

SAFEGUARDS INFORMATION

October 26, 2006

Mr. T. Palmisano
Site Vice President
Prairie Island Nuclear Generating Plant
Nuclear Management Company, LLC
1717 Wakonade Drive East
Welch, MN 55089

SUBJECT: PRAIRIE ISLAND NUCLEAR GENERATING PLANT, UNITS 1 AND 2
NRC SECURITY BASELINE INSPECTION REPORT 05000282/2006401(DRS);
05000306/2006401(DRS)

Dear Mr. Palmisano:

On September 28, 2006, the U.S. Nuclear Regulatory Commission (NRC) completed a security baseline inspection at your Prairie Island Nuclear Generating Plant, Units 1 and 2. The inspection covered one or more of the key attributes of the security cornerstone of the NRC's Reactor Oversight Process. The enclosed inspection report documents the inspection results, which were discussed on September 28, 2006, with Mr. Northard and Mr. Clewett, and other members of your staff.

This inspection examined activities conducted under your license as they relate to security and compliance with the Commission's rules and regulations and with the conditions of your license. The inspector reviewed selected procedures and records, observed activities, and interviewed personnel.

This report documents one finding of very low security significance (i.e., Green as determined by the Physical Protection Significance Determination Process). The deficiency was promptly

EXEMPT FROM PUBLIC DISCLOSURE
May be exempt from public release under the Freedom of Information Act (5 U.S.C. 552)

Exemption number: 5
Nuclear Regulatory Commission review required before public release.

Dale Lawver, RIII/DRS/PSB
Name and organization of person making determination.

Date of determination: 10/11/2006

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corrected or compensated for, and the plant was in compliance with applicable physical protection and security requirements within the scope of this inspection before the inspector left the site. The finding was licensee-identified.

NRC is treating this violation as a Non-Cited Violation (NCV) consistent with Section VI.A.1 of the NRC Enforcement Policy because of the very low security significance of the violation and because it is entered into your corrective action program. If you contest this Non-Cited Violation, 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; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at the Prairie Island Nuclear Generation Plant.

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 Publicly Available Records (PARS) component of NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). However, because of the material enclosed herewith contains Safeguards Information as defined by 10 CFR 73.21 and its disclosure to unauthorized individuals is prohibited by Section 147 of the Atomic Energy Act of 1954, as amended, the material will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response, if any. This practice will ensure that your response will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system, ADAMS. If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. Otherwise, mark your entire response "Security-Related Information-Withhold Under 10 CFR 2.390" and follow the instructions for withholding in 10 CFR 2.390(b)(1).

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Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

/RA/

Kenneth Riemer
Chief, Plant Support Branch
Division of Reactor Safety

Docket Nos. 50-282; 50-306
License Nos. DPR-42; DPR-60

Enclosure: Inspection Report 05000282/2006401(DRS);
05000306/2006401(DRS)
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cc w/encl **(SAFEGUARDS INFORMATION)**
B. Westreich (NSIR/DNS)
(NSIR/DNS/RSS/Licensing Assistant)

cc w/o encl **(SAFEGUARDS INFORMATION):**
C. Anderson, Senior Vice President, Group Operations
M. Sellman, Chief Executive Officer and Chief Nuclear Officer
Regulatory Affairs Manager
J. Rogoff, Vice President, Counsel & Secretary
Nuclear Asset Manager
State Liaison Officer, Minnesota Department of Health
Tribal Council, Prairie Island Indian Community
Administrator, Goodhue County Courthouse
Commissioner, Minnesota Department
of Commerce
Manager, Environmental Protection Division
Office of the Attorney General of Minnesota

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Please See Attached Concurrences

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(NSIR/DNS/RSS/Licensing Assistant)

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M. Sellman, Chief Executive Officer and Chief Nuclear Officer
Regulatory Affairs Manager
J. Rogoff, Vice President, Counsel & Secretary
Nuclear Asset Manager
Tribal Council, Prairie Island Indian Community
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