

August 18, 2004

Mr. Edward J. Weinkam
Director, Regulatory Services
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

SUBJECT: DUANE ARNOLD ENERGY CENTER, KEWAUNEE NUCLEAR POWER PLANT, MONTICELLO NUCLEAR GENERATING PLANT, PALISADES NUCLEAR PLANT, POINT BEACH NUCLEAR PLANT, UNITS 1 AND 2, PRAIRIE ISLAND NUCLEAR GENERATING PLANT, UNITS 1 AND 2 — REQUEST FOR ADDITIONAL INFORMATION RE: REQUEST FOR APPROVAL OF NUCLEAR MANAGEMENT COMPANY QUALITY ASSURANCE TOPICAL REPORT (TAC NOS. MB7157, MC1309, MC1310, MC1311, MC1312, MC1313, MC1314, MC1315, AND MC1316)

Dear Mr. Weinkam:

By application to the U.S. Nuclear Regulatory Commission (NRC) dated October 31, 2003, as supplemented July 23, 2004, Nuclear Management Company, LLC (NMC) requested approval of the NMC Quality Assurance Topical Report. The NRC staff is reviewing your request and finds that additional information is needed as shown in the enclosed request for additional information (RAI). The enclosed RAI questions relate to Enclosures 1 through 5 of your submittal.

The NRC staff discussed the enclosed RAI with your staff and on August 4, 2004, you agreed to respond within 30 days of receipt of the RAI. Please contact me at (301) 415-3243 if you have questions.

Sincerely,

/RA/

David P. Beaulieu, Project Manager, Section 1
Project Directorate III
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-331, 50-305, 50-263, 50-255, 50-266,
50-301, 50-282, and 50-306

Enclosure: Request for Additional Information

cc w/encl: See next page

August 18, 2004

Mr. Edward J. Weinkam
Director, Regulatory Services
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

SUBJECT: DUANE ARNOLD ENERGY CENTER, KEWAUNEE NUCLEAR POWER PLANT, MONTICELLO NUCLEAR GENERATING PLANT, PALISADES NUCLEAR PLANT, POINT BEACH NUCLEAR PLANT, UNITS 1 AND 2, PRAIRIE ISLAND NUCLEAR GENERATING PLANT, UNITS 1 AND 2 — REQUEST FOR ADDITIONAL INFORMATION RE: REQUEST FOR APPROVAL OF NUCLEAR MANAGEMENT COMPANY QUALITY ASSURANCE TOPICAL REPORT (TAC NOS. MB7157, MC1309, MC1310, MC1311, MC1312, MC1313, MC1314, MC1315, AND MC1316)

Dear Mr. Weinkam:

By application to the U.S. Nuclear Regulatory Commission (NRC) dated October 31, 2003, as supplemented July 23, 2004, Nuclear Management Company, LLC (NMC) requested approval of the NMC Quality Assurance Topical Report. The NRC staff is reviewing your request and finds that additional information is needed as shown in the enclosed request for additional information (RAI). The enclosed RAI questions relate to Enclosures 1 through 5 of your submittal.

The NRC staff discussed the enclosed RAI with your staff and on August 4, 2004, you agreed to respond within 30 days of receipt of the RAI. Please contact me at (301) 415-3243 if you have questions.

Sincerely,
/RA/

David P. Beaulieu, Project Manager, Section 1
Project Directorate III
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-331, 50-305, 50-263, 50-255, 50-266,
50-301, 50-282, and 50-306

Enclosure: Request for Additional Information

cc w/encl: See next page

DISTRIBUTION:

PUBLIC RidsNrrDlpmLpdiii1 (LRaghavan)
PDIII-1 Reading RidsAcrsAcnwMailCenter
RidsOgcRp RidsRgn3MailCenter (BBurgess)
RidsNrrPMDBeaulieu RidsNrrLATHarris

RidsNrrDlpmDpr

ADAMS Accession No.:ML042300115

OFFICE	PDIII-1/PM	PDIII-1/LA	PDIII-1/SC
NAME	DBeaulieu	THarris	LRaghavan
DATE	08/17/2004	08/17/2004	08/17/2004

OFFICIAL RECORD COPY

Duane Arnold Energy Center

cc:

Mr. John Paul Cowan
Executive Vice President &
Chief Nuclear Officer
Nuclear Management Company, LLC
700 First Street
Hudson, MI 54016

John Bjorseth
Plant Manager
Duane Arnold Energy Center
3277 DAEC Road
Palo, IA 52324

Steven R. Catron
Manager, Regulatory Affairs
Duane Arnold Energy Center
3277 DAEC Road
Palo, IA 52324

U.S. Nuclear Regulatory Commission
Resident Inspector's Office
Rural Route #1
Palo, IA 52324

Regional Administrator, Region III
U.S. Nuclear Regulatory Commission
2443 Warrenville Road, Suite 210
Lisle, IL 60532-4352

Jonathan Rogoff
Vice President, Counsel & Secretary
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

Bruce Lacy
Nuclear Asset Manager
Alliant Energy/Interstate Power
and Light Company
3277 DAEC Road
Palo, IA 52324

Daniel McGhee
Utilities Division
Iowa Department of Commerce
Lucas Office Buildings, 5th floor
Des Moines, IA 50319

Chairman, Linn County
Board of Supervisors
930 1st Street SW
Cedar Rapids, IA 52404

Craig G. Anderson
Senior Vice President, Group Operations
700 First Street
Hudson, WI 54016

Mark A. Peifer
Site Vice President
Duane Arnold Energy Center
Nuclear Management Company, LLC
3277 DAEC Road
Palo, IA 52324-0351

Kewaunee Nuclear Power Plant

cc:

John Paul Cowan
Executive Vice President &
Chief Nuclear Officer
Nuclear Management Company, LLC
700 First Street
Hudson, MI 54016

Plant Manager
Kewaunee Nuclear Power Plant
N490 Highway 42
Kewaunee, WI 54216-9511

Manager, Regulatory Affairs
Kewaunee Nuclear Power Plant
N490 Highway 42
Kewaunee, WI 54216-9511

David Molzahn
Nuclear Asset Manager
Wisconsin Public Service Corporation
600 N. Adams Street
Green Bay, WI 54307-9002

Resident Inspectors Office
U.S. Nuclear Regulatory Commission
N490 Hwy 42
Kewaunee, WI 54216-9511

Regional Administrator, Region III
U.S. Nuclear Regulatory Commission
2443 Warrenville Road, Suite 210
Lisle, IL 60532-4352

Jonathan Rogoff
Vice President, Counsel & Secretary
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

Larry L. Weyers
Chairman, President and CEO
Wisconsin Public Service Corporation
600 North Adams Street
Green Bay, WI 54307-9002

David Zellner
Chairman - Town of Carlton
N2164 County B
Kewaunee, WI 54216

Mr. Jeffery Kitsembel
Electric Division
Public Service Commission of Wisconsin
P.O. Box 7854
Madison, WI 53707-7854

Mr. Thomas Coutu
Site Vice President
Kewaunee Nuclear Power Plant
Nuclear Management Company, LLC
N490 Highway 42
Kewaunee, WI 54216-9511

Monticello Nuclear Generating Plant

cc:

Jonathan Rogoff, Esquire
Vice President, Counsel & Secretary
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

U.S. Nuclear Regulatory Commission
Resident Inspector's Office
2807 W. County Road 75
Monticello, MN 55362

Manager, Regulatory Affairs
Monticello Nuclear Generating Plant
Nuclear Management Company, LLC
2807 West County Road 75
Monticello, MN 55362-9637

Robert Nelson, President
Minnesota Environmental Control
Citizens Association (MECCA)
1051 South McKnight Road
St. Paul, MN 55119

Commissioner
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, MN 55155-4194

Regional Administrator, Region III
U.S. Nuclear Regulatory Commission
2443 Warrenville Road, Suite 210
Lisle, IL 60532-4352

Commissioner
Minnesota Department of Health
717 Delaware Street, S. E.
Minneapolis, MN 55440

Douglas M. Gruber, Auditor/Treasurer
Wright County Government Center
10 NW Second Street
Buffalo, MN 55313

Commissioner
Minnesota Department of Commerce
121 Seventh Place East
Suite 200
St. Paul, MN 55101-2145

Manager - Environmental Protection Division
Minnesota Attorney General's Office
445 Minnesota St., Suite 900
St. Paul, MN 55101-2127

John Paul Cowan
Executive Vice President & Chief Nuclear
Officer
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

Nuclear Asset Manager
Xcel Energy, Inc.
414 Nicollet Mall, R.S. 8
Minneapolis, MN 55401

Mr. Thomas J. Palmisano
Site Vice President
Monticello Nuclear Generating Plant
Nuclear Management Company, LLC
2807 West County Road 75
Monticello, MN 55362-9637

Palisades Plant

cc:

Robert A. Fenech, Senior Vice President
Nuclear, Fossil, and Hydro Operations
Consumers Energy Company
1945 Parnall Rd.
Jackson, MI 49201

Arunas T. Udry, Esquire
Consumers Energy Company
1 Energy Plaza
Jackson, MI 49201

Regional Administrator, Region III
U.S. Nuclear Regulatory Commission
2443 Warrenville Road, Suite 210
Lisle, IL 60532-4352

Supervisor
Covert Township
P.O. Box 35
Covert, MI 49043

Office of the Governor
P.O. Box 30013
Lansing, MI 48909

U.S. Nuclear Regulatory Commission
Resident Inspector's Office
Palisades Plant
27782 Blue Star Memorial Highway
Covert, MI 49043

Michigan Department of Environmental Quality
Waste and Hazardous Materials Division
Hazardous Waste and Radiological
Protection Section
Nuclear Facilities Unit
Constitution Hall, Lower-Level North
525 West Allegan Street
P.O. Box 30241
Lansing, MI 48909-7741

Michigan Department of Attorney General
Special Litigation Division
525 West Ottawa St.
Sixth Floor, G. Mennen Williams Building
Lansing, MI 48913

Manager, Regulatory Affairs
Nuclear Management Company, LLC
27780 Blue Star Memorial Highway
Covert, MI 49043

Director of Nuclear Assets
Consumers Energy Company
Palisades Nuclear Plant
27780 Blue Star Memorial Highway
Covert, MI 49043

John Paul Cowan
Executive Vice President & Chief Nuclear
Officer
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

Jonathan Rogoff, Esquire
Vice President, Counsel & Secretary
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

Douglas E. Cooper
Senior Vice President - Group Operations
Palisades Nuclear Plant
Nuclear Management Company, LLC
27780 Blue Star Memorial Highway
Covert, MI 49043

Daniel J. Malone
Site Vice President
Palisades Nuclear Plant
Nuclear Management Company, LLC
27780 Blue Star Memorial Highway
Covert, MI 49043

Point Beach Nuclear Plant, Units 1 and 2

cc:

Jonathan Rogoff, Esquire
Vice President, Counsel & Secretary
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

Mr. F. D. Kuester
President & Chief Executive Officer
WE Generation
231 West Michigan Street
Milwaukee, WI 53201

Regulatory Affairs Manager
Point Beach Nuclear Plant
Nuclear Management Company, LLC
6610 Nuclear Road
Two Rivers, WI 54241

Mr. Ken Duveneck
Town Chairman
Town of Two Creeks
13017 State Highway 42
Mishicot, WI 54228

Chairman
Public Service Commission
of Wisconsin
P.O. Box 7854
Madison, WI 53707-7854

Regional Administrator, Region III
U.S. Nuclear Regulatory Commission
801 Warrenville Road
Lisle, IL 60532-4351

Resident Inspector's Office
U.S. Nuclear Regulatory Commission
6612 Nuclear Road
Two Rivers, WI 54241

Mr. Jeffery Kitsembel
Electric Division
Public Service Commission of Wisconsin
P.O. Box 7854
Madison, WI 53707-7854

Nuclear Asset Manager
Wisconsin Electric Power Company
231 West Michigan Street
Milwaukee, WI 53201

John Paul Cowan
Executive Vice President & Chief Nuclear
Officer
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

Douglas E. Cooper
Senior Vice President - Group Operations
Palisades Nuclear Plant
Nuclear Management Company, LLC
27780 Blue Star Memorial Highway
Covert, MI 49043

Site Director of Operations
Nuclear Management Company, LLC
6610 Nuclear Road
Two Rivers, WI 54241

Dennis L. Koehl
Site Vice-President
Nuclear Management Company, LLC
6590 Nuclear Road
Two Rivers, WI 54241

Prairie Island Nuclear Generating Plant,
Units 1 and 2

cc:

Jonathan Rogoff, Esquire
Vice President, Counsel & Secretary
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

Manager, Regulatory Affairs
Prairie Island Nuclear Generating Plant
Nuclear Management Company, LLC
1717 Wakonade Drive East
Welch, MN 55089

Manager - Environmental Protection Division
Minnesota Attorney General's Office
445 Minnesota St., Suite 900
St. Paul, MN 55101-2127

U.S. Nuclear Regulatory Commission
Resident Inspector's Office
1719 Wakonade Drive East
Welch, MN 55089-9642

Regional Administrator, Region III
U.S. Nuclear Regulatory Commission
2443 Warrenville Road, Suite 210
Lisle, IL 60532-4352

Administrator
Goodhue County Courthouse
P.O. Box 408
Red Wing, MN 55066-0408

Commissioner
Minnesota Department of Commerce
121 Seventh Place East
Suite 200
St. Paul, MN 55101-2145

Tribal Council
Prairie Island Indian Community
ATTN: Environmental Department
5636 Sturgeon Lake Road
Welch, MN 55089

Nuclear Asset Manager
Xcel Energy, Inc.
414 Nicollet Mall, R.S. 8
Minneapolis, MN 55401

John Paul Cowan
Executive Vice President & Chief Nuclear
Officer
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

Craig G. Anderson
Senior Vice President, Group Operations
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

Mr. Joseph M. Solymossy
Site Vice President
Prairie Island Nuclear Generating Plant
Nuclear Management Company, LLC
1717 Wakonade Drive East
Welch, MN 55089

REQUEST FOR ADDITIONAL INFORMATION
REQUEST FOR APPROVAL OF
NUCLEAR MANAGEMENT COMPANY QUALITY ASSURANCE TOPICAL REPORT
NUCLEAR MANAGEMENT COMPANY, LLC
DUANE ARNOLD ENERGY CENTER
KEWAUNEE NUCLEAR POWER PLANT
MONTICELLO NUCLEAR GENERATING PLANT
PALISADES NUCLEAR PLANT
POINT BEACH NUCLEAR PLANT, UNITS 1 AND 2
PRAIRIE ISLAND NUCLEAR GENERATING PLANT, UNITS 1 AND 2
DOCKET NOS. 50-331, 50-305, 50-263, 50-255, 50-266, 50-301, 50-282, AND 50-306

The U.S. Nuclear Regulatory Commission (NRC) staff is reviewing the Nuclear Management Company's (NMC) request for approval of its Quality Assurance Topical Report, Rev 0a, submitted by letter dated October 31, 2003, as supplemented on July 23, 2004. The NRC is reviewing Enclosure 6 of the submittal as a separate task and as such, a request for additional information regarding Enclosure 6 was sent by letter dated June 20, 2004, to which NMC responded on July 23, 2004. We have completed our initial review of the remainder of the submittal and have determined that the following information is needed to continue our review.

1. Assessment

Section C of the proposed quality assurance (QA) topical describes NMC's assessment program. The QA topical defines the term "independent assessment" as being synonymous with the term "audit," as used in the context of Criterion XVIII of Appendix B to 10 CFR Part 50.

American National Standards Institute (ANSI) standard N18.7-1976 (alternately ANS-3.2), "Administrative Controls and Quality Assurance for the Operational Phase of Nuclear Power Plants," specifies a maximum period of two years to complete an audit cycle covering all safety-related functions. NRC Regulatory Guide (RG) 1.33, "Quality Assurance Program Requirements," Revision 2, amplifies this guidance in specifying minimum audit frequencies of 6 months for audits of corrective actions affecting safety-related equipment, 12 months for audits of facility conformance with technical specifications (TS), and 12 months for audits of performance, training, and qualifications of the facility staff.

ENCLOSURE

In order for the staff to determine the acceptability of the proposed assessment program, the following additional information is requested concerning the bases for this exception to ANSI N18.7-1976 and NRC RG 1.33, Rev. 2.

- 1.1 Under the proposed performance-based program, there is no minimum period for completing audits of safety-related functions. Describe in further detail, the systemic attributes of the process for scheduling audits. Identify the applicable procedures that define the independent assessment process and provide these procedures for staff review.
- 1.2 Describe the methodology that will be used as the bases for determining the schedule for independent assessments. Describe the quantitative performance metrics that will indicate whether performance of each topic identified in Table 1 of the QA topical is declining and needs to be assessed.
- 1.3 With regard to NRC RG 1.33, provide the bases for concluding that effective oversight of the activities addressed by regulatory position C.4 (i.e., corrective actions, TS conformance, personnel performance, training, and qualifications) will be maintained at a level commensurate with the safety significance of these activities, in lieu of specifying a minimum assessment frequency.
- 1.4 The submittal proposes to eliminate the independent review program, described in section 4.3 of N18.7. If this program were eliminated, as proposed in Enclosure 6 of the submittal, describe the oversight process that would ensure that the performance and effectiveness of the assessment and independent assessment programs are maintained.

2. Qualification and Training of Personnel

Section A.7.3 of the proposed QA topical identifies NMC commitments to nuclear quality standards other than ANSI/ASME NQA-1, "Quality Assurance Requirements for Nuclear Facility Applications." For qualification and training of personnel, NMC commits to follow the guidance of NRC RG 1.8, "Qualification and Training of Personnel for Nuclear Power Plants," Rev. 3, May 2000.

NRC RG 1.8, Revision 3 endorses ANS 3.1-1993, "Selection, Qualification, and Training of Personnel for Nuclear Power Plants," and establishes two regulatory positions with respect to this standard. In committing to NRC RG 1.8, Revision 3, the QA topical takes exception to both regulatory positions and states that NMC does not commit to follow ANS 3.1-1993. The exceptions are not specified in the QA topical, but reference is made to site TSs.

Current QA programs for NMC plants do not commit to follow Revision 3 of NRC RG 1.8. Point Beach commits to NRC RG 1.8, Revision 0 (1971); Monticello and Prairie Island commit to NRC RG 1.8, Revision 1 (1975); Duane Arnold commits to NRC RG 1.8, Revision 1-R (1977); Palisades and Kewaunee commit to NRC RG 1.8 (1980 Draft).

It appears that commitments to NRC RG 1.8 are incorporated in both the plant TSs and the quality assurance program. Consequently, changes in commitments to NRC RG 1.8 would be subject to two regulatory change processes.

- 2.1 Confirm plant-specific commitments to NRC RG 1.8 and ANS 3.1 will remain unchanged as the result of the proposed QA program consolidation or, alternately, provide the bases for changing these commitments.
- 2.2 Provide clarification as to the intent of including a commitment to Revision 3 of NRC RG 1.8 in the QA topical, in addition to the commitments made in the TSs.

3. Qualification of Nondestructive Examination Personnel

Section A.5 of the proposed QA topical describes provisions for personnel training and qualification. Exception is taken to NQA-1 Supplementary Requirement 2S-2, which specifies the use of American Society of Nondestructive Testing Recommended Practice SNT-TC-1A for qualification of all personnel who perform examinations covered by that supplement. As stated, the exception allows use of American Society of Mechanical Engineers (ASME) Boiler and Pressure Vessel Code(s) or national standards in lieu of SNT-TC-1A.

Regulatory position C.3 of NRC RG 1.58, "Qualification of Nuclear Power Plant Inspection, Examination, and Testing Personnel," Revision 1, which is followed by most NMC plants, specifies that SNT-TC-1A should be used in conjunction with (i.e., in addition to) the additional provisions of the ASME Code. This position would also apply to other national standards.

- 3.1 Address regulatory position C.3 of NRC RG 1.58 with respect to use of codes other than SNT-TC-1A for qualification of nondestructive examination personnel.

4. Hoisting and Rigging

NMC plants currently follow the guidance of ANSI N45.2.2, "Packaging, Shipping, Receiving, Storage, and Handling of Items for Nuclear Power Plants During the Construction Phase," Section 7 for handling safety-related items. Guidance is provided for the handling of items to minimize damage and to preserve the quality of the item and container. ANSI N45.2.2 incorporates, by reference, industry standards applicable to these guidelines, such as the ANSI B30 series related to hoisting and rigging.

By taking exception to NQA-1, Subpart 2.15, "QA Requirements for Hoisting, Rigging, and Transporting of Items for Nuclear Power Plants," NMC effectively withdraws the current commitment to ANSI N45.2.2 for hoisting and rigging. Changes to these commitments would no longer be reviewed by the staff through the regulatory change control process of 10 CFR 50.54(a)(3).

- 4.1 Provide additional information describing the proposed exception to the guidance of N45.2.2 for material handling. Identify and describe NMC commitments to standards establishing quality assurance requirements for hoisting and rigging, the licensing

documents containing these commitments, and the process for controlling changes to these commitments.

5. Records

NQA-1, Supplementary Requirement 17S-1 classifies records as lifetime (i.e., permanent) records and nonpermanent records. Section B.15 of the proposed QA topical states that NMC uses the list of lifetime records in NQA-1, Appendix 17A-1, supplemented by the recommended retention times established in NRC RG 1.28, "Quality Assurance Program Requirements (Design and Construction)," position C.2 (Table 1).

5.1 NRC RG 1.28 does not provide retention times for operation records. Provide retention times for records listed in Appendix 17A-1, but not in NRC RG 1.28.

5.2 NMC plants currently follow the guidance of N45.2.9, which provides guidance for retention times for both permanent and nonpermanent records. NQA-1 (Appendix 17A-1) only lists permanent records. Provide the bases for establishing retention times for nonpermanent operations records.

5.3 Clarify how 10 CFR 71 and 10 CFR 72 recordkeeping requirements will be satisfied. Specifically, Section A.7.3 of the proposed QA topical states, "NMC complies with position C.2 [of Regulatory Guide 1.28, Revision 3] for record retention times." Section B.15, second paragraph, states "NMC uses the list of records in Non-mandatory Appendix 17A-1, supplemented by the recommended retention times established in Regulatory Guide 1.28, position C.2 (Table 1), to establish the types of records that will be created and retained in support of plant operation." Section B.15, third paragraph, states "In establishing provisions for records, NMC commits to compliance with NQA-1, 1994, Basic Requirement 17 and Supplement 17S-1." Position C.2 and Supplement 17S-1 do not appear to satisfy the requirements of 10 CFR 71.135 and 10 CFR 72.174. For example, 10 CFR 71.135 requires the licensee to retain records "for 3 years beyond the date when the licensee last engages in the activity for which the quality assurance program was developed," and 10 CFR 72.174 requires "records must include closely related data such as qualifications of personnel, procedures, and equipment" and "must be maintained...until the NRC terminates the license or CoC."