

September 22, 2006

Mr. John T. Conway
Site Vice President
Monticello Nuclear Generating Plant
Nuclear Management Company, LLC
2807 West County Road 75
Monticello, MN 55362-9637

SUBJECT: MONTICELLO NUCLEAR GENERATING PLANT (MNGP) - ADMINISTRATIVE CHANGE TO FACILITY OPERATING LICENSE IN CONJUNCTION WITH THE COMMISSION ORDER EA-06-037 REGARDING UPDATED DESIGN-BASIS THREAT AND REVISIONS TO PHYSICAL SECURITY PLAN, TRAINING AND QUALIFICATION PLAN, AND SAFEGUARDS CONTINGENCY PLAN (TAC NO. MD2246)

Dear Mr. Conway:

By letters to the Nuclear Regulatory Commission (NRC) dated May 12 and May 30, 2006, Nuclear Management Company (NMC), submitted its revised plans and confirmed the full implementation at MNGP of Order EA-06-037 regarding an updated adversary characteristic in the design-basis threat (DBT). In addition to the changes required under the Order, NMC reported other security plan changes made in accordance with 10 CFR 50.54(p)(2) in its letters dated December 1, 2005, and February 2, 2006.

The NRC staff has completed its review of the changes related to implementation of Order EA-06-037 along with the changes reported under 10 CFR 50.54(p)(2). As discussed in the enclosed safeguards evaluation (Enclosure 2), the NRC staff has determined that NMC's changes to the security plans meet the requirements of the NRC Order and 10 CFR Part 73 requirements and are, therefore, acceptable. In addition, the NRC staff determined that NMC properly concluded that the other changes to its security plans, as described in its letters dated December 1, 2005, and February 2, 2006, did not result in a decrease in safeguards effectiveness. The effectiveness of these security provisions will continue to be the subject of NRC review and inspection.

Consistent with the Order, a conforming administrative change to the Facility Operating License is required to ensure implementation of the Updated DBT Order EA-06-037 requirements.

NOTICE: Enclosure 2 contains Security-Related Information. Upon separation from Enclosure 2, this letter and Enclosure 1 are DECONTROLLED.

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Therefore, an administrative license change to Facility Operating License No. DPR-22 is being made to incorporate the reference to the revised Physical Security Plan, Safeguards Contingency Plan, and Training and Qualification Plan. These changes comply with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I. Please replace Page 3 of the MNGP Facility Operating License with the enclosed page (Enclosure 1).

If you have any questions, please contact me at (301) 415-1451.

Sincerely,

/RA/

Peter S. Tam, Senior Project Manager
Plant Licensing Branch III-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-263

Enclosures:

1. Revised Page 3 of License
2. Safeguards Evaluation

cc w/encls 1 and 2: T. Gallagher, Site Security Manager

cc w/encl 1 only: See next page

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Enclosures:

- 1. Revised Page 3 of License
- 2. Safeguards Evaluation

cc w/encls 1 and 2: T. Gallagher, Site Security Manager

cc w/encl 1 only: See next page

DISTRIBUTION:

PUBLIC (letter and Enclosure 1 only)

RidsNrrDorlLp3-1	RidsNrrPMPtam	LPL3-1 R/F
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RidsRgn3MailCenter	P. S. Lee, NSIR	
A. Frazier, NSIR	G. Hill, OIS	
P. Milano	RidsNsrLAKGrimes	

ADAMS Accession No. - Package: **ML062680023**

ADAMS Accession No. - Letter and Enclosure 1: **ML062080050**

ADAMS Accession No. - Enclosure 2: **ML062080060**

OFFICE	LPL3-1/PM	LPL3-1/LA	NSIR/RSB	NSIR/RSB	NSIR/RSB/BC	OGC	LPL3-1/BC(A)
NAME	P. Tam	T. Harris	P. Lee	K. Grimes	S. Morris	BJones	M. Murphy
DATE	8/31/06	8/30/06	8/31/06	9/6/06	9/6/06	9/14/06	9/22/06

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4. 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
 5. Pursuant to the Act and 10 CFR Parts 30 and 70, NMC to possess, but not separate, such byproduct and special nuclear material as may be produced by operation of the facility.
- C. This license shall be deemed to contain and is subject to the conditions specified in the Commission's regulations in 10 CFR Chapter I 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 or incorporated below:
1. Maximum Power Level
NMC is authorized to operate the facility at steady state reactor core power levels not in excess of 1775 megawatts (thermal).
 2. Technical Specifications
The Technical Specifications contained in Appendix A, as revised through Amendment No. 147, are hereby incorporated in the license. NMC shall operate the facility in accordance with the Technical Specifications.
 3. Physical Protection
NMC shall implement and maintain in effect all provisions of the Commission-approved physical security, guard training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p)(2). The combined set of plans, which contain Safeguards Information protected under 10 CFR 73.21, are entitled: "Monticello Nuclear Generating Plant Physical Security, Training and Qualification, and Safeguards Contingency Plan," with revisions submitted through May 12, 2006.

Amendment No. ~~1 thru 147~~
Correction letter of 8/25/2000
Revised by letter dated 10/28/04
Revised by letter dated 9/22/06

Monticello Nuclear Generating Plant

cc:

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November 2005