

August 22, 2006

Mr. Dennis L. Koehl
Site Vice President
Point Beach Nuclear Plant
Nuclear Management Company, LLC
6610 Nuclear Road
Two Rivers, WI 54241-9516

SUBJECT: POINT BEACH NUCLEAR PLANT, UNITS 1 AND 2 - ISSUANCE OF
AMENDMENTS RE: STEAM GENERATOR TUBE INTEGRITY (TAC
NOS. MD0194 AND MD0195)

Dear Mr. Koehl:

The Commission has issued the enclosed Amendment No. 223 to Renewed Facility Operating License No. DPR-24 and Amendment No. 229 to Renewed Facility Operating License No. DPR-27 for the Point Beach Nuclear Plant, Units 1 and 2, respectively. The amendments consist of changes to the Technical Specifications (TSs) in response to your application dated February 16, 2006, as supplemented by letters dated May 11 and July 13, 2006.

The amendments revise the TS requirements related to steam generator (SG) tube integrity consistent with NRC-approved Revision 4 to TS Task Force (TSTF) Standard Technical Specification Change Traveler TSTF-449, "Steam Generator Tube Integrity."

A copy of our related Safety Evaluation is also enclosed. The Notice of Issuance will be included in the Commission's biweekly *Federal Register* notice.

Sincerely,

/RA/

Carl F. Lyon, Project Manager
Plant Licensing Branch III-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-266 and 50-301

Enclosures:

1. Amendment No. 223 to DPR-24
2. Amendment No. 229 to DPR-27
3. Safety Evaluation

cc w/encls: See next page

Mr. Dennis L. Koehl
Site Vice President
Point Beach Nuclear Plant
Nuclear Management Company, LLC
6610 Nuclear Road
Two Rivers, WI 54241-9516

August 22, 2006

SUBJECT: POINT BEACH NUCLEAR PLANT, UNITS 1 AND 2 - ISSUANCE OF AMENDMENTS RE: STEAM GENERATOR TUBE INTEGRITY (TAC NOS. MD0194 AND MD0195)

Dear Mr. Koehl:

The Commission has issued the enclosed Amendment No. 223 to Renewed Facility Operating License No. DPR-24 and Amendment No. 229 to Renewed Facility Operating License No. DPR-27 for the Point Beach Nuclear Plant, Units 1 and 2, respectively. The amendments consist of changes to the Technical Specifications (TSs) in response to your application dated February 16, 2006, as supplemented by letters dated May 11 and July 13, 2006.

The amendments revise the TS requirements related to steam generator (SG) tube integrity consistent with NRC-approved Revision 4 to TS Task Force (TSTF) Standard Technical Specification Change Traveler TSTF-449, "Steam Generator Tube Integrity."

A copy of our related Safety Evaluation is also enclosed. The Notice of Issuance will be included in the Commission's biweekly *Federal Register* notice.

Sincerely,
/RA/

Carl F. Lyon, Project Manager
Plant Licensing Branch III-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-266 and 50-301

Enclosures:

1. Amendment No. 223 to DPR-24
2. Amendment No. 229 to DPR-27
3. Safety Evaluation

cc w/encls: See next page

DISTRIBUTION

| | | | |
|------------------|--------------------|----------------|------------------------|
| PUBLIC | RidsOgcRp | LPL3-1 R/F | RidsAcrsAcnwMailCenter |
| RidsNrrDorIDpr | RidsNrrDorLpl3-1 | GHill (4) | RidsNrrDirsltsb |
| RidsNrrLADClarke | RidsRgn3MailCenter | RidsNrrPMFLYon | RidsNrrDciCsgb |
| ALewin, NRR | EWhitt, NRR | | |

Package Accession Number: **ML062050312**

Amendment Accession Number: **ML062050299**

TS Accession Number: **ML062350198**

*SE dated 6/27/06

| | | | | | |
|--------|-----------|-----------|----------|---------|---------------|
| OFFICE | LPL3-1/PM | LPL3-1/LA | ITSB/BC | OGC | LPL3-1/BC (A) |
| NAME | FLyon:ca | DClarke | TKobetz* | APH | MMurphy |
| DATE | 8/15/06 | 8/16/08 | 6/27/06 | 8/18/06 | 8/22/06 |

OFFICIAL RECORD COPY

NUCLEAR MANAGEMENT COMPANY, LLC

DOCKET NO. 50-266

POINT BEACH NUCLEAR PLANT, UNIT 1

AMENDMENT TO RENEWED FACILITY OPERATING LICENSE

Amendment No. 223
License No. DPR-24

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by Nuclear Management Company, LLC (the licensee), dated February 16, 2006, as supplemented by letters dated May 11 and July 13, 2006, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this license amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, the license is amended by changes to the Technical Specifications as indicated in the attachment to this license amendment, and paragraph 3.B of Renewed Facility Operating License No. DPR-24 is hereby amended to read as follows:

B. Technical Specifications

The Technical Specifications contained in Appendices A and B, as revised through Amendment No. 223, are hereby incorporated in the renewed operating license. NMC shall operate the facility in accordance with Technical Specifications.

3. This license amendment is effective as of the date of issuance and shall be implemented within 60 days of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Martin C. Murphy, Acting Chief
Plant Licensing Branch III-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Attachment:
Changes to the Facility Operating License
and Technical Specifications

Date of issuance: August 22, 2006

NUCLEAR MANAGEMENT COMPANY, LLC

DOCKET NO. 50-301

POINT BEACH NUCLEAR PLANT, UNIT 2

AMENDMENT TO RENEWED FACILITY OPERATING LICENSE

Amendment No. 229
License No. DPR-27

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by Nuclear Management Company, LLC (the licensee), dated February 16, 2006, as supplemented by letters dated May 11 and July 13, 2006, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this license amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, the license is amended by changes to the Technical Specifications as indicated in the attachment to this license amendment, and paragraph 3.B of Renewed Facility Operating License No. DPR-27 is hereby amended to read as follows:

B. Technical Specifications

The Technical Specifications contained in Appendices A and B, as revised through Amendment No. 229, are hereby incorporated in the renewed operating license. NMC shall operate the facility in accordance with Technical Specifications.

3. This license amendment is effective as of the date of issuance and shall be implemented within 60 days of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Martin C. Murphy, Acting Chief
Plant Licensing Branch III-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Attachment:
Changes to the Facility Operating License
and Technical Specifications

Date of issuance: August 22, 2006

ATTACHMENT TO LICENSE AMENDMENT NO. 223
TO RENEWED FACILITY OPERATING LICENSE NO. DPR-24
AND LICENSE AMENDMENT NO. 229
TO RENEWED FACILITY OPERATING LICENSE NO. DPR-27
DOCKET NOS. 50-266 AND 50-301

Replace the following pages of the Facility Operating License and Appendix A Technical Specifications with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

REMOVE

Unit 1 license page 3
Unit 2 license page 3
ii
1.1-3
3.4.13-1
3.4.13-2
3.4.17-1
3.4.17-2
5.5-7
5.5-8
5.5-9
5.5-10
5.5-11
5.6-6

INSERT

Unit 1 license page 3
Unit 2 license page 3
ii
1.1-3
3.4.13-1
3.4.13-2
3.4.17-1
3.4.17-2
5.5-7
5.5-8
5.5-9
5.5-10
5.5-11
5.6-6

- D. Pursuant to the Act and 10 CFR Parts 30, 40 and 70, NMC to receive, possess and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and
 - E. Pursuant to the Act and 10 CFR Parts 30 and 70, NMC to possess such byproduct and special nuclear materials as may be produced by the operation of the facility, but not to separate such materials retained within the fuel cladding.
4. This renewed operating license shall be deemed to contain and is subject to the conditions specified in the following Commission regulations: 10 CFR Part 20, Section 30.34 of 10 CFR Part 30, Section 40.41 of 10 CFR Part 40, Sections 50.54 and 50.59 of 10 CFR Part 50, and Section 70.32 of 10 CFR Part 70; and is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified below:
- A. Maximum Power Levels

NMC is authorized to operate the facility at reactor core power levels not in excess of 1540 megawatts thermal.
 - B. Technical Specifications

The Technical Specifications contained in Appendices A and B, as revised through Amendment No. 223, are hereby incorporated in the renewed operating license. NMC shall operate the facility in accordance with Technical Specifications.
 - C. Spent Fuel Pool Modification

The licensee² is authorized to modify the spent fuel storage pool to increase its storage capacity from 351 to 1502 assemblies as described in licensee's application dated March 21, 1978, as supplemented and amended. In the event that the on-site verification check for poison material in the poison assemblies discloses any missing boron plates, the NRC shall be notified and an on-site test on every poison assembly shall be performed.

² Reference to the licensee in License Conditions 4.C, 4.E and 4.H refers to Wisconsin Electric Power Company and is maintained for historical purposes.

- C. Pursuant to the Act and 10 CFR Parts 30, 40 and 70, NMC to receive, possess and use at any time any byproduct, source, and special nuclear material as sealed neutron sources for reactor startup, sealed source for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;
 - D. Pursuant to the Act and 10 CFR Parts 30, 40 and 70, NMC to receive, possess and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and
 - E. Pursuant to the Act and 10 CFR Parts 30 and 70, NMC to possess such byproduct and special nuclear materials as may be produced by the operation of the facility, but not to separate such materials retained within the fuel cladding.
4. This renewed operating license shall be deemed to contain and is subject to the conditions specified in the following Commission regulations: 10 CFR Part 20, Section 30.34 of 10 CFR Part 30, Section 40.41 of 10 CFR Part 40, Sections 50.54 and 50.59 of 10 CFR Part 50, and Section 70.32 of 10 CFR Part 70; and is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified below:
- A. Maximum Power Levels

NMC is authorized to operate the facility at reactor core power levels not in excess of 1540 megawatts thermal.
 - B. Technical Specifications

The Technical Specifications contained in Appendices A and B, as revised through Amendment No. 229, are hereby incorporated in the renewed operating license. NMC shall operate the facility in accordance with Technical Specifications.
 - C. Spent Fuel Pool Modification

The licensee² is authorized to modify the spent fuel storage pool to increase its storage capacity from 351 to 1502 assemblies as described in licensee's application dated March 21, 1978, as supplemented and amended. In the event that the on-site verification check for poison material in the poison assemblies discloses any missing boron plates, the NRC shall be notified and an on-site test on every poison assembly shall be performed.

² Reference to the licensee in License Conditions 4.C and 4.E refers to Wisconsin Electric Power Company and is maintained for historical purposes.

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

RELATED TO AMENDMENT NO. 223 TO RENEWED FACILITY

OPERATING LICENSE NO. DPR-24

AND AMENDMENT NO. 229 TO RENEWED FACILITY

OPERATING LICENSE NO. DPR-27

NUCLEAR MANAGEMENT COMPANY, LLC

POINT BEACH NUCLEAR PLANT, UNITS 1 AND 2

DOCKET NOS. 50-266 AND 50-301

1.0 INTRODUCTION

By letter to the U.S. Nuclear Regulatory Commission (NRC, Commission) dated February 16, 2006 (Agencywide Documents Access and Management System Accession (ADAMS) No. ML060480440), as supplemented by letters dated May 11, 2006 (ADAMS No. ML061380559) and July 13, 2006 (ADAMS No. ML061980223), the Nuclear Management Company, LLC (the licensee), requested changes to the technical specifications (TSs) for the Point Beach Nuclear Plant, Units 1 and 2. The supplements dated May 11 and July 13, 2006, provided additional information that clarified the application, but did not expand the scope of the application as originally noticed, and did not change the NRC staff's initial proposed no significant hazards consideration determination as published in the *Federal Register* on April 11, 2006 (71 FR 18374).

The proposed changes would revise the TS requirements related to steam generator (SG) tube integrity consistent with NRC-approved Revision 4 to TS Task Force (TSTF) Standard Technical Specification Change Traveler TSTF-449, "Steam Generator Tube Integrity," and the model safety evaluation prepared by the NRC and published in the *Federal Register* on March 2, 2005 (70 FR 10298) under the consolidated line item improvement process (CLIP). In this regard, the scope of the application includes changes to the definition of leakage, changes to the primary-to-secondary leakage requirements, changes to the SG tube surveillance program (SG tube integrity), changes to the SG reporting requirements, and associated changes to the TS Bases.

2.0 REGULATORY EVALUATION

The background, description, and applicability of the proposed changes associated with the SG tube integrity issue and the applicable regulatory requirements were included in the NRC staff's model safety evaluation (SE) published in the *Federal Register* on March 2, 2005 (70 FR 10298). The "Notice of Availability of Model Application Concerning Technical Specification; Improvement To Modify Requirements Regarding Steam Generator Tube Integrity; Using the Consolidated Line Item Improvement Process" was published in the *Federal Register* on May 6, 2005 (70 FR 24126), which made the model SE available to licensees for use.

3.0 TECHNICAL EVALUATION

3.1 Overview

In its February 16, 2006, application, and May 11 and July 13, 2006, supplements, the licensee proposed changes to the TSs that are consistent with the proposed changes approved in TSTF-449. The NRC model SE provides a detailed evaluation of the proposed changes that are requested by the licensee in its application. Consistent with TSTF-449, the proposed TS changes include: (1) a revised definition of LEAKAGE in TS 1.1, (2) a revised TS 3.4.13, "RCS [Reactor Coolant System] Operational LEAKAGE," (3) a new TS 3.4.17, "Steam Generator (SG) Tube Integrity," (4) a revised TS 5.5.8, "Steam Generator (SG) Program," (5) a revised TS 5.6.8, "Steam Generator Tube Inspection Report," and (6) a revised Table of Contents page to reflect the proposed changes.

3.2 Conclusion

The proposed TS changes establish a programmatic, largely performance-based regulatory framework for ensuring SG tube integrity is maintained. The NRC staff finds that it addresses key shortcomings of the current framework by ensuring that SG programs are focused on accomplishing the overall objective of maintaining tube integrity. It incorporates performance criteria for evaluating tube integrity that the NRC staff finds consistent with the structural margins and the degree of leak tightness assumed in the current plant licensing basis. The NRC staff finds that maintaining these performance criteria provides reasonable assurance that the SGs can be operated safely without increase in risk.

The revised TSs will contain limited specific details concerning how the SG program is to achieve the required objective of maintaining tube integrity, the intent being that the licensee will have the flexibility to determine the specific strategy for meeting this objective. However, the NRC staff finds that the revised TSs include sufficient regulatory constraints on the establishment and implementation of the SG program such as to provide reasonable assurance that tube integrity will be maintained.

Failure to meet the performance criteria will be reportable pursuant to the requirements in Title 10 of the *Code of Federal Regulations* (10 CFR) Sections 50.72, "Immediate notification requirements for operating nuclear power reactors" and 50.73, "Licensee event report system." The NRC reactor oversight process provides a process by which the NRC staff can verify that the licensee has identified any SG program deficiencies that may have contributed to such an occurrence and that appropriate corrective actions have been implemented.

In conclusion, the NRC staff finds that the TS changes proposed by the licensee in its February 16, 2006, application and its May 11 and July 13, 2006, supplements, are consistent with the NRC-approved TSTF-449, conform to the requirements of 10 CFR 50.36, "Technical Specifications," and establish a TS framework that will provide reasonable assurance that SG tube integrity is maintained without undue risk to public health and safety. The NRC staff has no objections to the proposed changes to the Bases.

4.0 STATE CONSULTATION

In accordance with the Commission's regulations, the Wisconsin State official was notified of the proposed issuance of the amendments. The State official had no comments.

5.0 ENVIRONMENTAL CONSIDERATION

These amendments change a requirement with respect to the installation or use of a facility component located within the restricted area as defined in 10 CFR Part 20 and change a surveillance requirement. The staff has determined that the amendments involve no significant increase in the amounts and no significant change in the types of any effluent that may be released offsite, and that there is no significant increase in individual or cumulative occupational radiation exposure. The Commission has previously published a proposed finding that these amendments involve no significant hazards consideration and there has been no public comment on such finding (71 FR 18374, April 11, 2006). Accordingly, these amendments meet the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(9). Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with the issuance of these amendments.

6.0 CONCLUSION

The Commission has concluded, based on the considerations discussed above, that (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendments will not be inimical to the common defense and security or to the health and safety of the public.

Principal Contributor: A. Lewin

Date: August 22, 2006

Point Beach Nuclear Plant, Units 1 and 2

cc:

Jonathan Rogoff, Esquire
Vice President, Counsel & Secretary
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

Mr. F. D. Kuester
President & Chief Executive Officer
WE Generation
231 West Michigan Street
Milwaukee, WI 53201

Regulatory Affairs Manager
Point Beach Nuclear Plant
Nuclear Management Company, LLC
6610 Nuclear Road
Two Rivers, WI 54241

Mr. Ken Duveneck
Town Chairman
Town of Two Creeks
13017 State Highway 42
Mishicot, WI 54228

Chairman
Public Service Commission
of Wisconsin
P.O. Box 7854
Madison, WI 53707-7854

Regional Administrator, Region III
U.S. Nuclear Regulatory Commission
Suite 210
2443 Warrenville Road
Lisle, IL 60532-4351

Resident Inspector's Office
U.S. Nuclear Regulatory Commission
6612 Nuclear Road
Two Rivers, WI 54241

Mr. Jeffery Kitsembel
Electric Division
Public Service Commission of Wisconsin
P.O. Box 7854
Madison, WI 53707-7854

Nuclear Asset Manager
Wisconsin Electric Power Company
231 West Michigan Street
Milwaukee, WI 53201

Michael B. Sellman
President and Chief Executive Officer
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

Douglas E. Cooper
Senior Vice President - Group Operations
Palisades Nuclear Plant
Nuclear Management Company, LLC
27780 Blue Star Memorial Highway
Covert, MI 49043

Site Director of Operations
Nuclear Management Company, LLC
6610 Nuclear Road
Two Rivers, WI 54241