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Regional Administrator
Region III
U. S. Nuclear Regulatory Commission
2443 Warrenville Road, Suite 210
Lisle, IL 60532-4352

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

CAL 3-04-001
Completion of Confirmatory Action Letter Commitments

References: (1) NMC Letter Dated March 22, 2004
(2) NRC Letter Dated April 21, 2004, transmitting CAL 3-04-001

On March 22, 2004, Nuclear Management Company, LLC (NMC) submitted proposed commitments to the U. S. Nuclear Regulatory Commission (NRC) via Reference (1). On April 21, 2004, the NRC issued CAL 3-04-001, as described by Reference (2). Reference (2) contains provisions that the Regional Administrator, Region III, be notified in writing if there are any changes or deviations from the actions documented in the NMC commitment letter, or if NMC cannot complete the actions within the specified schedule in advance of the change.

PBNP Confirmatory Action Letter (CAL) commitments have been completed in accordance with Reference (2) and subsequent NMC and NRC formal communications that have occurred since issuance of Reference (2). Commitment OR-02-001.2.C, discussed in the enclosure, was completed but may not always be maintained on a going-forward basis. Therefore, this letter documents the commitment being closed to actions taken.

The enclosure summarizes our improvements to date. These improvements are progress in achieving our Picture of Excellence. The Picture of Excellence is the foundation of our long-term business planning process that will make continued improvement part of our normal business.

The enclosure of this letter discusses Point Beach Nuclear Plant (PBNP) plant performance over the duration of the CAL.

Please contact me at (920)755-7624 if there are any questions regarding the information in this letter or its enclosure.

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

Enclosure

cc: Document Control Desk
NRR Project Manager, Point Beach Nuclear Plant

ENCLOSURE

COMPLETION OF POINT BEACH NUCLEAR PLANT CONFIRMATORY ACTION LETTER COMMITMENTS

Overall Confirmatory Action Letter (CAL) Performance

The 143 commitments made by NMC to improve performance in response to the CAL have been completed. The performance measures supporting completion of these CAL commitments were met and continue to be monitored. There are four performance measures, the number of operable but degraded/nonconforming conditions, number of human performance licensee event reports, apparent cause evaluation (ACE) quality, and elective work order maintenance backlog that have recently experienced a downward trend. Corrective action requests have been initiated to assess and appropriately address these trends.

A discussion of PBNP performance in each of the five CAL focus areas follows.

Emergency Preparedness: A White Finding associated with Emergency Preparedness (EP) drill critiques was communicated to NMC in December 2005. The circumstances associated with this White Finding occurred in mid-2002. As a result, substantial improvements in EP performance were made by implementing our commitments that were the basis for the CAL. A special CAL inspection of EP was conducted in mid-2005, with no violations or findings identified during the course of the inspection. PBNP now has approved Emergency Action Levels (EALs) based on industry standards, personnel have been trained in the EALs, and the EALs have been successfully implemented. The EP staff is now fully trained and qualified and uses upgraded implementing procedures and processes. The issues associated with the White Finding are not indicative of current EP performance. PBNP EP has been returned to the baseline inspection program.

Human Performance: Human performance has improved at PBNP. Substantial progress has been made in this area over the course of the CAL. Error reduction tools are routinely used together with the Picture of Excellence. Performance has continued to steadily improve as evidenced by the improvement in the Unit 1 refueling outage in the fall of 2005 compared to our performance during the spring Unit 2 outage. PBNP Management continues to emphasize the importance of human performance in the pursuit of excellence.

Engineering/Operations Interface: The interface between Engineering and Operations has substantially improved. Engineering has played a significant role in reducing the number of operator workarounds and sustaining that improvement for over two years. Additionally, the operating decision making process now used at PBNP has improved the real-time decision performance. The results from using this process have built trust in the organization and encouraged its use to the point that individual contributors and supervisors suggest its use when they feel it is needed. As a result of these and other improvements, this focus area was returned to baseline inspection.

Engineering Performance: Engineering overall performance has improved. The results of various review boards, such as the Design Review Board and the Quality Review Team, indicate improved quality in engineering products. Forty-six modifications were accepted in 2005 following installation. Additionally, the monitoring of plant system and program health has become more rigorous and has yielded improvements in both the plant systems and engineering programs. In the August CAL Inspection of Engineering, NRC verified that 22 of 196 calculations included in the calculation reconstitution project had been reviewed and revised. There were no findings identified as a result of NRC review of the calculations. NMC recognizes that completion of the calculation upgrade project is fundamental to future success and will complete this project.

Corrective Action Program: There has been substantial progress made in corrective action program implementation. The timeliness of evaluations and corrective actions has improved. The quality of root cause evaluations has improved. Determination of the significance of issues through the screening process has also improved, and improved trending has resulted from the use of the new NMC fleet processes, such as the Departmental Roll-Up Meeting (DRUM). Although use of the DRUM process has improved trending at PBNP, additional improvements are needed in this area.

NMC continues to use the Corrective Action Program for further improvement. The recent NRC Problem Identification and Resolution (PI&R) inspection, Nuclear Oversight independent assessments, a streaming analysis performed in November 2005 by the management team and the above-mentioned DRUM reports are being used to improve performance to beyond adequate. Specifically, we desire further improvements in ACE quality and technical rigor in documenting actions in the Corrective Action Program.

Reactor Oversight Program Performance

PBNP Reactor Oversight Program performance continues to improve. During 3Q05, there were no newly identified inspection findings greater than green in the Cornerstones of Mitigating Systems or Barrier Integrity. There were no findings in the Cornerstones of Initiating events, Emergency Preparedness, Physical Protection, Occupational or Public Radiation Safety. Additionally, 3Q05 performance indicators for PBNP are all Green.

Status of Commitment Action Step OR-02-001

OR-02-001, Nuclear Oversight Effectiveness

Step OR-02-001.2C required that a rotational plan be endorsed by the Site Vice President and implemented. This Action Step was implemented in early 2004. The intent of this step was to broaden the experience and knowledge base of personnel

assigned to Nuclear Oversight (NOS) by temporarily assigning individuals from the line organization to the department on a rotational basis. This Action Step was developed in 2003 and implemented in early-2004. In mid-2005, the individual who was then filling the rotational position was returned to his former group. NMC intends to fill the position in the near future.

Assigning an individual from a line department to NOS on a rotational basis is one of several ways by which the knowledge and experience base of NOS assessors may be enhanced. Other actions taken by NMC included rotating an individual with operations experience at another NMC plant into the NOS Manager position for four months prior to his becoming the current Operations Manager, and then recruiting an NOS department manager and a supervisor with extensive industry and plant experience, including operations, experience. In the near future, the current NOS Manager will be transferring to another NMC site. The individual selected to fill this position also has substantial line departmental experience that will continue to drive NOS improvements in the future. Although the NOS Manager fulfills the overall objective of this step, NMC will assign a person to fill the rotational position identified in Action Step OP-02-001.