

January 25, 2006

EA-05-175

Mr. J. Conway
Site Vice President
Monticello Nuclear Generating Plant
Nuclear Management Company, LLC
2807 West County Road 75
Monticello, MN 55362-9637

SUBJECT: ACKNOWLEDGEMENT LETTER FOR CONTESTED VIOLATION
(INSPECTION REPORT 05000263/2005003); MONTICELLO NUCLEAR
GENERATING PLANT

Dear Mr. Conway:

Thank you for your letter dated January 23, 2006. Your latest response stated that you are no longer contesting the violation originally transmitted in NRC inspection report 2005003 for failure to report a partial group II isolation. You also reenforced your position that you still do not agree with the NRC position that a violation of NRC reporting requirements occurred.

In your letter, you indicated that you recently formally reaffirmed to operations that if there is a doubt regarding reportability, to report. If a detailed subsequent analysis determines that the event was not reportable, then a retraction of the reportable event will be made, including a rationale for why the event was not reportable. After careful consideration of all aspects of this issue, we find your corrective action and your response acceptable. As Mr. Edward Weinkam (NMC) and Mr. Bruce Burgess (NRC) discussed, we will be pursuing clarification to NUREG 1022, Revision 2, in a timely manner, to address potentially conflicting reportability guidance. In the interim, additional occurrences of reportability events that have similar circumstances will be considered for classification as an Unresolved Item (URI) pending clarification to NUREG 1022, Revision 2. Due to administrative needs, the violation documented in IR 05000263/2005003 will be closed in a subsequent inspection report.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and your response will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

Mark A. Satorius, Director
Division of Reactor Projects

Docket No. 50-263
License No. DPR-22

- cc: M. Sellman, Chief Executive Officer
and Chief Nuclear Officer
Manager, Regulatory Affairs
- J. Rogoff, Vice President, Counsel, and Secretary
Nuclear Asset Manager, Xcel Energy, Inc.
- Commissioner, Minnesota Department of Health
- R. Nelson, President
Minnesota Environmental Control Citizens
Association (MECCA)
- Commissioner, Minnesota Pollution Control Agency
- D. Gruber, Auditor/Treasurer,
Wright County Government Center
- Commissioner, Minnesota Department of Commerce
Manager - Environmental Protection Division
Minnesota Attorney General's Office

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