

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

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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 -

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*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

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March 2002

Palisades Plant

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Point Beach Nuclear Plant, Units 1 and 2

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