

March 4, 2003

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

SUBJECT: ANNUAL ASSESSMENT LETTER - POINT BEACH NUCLEAR PLANT
(REPORT 50-266/03-01, 50-301/03-01)

Dear Mr. Cayia:

On February 12, 2003, the NRC staff completed its end-of-cycle plant performance assessment of the Point Beach Nuclear Plant. The end-of-cycle review for the Point Beach Nuclear Plant involved the participation of all technical divisions in evaluating performance indicators for the most recent quarter and inspection results for the period from January 1 through December 31, 2002. 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 that may conflict with your plant activities.

Overall, Point Beach Nuclear Plant operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter was within the Regulatory Response Column of the NRC's Action Matrix based on two White findings, one in the Mitigating Systems Cornerstone associated with Unit 2, and one in the Emergency Preparedness Cornerstone associated with both units. However, a determination will soon be made as to whether or not the final Red finding, associated with the potential for common mode failure of the auxiliary feed water system due to a loss of instrument air and previously communicated to you in our final significance determination letter of July 12, 2002, will be treated as an Old Design Issue. Also, in the near term, we expect to complete our initial risk evaluation and assessment of a current issue associated with another potential common mode failure of the auxiliary feed water (AFW) system. This potential common mode failure was identified in October 2002 and is associated with the potential plugging of system recirculation orifices. If the final Red finding associated with the loss of instrument air does not warrant treatment as an Old Design Issue, then Point Beach will be placed in the Multiple/Repetitive Degraded Cornerstone Column of the Action Matrix and appropriate actions will be taken. We will notify you via separate correspondence of our determination regarding the Old Design Issue and our preliminary risk evaluation and assessment of the current orifice plugging potential common mode failure issue.

While plant performance for the most recent quarter is within the Regulatory Response Column of the Action Matrix, there were additional safety significant inspection findings and

performance indicators during the first three quarters of the assessment cycle that kept Point Beach within the Regulatory Response Column. Associated with Unit 1, the performance indicator for Scrams With Loss of Normal Heat Removal was White during the first quarter. This performance indicator returned to Green in the second quarter, but Unit 1 remained in the Regulatory Response Column during the remainder of the assessment period due to a White Emergency Preparedness inspection finding from the second quarter. This White Emergency Preparedness finding was associated with a February 2002 biennial exercise. For Unit 2, there was one White finding in the Mitigating Systems Cornerstone associated with failure of a Safety Injection pump during the first quarter and the White Emergency Preparedness inspection finding from the second quarter.

Additionally, the staff has identified a substantive cross-cutting issue in the area of Problem Identification and Resolution. This was based on the White findings involving the Safety Injection pump and Emergency Preparedness and four Green findings. The four Green findings involved the flooding of manholes containing plant equipment, repeat problems with cold weather preparations, delayed maintenance rule action for the G05 gas turbine, and an inadequate extent of condition review when addressing a steam generator narrow range level detector problem. The White and Green findings are substantive in that ineffective evaluation of performance deficiencies, untimely and ineffective corrective actions, and lack of coordination between licensee departments are causally linked in more than one cornerstone.

The enclosed inspection plan details the inspections scheduled through March 31, 2004. In addition to baseline inspections, there will be a 95001 Supplemental Inspection conducted in March 2003 to review the White inspection finding in the Emergency Preparedness area. Also, there will be inspections of plant security in August 2003, and of the Unit 2 reactor head and head penetration nozzles in October 2003. 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. The inspections in the last six months of the inspection plan are tentative and may be revised at the mid-cycle review meeting. Additional inspections not shown on the plan may be required if the NRC concludes that the Red AFW finding is not an Old Design Issue, or if the current AFW recirculation orifice plugging issue results in a finding of more than very low safety significance. You will be notified by separate correspondence if additional inspections are to be conducted.

As you are aware, since the terrorist attacks on September 11, 2001, the NRC has issued several Orders and Threat Advisories to enhance security capabilities and improve guard force readiness. We have conducted inspections to review your implementation of these requirements and have monitored your actions in response to changing threat conditions. For calendar year 2003, we plan to continue these inspections and conduct portions of the security baseline inspection program, as well as perform additional inspections to evaluate your compliance with new requirements that may be ordered. Based on our final determinations in this regard, we will notify you of any inspection plan changes.

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

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact Kenneth Riemer at 630-829-9757 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

J. E. Dyer
Regional Administrator

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

Enclosure: Point Beach Nuclear Plant Inspection/Activity Plan

See Attached Distribution

A. Cayia

-3-

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J. E. Dyer
Regional Administrator

Docket Nos. 50-266, 50-301
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Enclosure: Point Beach Nuclear Plant Inspection/Activity Plan

See Attached Distribution

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SRI Point Beach

DRPIII

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JRK1

Point Beach
Inspection / Activity Plan
03/01/2003 - 03/31/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	IP 95001	- SUPPLEMENTAL INSP: ONE WHITE EP FINDING	2			
1, 2	IP 95001	Supplemental Inspection For One Or Two White Inputs In A Strategic Performance Area		03/03/2003	03/07/2003	Supplemental Program
	MR	- MAINTENANCE RULE	1			
1	IP 7111112B	Maintenance Effectiveness		04/28/2003	05/03/2003	Baseline Inspections
	7112203	- RADIOLOGICAL ENVIRONMENTAL MONITORING	1			
1, 2	IP 7112203	Radiological Environmental Monitoring Program		05/12/2003	05/16/2003	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		05/12/2003	05/16/2003	Baseline Inspections
	TI 148	- TI2515/148 SECURITY ICMS	4			
1, 2	IP 2515/148	Inspection of Nuclear Reactor Safeguards - Interim Compensatory Measures		08/04/2003	08/08/2003	Safety Issues
	FY 2003	- POINT BEACH INIT PREP 09/2003	3			
1	W90082	OL - INITIAL EXAM - POINT BEACH - SEP/OCT 2003		08/25/2003	08/29/2003	Not Applicable
	7112102	- RP ALARA INSPECTION (OUTAGE)	1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		09/22/2003	09/26/2003	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		09/22/2003	09/26/2003	Baseline Inspections
	FY 2004	- POINT BEACH INIT EXAM 10/2003	3			
1	W90082	OL - INITIAL EXAM - POINT BEACH - SEP/OCT 2003		09/29/2003	10/03/2003	Not Applicable
	71111.08	- ISI AND TI-150 FOR UNIT 2	1			
2	IP 2515/150	Reactor Pressure Vessel Head and Vessel Head Penetration Nozzles (NRC Bulletin 2002-02)		10/06/2003	10/25/2003	Safety Issues
2	IP 7111108P	Inservice Inspection Activities - PWR		10/06/2003	10/25/2003	Baseline Inspections
	71114	- BASELINE EP INSPECTION	1			
1, 2	IP 7111402	Alert and Notification System Testing		10/27/2003	10/31/2003	Baseline Inspections
1, 2	IP 7111403	Emergency Response Organization Augmentation Testing		10/27/2003	10/31/2003	Baseline Inspections
1, 2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		10/27/2003	10/31/2003	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		10/27/2003	10/31/2003	Baseline Inspections
	71111.11	- LIC OPERATOR REQUAL PROGRAM EVALUATION	2			
1, 2	IP 7111111B	Licensed Operator Requalification		11/17/2003	11/21/2003	Baseline Inspections
	MOD50.59	- MODIFICATIONS & 50.59	4			
1, 2	IP 7111102	Evaluation of Changes, Tests, or Experiments		12/15/2003	12/19/2003	Baseline Inspections
1, 2	IP 7111117B	Permanent Plant Modifications		12/15/2003	12/19/2003	Baseline Inspections
	7112202	- RP RAD MAT'L TRANSPORTATION INSPECTION	1			
1, 2	IP 7112202	Radioactive Material Processing and Transportation		12/15/2003	12/19/2003	Baseline Inspections
	71121.02	- ALARA PLANNING AND CONTROL	1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		01/12/2004	01/16/2004	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		01/12/2004	01/16/2004	Baseline Inspections

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.

Point Beach
Inspection / Activity Plan
03/01/2003 - 03/31/2004

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				Start	End	
71121.02 - ALARA PLANNING AND CONTROL			1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		03/29/2004	04/02/2004	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		03/29/2004	04/02/2004	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		03/29/2004	04/02/2004	Baseline Inspections

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