

NRC ACTIONS UNDER THE REACTOR OVERSIGHT PROCESS FOR THE POINT BEACH NUCLEAR PLANT, UNITS 1 AND 2

In the first quarter of 2003, the Point Beach Nuclear Plant (PBNP), Units 1 and 2, entered the Multiple/Repetitive Degraded Cornerstone column (Column IV) of the Reactor Oversight Process (ROP) Action Matrix. The Region III staff conducted a three-phase supplemental inspection, in accordance with Inspection Procedure (IP) 95003, to review the licensee's corrective actions. As stated in the NRC confirmatory action letter (CAL) dated April 21, 2004, the NRC must determine that performance improvements have actually been made before closing the inspection findings. In making this determination the NRC has considered: (1) plant events and findings that may reveal similar performance weaknesses, (2) performance indicators, (3) the implementation of the licensee's performance improvement plan, and (4) the results of supplemental inspections. Nuclear Management Company (NMC) developed an improvement plan (entitled Excellence Plan) and submitted a commitment letter dated March 22, 2004, focusing on performance issues. NMC committed to make sustained improvement to address issues in: (1) human performance, (2) engineering design control, (3) the engineering/operations interface, (4) emergency preparedness, and (5) the corrective action program (CAP).

Since then, the Region III staff has been assessing and documenting PBNP's performance on a quarterly basis. In the first 2005 quarterly report, as in the annual assessment letter dated March 2, 2005, the Region III staff concluded that PBNP is operating in a manner that preserves the public health and safety. NMC has been providing its CAL action step completion reports to the NRC during periodic public meetings, and the Region III staff will continue to monitor improvement in all areas listed in the CAL. During June 2005, the Region III staff performed two CAL special inspections. These inspections evaluated the licensee's actions in the areas of human performance and emergency preparedness. The Region III staff will also perform two CAL special inspections in the next few months. A team inspection of engineering effectiveness and the engineering/operations interface will be conducted during the weeks of July 26, 2005 and August 8, 2005. An expanded problem identification and resolution (PI&R) inspection of the licensee's CAP will be conducted during the weeks of September 12, 2005 and September 26, 2005. Both inspection teams will include more inspectors than the standard baseline inspections and will be supplemented by inspectors from outside the region.

The Committee commented that an adequate CAP is a key element in the successful implementation of the aging management programs critical to license renewal. NRC has established measures to evaluate CAP effectiveness during biennial PI&R baseline inspections. Items entered in the licensee's CAP are reviewed daily by the resident inspectors and assessed for immediate or future followup and potential trends. For PBNP, in addition to the inspections described previously, the staff will perform at least two PI&R inspections (in CY07 and CY09) before the plant enters the period of extended operation. During these inspections, the staff will evaluate the licensee's ability to identify and correct problems, including those related to license renewal. Consistent with Inspection Manual Chapter (MC) 0305, after the original red findings have been closed out, the Region III office may take actions, such as periodic senior management site visits, to ensure appropriate oversight of the licensee's improvement initiatives. The MC prescribes up to 200 hours of direct inspection activity to review selected performance areas when the licensee has been removed from Column IV. Once this happens, the Region III staff plans to expend at least 100 hours of that allowance on special reviews of the licensee's CAP. Although problems have been identified in the licensee's CAP, inspections to date have shown that the licensee's program is adequate.

ENCLOSURE

