



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

September 7, 2012

Mr. Mark A. Schimmel
Site Vice President
Monticello Nuclear Generating Plant
Northern States Power Company - Minnesota
2807 West County Road 75
Monticello, MN 55362-9637

SUBJECT: MONTICELLO NUCLEAR GENERATING PLANT - AUDIT OF THE LICENSEE'S
MANAGEMENT OF REGULATORY COMMITMENTS (TAC NO. ME8977)

Dear Mr. Schimmel:

In Regulatory Issue Summary 2000-17, "Managing Regulatory Commitments Made by Power Reactor Licensees to the NRC Staff," dated September 21, 2000, the Nuclear Regulatory Commission (NRC) informed licensees that the Nuclear Energy Institute (NEI) document NEI 99-04, "Guidelines for Managing NRC Commitment Changes," contains acceptable guidance for controlling regulatory commitments and encouraged licensees to use the NEI guidance or similar administrative controls to ensure that regulatory commitments are implemented and that changes to the regulatory commitments are evaluated and, when appropriate, reported to the NRC.

The Office of Nuclear Reactor Regulation Office Instruction LIC-105, "Managing Regulatory Commitments Made by Licensees to the NRC," Revision 3, provides guidance to the NRC staff for regulatory commitment audits.

An audit of Monticello's commitment management program was performed in August 2012, approximately 3 years from the last audit (report dated August, 5, 2009, Accession No. ML092040175). Based on the audit, the NRC staff concludes that (1) the licensee has implemented or is tracking future implementation of regulatory commitments made to the NRC; and (2) the licensee had implemented an effective program to manage regulatory commitment changes. Details of the audit are set forth in the enclosed audit report.

Sincerely,

A handwritten signature in blue ink that reads "Peter S. Tam".

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

Enclosure: As stated

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
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AUDIT REPORT BY THE OFFICE OF NUCLEAR REACTOR REGULATION (NRR)
REGULATORY COMMITMENTS MADE BY THE LICENSEE TO
THE NUCLEAR REGULATORY COMMISSION (NRC)
MONTICELLO NUCLEAR GENERATING PLANT (MNGP)
DOCKET NO. 50-263

1.0 INTRODUCTION AND BACKGROUND

In Regulatory Issue Summary 2000-17, "Managing Regulatory Commitments Made by Power Reactor Licensees to the NRC Staff," dated September 21, 2000, the Nuclear Regulatory Commission (NRC) informed licensees that the Nuclear Energy Institute (NEI) document NEI 99-04, "Guidelines for Managing NRC Commitment Changes," contains acceptable guidance for controlling regulatory commitments and encouraged licensees to use the NEI guidance or similar administrative controls to ensure that regulatory commitments are implemented and that changes to the regulatory commitments are evaluated and, when appropriate, reported to the NRC.

NEI-99-04 defines a regulatory commitment as an explicit statement to take a specific action agreed to, or volunteered by, a licensee and submitted in writing on the docket to the NRC. NRR guidelines direct the NRR Project Manager to audit the licensee's commitment management program by assessing the adequacy of the licensee's implementation of a sample of commitments made to the NRC in past licensing actions (amendments, reliefs, exemptions, etc.) and activities (bulletins, generic letters, etc.). The audit is to be performed every 3 years.

The Office of Nuclear Reactor Regulation (NRR) Office Instruction LIC-105, "Managing Regulatory Commitments Made by Licensees to the NRC," Revision 3, provides guidance to the NRC staff for regulatory commitment audits.

2.0 AUDIT PROCEDURE AND RESULTS

Since the last audit was performed 3 years ago (see audit report dated August 5, 2009; Accession No. ML092040175), the NRC staff defined the period covered by this current audit to be approximately mid 2009 to the present date. The audit was performed during the month of August 2012.

The audit consisted of two major parts: (1) verification of the licensee's implementation of commitments made to NRC that have been completed; and (2) verification of the licensee's program for managing changes to commitments made to NRC.

Enclosure

2.1 Verification of Licensee's Implementation of NRC Commitments

The primary focus of this part of the audit is to confirm that the licensee has implemented commitments made to the NRC as part of past licensing actions/activities. For commitments not yet implemented, the NRC staff determines whether they have been captured in an effective program for future implementation.

2.1.1 Audit Scope

The audit scope was defined by NRR Office Instruction LIC-105. The audit addressed the majority of commitments made by the licensee during the review period. The audit focused on regulatory commitments (as defined above) made in writing to the NRC as a result of past licensing actions (amendments, exemptions, reliefs, etc.) or licensing activities (response to bulletins, generic letters, etc.). Commitments made in Licensee Event Reports or in response to Notices of Violation were not included in this audit since those are addressed under the NRC's inspection program. Before the audit, the NRC staff searched the Official Agency Record system for licensee submittals conveying commitments, and has included in the audit most of the commitments thus found (see Table 1). The NRC staff recognizes that "most of the commitments" far exceed "a representative sample" specified by LIC-105 for such an audit.

The audit excluded the following types of commitments that are internal to licensee processes:

- (1) Commitments made on the licensee's own initiative among internal organizational components.
- (2) Commitments that pertain to milestones of licensing actions/activities (e.g., respond to an NRC request for additional information by a certain date). Fulfillment of these commitments was indicated by the fact that the subject licensing action/activity was completed.
- (3) Commitments made as an internal reminder to take actions to comply with existing regulatory requirements such as regulations, Technical Specifications (TSs), and the Updated Safety Analysis Report. Fulfillment of these commitments was indicated by the licensee having taken timely action in accordance with the subject requirements.

2.1.2 Audit Results

The NRC staff reviewed internal reports generated by the licensee's tracking program for the commitments listed in Table 1 to evaluate the status of completion. The NRC staff found that the licensee's commitment tracking program had captured all the regulatory commitments that were identified by the NRC staff before the audit, and that the licensee had implemented the commitments on a timely basis. Table 1 summarizes what the NRC staff observed as the current status of licensee commitments.

2.2 Verification of the Licensee's Program for Managing NRC Commitment Changes

The primary focus of this part of the audit is to verify that the licensee has established administrative controls for modifying or deleting commitments made to the NRC. The NRC staff

compared the licensee's process for controlling regulatory commitments to the guidelines in NEI-99-04, which the NRC found to be an acceptable guide for licensees to follow for managing and changing commitments. The processes used at Monticello are set forth in the licensee's company-wide procedure FP-R-LIC-24, "NRC Commitment Management," Revision 1; dated October 17, 2011. Section 2.1 of this procedure states: This procedure is based on the Nuclear Energy Institute (NEI) 99-04, "Guideline for Managing NRC Commitment Changes" that has been endorsed by the NRC as acceptable guidance for managing and changing commitments per SECY-98-224. Based on review of this procedure, the NRC staff concludes that the licensee follow closely the guidance of NEI-99-04 in that the procedure sets forth the need for identifying, tracking, and reporting commitments, and they provide a mechanism for changing commitments.

The effectiveness of a procedure can be indicated by the products that are produced by the procedure. As set forth in Section 2.1.1 and Table 1 of this report, the NRC staff found that the licensee had properly addressed each regulatory commitment selected for this audit. As a result of review of the licensee's information, the NRC staff found no reason to differ from the licensee's reported status of the audited commitments. Thus, the NRC staff surmises that the procedure used by the licensee to manage commitments is appropriate and effective.

2.3 Verification That All Regulatory Commitments were Correctly Applied

Office Instruction LIC-105, Revision 3, does not include this type of activity. However, as result of a recently heightened sensitivity in NRC that the NRC staff may have allowed licensee-proposed actions to remain as regulatory commitments when they should have been converted into enforceable requirements, this activity was added to the current audit. The concern is that an action that a licensee committed to undertake in the future is allowed to remain as a regulatory commitment even though the NRC staff's approval of a particular regulatory action (e.g., amendment) is dependent on the licensee's future execution of such action. Such a regulatory commitment is considered to have been incorrectly applied and should have been converted into an enforceable requirement such as a license condition.

Accordingly, the NRC staff re-visited all the licensee's applications for amendment dated in the period covered by this report (i.e., all the applications for amendment listed in Table 1 below) to determine if there were any incorrectly applied regulatory commitments. The NRC staff found that there was no such incorrectly applied regulatory commitment associated with regulatory actions initiated by licensee submittals dated during this period.

3.0 CONCLUSION

Based on the above audit, the NRC staff concludes that (1) the licensee has implemented or is tracking future implementation of regulatory commitments made to the NRC; and (2) the licensee has implemented an effective program to manage regulatory commitment changes.

4.0 LICENSEE PERSONNEL CONTACTED FOR THIS AUDIT

Licensee personnel supporting this audit were Rick Loeffler, Carrie Fosaaen, and Peter Kissinger.

Principal Contributor: Peter S. Tam

Date: September 7, 2012

TABLE 1

MONTICELLO NUCLEAR GENERATING PLANT
AUDIT OF WRITTEN LICENSEE COMMITMENTS
2009 THROUGH 2012

Originating Document	NRC TAC No.	NRC Issuance	Summary of commitment	Licensee Implementation Status
App. A, Item 5 of License Renewal Safety Evaluation Report, NUREG-1865 (NRC Acc. No. ML063050414)	ME3526	Letter approving Relief Request No. 17, dated 2/8/2011	The procedures and training used to limit reactor pressure vessel cold overpressure events will be the same as those approved by the NRC when MNGP requested approval of the BWRVIP-05 technical alternative for the term of the current operating license. A request for extension for the 60-year extended operating period will be submitted to the NRC before the period of extended operation.	Tracked under Commitment M050007A Completed commitment by submittal of 3/12/2010 letter, L-MT-10-014, NRC Acc. No. ML100750661
Letter, 4/15/2009 (L-XE-09-006) NRC Acc. No. ML091050619	ME1088	Amend. No. 163, dated 8/19/2009	By October 1, 2009, remove the plant-specific Technical Specifications (TS) requirements concurrently with implementation of the 10 CFR Part 26, Subpart I requirements.	Completed when the amendment was implemented on 10/1/2009. Tracked as Commitment M09012A.
Letter, 10/28/2009 (L-MT-09-100) ML093030035	ME2449	Letter, J. Giitter to T. J. O'Connor, 11/23/2009	If NRC agrees to review the MELLLA+ amendment application concurrent with the application for extended power uprate (EPU), NSPM will commit in the MELLLA+ amendment application to resolve the containment accident pressure section in the same manner as the issue is resolved for the delayed EPU amendment.	Tracked as Commitment M10001A
Letter, 6/8/2010 (L-MT-10-033) ML101620046	ME4050	(This application was withdrawn by the licensee, letter of 8/30/2010)	During the 2011 Refueling Outage, the licensee will remove and test Main Steam safety/relief valves RV-2-71A through D and RV-2-71 G. The removed valves will be replaced with recently tested SRVs.	Completed on 5/18/2011. Tracked as Commitment M10004A.

<p>Letter, 5/14/2010 (L-MT-10-037)</p> <p>ML101370259</p>	<p>ME4087</p>	<p>Letter by R. J. Pascarelli, 5/10/2011</p>	<p>The licensee will perform augmented inservice inspection volumetric examinations of ASME Class I stainless steel small-bore piping butt welds with a 2-inch nominal pipe size (NPS) through less than 4-inch NPS in accordance with the MNGP ASME Section XI Inservice Inspection Subsections IWB, IWC, and IWD Aging Management Program.</p>	<p>Tracked as Commitment M11008A. Due 12/31/2026. The commitment is captured in the MNGP inservice inspection program.</p>
<p>Letter, 7/20/2010 (L-XE-10-007)</p> <p>ML102020164</p>	<p>ME4272</p>	<p>Amendment No. 166, 7/29/2011</p>	<p>A letter of 4/1/2011 (see below) withdrew 6 implementation milestone dates in Enclosure 4 of this letter.</p>	<p>The withdrawn commitments were originally tracked as M10006A thru M10012A.</p>
<p>Letter, 12/22/2010 (L-MT-10-074)</p> <p>ML11230B182</p>	<p>ME5327</p>	<p>None.</p>	<p>A commitment made in the 3/16/2005 application for license renewal (L-MT-05-014) is revised to read: "The MNGP Fire Water System Program sprinkler heads will be inspected and tested per NFPA requirements. Per the NFPA code, the sprinkler heads will be tested or replaced when the sprinklers have been in service for 50 years. Testing procedures shall be repeated at 10-year intervals thereafter during the extended period of operation to ensure that signs of degradation, such as corrosion, are detected in a timely manner. If the sprinkler heads are replaced testing is not required."</p>	<p>Tracked as Commitment No. M05032A. Created PMR (Preventive Maintenance Requirement) 10440-46 thru - 51 to ensure inspections are completed.</p>
<p>Letter, 4/1/2011 (L-XE-11-004)</p> <p>ML110940095</p>	<p>ME4272</p>	<p>Amendment No. 166, 7/29/2011</p>	<p>1. By December 31, 2012, establish Cyber Security Assessment Team (CSAT) as described in Section 3.1.2 "Cyber Security Assessment Team" of the Cyber Security Plan (CSP).</p>	<p>Tracked as Commitment M11001A.</p>

			<p>2. By December 31, 2012, identify Critical Systems (CSs) and Critical Digital Assets (CDAs) as described in Section 3.1.3 "Identification of Critical Digital Assets" of the CSP.</p> <p>3. By December 31, 2012, implement installation of a deterministic one way device or a combination of technologies consisting of firewall devices and intrusion detection/intrusion prevention systems between lower level devices (level 0, 1, 2) and the higher level devices (level 3, 4) as described in Section 4.3, "Defense-In-Depth Protective Strategies" of the CSP.</p> <p>By December 31, 2012, lower security level devices (level 0, 1, 2 devices) that bypass the deterministic device and connect to level 3 or 4 will be modified to prevent the digital connectivity to the higher level or will be modified to meet cyber security requirements commensurate with the level 3 or 4 devices to which they connect. The design modifications that are not finished by the completion date will be documented in the site configuration management and/or change control program to assure completion of the design modification as soon as possible, but no later than the final implementation date.</p> <p>4. By December 31, 2012, the security control "Access Control For Portable And Mobile Devices" described in Appendix B 1.19 of NEI 08-09, Revision 6,</p>	<p>Tracked as Commitment M11002A.</p> <p>Tracked as Commitment 11003A.</p> <p>Tracked as Commitment M11004A</p>
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			<p>will be implemented.</p> <p>5. By December 31, 2012, implement observation and identification of obvious cyber related tampering to existing insider mitigation rounds by incorporating the appropriate elements in Appendix E Section 4.3 "Personnel Performing Maintenance And Testing Activities."</p> <p>6. By December 31, 2012, identify, document, and implement NEI 08-09, Rev 6, Appendix D, technical cyber security controls in accordance with the Cyber Security Plan Section 3.1.6 "Mitigation of Vulnerabilities and Application of Cyber Security Controls" for CDAs that could adversely impact the design function of physical security target set equipment. The implementation of controls that require a design modification that are not finished by the completion date will be documented in the site configuration management and/or change control program to assure completion of the design modification as soon as possible, but no later than the final implementation date.</p> <p>7. By December 31, 2012, ongoing monitoring and assessment activities commence, as described in Section 4.4, "Ongoing Monitoring and Assessment" of the CSP, for those target set CDAs whose security controls have been implemented.</p>	<p>Tracked as Commitment M11005A</p> <p>Tracked as Commitment No. M11006A</p> <p>Tracked as Commitment No. M11007A</p>
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<p>Letter, 11/16/2011 (L-MT-11-059)</p> <p>ML12075A246</p>	<p>MD9990</p>		<p>A commitment made in letters of 7/13/2009 (L-MT-09-048) was revised: NSPM commits to evaluating the changes in condensate and feed pump area heat load to confirm temperatures remain within design limits prior to EPU implementation. If necessary, modifications to the HVAC system for this area will be implemented to maintain these areas within design limits.</p> <p>A commitment made in letter of 6/30/2010 (L-MT-10.046) was revised: "NSPM will perform an analysis prior to EPU implementation to predict combined Condensate and Feedwater system performance for normal operation and for transients including Single Feedwater pump trip, Feedwater Control System Failure and Single Condensate Pump Trip. Acceptance criteria will include adequate margin to preclude loss of both reactor feedwater pumps from low suction pressure or flow."</p>	<p>Tracked as Commitment No. M09005A</p> <p>Tracked as Commitment No. M09003A</p>
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Monticello Nuclear Generating Plant
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2807 West County Road 75
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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

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