

December 13, 2005
EN-05-055

OFFICE OF ENFORCEMENT
NOTIFICATION OF SIGNIFICANT REGULATORY ACTION

Licensee: Nuclear Management Company, LLC EA-05-191 and EA-05-192
Point Beach Nuclear Plant
Docket Nos. 50-266 and 50-301

Subject: ISSUANCE OF FINAL SIGNIFICANCE DETERMINATION AND NOTICE OF
VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY - \$60,000

This is to inform the Commission that a Notice of Violation associated with a White Significance Determination Process (SDP) finding will be issued on or about December 16, 2005, to Nuclear Management Company, LLC (NMC), as a result of inspections at the Point Beach Nuclear Plant, Units 1 and 2. This White finding, an issue with low to moderate increased importance to safety, involved the licensee's failure during a periodic Emergency Preparedness (EP) drill on August 1, 2002, to classify the emergency action level, an Alert, within 15 minutes of reaching plant parameters for an Alert. NMC also failed to ensure this deficiency was identified in a formal critique of the drill. Specifically, the licensee did not make the emergency action classification until approximately 27 minutes after plant parameters for an Alert were met and failed to this deficiency during its subsequent drill critique.

In a separate and related action a Notice of Violation and Proposed Imposition of Civil Penalty will be issued to NMC. The issue involves a violation of 10CFR 50.9 which is categorized at Severity Level III, with a base civil penalty in the amount of \$60,000. The licensee failed to provide complete and accurate information concerning the results of the August 1, 2002, EP drill post-drill critique. Specifically, on or about November 15, 2002, the EP Manager and the EP Coordinator altered a "Drill and Exercise Performance - Performance Indicator Form," to indicate that the licensee self-identified that the Alert emergency classification of the event exceeded the minimum time requirement and backdated the document to August 23, 2002. The OI investigation determined that the licensee had not identified the drill weakness during an August post-drill critique. This case was investigated by the Department of Justice (DOJ). As a result of DOJ's involvement, the EP Manager and the EP Coordinator were prohibited from participating in NRC-licensed activities. Because both individuals were terminated by NMC and were prohibited from engaging in NRC-licensed activities, the NRC is not taking enforcement action against either individual.

It should be noted that the licensee has not been specifically informed of these enforcement actions. The schedule of issuance and notification is:

Mailing of Final Significance Determination and Notice of Violation and Proposed Imposition of Civil Penalty	December 16, 2005
Telephone Notification of Licensee	December 16, 2005

The State of Wisconsin will be informed.

Contacts: D. Starkey, OE, 415-3456 C. Nolan, OE, 415-3360

**PRELIMINARY INFORMATION - NOT FOR PUBLIC DISCLOSURE UNTIL VERIFICATION
THAT LICENSEE HAS RECEIVED ACTION**

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