

June 16, 2006

Mr. William L. Berg  
President and CEO  
Dairyland Power Cooperative  
3200 East Avenue South  
P. O. Box 817  
La Crosse, WI 54602-0817

SUBJECT: LA CROSSE BOILING WATER REACTOR - NRC MATERIAL CONTROL AND ACCOUNTING PROGRAM INSPECTION REPORT NO. 05000409/2006201 AND NOTICE OF VIOLATION

Dear Mr. Berg:

On March 27-30, 2006, the U.S. Nuclear Regulatory Commission conducted an inspection of the material control and accounting (MC&A) safeguards program at the La Crosse Boiling Water Reactor. The inspection was conducted pursuant to Phase III of Temporary Instruction 2515/154. The enclosed inspection report documents the inspection findings, which were discussed at the conclusion of the on-site inspection activities on March 30, 2006, and in a telephonic exit on May 19, 2006, with Mr. Roger Christians and other members of your staff.

The inspection examined activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your license. Areas examined during the inspection included the special nuclear material (SNM) physical inventory program and SNM accounting records. The inspectors reviewed selected procedures and records, observed practices for control and storage of SNM in the spent fuel pool, and interviewed personnel.

Based on the results of this inspection, the NRC has determined that a violation of NRC requirements occurred. The violation is cited in the enclosed Notice of Violation (NOV) and the circumstances surrounding the violation are described in detail in the subject inspection report. If you contest this violation or its significance, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001, with copies to the Regional Administrator, Region III, and the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

When separated from the Enclosure, this document is DECONTROLLED.

W. Berg

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You are required to respond to this letter and should follow the instructions specified in the Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, will be available electronically for public inspection in the NRC Public Document Room or from the Publically Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). However, because of the security-related concerns contained in the enclosure, and in accordance with 10 CFR 2.390, this letter's enclosure will not be available for public inspection.

Should you have any questions concerning this report, please contact Daniel Jones at (404) 562-4704 or Glenn Tuttle at (301) 415-7644.

Sincerely,

*/RA/*

Jeffrey Cruz, Chief  
Material Security Oversight Branch  
Division of Security Operations  
Office of Nuclear Security and  
Incident Response

Docket No. 50-409  
License No. DPR-45

Enclosures: 1. Notice of Violation  
2. MC&A Inspection Report 05000409/2006201

cc w/enclosure: Roger Christians, Plant Manager  
La Crosse Boiling Water Reactor

Dr. Seymour Raffety, Reactor Engineer  
La Crosse Boiling Water Reactor

cc w/o enclosure: Paul Schmidt, Manager  
Radiation Protection Section  
Division of Public Health  
Dept of Health and Family Services

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Radiation Protection Section  
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