, Auditor/Treasurer  
Wright County Government Center  
10 NW Second Street  
Buffalo, MN 55313

Commissioner  
Minnesota Department of Commerce  
121 Seventh Place East  
Suite 200  
St. Paul, MN 55101-2145

Adonis A. Neblett  
Assistant Attorney General  
Office of the Attorney General  
445 Minnesota Street  
Suite 900  
St. Paul, MN 55101-2127

Mr. Roy A. Anderson  
Executive Vice President and  
Chief Nuclear Officer  
Nuclear Management Company, LLC  
700 First Street  
Hudson, WI 54016

Nuclear Asset Manager  
Xcel Energy, Inc.  
414 Nicollet Mall  
Minneapolis, MN 55401

Mr. Jeffrey S. Forbes  
Site Vice President  
Monticello Nuclear Generating Plant  
Nuclear Management Company, LLC  
2807 West County Road 75  
Monticello, MN 55362-9637

March 2002

Palisades Plant

cc:

Mr. Robert A. Fenech, Senior Vice President  
Nuclear, Fossil, and Hydro Operations  
Consumers Energy Company  
212 West Michigan Avenue  
Jackson, MI 49201

Arunas T. Udryns, Esquire  
Consumers Energy Company  
212 West Michigan Avenue  
Jackson, MI 49201

Regional Administrator, Region III  
U.S. Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, IL 60532-4351

Supervisor  
Covert Township  
P. O. Box 35  
Covert, MI 49043

Office of the Governor  
P. O. Box 30013  
Lansing, MI 48909

U.S. Nuclear Regulatory Commission  
Resident Inspector's Office  
Palisades Plant  
27782 Blue Star Memorial Highway  
Covert, MI 49043

Drinking Water and Radiological  
Protection Division  
Michigan Department of  
Environmental Quality  
3423 N. Martin Luther King Jr Blvd  
P. O. Box 30630 CPH Mailroom  
Lansing, MI 48909-8130

Michigan Department of Attorney General  
Special Litigation Division  
630 Law Building  
P.O. Box 30212  
Lansing, MI 48909

Mr. Roy A. Anderson  
Executive Vice President and  
Chief Nuclear Officer  
Nuclear Management Company, LLC  
700 First Street  
Hudson, WI 54016

Laurie A. Lahti  
Manager - Licensing  
Nuclear Management Company, LLC  
27780 Blue Star Memorial Highway  
Covert, MI 49043

Steven T. Wawro  
Nuclear Asset Director  
Consumers Energy Company  
Palisades Plant  
27780 Blue Star Memorial Highway  
Covert, MI 49043

Mr. John Paul Cowan  
Senior Vice President  
Palisades Plant  
Nuclear Management Company, LLC  
27780 Blue Star Memorial Highway  
Covert, MI 49043

Mr. Douglas E. Cooper  
Site Vice President  
Palisades Plant  
27780 Blue Star Memorial Highway  
Covert, MI 49043

March 2002

Point Beach Nuclear Plant, Units 1 and 2

cc:

Mr. John H. O'Neill, Jr.  
Shaw, Pittman, Potts & Trowbridge  
2300 N Street, NW  
Washington, DC 20037-1128

Mr. Richard R. Grigg  
President and Chief Operating Officer  
Wisconsin Electric Power Company  
231 West Michigan Street  
Milwaukee, WI 53201

Site Licensing Manager  
Point Beach Nuclear Plant  
Nuclear Management Company, LLC  
6610 Nuclear Road  
Two Rivers, WI 54241

Mr. Ken Duveneck  
Town Chairman  
Town of Two Creeks  
13017 State Highway 42  
Mishicot, WI 54228

Chairman  
Public Service Commission  
of Wisconsin  
P.O. Box 7854  
Madison, WI 53707-7854

Regional Administrator, Region III  
U.S. Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, IL 60532-4351

Resident Inspector's Office  
U.S. Nuclear Regulatory Commission  
6612 Nuclear Road  
Two Rivers, WI 54241

Ms. Sarah Jenkins  
Electric Division  
Public Service Commission of Wisconsin  
P.O. Box 7854  
Madison, WI 53707-7854

Mr. Roy A. Anderson  
Executive Vice President and  
Chief Nuclear Officer  
Nuclear Management Company, LLC  
700 First Street  
Hudson, WI 54016

Nuclear Asset Manager  
Wisconsin Electric Power Company  
231 West Michigan Street  
Milwaukee, WI 53201

Mr. Mark Reddemann  
Site Vice President  
Point Beach Nuclear Plant  
Nuclear Management Company, LLC  
6610 Nuclear Road  
Two Rivers, WI 54241

March 2002

Prairie Island Nuclear Generating Plant,  
Units 1 and 2

cc:

J. E. Silberg, Esquire  
Shaw, Pittman, Potts and Trowbridge  
2300 N Street, N. W.  
Washington, DC 20037

Site Licensing Manager  
Prairie Island Nuclear Generating Plant  
Nuclear Management Company, LLC  
1717 Wakonade Drive East  
Welch, MN 55089

Adonis A. Neblett  
Assistant Attorney General  
Office of the Attorney General  
455 Minnesota Street  
Suite 900  
St. Paul, MN 55101-2127

U.S. Nuclear Regulatory Commission  
Resident Inspector's Office  
1719 Wakonade Drive East  
Welch, MN 55089-9642

Regional Administrator, Region III  
U.S. Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, IL 60532-4351

Administrator  
Goodhue County Courthouse  
Box 408  
Red Wing, MN 55066-0408

Commissioner  
Minnesota Department of Commerce  
121 Seventh Place East  
Suite 200  
St. Paul, MN 55101-2145

Tribal Council  
Prairie Island Indian Community  
ATTN: Environmental Department  
5636 Sturgeon Lake Road  
Welch, MN 55089

Mr. Roy A. Anderson  
Executive Vice President and  
Chief Nuclear Officer  
Nuclear Management Company, LLC  
700 First Street  
Hudson, WI 54016

Nuclear Asset Manager  
Xcel Energy, Inc.  
414 Nicollet Mall  
Minneapolis, MN 55401

Mr. Mano Nazar  
Site Vice President  
Prairie Island Nuclear Generating Plant  
Nuclear Management Company, LLC  
1717 Wakonade Drive East  
Welch, MN 55089

March 2002