

March 11, 2004

EA-03-057

Mr. Gary D. Van Middlesworth
Site Vice-President
Point Beach Nuclear Plant
Nuclear Management Company, LLC
6610 Nuclear Road
Two Rivers, WI 54241-9516

SUBJECT: PUBLIC MEETING WITH THE NRC EXECUTIVE DIRECTOR FOR
OPERATIONS

Dear Mr. Van Middlesworth:

On February 20, 2004, a public meeting was held between Dr. William Travers, the NRC Executive Director for Operations, Mr. James Caldwell, the NRC Region III Regional Administrator, and members of their staff, and you, Messrs. Michael Sellman, John Paul Cowan, and Douglas Cooper, and other senior managers of the Nuclear Management Company (NMC). The purpose of the meeting was for the Executive Director for Operations and the Regional Administrator to discuss with senior NMC officials the results of the NRC Inspection Procedure (IP) 95003 supplemental inspection and recent performance of Point Beach.

The meeting, a public, regulatory performance meeting, was conducted in accordance with the guidance in Inspection Manual Chapter (IMC) 0305, "Operating Reactor Assessment Program." During this meeting, the NRC Executive Director for Operations and the Regional Administrator discussed with you and other senior NMC managers the NRC's overall assessment of Point Beach performance and our intent to closely monitor your progress in addressing the identified problem areas. NRC managers stated that Point Beach was being operated safely but that the two Red findings related to the AFW system has resulted in increased regulatory oversight being warranted. The NRC further stated that the recently completed IP 95003 inspection should have only served to confirm that NMC had identified and had corrected or had plans to correct problems at Point Beach. Instead, the inspection identified problems in the emergency preparedness program that had not been identified by NMC. In addition, the IP 95003 inspection team identified problems with the implementation of corrective actions related to the AFW findings, engineering program issues, and operations engineering interface issues. Overall, the NRC determined that Point Beach was effective in identifying problems, but was inconsistent in effectively evaluating and fixing the problems.

Nuclear Management Company officials acknowledged the results of the IP 95003 inspection and emphasized that improving performance and sustaining that improvement at Point Beach was the priority of NMC. The officials stated that in the past, Point Beach management has been inconsistent in effectively addressing equipment and personnel performance issues, but that NMC has recently hired and assigned to Point Beach managers with no previous affiliation with the plant and whose mission was to affect long-lasting, improved performance. The licensee then briefly described its improvement initiatives in problem areas, including the interface of operations and engineering, control of design basis documents, upgrade of calculations, and the conduct of corrective action effectiveness reviews.

A listing of principal NMC and NRC meeting attendees and a copy of the slides shown at the meeting by the NRC are enclosed as Enclosures 1 and 2 to this letter.

In accordance with 10 CFR 2.390 of the NRC's "Rule of Practice," a copy of this letter and its enclosures will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records System (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 you have any questions regarding this conference, please contact Patrick Loudon at (630) 829-9627.

Sincerely,

/RA/

Anton Vegel, Chief
Reactor Projects Branch 7

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

- Enclosures: 1. List of Principal Attendees
2. NRC Slides

See Attached Distribution

See Previous Concurrence

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cc w/encls: R. Kuester, President and Chief
Executive Officer, We Generation
J. Cowan, Executive Vice President
Chief Nuclear Officer
D. Cooper, Senior Vice President, Group Operations
D. Weaver, Nuclear Asset Manager
Plant Manager
Regulatory Affairs Manager
Training Manager
J. Rogoff, Vice President, Counsel & Secretary
K. Duveneck, Town Chairman
Town of Two Creeks
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PUBLIC MEETING PRINCIPAL ATTENDEES

February 20, 2004

Nuclear Management Company, LLC (NMC)

M. Sellman	President and Chief Executive Officer, NMC
J. Cowan	Chief Nuclear Officer, NMC
D. Cooper	Senior Vice-President, NMC
G. Van Middlesworth	Point Beach Site Vice-President
J. McCarthy	Point Beach Site Director
T. Sullivan	Consultant, Chairman of the NMC Nuclear Oversight Committee

NRC

W. Travers	Executive Director for Operations
J. Caldwell	Regional Administrator, Region III
S. Reynolds	Acting Director, Division of Reactor Projects, Region III
D. Weaver	Executive Director for Operations/Region III Liaison
A. Vogel	Chief, Branch 7, Division of Reactor Projects, Region III, and Team Leader, 95003 Inspection Team
P. Loudon	Chief, Branch 5, Division of Reactor Projects, Region III
P. Krohn	Senior Resident Inspector, Point Beach
M. Morris	Resident Inspector, Point Beach
J. Strasma	Public Affairs Officer, Region III
R. Lickus	State Liaison Officer, Region III
R. Krsek	Senior Resident Inspector, Kewaunee
M. Kunowski	Project Engineer, Region III