

SAFEGUARDS INFORMATION

October 29, 2004

Mr. Thomas Coutu
Site Vice President
Nuclear Management Company, Inc.
Kewaunee Nuclear Power Plant
N 490 Highway 42
Kewaunee, WI 54216-9511

SUBJECT: KEWAUNEE NUCLEAR POWER PLANT - ADMINISTRATIVE CHANGE TO FACILITY OPERATING LICENSE IN CONJUNCTION WITH THE COMMISSION ORDER EA-03-086 REGARDING REVISED DESIGN BASIS THREAT; AND REVISIONS TO PHYSICAL SECURITY PLAN, TRAINING AND QUALIFICATIONS PLAN, AND SAFEGUARDS CONTINGENCY PLAN (TAC NO. MC2931)

Dear Mr. Coutu:

By letter dated April 29, 2004, Nuclear Management Company, Inc. 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 Kewaunee Nuclear Power Plant (KNPP). 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.

The NRC staff's review of the Kewaunee Nuclear Power Plant PSP, SCP, and T&Q Plan submitted in your letter dated April 29, 2004, as supplemented on July 29, August 5, August 13, August 25, August 30, September 30, October 18, 2004, and October 21, 2004, has focused on ensuring the necessary programmatic elements are contained in these plans in order to provide the 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 KNPP will be protected against the revised DBT. The

NOTICE: Enclosure 2 contains Safeguards Information.
Upon separation from Enclosure 2, this letter is
DECONTROLLED.

SAFEGUARDS INFORMATION

NRC staff, therefore approves the PSP, SCP, and T&Q Plan for KNPP. 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	10 CFR 73.55(c)(3)	Isolation Zones
3.9.4.3	9.4.3	73.55(d)(4)	Protected Area (PA) vehicle search requirements
3.9.4.4	9.4.4	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, an administrative license change to FOL No. DPR-43 is being made to incorporate the reference to the revised PSP, SCP, and T&Q Plan required by the DBT Order. This change complies 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 page to your FOL as indicated in Enclosure 1.

T. Coutu

- 3 -

A copy of our SE with regard to your security plans (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 No. 50-305

Enclosures: 1. Administrative Change to FOL No. DPR-43
2. Safety Evaluation Regarding the Security Plans (SAFEGUARDS)

cc w/encl 1 only: See next page

cc w/encls 1 and 2: Eric Gibson

T. Coutu

- 3 -

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

Sincerely,

/RA/

John A. Nakoski, Section Chief
Security Plan Review Team
Project Directorate II
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cc w/encl 1only: See next page
cc w/encls 1 and 2: Eric Gibson

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OFFICIAL RECORD COPY

Kewaunee Nuclear Power Plant

cc w/o encl.:

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NUCLEAR MANAGEMENT COMPANY, INC.

DOCKET NO. 50-305

KEWAUNEE NUCLEAR POWER PLANT

ADMINISTRATIVE LICENSE CHANGE TO FACILITY OPERATING LICENSE

License No. DPR-43

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-43 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 (the Act) of 1954, as amended 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 29, 2004

CHANGES TO FACILITY OPERATING LICENSE NO. DPR-43

DOCKET NO. 50-305

Replace the following page of the Facility Operating License No. DPR-43 with the attached revised page as indicated. The revised page is identified by page number and contains marginal lines indicating the area of change.

Remove Page

3

Insert Page

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C. This license shall be deemed to contain and is subject to the conditions specified in the following Commission regulations in 10 CFR, Chapter 1: (1) Part 20, Section 30.34 of Part 30, Section 40.41 of Part 40, Section 50.54 and 50.59 of Part 50, and Section 70.32 of Part 70, (2) is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect, and (3) is subject to the additional conditions specified or incorporated below:

(1) Maximum Power Level

The NMC is authorized to operate the facility at steady-state reactor core power levels not in excess of 1772 megawatts (thermal).

(2) Technical Specifications

The Technical Specifications contained in Appendix A, as revised through Amendment No. 175 are hereby incorporated in the license. The NMC shall operate the facility in accordance with the Technical Specifications.

(3) Fire Protection

The NMC shall implement and maintain in effect all provisions of the approved Fire Protection Program as described in the KNPP Fire Plan, and as referenced in the Updated Safety Analysis Report, and as approved in the Safety Evaluation Reports, dated November 25, 1977, and December 12, 1978 (and supplement dated February 13, 1981) subject to the following provision:

The NMC may make changes to the approved Fire Protection Program without prior approval of the Commission, only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.

(4) 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, are entitled: "Kewaunee Nuclear Power Plant Physical Security, Training and Qualification, and Safeguards Contingency Plan, Revision 0" submitted by letter dated October xx, 2004, as supplemented by the letter October xx, 2004.

(5) Fuel Burnup

The maximum rod average burnup for any rod shall be limited to 60 GWD/MTU until completion of an NRC environmental assessment supporting an increased limit