

June 3, 2003

10 CFR 2.202  
10 CFR 50.4

Secretary  
Office of the Secretary of the Commission  
U.S. Nuclear Regulatory Commission  
ATTN: Rulemakings and Adjudications Staff  
Washington, DC 20555-0001

DUANE ARNOLD ENERGY CENTER  
DOCKET 50-331  
LICENSE DPR-49

PALISADES NUCLEAR PLANT  
DOCKET 50-255  
LICENSE DPR-20

KEWAUNEE NUCLEAR POWER PLANT  
DOCKET 50-305  
LICENSE DPR-43

POINT BEACH NUCLEAR PLANT  
UNITS 1 AND 2  
DOCKETS 50-266 AND 50-301  
LICENSES DPR-24 and DPR-27

MONTICELLO NUCLEAR GENERATING PLANT  
DOCKET 50-263  
LICENSE DPR-22

PRAIRIE ISLAND NUCLEAR  
GENERATING PLANT UNITS 1 AND 2  
DOCKETS 50-282 AND 50-306  
LICENSES DPR-40 AND DPR-60

EA-03-086  
ANSWER, RESPONSE AND REQUEST FOR CLARIFICATION IN RESPONSE TO  
APRIL 29, 2003, ORDER REQUIRING COMPLIANCE WITH REVISED  
DESIGN BASIS THREAT FOR OPERATING POWER REACTORS

Section IV of the April 29, 2003, Order Requiring Compliance with Revised Design Basis Threat for Operating Power Reactors (EA-03-086) ("Order") states that, in accordance with 10 CFR 2.202, a licensee must submit an answer to the Order and may request a hearing on the Order within 35 days of the date of the Order.

This letter constitutes the answer (pursuant to 10 CFR 2.202 and Section IV) and response (pursuant to 10 CFR 50.4 and Sections III.A.1, B.1 and B.2) of Nuclear Management Company, LLC (NMC) to the Order.

Section II of the Order states that "[i]n order to provide assurance that licensees are implementing prudent measures to protect against the revised DBT, all licenses identified in Attachment 1 to this Order shall be modified to require that the physical security plans, safeguards contingency plans, and the guard training and qualification plans required by 10 CFR 50.34(c), 50.34(d), and 73.55(b)(4)(ii) be revised to provide protection against this revised DBT."

NMC consents to the Order and does not request a hearing. NMC notes the request for clarification of five DBT issues provided in the safeguards attachment to the letter from Mr. Colvin, President and CEO of the Nuclear Energy Institute, to Chairman Diaz dated

May 16, 2003. We encourage the Commission to respond to this request as soon as possible, as the Commission's clarifications may affect the manner of NMC's compliance with the Order.

Because the NRC has used force-on-force testing as a standard by which compliance with the DBT was evaluated, NMC also requests that the NRC provide a clear definition of the objectives and criteria for force-on-force exercises so appropriate revisions can be made to NMC's safeguards contingency plans, security plans and security officer training and qualification plans.

Specifically, NMC requests a clear explanation of the purpose of the force-on-force exercise (e.g., is the purpose of force-on-force exercises for security officer training, or to evaluate licensee compliance with the Design Basis Threat?). Similarly, the success criteria for the force-on-force exercise need to be established (e.g., is the criterion prevention of a large offsite release which would be consistent with the basis for risk-informing NRC regulations, or some other criteria?). Finally, if a force-on-force exercise is going to be used as a performance test of the licensee's ability to protect against the Design Basis Threat, a clear definition of adversary rules of engagement and adversary tactics is needed to provide appropriate predictability and stability in the regulatory program. Absent these clarifications, the standard by which licensee performance will be measured will continue to be a constantly moving target which is counter to the Commission's Principles of Good Regulation.

To enable NMC to meet the compliance dates specified in the Order, the requested clarifications are needed as soon as possible. If the clarifications cannot be provided by October 1, 2003, we respectfully request that the Director, Nuclear Reactor Regulation, extend the dates for submitting the revision to the security plan, safeguards contingency plan, training and qualification plan, and full implementation of the Order on a day-for-day basis until such clarifications are provided.

NMC also confirms its understanding that the Commission intends to exercise enforcement discretion to accommodate issues which may arise as licensees, in good faith, take reasonable actions to implement the specific requirements of this Order. We further understand that the Commission will exercise enforcement discretion for the period necessary to resolve such issues, and to integrate the requirements of this Order with the Orders issued February 25, 2002, as well as with other pertinent regulatory requirements, and our safeguards contingency plans, security plans and security officer training and qualification plans.



Jeffrey S. Forbes  
Senior Vice President  
Nuclear Management Company, LLC

Cc: Director, Office of Nuclear Reactor Regulation, USNRC  
Assistant General Counsel for Materials Litigation and Enforcement, USNRC  
Regional Administrator, USNRC Region III  
Project Managers, Office of Nuclear Reactor Regulation (Duane Arnold Energy Center, Kewaunee Nuclear Power Plant, Monticello Nuclear Generating Plant, Palisades Nuclear Plant, Point Beach Nuclear Plant, Prairie Island Nuclear Generating Plant)

NRC Resident Inspectors (Duane Arnold Energy Center, Kewaunee Nuclear Power Plant, Monticello Nuclear Generating Plant, Palisades Nuclear Plant, Point Beach Nuclear Plant, Prairie Island Nuclear Generating Plant)