

September 7, 2006

Mr. Mark Reddermann
Vice President, Nuclear Operations Support
Nuclear Management Company, LLC
700 First Street
Hudson, Wisconsin 54016

SUBJECT: LETTER OF INTENT TO ADOPT TITLE 10 OF THE *CODE OF FEDERAL REGULATIONS*, PART 50.48(c) FOR MONTICELLO NUCLEAR GENERATING PLANT, PALISADES NUCLEAR PLANT, POINT BEACH NUCLEAR PLANT, UNITS 1 & 2, AND PRAIRIE ISLAND NUCLEAR GENERATING PLANT, UNITS 1 AND 2 (TAC NOS. MC9289 THROUGH MC9294)

Dear Mr. Reddermann:

This letter responds to Nuclear Management Company, LLC's (NMC's) letter of March 14, 2006, which revised its November 30, 2005, letter of intent (LOI) to transition to Title 10 of the *Code of Federal Regulations*, Part 50.48(c) — National Fire Protection Association (NFPA) 805, "Performance-Based Standard for Fire Protection for Light-Water Reactor Electric Generating Plants," 2001 Edition. This transition applies to the following plants:

- Monticello Nuclear Generating Plant (Monticello)
- Palisades Nuclear Power Plant (Palisades)
- Point Beach Nuclear Plant (Point Beach), Units 1 & 2
- Prairie Island Nuclear Generating Plant (Prairie Island), Units 1 and 2

NMC removed Duane Arnold Energy Center from the affected plants listed in its submittal of November 30, 2005, since NMC is no longer the current licensed operator of the facility.

NMC's letter of March 14, 2006, said its transition to the performance-based standard for fire protection is being implemented for all of its plants. The transition started for all units on the date of NMC's original LOI, and license amendment requests (LARs) for the transition will be submitted to the Nuclear Regulatory Commission (NRC) on a staggered basis between November 30, 2008, and November 30, 2009. NMC requested the NRC to extend its enforcement discretion policy of 24 months to the following:

- 48 months for Monticello
- 48 months for Palisades
- 36 months for Point Beach
- 42 months for Prairie Island

On April 18, 2006, the NRC published in the *Federal Register* (71 FR 19905) a revision to its enforcement policy extending the NFPA 805 transition discretion period from 24 to 36 months. Therefore, NMC's schedule for the Point Beach transition is aligned with the allotted time in the revised policy, and is granted. With respect to NMC's request for discretion past 36 months for the other units, the NRC at this time is not granting extensions. Therefore, at this time, the NRC will only recognize a 36-month discretion for Monticello, Palisades, and Prairie Island.

Please note that in order to receive the enforcement discretion, you must evaluate the risk significance of all noncompliances to assure that they do not constitute "red" findings, enter them into your corrective action program, and implement and maintain appropriate compensatory measures until the staff approves your LARs to transition to NFPA 805 for each unit. Please refer to NRC Regulatory Issue Summary 2005-07, "Compensatory Measures to Satisfy the Fire Protection Program Requirements," to determine appropriate compensatory measures. Towards the end of your 36-month discretion period, you may request an extension. However, any extension requests should address what events occurred that were outside licensee's control that precluded the completion of transition during the allotted discretion period.

If you have any questions regarding this matter, please contact L. Mark Padovan at (301) 415-1423 or (Imp@nrc.gov).

Sincerely,

/RA/
Catherine Haney, Director
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos.:
50-266, 50-301, 50-263,
50-255, 50-282, 50-306, and 50-331

cc w/encl: See next page

Monticello Nuclear Generating Plant

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Palisades Plant

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Point Beach Nuclear Plant, Units 1 and 2

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Prairie Island Nuclear Generating Plant,
Units 1 and 2

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