

September 12, 2002

EA-02-049

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

SUBJECT: FINAL SIGNIFICANCE DETERMINATION FOR A WHITE FINDING  
POINT BEACH NUCLEAR PLANT, UNITS 1 AND 2  
NRC INSPECTION REPORT 50-266/02-04(DRS); 50-301/02-04(DRS)

Dear Mr. Cayia:

The purpose of this letter is to provide you with the final results of our significance determination of the preliminary finding identified in NRC Inspection Report 50-266/02-04(DRS); 50-301/02-04(DRS). The inspection finding was assessed using the Significance Determination Process (SDP) and was preliminarily characterized as a White finding (i.e., an issue with increased importance to safety, which may require additional NRC inspections). The finding involved the adequacy of your staff's critique of two performance issues during the biennial emergency preparedness exercise that was conducted on February 12, 2002.

At the request of Mark Warner, a Regulatory Conference was initially scheduled for June 25, 2002, to further discuss your views on these critique issues. However, in a telephone conversation with Mr. J. Grobe of the NRC Region III office on June 24, 2002, Mr. Warner indicated that Nuclear Management Company would submit additional information on this issue rather than discuss the issue in a Regulatory Conference. As a result of the June 24, 2002 telephone conversation, the planned Regulatory Conference was canceled.

The Nuclear Management Company's submittal, dated June 27, 2002, acknowledged that your staff's critique of the initial offsite Protective Action Recommendation (PAR) should have identified that the relevant implementing procedure was "ambiguous and lacked adequate guidance" and that the initial PAR was not as predicted by the exercise's scenario. However, the submittal indicated your conclusions that this PAR was technically correct and was a successful performance indicator opportunity. The submittal also indicated the bases of your position that the failure to identify the PAR procedure problem during the exercise critique had very low safety significance such that NRC's preliminary finding should be re-categorized from White to Green.

After considering the information developed during the inspection, including feedback obtained during the April 2002 exit interview, and the additional information contained in your June 27

submittal, the NRC has concluded that the inspection finding is appropriately characterized as a White finding (i.e., an issue with increased importance to safety, which may require additional NRC inspections).

The NRC determined that the safety significance of the finding was White because your critique did not identify an inaccurate PAR development, which is considered a failure to identify an exercise weakness associated with a risk significant planning standard (RSPS) as required by 10 CFR 50.47(b)(14) and Appendix E, Section IV.F.2.g. We do not agree that the initial PAR was technically correct and was a successful performance indicator opportunity. For example, dose projections did not indicate that the lower dose limit for either thyroid or total effective dose equivalent, as stated in the Environmental Protection Agency's Manual of Protective Action Guides, would have been met or exceeded in Sectors L and Q beyond two miles from the site. Instead, your submittal refers to confusing and vague guidance as a reason for your exercise participants' addition of Sectors L and Q to Sectors M, N, and P in the initial PAR beyond two miles from the site. Your critique should have identified that plant staff performance resulted in an inaccurate PAR for the conditions, which may have been attributed to confusing and vague guidance when making the PAR recommendation. Also, in accordance with Appendix B of NRC Manual Chapter 0609, a failure to identify an RSPS weakness during a drill or exercise critique has low to moderate (White), rather than very low (Green) safety significance. While the inaccurate PAR did not adversely impact offsite officials' decisions in this specific scenario, the concern is more than minor since your staff's critique failed to recognize a weakness in performance of an RSPS and thereby missed an opportunity to correct that area as directed by 10 CFR 50, Appendix E, III.F.(g). This issue is appropriately characterized as White.

Regarding the second exercise critique issue on the decision to commence the simulated evacuation of non-essential personnel from the site after all onsite personnel had been accounted for, we understand that you concur with NRC's assessment that this simulated evacuation was not timely and should have been identified in your staff's exercise critique. You concluded that your staff's failure to identify this weakness during the exercise critique should be characterized as a Green finding per Appendix B to NRC Manual Chapter 0609, since the applicable portion of 10 CFR 50.47(b)(10) is not an RSPS. Please be advised that this issue would have been characterized as a Green finding had it been NRC's only issue regarding the adequacy of your staff's exercise critique, which it was not. We determined that it was inappropriate to issue separate White and Green findings on the critique related issues when both issues were associated with the critique for one exercise. In accordance with Manual Chapter 0305, we grouped both critique issues as one finding and assigned a safety significance to this single finding that was based on the more risk-significant of the two issues.

In addition, during the inspection of your August 1, 2002 emergency preparedness drill, NRC inspectors identified issues that were potentially similar to the issues discussed in this letter. These issues will be documented as an unresolved item in NRC Inspection Report 50-266/02-10; 50-301/02-10 and will be reviewed further by the NRC.

You have 30 calendar days from the date of this letter to appeal the staff's determination of significance for the identified White finding. Such appeals will be considered to have merit only if they meet the criteria given in NRC Inspection Manual, Chapter 0609, Attachment 2.

Because plant performance for this issue has been determined to be in the regulatory response band, we will use the NRC Action Matrix to determine the most appropriate NRC response for this event. We will notify you by separate correspondence of that determination.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter 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/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

*/RA/*

J. E. Dyer  
Regional Administrator

Docket Nos. 50-266; 50-301  
License Nos. DPR-24; DPR-27

cc: R. Grigg, President and Chief  
Operating Officer, WEPCo  
R. Anderson, Executive Vice President  
and Chief Nuclear Officer  
T. Webb, Licensing Manager  
D. Weaver, Nuclear Asset Manager  
T. Taylor, Plant Manager  
J. O'Neill, Jr., Shaw, Pittman,  
Potts & Trowbridge  
K. Duvenceck, Town Chairman  
Town of Two Creeks  
D. Graham, Director  
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A. Bie, Chairperson, Wisconsin  
Public Service Commission  
S. Jenkins, Electric Division  
Wisconsin Public Service Commission  
State Liaison Officer  
W. Curtis, FEMA, Region V

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**/RA/**  
 J. E. Dyer  
 Regional Administrator

Docket Nos. 50-266; 50-301  
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**\*See Previous Concurrence**

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