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NRC 2005-0039

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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

Update on Confirmatory Action Letter Commitments and Performance Measures

- References: (1) Nuclear Management Company, LLC Letter dated March 22, 2004, "Commitments in Response to 95003 Supplemental Inspection"
- (2) NRC Letter dated April 21, 2004, transmitting CAL 3-04-001, "Confirmatory Action Letter"
- (3) NMC Letter dated November 23, 2004, "Update on Confirmatory Action Letter Commitments and Performance Measures"

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. Reference (3) provided an update on Confirmatory Action Letter (CAL) commitments and associated performance measures. This letter advises NRC of additional changes to CAL commitments and performance measures that are contained in Reference (2) and provides information as committed to in Reference (3).

There were two issues summarized as commitments in Reference (3) that required further action by NMC. These issues were:

- Calculation Validation and Reconstitution Project
- Bolted Fault Calculations

The status of the above issues is discussed in the enclosure to this letter and has resulted in revised commitments. Additionally, there are updates on CAL commitments and

associated performance measures that have been the subject of discussions between representatives of NRC Region III and NMC on several occasions during this calendar quarter, including March 2, March 14, March 15, March 24, and March 30, 2005.

Summary of New/Revised Commitments

1. EQ-15-011: NMC will complete the Bolted Fault Calculations in 3Q05 in accordance with revised Action Step EQ-15-011.5.
2. OP-14-005: The deliverable for Action Step OP-14-005.2.D has been revised to reflect progress of completed calculations as of June 15, 2005. The deliverable for Action Step OP-14-005.2.E has been revised to provide a copy of the project plan describing approval requirements for the Emergency Operating Procedure (EOP) setpoint calculations.

Commitment Excellence Plans EQ-15-011 and OP-14-005 have been updated to reflect these revised commitments. Revision Six (6) of the Commitment Excellence Plan is being transmitted to the NRC Document Control Desk separate from this submittal. The individual corrective actions that direct performance of these activities have been updated to reflect the revised commitments and the individual commitments that are documented in the plant's commitment management system have been revised.

Please contact me at PBNP if there are questions regarding the information provided in this letter or its enclosure.



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Site Vice-President, Point Beach Nuclear Plant
Nuclear Management Company, LLC

Enclosure

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

ENCLOSURE

UPDATE TO POINT BEACH NUCLEAR PLANT CONFIRMATORY ACTION LETTER COMMITMENTS

This enclosure provides a status update on Point Beach Nuclear Plant (PBNP) Confirmatory Action Letter (CAL), CAL 3-04-001, commitments. The information provided is sequentially arranged into the relevant focus areas contained in the CAL. This letter only addresses issues where the commitment or performance measures differ from those described in Reference (2).

Human Performance – Action Plan OR-01-004

Step OR-01-004.35, "Publish department excellence plans," is a CAL commitment that was scheduled for completion during 3Q04. Plant activities associated with this commitment were completed during 3Q04. The commitment consists of three sub-steps as follows:

- OR-01-004.35A, "Determine the best method for implementing department excellence plans (actual plans, matrices, or other)." This action was completed during 3Q04.
- OR-01-004.35B, "Create Department Excellence Plans." This action was completed during 3Q04.
- OR-01-004.35C, "Publish Department Excellence Plans." This action was completed during 3Q04.

As noted above, the activities associated with this CAL commitment have been completed. However, a review of the results of this activity revealed that the continued development and implementation of individual department excellence plans were inconsistent with improving site alignment. The department excellence plans created a risk of departmental misalignment that could detract from the overall Picture of Excellence, as the departmental excellence plans were external to the Site Excellence Plan. The alignment of departments to a common understanding of station priorities and the Excellence Plan is a key enabler, which is aligned to support these priorities.

Shortly after this CAL commitment was completed, an NMC fleet initiative was undertaken to establish a common process and methodology for creating and monitoring individual site Excellence Plans. Each NMC site has developed, or is in the process of developing, an Excellence Plan. The Excellence Plan at each site is to be maintained as a "living document" via ongoing and routine reviews by the Plant Excellence Review Group (PERG). The PERG provides a forum to validate that the site is working on the right issues, with appropriate priorities and resource allocations, and that the organization is aligned. The Site Excellence Plan establishes a path toward achieving excellence in which individual departmental roles are identified.

Engineering Organizational Effectiveness – Action Plan OR-08-17

One of the methods to verify that the objectives of Action Plan OR-08-017, "Operations and Engineering Interface," have been met is that the Operations procedure feedback backlog is less than 450 feedbacks. This performance measure is currently challenged and may not be met. When this performance measure was initially proposed, Operations procedure feedbacks were counted in aggregate and there was no prioritization or classification scheme. Since that time, all feedbacks have been evaluated, classified and prioritized. In addition, requested Operations procedure changes are now individually entered as procedure change requests (PCRs) into the corrective action program. The data, however, could be affected if one procedure change affects many procedures. For example, a caution note might need to be incorporated into each unit's specific procedures and the caution could affect multiple pieces of equipment, and thus, many procedures.

Additionally, when this performance measure was developed, the potential scope of procedures that may require revision was not realized as the overall scope of the calculation project (OP-14-005) was not fully known. That information is now becoming available as the calculation project progresses. NMC believes this effort will likely generate a significant number of procedure changes.

As of March 28, 2005, there were 587 outstanding Operations procedure feedbacks. Ten of the feedbacks were "corrective" in nature, while 533 of the feedbacks were "elective" and there were 44 "project-related" feedbacks.

Emergency Preparedness – Action Plan OP-09-004

OP-09-004 was developed to ensure an effective upgrade of the current PBNP emergency action levels (EALs) to the Nuclear Energy Institute (NEI) 99-01 scheme. The original submittal of these revised EALs occurred in accordance with the original schedule. The EALs were submitted on June 25, 2004. In response to a public meeting held on this issue between representatives of NMC and NRC on September 2, 2004, revised EALs were submitted to the NRC on October 15, 2004.

Based upon discussions last week with the NRC PBNP Project Manager, it was learned that NRC approval of the revised EALs would occur no earlier than late May 2005. NMC remains committed to implementing these revised EALs within 90 days of the date NRC approval is obtained.

Corrective Action - Action Plan OP-10-004

One of the methods used to verify that the objectives of Action Plan OP-10-004, "CAP Resolutions Effectively Addresses Problems," have been met is that the Corrective Action Implementation Effectiveness performance indicator would be greater than 80%. Performance in 2Q04 was 70%; in 3Q04, it was 82%, and in 4Q04, it was 100%. However, during 1Q05 performance dropped to 40% because three of the five

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effectiveness reviews presented to the Corrective Action Review Board (CARB) were determined to be ineffective. This matter was discussed at the March 24, 2005, CARB meeting. Direction has been given to Managers and Supervisors to provide more oversight during the performance of corrective actions to prevent recurrence and effectiveness reviews. In addition, CAP063034 was initiated on March 24, 2005, by the Site Director to document, evaluate and take additional corrective actions, as necessary.

Configuration Management – Action Plan OP-14-005

The NMC letter dated November 23, 2004, (Reference (3)), stated a revised completion date for the calculation upgrade project (OP-14-005) would be provided in 1Q05. Detailed schedules have been developed to reflect calculation interdependencies that affect the current CAL due date of 2Q05. The detailed schedule is available for review at PBNP. There are four significant milestones associated with completion of the calculation upgrade project. These milestones are currently scheduled as follows:

Completion of Electrical Calculations	1Q06
Completion of Mechanical Calculations	2Q06
Completion of Instrumentation & Control (I&C) Calculations	3Q06
Perform Final Effectiveness Review	2Q07

In addition to the above, interim milestone completion dates for completed calculations have been established. Action Plan OP-14-005 has been revised accordingly.

The prioritization of calculations to be reviewed was completed in an integrated manner. This methodology included ties to interdependent calculations as necessary to logically complete calculations in an efficient manner and established specific priorities in each discipline. Specifically, EOP setpoint change calculations were established as highest I&C priority along with mechanical calculations that were tied to these I&C EOP setpoint changes. Additionally, auxiliary feedwater system calculations receive a high priority because of this system's safety significance. Finally, electrical calculations are prioritized in accordance with the bolted fault project needs and to address an open QA significant issue in the Appendix R area.

The development of the calculation program schedule did not lend itself to the establishment of a probabilistic risk assessment. However, the completion of related CAL steps to administratively restrict the use of calculations while under revision, along with controls to ensure that future calculation revisions retain interdependent links to other calculations, provides NMC with assurance that the established project timelines and milestones are appropriately risk informed.

Action Step OP-14-005.2.D was originally intended to define completion of the project at the end of 2Q05. In response to communications between NRC and NMC, the deliverable for this step has been revised to require a copy of the signature page from each calculation

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that is approved by June 15, 2005, showing the approval signatures. The project schedule indicates that approximately 10% of calculations to be revised will be complete and ready for NRC review by June 30, 2005.

CAP 060919 was generated on December 6, 2004, to document the fact that the 2Q05 CAL date of Step OP-14-005.2.D may not be met.

Accordingly, these changes necessitate a change to CAL Commitment Action Step OP-14-005.2.D to no longer require completion of the calculation project in 2Q05.

Likewise, CAL Commitment Action Step OP-14-005.2.E was originally intended to define completion of the final review and acceptance of the revised EOP setpoint calculations. The deliverable for this step has been revised to require a copy of the project plan describing requirements for Operations or EOP Procedure Coordinator approval of the EOP setpoint calculations. The due date for this commitment remains at 2Q05.

In addition to the above, a discussion was held with a representative of NRC Region III on March 15, 2005, regarding CAL Commitment Step OP-14-005.10, "Incorporate relational database into station information system." At the time Action Plan OP-14-005 was created, it was envisioned that the relational database being utilized for the calculation review phase would be utilized in the production phase with subsequent incorporation into the station's electronic document management system. The purpose of the action step was to ensure that calculation interdependencies would be identified such that when a calculation is revised, all affected and relevant calculations would be revised.

Following creation of this step, an evaluation was performed that concluded the station's electronic document management system possessed the capability to identify the calculation interdependencies and electronically link calculations. This is accomplished via a process called "path walking." Accordingly, this step will be appropriately documented and a sustainability assessment will be performed by the end of 2Q05 to justify use of the station's electronic document system as the method utilized to fulfill the requirements of Step OP-14-005.10.

Equipment Reliability, Action Plans EQ-15-011 and EQ-15-012

EQ-15-011, Bolted Fault Calculations: Bolted fault calculations were scheduled to be completed during 1Q05. Reference (3) incorrectly identified the completion date as 4Q04. In early January 2005, it was identified that there were several quality-related concerns with the software application being used to complete the short circuit and degraded voltage calculations. Corrective Action Program (CAP) action request CAP061406 was initiated on January 11, 2005, to document these issues. On February 2, 2005, additional significant inconsistencies and errors were identified in the methodology for the "AC Electrical Distribution System Model" in the software application. These issues were documented in CAPs 061829 and 061830. These CAPs were provided to and discussed with the PBNP Region III PBNP Project Engineer on February 9, 2005.

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On February 14, 2005, CAP 062066 was initiated to document that NMC would not meet the 1Q05 CAL commitment because of the impact of these electrical calculation software quality issues. Based upon the nature and significance of the errors and issues associated with the electrical calculation software model, the decision was made to abandon work performed to date using that application, and to develop a recovery plan, including schedule and budget, that utilizes a different software application. A recovery plan has been developed and implemented. The schedule necessitates that the due date for this CAL commitment be revised to 3Q05.

As part of continued work in this area, it was recently determined that additional data crucial to the development of the electrical system model must be obtained from the nuclear steam supply system vendor. This information is expected to provide component-specific technical data to be utilized as input into the electrical model. This information is currently expected to arrive at PBNP in late June 2005. Upon review, the completeness of this data will be confirmed and any identified deficiencies will be addressed. Due to the critical nature of acquiring this data in a complete and timely manner, NMC remains committed to completion of this project in 3Q05, but also recognizes the obligation to advise NRC of the potential for a schedule impact based on this uncertainty. NMC will keep NRC advised as to the outcome of this development.

EQ-15-012, Manhole and Cable Vault Flooding: An effectiveness review was conducted during 3Q04 in accordance with the requirements of Action Step EQ-15-012.9. A review of the results of this effectiveness review indicated that the work performed to date was not fully effective in resolving the manhole and cable vault flooding issues. CAP060550 was initiated to document the findings of this effectiveness review and to perform additional corrective actions.