July 23, 2008

Mr. Michael D. Wadley
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
TI 2515/171 VERIFICATION OF SITE SPECIFIC IMPLEMENTATION OF B.5.b
PHASE 2 AND 3 MITIGATING STRATEGIES
INSPECTION REPORT NO. 05000282/2008006(DRS); 5000306/2008006(DRS)

Dear Mr. Wadley:

On July 9, 2008, the U.S. Nuclear Regulatory Commission (NRC) completed a team inspection at your Prairie Island Nuclear Generating Plant, Units 1 and 2. The enclosed report documents the results of the inspection, which were initially discussed on May 16, 2008, and subsequently exited on July 9, 2008, with you and other members of your staff.

The inspection examined activities conducted under your license as they relate to the implementation of B.5.b Phase 2 and 3 mitigating strategies, your compliance with the Commission's rules and regulations, and with the conditions of your operating licenses. Within these areas, the inspection involved examination of selected procedures and representative records, observations of activities, and interviews with personnel.

Based on the results of this inspection, one NRC-identified finding of very low safety significance was identified. However, because this violation was of very low safety significance and because it was entered into your corrective action program, the NRC is treating the issue as a Non-Cited Violation in accordance with Section VI.A.1 of the NRC's Enforcement Policy. The team concluded that, in general, you had implemented the Site Specific B.5.b Phase 2 and 3 Mitigating Strategies as described in your submittals and the associated Safety Evaluation Report.

**Enclosures Contains Sensitive Unclassified Non-Safeguards Information. Upon separation, this page is decontrolled.**

If you contest the finding or the subject or severity of the Non-Cited Violation in this report, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, your denial, to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001, with copies to the Regional Administrator, U.S. Nuclear Regulatory Commission – Region III, 2443 Warrenville Road, Suite 210, Lisle, IL 60532-4352; the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector Office at the Prairie Island Nuclear Generating 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 System (PARS) component of NRC's Agencywide Documents Access and Management 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 sensitive information contained in the enclosure, and in accordance with 10 CFR 2.390, a copy of this letter's enclosure will not be available for public inspection.

Sincerely,

***/RA/***

Hironori Peterson, Chief
Operations Branch
Division of Reactor Safety

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

Nonpublic Enclosure: Inspection Report 05000282/2008006(DRS);
05000306/2008006(DRS)
w/Attachment: Supplemental Information

cc w/encl: D. Nelson, NRR/DPR/PSPB
E. Bowman, NRR/DPR/PSPB

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cc w/o encl: D. Koehl, Chief Nuclear Officer
Regulatory Affairs Manager
P. Glass, Assistant General Counsel
Nuclear Asset Manager
Tribal Council, Prairie Island Indian Community
Administrator, Goodhue County Courthouse
Commissioner, Minnesota Department
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