

OFFICE OF ENFORCEMENT
NOTIFICATION OF SIGNIFICANT ENFORCEMENT ACTION

Licensee: Nuclear Management Company, LLC (EA-03-181)
Point Beach Nuclear Plant
Docket No. 050-00266, 050-00301

Subject: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY -
\$60,000

This is to inform the Commission that a Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$60,000 will be issued on or about March 17, 2004 to the Nuclear Management Company, LLC, (NMC) as a result of an inspection at the Point Beach Nuclear Plant. The action is based on a Severity Level III violation involving changes made to the Emergency Action Level (EAL) scheme that reduced the effectiveness of the Emergency Plan without requesting and receiving prior NRC approval.

In accordance with the Enforcement Policy, a base civil penalty in the amount of \$60,000 is considered for a Severity Level III violation. Because Point Beach has not been the subject of escalated enforcement actions within the last two years, the staff considered whether credit was warranted for *Corrective Action* in accordance with the civil penalty assessment process in Section VI.C.2 of the Enforcement Policy. During the predecisional enforcement conference on January 13, 2004, the licensee described the corrective actions that had been taken, however, the corrective actions failed to restore the subject EALS to compliance, although the violation was identified in August 2003. Immediately after the conference, the NRC initiated discussions with the licensee to emphasize the need to return to compliance with regulatory requirements. Subsequently, between January 13 and January 16, 2004, the EALS were revised and training was provided to the appropriate plant staff. On January 16, 2004, the NRC confirmed that the eight EALS, were revised to meet regulatory requirements. Based on the failure to bring the EALS into compliance prior to the conference, the staff determined that credit for *Corrective Action* was not warranted. Therefore, the staff is proposing imposition of a base civil penalty in the amount of \$60,000.

It should be noted that the licensee has not been specifically informed of the enforcement action. The schedule of issuance and notification is:

Mailing of Notice	March 17, 2004
Telephone Notification of Licensee	March 17, 2004

The State of Wisconsin will be notified.

The licensee has thirty days from the date of the Notice in which to respond. Following NRC evaluation of the response, the civil penalty may be remitted, mitigated, or imposed by Order.

Contacts: Jennifer Dixon-Herrity, OE, 415-1980; James Luehman, OE, 415-2741

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J. Dixon-Herrity

J. Luehman

3/12/2004

3/12/2004

**PRELIMINARY INFORMATION - NOT FOR PUBLIC DISCLOSURE UNTIL
VERIFICATION THAT LICENSEE HAS RECEIVED ACTION**