



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**

REGION III  
2443 WARRENVILLE ROAD, SUITE 210  
LISLE, ILLINOIS 60532-4352

May 25, 2004

Mr. Dave Wilson  
Vice President for Nuclear Assessment  
Nuclear Management Company, LLC  
700 First Street  
Hudson, WI 54016

Dear Mr. Wilson:

On May 21, 2004, the U.S. Nuclear Regulatory Commission (NRC) forwarded the Nuclear Management Company (NMC) a concern about activities at the Point Beach Nuclear Power Plant. The NMC's response was provided on May 23, 2004. Mr. Melvin Holmberg of our technical staff reviewed your response and identified the need for a clarification which was discussed with Aldo Capristo on May 23, 2004. Messrs. Holmberg and Capristo agreed that a revised referral letter would be the best mechanism to ensure that the revised response addressed all aspects of the concern.

We request that the results of your evaluation of this matter be submitted to Region III no later than 8:00 a.m. on May 28, 2004. Your response to this request should not be docketed, and should be E-mailed to Pat Loudon, Roy Caniano, David Hills, Melvin Holmberg, and Jim Heller. Mr. Loudon's E-mail address is PLL@NRC.Gov, Mr. Caniano's E-mail address is RJC1@NRC.Gov, Mr. Hills' E-mail address is DEH@NRC.Gov, Mr. Holmberg's E-mail address is MSH@NRC.Gov, and Mr. Heller's E-Mail address is JKH@NRC.Gov.

We also request that your response contain no personal privacy, proprietary, or safeguards information. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

The documented results of your evaluation should include sufficient information for the NRC to determine: (a) if the concerns were substantiated; (b) that the evaluation was of sufficient depth and scope to determine that the appropriate root causes and generic implications were considered; (c) that the corrective actions, both planned and completed, were sufficient to correct the specific example(s) and generic implications and to prevent recurrence; and (d) if your evaluation identified any deficiencies with a license condition, please tell us what corrective actions were taken or planned, and the corrective action document that addressed the deficiencies.

A-22

A handwritten signature or set of initials, possibly "GA", enclosed in a circular scribble.

D. Wilson

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The enclosure to this letter should be controlled and distribution should be limited to personnel with a "need to know" until your evaluation has been completed and reviewed by NRC Region III. The enclosure to this letter is considered "NOT FOR PUBLIC DISCLOSURE."

We appreciate your cooperation and will gladly discuss any questions you may have concerning this information. Should you have questions, please contact one of the NRC Region III Allegation Coordinators, Jim Heller or Ken Lambert. They can be reached at (630) 829-9500.

Sincerely,



Brent Clayton  
Enforcement/Investigations Officer

Enclosure: Details  
(NOT FOR PUBLIC DISCLOSURE)

~~NOT FOR PUBLIC DISCLOSURE~~

ENCLOSURE

Please reference tracking number 04-A-0067 in your response.

Details

An individual is concerned that the indications revealed by dye penetrant (PT) examination on nozzle No. 26 J-groove weld during U1R28 were not detected by the ultrasonic (UT) exam of nozzle No. 26 that was performed to comply with NRC Order EA-03-009. The individual believed that these indications are likely caused by primary water stress corrosion cracking (PWSCC) and that other Unit 1 J-groove welds at other nozzles could contain similar PWSCC which was not detected by the UT exams. The individual is concerned that because PWSCC was detected by the PT exam in nozzle No. 26 J-groove weld and was not detected by the UT exam, this means that the UT exam is not capable of detecting PWSCC in the J-groove welds. Further, the individual is concerned that the licensee has not provided a technical justification for not performing PT examinations at other highly stressed J-groove weld locations (outer periphery penetrations, and the mechanically straightened nozzle penetrations). The individual believes that the licensee will not pursue the PT examination of other J-groove welds in view of the potential for finding PWSCC damage.

The individual stated that UT examinations revealed an anomaly in the root of the penetration 26 J-groove weld. The anomaly was believed to be manufacturing related. The presence of the indication led to the performance of a surface PT examination of the penetration 26 J-groove weld. The PT examination revealed numerous crack-like surface indications. Followup grinding and re-examination revealed that the indications had depth and were considered to be not acceptable for continued operation.

In addition to the investigation requested by the letter, please provide (1) your technical basis for not conducting additional PT examinations on other penetrations; and (2) your basis for the making the determination as to whether or not the indications (cracking) detected by PT examinations in the nozzle No. 26 J-groove weld during UR128 constitute a significant condition adverse to quality.

~~NOT FOR PUBLIC DISCLOSURE~~

May 25, 2004

Mr. Dave Wilson  
Vice President for Nuclear Assessment  
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D. Wilson

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Sincerely,

Brent Clayton  
Enforcement/Investigations Officer

Enclosure: Details  
(NOT FOR PUBLIC DISCLOSURE)

- bcc w/ encl: 1. AMS File No. RIII-04-A-0067
- 2. Fax to Aldo Capristo, NMC, (866) 851-9498 (Prairie Island, Monticello, Kewaunee, Point Beach, Palisades, and Duane Arnold)

\*SEE PREVIOUS CONCURRENCE

DOCUMENT NAME: G:\EICS\AMS-LTRS\04 AMS\040067.point beach\04-a-067 rev 1.121.wpd

OFC	RIII	N	RIII	N	RIII	N	RIII	N		
NAME	*Heller		*Hills		*Louden		Clayton			
DATE	05/25/04		05/24/04		05/25/04		05/25/04			

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TRANSMISSION VERIFICATION REPORT

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DURATION	00:01:15
PAGE(S)	04
RESULT	OK
MODE	STANDARD ECM

NRC FORM 386 (R11)  
(2-2002)



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION III  
801 Warrenville Road, Suite 255  
Lisle, Illinois 60532-4351

TELEFAX TRANSMITTAL

DATE: \_\_\_\_\_ NUMBER OF PAGES: \_\_\_\_\_  
(including this page)

SEND TO: Aldo Capristo

LOCATION: NMC

FAX NUMBER: 866-851-9498  
~~920-755-7528~~  VERIFY BY CALLING SENDER

FROM: Beverly Hicks  
(SENDER)

TELEPHONE NUMBER: 630 - 810 - 4370 FAX NUMBER: 630 - 810 - 4377

If you do not receive the complete fax transmittal, please contact the sender as soon as possible at the telephone number provided above.

MESSAGE