

November 30, 2005

NRC 2005-0150

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington DC 20555

Point Beach Nuclear Plant Units 1 and 2
Docket Nos. 50-266 and 50-301
License Nos. DPR-24 and DPR-27

Response to NRC Inspection Report Nos. 05000266/2005-017(DRS);
05000301/2005-017(DRS) and Office of Investigations Report No. 3-2002-038;
Preliminary White Finding (EA-05-191; EA-05-192)

References: 1) Letter from NRC to NMC dated October 27, 2005
2) Letter from NRC to NMC dated August 2, 2005
3) Letter from NMC to NRC dated May 16, 2003

This letter provides the Nuclear Management Company, LLC (NMC) perspective on the facts documented in Reference 1, which issued the results of inspections conducted between August 1, 2002, and September 16, 2005, by the U. S. Nuclear Regulatory Commission (NRC) and an investigation completed on February 18, 2003, by the NRC Office of Investigation (OI). The subject inspection and investigation related to conduct and documentation of internal critiques of emergency preparedness (EP) drills and exercises. The OI investigation concluded that licensee staff deliberately provided the NRC with incomplete and inaccurate critique information regarding self-identification of an untimely Alert declaration during the August 2002 EP drill. The NRC preliminarily determined the licensee's failure to self-identify the untimely declaration of an Alert classification to be a White Finding and that the preliminary White Finding is an apparent violation of 10 CFR 50.47(b)(14). The NRC also identified an apparent violation of 10 CFR 50.9 related to this issue.

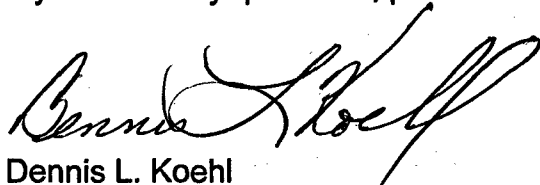
NMC concurs that these occurrences were violations of NRC requirements and that the finding has been properly characterized through the then current significance determination process (SDP) as White, an issue with low to moderate safety significance. However, these activities occurred in 2002 and do not reflect current performance at PBNP.

PBNP staff quickly addressed the above finding. As documented in Reference 1, the NRC reviewed these corrective actions as part of a 2003, multi-functional IP 95003 inspection and determined they were appropriate.

During the intervening period, NMC has made substantial improvements in EP performance at the Point Beach Nuclear Plant (PBNP) under the Confirmatory Action Letter (CAL) dated April 21, 2004 (CAL 3-04-001). These improvements have been evaluated by the NRC. The NRC completed a special inspection of EP at PBNP on July 1, 2005. Reference 2 documents the results of that inspection. The NRC identified no findings and concluded that good progress was made in this area. NRC inspection of EP has returned to the baseline inspection program. The concerns that were discussed in Reference 1 are not indicative of current EP performance.

As documented in Reference 1, the inappropriate actions taken by the responsible individual were adjudicated by the U. S. District Court. The individual's demonstrated performance was patently contrary to both prior and current station policy. Upon discovery of the individual's wrongdoing, senior station management took prompt and decisive actions to remedy the issue. Results of NMC's internal investigation of these events from 2002 and the resultant corrective actions are documented in Reference 3. I am confident that the demonstrated safety culture of our current EP staff is consistent with the focus needed to maintain sustained improvement in EP performance.

If you have any questions, please call me at (920) 755-7658.



Dennis L. Koehl
Site Vice-President, Point Beach Nuclear Plant
Nuclear Management Company, LLC

cc: Administrator, Region III, USNRC
Project Manager, Point Beach Nuclear Plant, USNRC
Resident Inspector, Point Beach Nuclear Plant, USNRC