May 16, 2007

Mr. David A. Christian
Senior Vice President and
Chief Nuclear Officer
Innsbrook Technical Center
5000 Dominion Boulevard
Glen Allen, VA 23060-6711

SUBJECT: ASSESSMENT FOLLOWUP LETTER - KEWAUNEE POWER STATION

Dear Mr. Christian:

On May 1, 2007, the Nuclear Regulatory Commission (NRC) staff completed, as part of our continuous review, an update of our assessment of the Kewaunee Power Station. The assessment evaluated performance indicators (PIs) and inspection results. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility. This letter supplements, but does not supercede, our annual assessment letter issued on March 2, 2007.

On April 3, 2007, the NRC staff forwarded a letter concerning the final significance determination of a Yellow inspection finding in the Mitigating Systems cornerstone. This finding involved the failure of plant personnel to follow procedural requirements and enter a fuel leak on the "A" emergency diesel generator (EDG) into the corrective action program on June 28, 2006, when the leak was first identified. This failure resulted in the leak not being appropriately evaluated and repaired until August 17, 2006. Testing performed on the leaking fuel oil system components indicated that they would have failed completely after four hours of diesel operation during an accident and would have rendered the "A" EDG inoperable.

As a result of our review, we have assessed Kewaunee Power Station performance to be in the Degraded Cornerstone column of the NRC's Action Matrix. As specified in the Action Matrix for plants in this column, we will be conducting a supplemental inspection at Kewaunee using Inspection Procedure 95002, "Inspection For One Degraded Cornerstone Or Any Three White Inputs In a Strategic Performance Area." This inspection is conducted to provide assurance that the root and contributing causes for the individual risk significant performance issue are understood, to independently assess the extent of condition, and to provide assurance that the corrective actions are sufficient to prevent recurrence. We will conduct this inspection after you have completed any planned cumulative root cause evaluation of the Yellow finding issue.

As discussed in our March 2, 2007 annual assessment letter, the performance indicator for Unplanned Scrams per 7000 Critical Hours in the Initiating Events cornerstone crossed the threshold from Green to White in the 4th quarter of 2006. After you have completed your review of this issue, we will conduct a supplemental inspection using Inspection Procedure 95001, "Inspection for One or Two White Inputs in a Strategic Performance Area."

The objectives of the inspection are to provide assurance that the root causes and contributing causes of risk significant performances issues are understood, the extent of condition is identified, and the corrective actions are sufficient to prevent recurrence.

In addition, our review has identified that the mitigating systems performance indicator for Emergency AC Power Systems has crossed the threshold from Green to White in the 1st quarter of 2007. Specifically, you identified a scenario that could result in loads on the EDGs in excess of the diesel manufacturer's ratings. You are evaluating the issue further to determine whether the loads could have resulted in a failure of either of Kewaunee's EDGs. We will also review this issue using Inspection Procedure 95001 once you have completed your review.

To make efficient use of resources and to accommodate previously scheduled activities, members of our staffs have agreed that NRC review of the Yellow inspection finding and the two White performance indicators would likely be conducted during a single inspection, after August 2007. The specific dates of the inspection will be established later based on the completion of your reviews of these issues.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records System (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).

Please contact Jamnes Cameron at 630-829-9833 with any questions you may have regarding this letter.

Sincerely,

/RA/

Mark A. Satorius, Director
Division of Reactor Projects

Docket No. 50-305
License No. DPR-43

Enclosure: Kewaunee Power Station Inspection/Activity Plan

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Letter to David A. Christian from Mark A. Satorius dated May 16, 2007.

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cc w/encl: L. Hartz, Site Vice President
C. Funderburk, Director, Nuclear Licensing
and Operations Support
T. Breene, Manager, Nuclear Licensing
L. Cuoco, Esq., Senior Counsel
D. Zellner, Chairman, Town of Carlton
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State Liaison Officer, State of Wisconsin
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City Council President
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Director, Kewaunee County Emergency
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