

SAFEGUARDS INFORMATION

October 28, 2004

Mr. Dennis L. Koehl
Site Vice President
Nuclear Management Company, LLC
Point Beach Nuclear Plant, Units 1 and 2
6590 Nuclear Road
Two Rivers, WI 54241

SUBJECT: POINT BEACH NUCLEAR PLANT, UNITS 1 AND 2- ADMINISTRATIVE CHANGE TO FACILITY OPERATING LICENSES IN CONJUNCTION WITH THE COMMISSION ORDER EA-03-086 REGARDING REVISED DESIGN BASIS THREAT (DBT); AND REVISIONS TO PHYSICAL SECURITY PLAN, TRAINING AND QUALIFICATION PLAN, AND SAFEGUARDS CONTINGENCY PLAN (TAC NOS. MC2957 AND MC2958)

Dear Mr. Koehl:

By letter dated April 29, 2004, Nuclear Management Company, LLC submitted a supplemental response in accordance with Order EA-03-086, the Order requiring compliance with the revised design basis threat, dated April 29, 2003, (DBT Order) for the Point Beach Nuclear Plant, Units 1 and 2 (PBNP). Section III.A of the DBT Order required licensees to revise physical security plans (PSPs), training and qualification plans (T&Q Plans), and safeguards contingency plans (SCPs) in order to provide protection against the revised DBT set forth in Attachment 2 to the DBT Order. These revised plans, along with an implementation schedule, were required to be submitted to the Nuclear Regulatory Commission (NRC or the Commission) for review and approval no later than April 29, 2004.

In the revised security plans for PBNP, you included information related to the independent spent fuel storage installation (ISFSI) co-located at the site. The DBT Order did not require this information to be included in the revised security plans for PBNP. However, Order EA-02-104, dated October 16, 2002, required licensees to comply with the requirements, set forth in an attachment to the Order, that described the compensatory measures necessary to protect the ISFSI as a result of the heightened threat environment following the September 11, 2001, terrorist attacks. On September 10, 2004, the NRC staff requested that you clarify whether the information provided in the revised security plans for PBNP related to the ISFSI, modified the response you provided to Order EA-02-104. By letter dated September 24, 2004, you indicated that no modifications or revisions have been made which decrease the effectiveness of the implementation of the ISFSI-related security provisions carried out in response to the ISFSI Orders at PBNP. The effectiveness of these security provisions will continue to be the subject of NRC review and inspection.

NOTICE: Enclosure 2 contains Safeguards Information.
Upon separation from Enclosure 2, this letter and
Enclosure 1 are DECONTROLLED.

SAFEGUARDS INFORMATION

The NRC staff's review of the PBNP PSP, SCP, and T&Q Plan submitted in your letter dated April 29, 2003, as supplemented on July 29, August 5, August 25, August 30, September 30, and October 18, 2004, has focused on ensuring the necessary programmatic elements are contained in these plans in order to provide high assurance that activities involving special nuclear material are not inimical to the common defense and security and do not constitute an unreasonable risk to the public health and safety.

The NRC staff has determined that subject to subsequent inspection and evaluation, these plans contain the necessary programmatic elements that, when effectively implemented, will provide the required high assurance that PBNP will be protected against the revised DBT. The NRC staff, therefore, approves the PSP, SCP, and T&Q Plan for PBNP. However, ultimately the effectiveness of these plans will be judged on your ability to meet regulatory requirements through facility implementing procedures and site practices. As such, your facility implementing procedures and practices will continue to be subject to future NRC review and inspection, including NRC-conducted force-on-force exercises.

In addition, the NRC staff noted that your PSP included alternatives to certain requirements of Title 10 of the *Code of Federal Regulations* (10 CFR) Section 73.55. In each case, the NRC staff found that the alternative provides an equivalent level of protection to that of the associated requirement and meets the high assurance objective of 10 CFR 73.55(a). The NRC staff, therefore, approves the alternatives shown in the table below. The NRC staff's evaluation is discussed further in the enclosed Safety Evaluation (SE).

Approved Alternatives to the Requirements of 10 CFR Part 73

SE Section	PSP Section	Alternative to 10 CFR	Description
3.6.2	6.3	73.55(c)(3)	Isolation Zones
3.9.4.3	9.4.4	73.55(d)(4)	Protected Area (PA) vehicle search requirements
3.9.4.4	9.4.5	73.55(d)(1)	PA personnel search requirements
3.9.5.2	9.5	73.55(d)(4)	PA access control requirements
3.10.1	10.1	73.55(c)(5)	PA illumination requirements
3.13.1	14.1	73.55(c)(1) 73.55(d)(7)(i)(B)	Temporary reclassification of Vital Areas to PA status (devitalization)

Finally, consistent with the DBT Order, conforming administrative changes to Facility Operating Licenses (FOLs) are required to ensure implementation of DBT Order requirements. Therefore, administrative license changes to FOL Nos. DPR-24 and DPR-27 are being made to incorporate the reference to the revised PSP, SCP, and T&Q Plan required by the DBT Order. These changes comply with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I.

Please replace the enclosed pages to your FOLs as indicated in Enclosure 1.

A copy of our SE with regard to your security plan (designated as Safeguards Information) is provided in Enclosure 2.

Sincerely,

/RA/

John A. Nakoski, Section Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-266 and 50-301

Enclosures: 1. Administrative Change to FOL Nos. DPR-24 and DPR-27
2. SE (SAFEGUARDS INFORMATION)

cc w/encl 1 only: See mailing list

cc w/encls 1 and 2: Mark Fencl

Finally, consistent with the DBT Order, conforming administrative changes to Facility Operating Licenses (FOLs) are required to ensure implementation of DBT Order requirements. Therefore, administrative license changes to FOL Nos. DPR-24 and DPR-27 are being made to incorporate the reference to the revised PSP, SCP, and T&Q Plan required by the DBT Order. These changes comply with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I.

Please replace the enclosed pages to your FOLs as indicated in Enclosure 1.

A copy of our SE with regard to your security plan (designated as Safeguards Information) is provided in Enclosure 2.

Sincerely,

/RA/

John A. Nakoski, Section Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-266 and 50-301

- Enclosures: 1. Administrative Change to FOL Nos. DPR-24 and DPR-27
- 2. SE (SAFEGUARDS INFORMATION)

cc w/encl 1 only: See mailing list
cc w/encls 1 and 2: Mark Fence

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Accession No.: ML043120026

OFFICE	SPRT/TL	SPRT/PM	SPRT/LA	SPRT/PL	OGC	NSIR/SC	NRR/SC
NAME	MBurrell	BVaidya	CRaynor	JPeralta	SCole	SMorris	JNakoski
DATE	10/13/04	10/13/04	10/13/04	10/15/04	10/20/04	10/28/04	10/28/04

OFFICIAL RECORD COPY

Point Beach Nuclear Plant, Units 1 and 2

cc: w/o encl.:

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

NUCLEAR MANAGEMENT COMPANY, LLC

DOCKET NO. 50-266

POINT BEACH NUCLEAR PLANT, UNIT 1

ADMINISTRATIVE LICENSE CHANGE TO FACILITY OPERATING LICENSE

License No. DPR-24

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. Consistent with Order EA-03-086, the Order requiring compliance with revised design basis threat, (DBT Order) issued on April 29, 2003, conforming administrative changes to Facility Operating Licenses (FOLs) are required to ensure implementation of DBT Order requirements. Therefore, an administrative license change to FOL No. DPR-24 is being made to incorporate the reference to the revised Physical Security Plan, Safeguards Contingency Plan, and Training and Qualification Plan required by the DBT Order. These changes comply with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this administrative license change can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this administrative license change will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this administrative license change is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

Enclosure 1

2. Accordingly, the FOL is changed as indicated in the attachment.
3. This administrative license change is effective as of its date of issuance and shall be implemented on or before October 29, 2004.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

John A. Nakoski, Section Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the FOL

Date of Issuance: October 28, 2004

CHANGES TO FACILITY OPERATING LICENSE NO. DPR-24

DOCKET NO. 50-266

Replace the following page of the Facility Operating License DPR-24 with the attached revised page as indicated. The revised page is identified by a revision date and contains marginal lines indicating the area of change.

Remove Page

3

Insert Page

3

A. Maximum Power Levels

NMC is authorized to operate the facility at reactor core power levels not in excess of 1540 megawatts thermal.

B. Technical Specifications

The Technical Specifications contained in Appendices A and B, as revised through Amendment No. 213, are hereby incorporated in the license. NMC shall operate the facility in accordance with Technical Specifications.

C. Deleted

D. Deleted

E. Spent Fuel Pool Modification

The licensee* is authorized to modify the spent fuel storage pool to increase its storage capacity from 351 to 1502 assemblies as described in licensee's application dated March 21, 1978, as supplemented and amended. In the event that the on-site verification check for poison material in the poison assemblies discloses any missing boron plates, the NRC shall be notified and an on-site test on every poison assembly shall be performed.

F. NMC shall fully implement and maintain in effect all provisions of the Commission-approved physical security, training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FFR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The combined set of plans, which contain Safeguards Information protected under 10 CFR 73.21, is entitled: "Nuclear Management Company Point Beach Nuclear Plant Physical Security Plan, (Revision 0)," submitted by letter dated October 18, 2004.

* Reference to the licensee in License Conditions 3.E, 3.G and 3.J refers to Wisconsin Electric Power Company and is maintained for historical purposes.

NUCLEAR MANAGEMENT COMPANY, LLC

DOCKET NO. 50-301

POINT BEACH NUCLEAR PLANT, UNIT 2

ADMINISTRATIVE LICENSE CHANGE TO FACILITY OPERATING LICENSE

License No. DPR-27

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. Consistent with Order EA-03-086, the Order requiring compliance with revised design basis threat, (DBT Order) issued on April 29, 2003, conforming administrative changes to Facility Operating Licenses (FOLs) are required to ensure implementation of DBT Order requirements. Therefore, an administrative license change to FOL No. DPR-27 is being made to incorporate the reference to the revised Physical Security Plan, Safeguards Contingency Plan, and Training and Qualification Plan required by the DBT Order. These changes comply with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this administrative license change can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this administrative license change will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this administrative license change is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, the FOL is changed as indicated in the attachment.
3. This administrative license change is effective as of its date of issuance and shall be implemented on or before October 29, 2004.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

John A. Nakoski, Section Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the FOL

Date of Issuance: October 28, 2004

CHANGES TO FACILITY OPERATING LICENSE NO. DPR-27

DOCKET NO. 50-301

Replace the following page of the Facility Operating License DPR-27 with the attached revised page as indicated. The revised page is identified by a revision date and contains marginal lines indicating the area of change.

Remove Page

3

Insert Page

3

B. Technical Specifications

The Technical Specifications contained in Appendices A and B, as revised through Amendment No. 218, are hereby incorporated in the license. NMC shall operate the facility in accordance with Technical Specifications.

C. Deleted

D. Deleted

E. Spent Fuel Pool Modification

The licensee* is authorized to modify the spent fuel storage pool to increase its storage capacity from 351 to 1502 assemblies as described in licensee's application dated March 21, 1978, as supplemented and amended. In the event that the on-site verification check for poison material in the poison assemblies discloses any missing boron plates, the NRC shall be notified and an on-site test on every poison assembly shall be performed.

3. F. Physical Protection

NMC shall fully implement and maintain in effect all provisions of the Commission-approved physical security, training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The combined set of plans, which contain Safeguards Information protected under 10 CFR 73.21, is entitled: "Nuclear Management Company Point Beach Nuclear Plant Physical Security Plan, (Revision 0)," submitted by letter dated October 18, 2004.

* Reference to the licensee in License Conditions 3.E and 3.G refers to Wisconsin Electric Power Company and is maintained for historical purposes.