April 14, 2008

LICENSEE: Nuclear Management Company

FACILITY: Monticello Nuclear Generating Plant

SUBJECT: SUMMARY OF THE APRIL 1, 2008, PUBLIC MEETING TO DISCUSS THE 2007 MONTICELLO END-OF-CYCLE PERFORMANCE ASSESSMENT

On April 1, 2008, the Nuclear Regulatory Commission (NRC) held a public meeting at the Monticello Training Center in Monticello, Minnesota. The meeting was between NRC Region III management and Nuclear Management Company representatives to discuss the NRC's 2007 End-of Cycle Assessment of the Monticello Nuclear Generating Plant safety performance. The results of that assessment were discussed in a letter to the licensee dated March 6, 2008 (ADAMS ML080600314).

The NRC began the meeting with an overview of the NRC, the NRC's Reactor Oversight Process (ROP), national ROP results, and the Action Matrix. This was followed by a summary of the NRC's assessment of Monticello performance in 2007. The NRC's meeting presentation slides are attached as Enclosure 1. A list of principal meeting attendees can be found in the attached Enclosure 2.

The licensee then provided its perspective on the assessment. At the end of the meeting, members of the public were given the opportunity to ask questions of NRC officials.

/RA/
Kenneth Riemer, Chief
Branch 2
Division of Reactor Projects

Docket No. 50-263
License No. DPR-22

Enclosures: As stated

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Letter to T. O'Connor from K. Riemer dated April 14, 2008

SUBJECT: SUMMARY OF THE APRIL 1, 2008, PUBLIC MEETING TO DISCUSS THE 2007 MONTICELLO END-OF-CYCLE PERFORMANCE ASSESSMENT

cc w/encl: D. Koehl, Chief Nuclear Officer
Manager, Nuclear Safety Assessment
P. Glass, Assistant General Counsel
Nuclear Asset Manager, Xcel Energy, Inc.
J. Stine, State Liaison Officer, Minnesota Department of Health
R. Nelson, President
Minnesota Environmental Control Citizens
Association (MECCA)
Commissioner, Minnesota Pollution Control Agency
R. Hiivala, Auditor/Treasurer,
Wright County Government Center
Commissioner, Minnesota Department of Commerce
Manager – Environmental Protection Division
Minnesota Attorney General's Office
Chairman, Wright County Board
Mayor of Monticello
Chairperson, Sherburne County
Administrator, City of Monticello
G. Mortensen, INPO

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Letter to T. O'Connor from K. Riemer dated April 14, 2008

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Enclosure 1

U.S.NRC

United States Nuclear Regulatory Commission

Protecting People and the Environment

Monticello Annual Assessment Meeting

Reactor Oversight Program - CY 2007

Nuclear Regulatory Commission - Region III

Monticello, Minnesota

April 1, 2008

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Purpose of Today's Meeting

- A public forum for discussion of the licensee's performance
- NRC will address the licensee performance issues identified in the annual assessment letter
- Licensee will be given the opportunity to respond to the information in the letter and inform the NRC of new or existing programs to maintain or improve their performance

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Agenda

- Introduction
- Review of Reactor Oversight Process
- National Summary of Plant Performance
- Discussion of Plant Performance Results
- Licensee Response and Remarks
- NRC Closing Remarks
- Break
- NRC available to address public questions

U.S.NRC
United States Nuclear Regulatory Commission
Protecting People and the Environment

Who We Are

- The Energy Reorganization Act of 1974 established the independent U.S. Nuclear Regulatory Commission to regulate commercial uses of nuclear material; other duties of the former Atomic Energy Commission were assigned to the Department of Energy.

- The NRC is headed by four Commissioners and a Chairman, all appointed by the President and confirmed by the Senate for staggered five-year terms. No more than three can be from the same political party.

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United States Nuclear Regulatory Commission
Protecting People and the Environment

Who We Are

- The NRC employs about 3,000 people in its suburban Maryland headquarters and four regional offices in Pennsylvania, Georgia, Illinois and Texas.
- NRC inspectors are assigned to 65 nuclear power plant sites and three fuel facilities.
- NRC staff are federal employees qualified to hold positions of public trust. They are bound by stringent ethics rules and restrictions.

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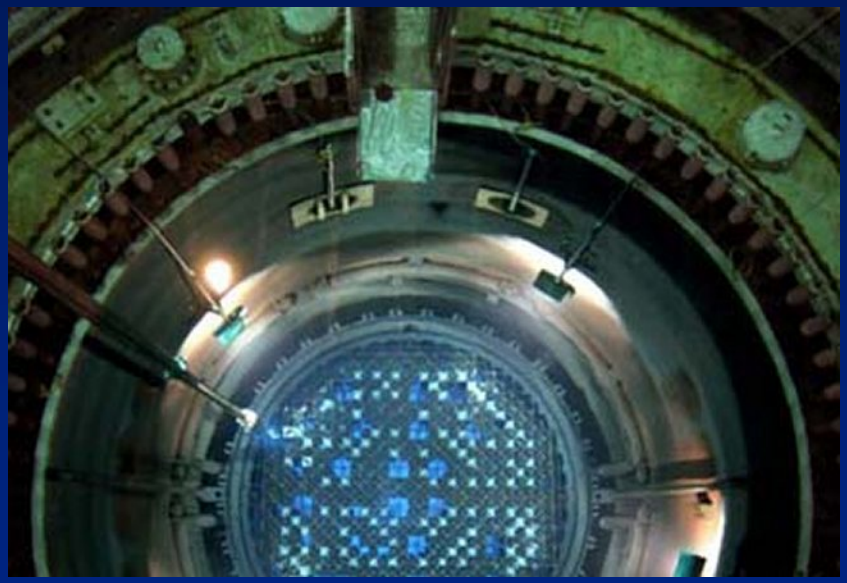
Our Mission



- To license and regulate the nation's civilian use of byproduct, source and special nuclear materials to ensure adequate protection of public health and safety, promote the common defense and security, and protect the environment.

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Some Nuclear Facts

- More than 100 nuclear power plants supply about 20 percent of the electricity in the U.S.
- Nuclear materials are used in medicine for cancer treatment and diagnosis.
- Nuclear materials are widely used in industry, such as in density gauges, flow measurement devices, radiography devices and irradiators.

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The NRC Regulates

- Nuclear reactors - commercial power reactors, research and test reactors, new reactor designs;
- Nuclear materials - nuclear reactor fuel, radioactive materials for medical, industrial and academic use;
- Nuclear waste – transportation, storage and disposal of nuclear material and waste, decommissioning of nuclear facilities; and
- Nuclear security – physical security of nuclear facilities and materials from sabotage or attacks.

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What We Don't Do

- Regulate nuclear weapons, military reactors or space vehicle reactors. (These are regulated by other federal agencies.)
- Own or operate nuclear power plants.
- Regulate some radioactive materials, such as naturally occurring radon, X-rays and material produced in particle accelerators. (These are regulated by states or other federal agencies.)

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Our Primary Functions

- Establish rules and regulations
- Issue licenses
- Provide oversight through inspection, enforcement and evaluation of operational experience
- Conduct research to provide support for regulatory decisions
- Respond to emergencies

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How We Regulate

- Provide oversight, including inspections
  - The NRC inspects licensed facilities to ensure they meet regulations and the terms of their license.
  - The NRC assesses facility performance.
  - The NRC investigates allegations of wrongdoing through the Office of Investigations.

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How We Regulate

- Respond to emergencies
  - The NRC maintains an active program to ensure readiness and response to an event at a nuclear facility potentially affecting public health and safety.
  - The NRC has incident response centers at its headquarters and regional offices to provide consultation, support and assistance to licensees and state and local public officials.

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What We Do – Nuclear Reactors

- The NRC ensures nuclear plant safety by requiring a "defense-in-depth" design philosophy in plants that includes:
  - Multiple, redundant and independent safety systems;
  - Multiple physical barriers, including robust reactor containment that prevents the release of radioactivity; and
  - Testing of emergency plans.

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What We Do – Nuclear Reactors

- The NRC ensures nuclear plant safety by verifying compliance with regulations.
  - Each nuclear power plant site has at least two NRC resident inspectors onsite to perform daily inspections.
  - Special inspectors also perform periodic inspections.
  - Licensees are required to report plant safety data and events to the NRC.

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What We Do – Nuclear Reactors

- The NRC also ensures nuclear plant safety by:
  - Requiring long-term maintenance to assure equipment is repaired or replaced in a timely manner; and
  - Requiring continual training and qualification of nuclear plant operators.

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What We Do – Nuclear Waste

- The NRC regulates:
  - Spent fuel storage installations for the interim storage of spent nuclear reactor fuel in fuel pools or dry storage casks.
  - A high-level radioactive waste repository at Yucca Mountain, Nev., if proposed by the DOE.

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What We Do – Nuclear Security

- NRC Requires:
  - Well-armed and well-trained security forces;
  - Surveillance and perimeter patrols;
  - State-of-the-art site access equipment and controls;
  - Physical barriers and detection zones; and
  - Intrusion detection systems and alarm stations

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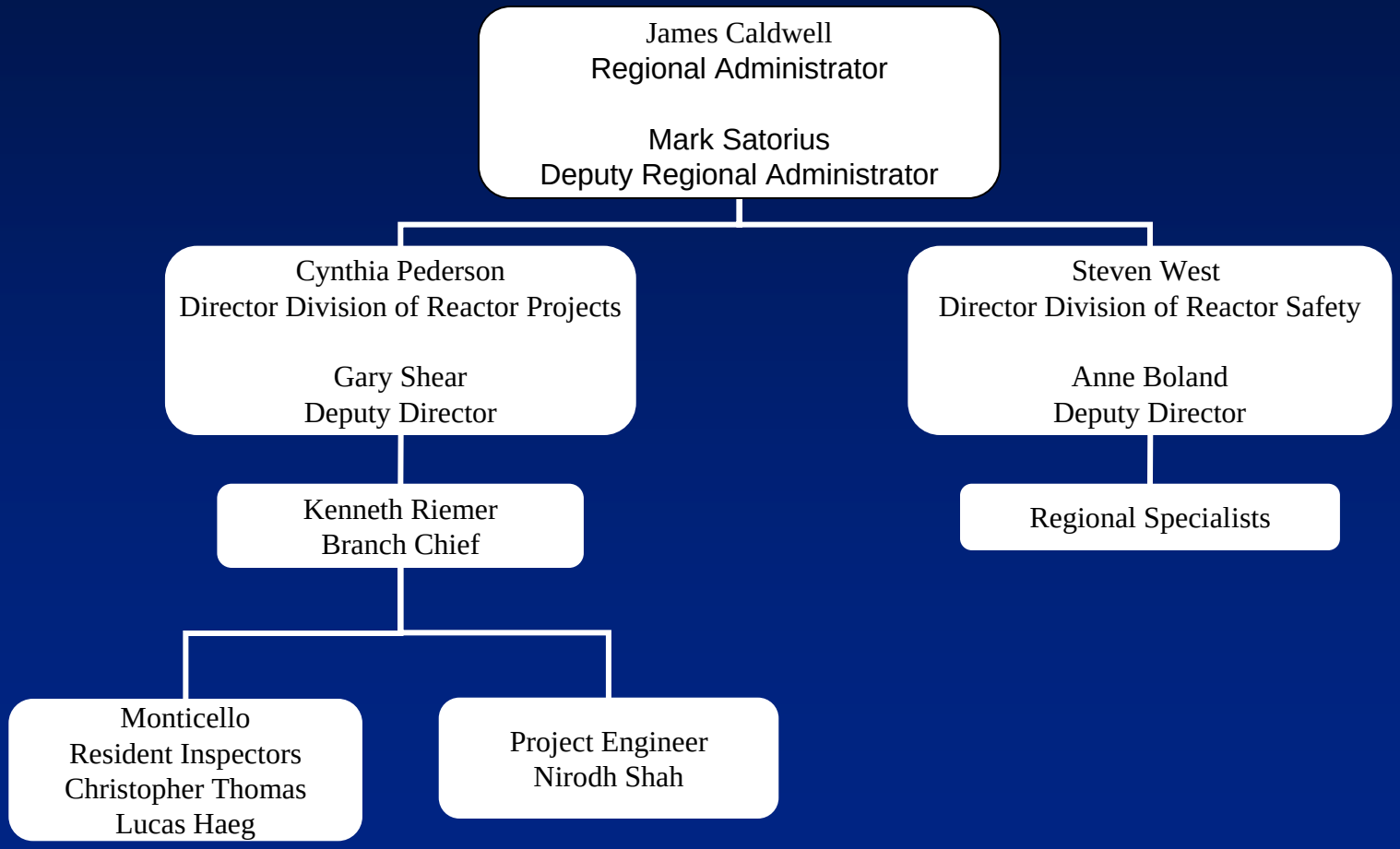
Region III Organization



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NRC Representatives

- Cynthia Pederson, Director, Division Reactor Projects
  - (630) 829-9600
- Gary Shear, Deputy Division Director, DRP
  - (630) 829-9601
- Peter Tam, Project Manager, NRR
  - (301) 415-1451
- Christopher Thomas, Senior Resident Inspector
  - (763) 295-2066
- Lucas Haeg, Resident Inspector
  - (763) 295-2066
- Nirodh Shah, Project Engineer
  - (630) 829-9821
- Kenneth Riemer, Branch Chief
  - (630) 829-9628

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NRC Performance Goals

- Safety: Ensure adequate protection of public health and safety and the environment.
- Security: Ensure adequate protection in the secure use and management of radioactive materials.

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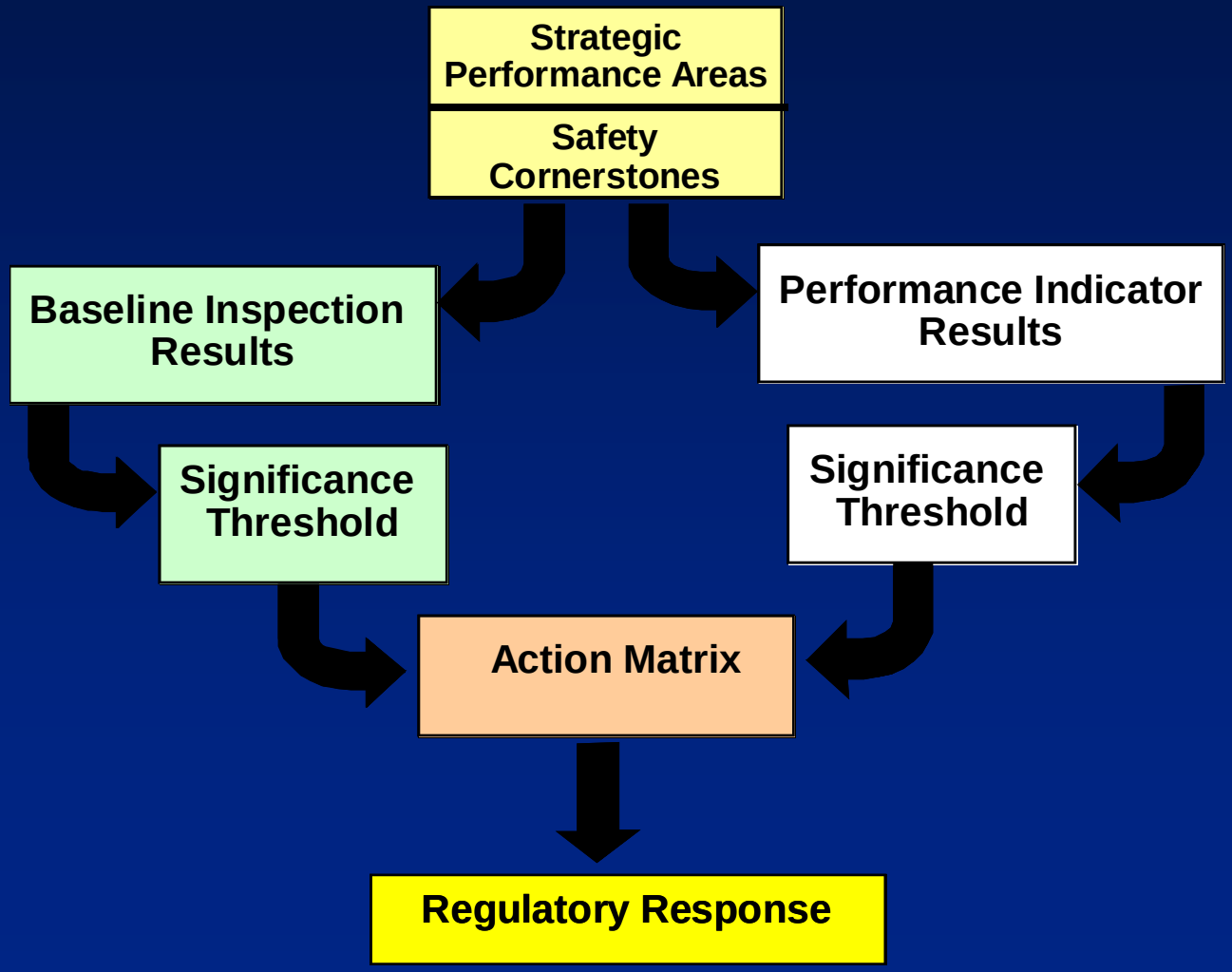
Reactor Oversight Process



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Examples of Baseline Inspections

- Equipment Alignment ~80 hrs/yr
- Triennial Fire Protection ~250 hrs every 3 yrs
- Operator Response ~125 hrs/yr
- Emergency Preparedness ~80 hrs/yr
- Rad Release Controls ~110 hrs every 2 yrs
- Worker Radiation Protection ~95 hrs/yr
- Corrective Action Program ~250 hrs every 2 yrs
- Corrective Action Case Reviews ~60 hrs/yr

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Significance Threshold

Performance Indicators

Green: Only Baseline Inspection
White: May increase NRC oversight
Yellow: Requires more NRC oversight
Red: Requires more NRC oversight

Inspection Findings

Green: Very Low safety issue
White: Low to moderate safety issue
Yellow: Substantial safety issue
Red: High safety issue

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Action Matrix Concept

Licensee Response	Regulatory Response	Degraded Cornerstone	Multiple/Rep. Degraded Cornerstone	Unacceptable Performance

Increasing Safety Significance

Increasing NRC Inspection Efforts

Increasing NRC/Licensee Management Involvement

Increasing Regulatory Actions

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National Summary of Plant Performance

Status at End of CY 2007

Licensee Response	87
Regulatory Response	8
Degraded Cornerstone	8
Multiple/Repetitive Degraded Cornerstone	1
Unacceptable	0
Total	104

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National Summary

- Performance Indicator Results (at end of CY 2007)
  - Green 1942
  - White 8
  - Yellow 1
  - Red 0
- Total Inspection Findings (CY 2007)
  - Green 759
  - White 9
  - Yellow 2
  - Red 0

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Monticello Assessment Results

(Jan 1 - Dec 31, 2007)

- Licensee Response Column of the Action Matrix with all Green Performance Indicators (PIs) and inspection findings.

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Safety Significant Findings or PIs

- No greater than green findings or PIs

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Monticello Inspection Activities

(Jan 1 - Dec 31, 2007)

- The inspections at Monticello were performed by the Resident Inspectors and Regional Inspectors. The Regional Inspectors included specialists in Security, Emergency Preparedness, and Radiation Protection.
- There were 9 Green or SL-IV Inspection Findings identified during 2007.
- There was a Refueling Outage during 2007.

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Monticello Inspection Activities

(Jan 1 - Dec 31, 2007)

- The major team inspection during this assessment period was the biennial Evaluation of Changes, Tests, or Experiments and Permanent Plant Modifications inspection.

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Monticello
Annual Assessment Summary

January 1 - December 31, 2007

- NMC operated Monticello in a manner that preserved public health and safety
- All cornerstone objectives were met with no Greater than Green findings identified
- NRC plans baseline inspections at Monticello for the remainder of the assessment period

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Licensee Response and Remarks

Timothy O'Connor
Site Vice President
Nuclear Management Company

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Open to the Public

- The NRC places a high priority on keeping the public and stakeholders informed of its activities.

- At www.nrc.gov, you can:

  - Find public meeting dates and transcripts;
  - Read NRC testimony, speeches, press releases and policy decisions; and
  - Access the agency's Electronic Reading Room to find NRC publications and documents.

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Contacting the NRC

- Report an emergency
  - (301) 816-5100 (call collect)
- Report a safety concern:
  - (800) 695-7403
  - Allegation@nrc.gov
- General information or questions
  - www.nrc.gov
  - Select “What We Do” for Public Affairs

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Reference Sources

- Reactor Oversight Process
  - http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/index.html
- Public Electronic Reading Room
  - http://www.nrc.gov/reading-rm.html
- Public Document Room
  - 1-800-397-4209 (Toll Free)

PUBLIC MEETING PRINCIPAL ATTENDEES

April 1, 2008

Nuclear Management Company

T. Blake, Regulatory Affairs Manager, Monticello
R. Baumer, Compliance Engineer, Monticello
J. Grubb, Site Engineering Director, Monticello
T. O'Connor, Site Vice President, Monticello
B. Sawatzke, Plant Manager, Monticello
P. Thompson, Senior Communications Consultant, Monticello
E. Weinkam, Regulatory Services Director, NMC

Nuclear Regulatory Commission

L. Benton, NRC, General Engineer
L. Haeg, NRC, Resident Inspector, Monticello
K. Riemer, NRC, Chief, Reactor Projects Branch 2

Other Attendees

C. Detloff, Monticello Times reporter
D. Lem, Member of the Public

Enclosure 2