



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION III
2443 WARRENVILLE RD. SUITE 210
LISLE, IL 60532-4352

February 27, 2015

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

**SUBJECT: ASSESSMENT FOLLOWUP LETTER FOR THE MONTICELLO NUCLEAR
GENERATING PLANT AND DEVIATION FROM THE REACTOR OVERSIGHT
PROCESS ACTION MATRIX**

Dear Mr. Gardner:

On February 27, 2015, the U.S. Nuclear Regulatory Commission's (NRC's) Executive Director for Operations approved a deviation from the NRC's Reactor Oversight Process (ROP) Action Matrix for your station, as described in the enclosed memorandum. The NRC will deviate from the Action Matrix by placing Monticello Nuclear Generating Station (MNGP) in the Regulatory Response Column, Column 2, of the ROP Action Matrix in lieu of the Multiple/Repetitive Degraded Cornerstone Column, Column 4.

By the letter dated August 28, 2013 (ML13240A435) you were informed that MNGP entered the Degraded Cornerstone Column of the Action Matrix in the second quarter of 2013 for a Yellow finding in the Mitigating Systems Cornerstone related to the site's ability to combat an external flooding event. The required supplemental inspection, performed in accordance with Inspection Procedure (IP) 95002, "Supplemental Inspection for One Degraded Cornerstone or Any Three White Inputs in a Strategic Performance Area," was conducted and an exit meeting was held on December 2, 2014. This inspection reviewed MNGP's evaluation associated with the Yellow finding and Notice of Violation (NOV) and found no additional significant issues. Details of this inspection can be found in NRC Inspection Report 05000263/2014009 (ML15013A338).

On February 26, 2015, the NRC forwarded a letter that stated the final significance determination of a greater-than-green (GTG) inspection finding in the Security Cornerstone. With both the existing Yellow finding and the GTG security finding, MNGP met the definition of Multiple/Repetitive Degraded Cornerstone. Specifically, a cornerstone that is degraded for more than four consecutive quarters with at least one of the quarters having: (1) three or more white inputs (the additional white input(s) can be from any cornerstone), or (2) one yellow and one white input (the additional white input can be from any cornerstone). With the Yellow inspection finding in the Mitigating Systems Cornerstone open for seven consecutive quarters and the GTG inspection finding in the Security Cornerstone, Inspection Manual Chapter (IMC) 0305 specifies that MNGP be moved from Column 3 to Column 4 of the Action Matrix in the fourth quarter of 2014. However, as detailed in the enclosed memorandum, the NRC has

determined that the regulatory actions of Column 2 of the ROP action matrix are more appropriate than those prescribed in Column 4.

The NRC's Executive Director for Operations has approved a deviation from the Action Matrix for MNGP. A detailed assessment is provided in the deviation (enclosed). As of February 27, 2015, MNGP is in the Regulatory Response Column, Column 2 of the ROP action matrix. In accordance with Column 2, the NRC will conduct an Inspection Procedure 95001, Supplemental Inspection for One or Two White Inputs in a Strategic Performance Area.

The NRC acknowledges that your staff has taken action to reverse the performance trends that led to these findings. Despite those actions, human performance related issues continue to occur at MNGP. To further address these issues, on February 27, 2015, Xcel Energy agreed, in a call between Mr. Timothy O'Conner, Chief Nuclear Officer (Xcel Energy), and me, to perform an independent safety culture assessment with a focus on human performance. As part of this deviation, the NRC will conduct additional inspection to assess this evaluation and the Xcel Energy's associated corrective actions.

The deviation will be closed when MNGP has successfully completed the aforementioned actions and upon completion of the NRC assessment of your safety culture evaluation. Should these criteria not be met and/or another GTG finding occurs while this deviation is open, the NRC will reassess the licensee's placement in the Action Matrix consistent with the criteria contained in IMC 0305.


In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 2.390, "Public Inspections, Exemptions, Requests for Withholding," of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response (if any) will be available electronically for public inspection in the NRC's Public Document Room or from the Publicly Available Records (PARS) component of the NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

P. Gardner

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Please contact Kenneth Riemer at 630-829-9628 with any questions you may have regarding this letter or its enclosure.

Sincerely,



Cynthia D. Pederson
Regional Administrator

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

Enclosure: Deviation Memo

cc w/encl: Distribution via LISTSERV®

P. Gardner

-3-

Please contact Kenneth Riemer at 630-829-9628 with any questions you may have regarding this letter or its enclosure.

Sincerely,

/RA/

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Regional Administrator

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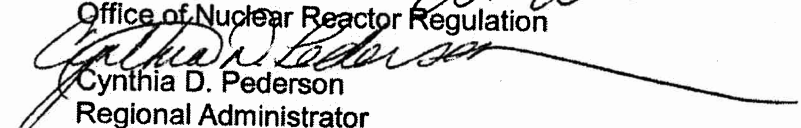


UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
2443 WARRENVILLE RD. SUITE 210
LISLE, IL 60532-4352

February 27, 2015

MEMORANDUM TO: Mark A. Satorius
Executive Director for Operations

THROUGH: William M. Dean, Director 
Office of Nuclear Reactor Regulation

FROM: Cynthia D. Pederson 
Regional Administrator

SUBJECT: REQUEST FOR A DEVIATION FROM THE REACTOR
OVERSIGHT PROCESS ACTION MATRIX FOR
MONTICELLO NUCLEAR GENERATING PLANT

The purpose of this memorandum is to request your approval to deviate from the Reactor Oversight Process (ROP) Action Matrix of Inspection Manual Chapter (IMC) 0305, "Operating Reactor Assessment Program," for Northern States Power Company, Minnesota (NSPM) Monticello Nuclear Generating Plant (MNGP). Specifically, the deviation, if approved, would be to place MNGP in the Regulatory Response Column (Column 2) due to a current Greater-than-Green (GTG) significance finding in the Security Cornerstone, rather than to aggregate that finding with a previous Yellow finding in the Mitigating Systems Cornerstone which IMC 0305 would prescribe moving MNGP to the Repetitive Degraded Cornerstone Column (Column 4). In addition, the deviation is also requesting authorization for an additional safety culture inspection focused on the area of human performance.

MNGP entered the Degraded Cornerstone Column of the Action Matrix in the second quarter of 2013 following a Yellow finding in the Mitigating Systems Cornerstone related to the site's ability to mitigate an external flooding event (ML13240A435). Region III staff completed the required supplemental inspection in accordance with Inspection Procedure (IP) 95002, "Supplemental Inspection for One Degraded Cornerstone or Any Three White Inputs in a Strategic Performance Area," and an exit meeting was held on December 2, 2014. The inspection reviewed the licensee's evaluation and corrective actions associated with the Yellow finding and Notice of Violation (NOV) and found no additional significant issues (ML15016A338).

CONTACT: Kenneth Riemer
630-829-9628

Enclosure

Subsequently, in February 2015, the staff completed the significance determination of an inspection finding in the Security Cornerstone with GTG significance that originated in the fourth quarter of 2014. With this new GTG finding and the existing Yellow finding, MNGP met the criteria for a Repetitive Degraded Cornerstone as defined in IMC 0305. With the Yellow inspection finding in the Mitigating Systems Cornerstone open for seven quarters and the addition of the GTG inspection finding in the Security Cornerstone, IMC 0305 specifies that MNGP be moved to Column 4 of the Action Matrix effective the fourth quarter of 2014.

BASIS FOR DEVIATION REQUEST

The Region III staff has determined that MNGP is operating safely and there have been no recent indications of new significant performance problems. The staff has successfully completed the IP 95002 supplemental inspection at Monticello utilizing considerably more than the nominal inspection hours at Monticello and concluded that the licensee has taken appropriate actions to identify, understand, and correct the circumstances that led to the Yellow finding. The IP 95002 inspection also concluded that the site has taken appropriate actions to reverse the negative safety culture performance trend that ultimately led to the Yellow finding. Site management understood the severity of the issues and that a change to safety culture within an organization takes time. Additionally, the staff's enhanced biennial Problem Identification and Resolution (PI&R) inspection conducted in September 2014 concluded that the licensee has an environment that is conducive to raising concerns (i.e., safety conscious work environment) and an effective corrective action program.

Given the successful completion of the IP 95002 and biennial PI&R inspections, the Region believes that placement of MNGP in Column 4 of the Action Matrix and the subsequent regulatory actions are not warranted. Additionally, there is no evidence of any broad and systemic performances issues across plant organizational areas. The GTG finding in security was identified while the licensee was performing a focused self-assessment for an upcoming NRC inspection. The licensee subsequently implemented compensatory actions to return the site to regulatory compliance. Absent the recent GTG security finding, Monticello would have returned to Column 1 of the Action Matrix following the successful completion of the IP 95002 supplemental inspection.

The NRC will take regulatory actions consistent with a site's placement in Column 2 of the Action Matrix upon issuance of this deviation, if approved. As such, subsequent to completion of the licensee's investigation and corrective actions for the GTG security finding, Region III will perform an IP 95001, "Supplemental Inspection for One or Two White Inputs in a Strategic Performance Area," to verify that the licensee appropriately addressed the issue.

While Region III's assessment of Monticello's performance concludes Column 4 is not warranted, the licensee has had human performance issues that over the past several years have resulted in operational challenges. These issues have been documented in routine inspection reports and in the 2013 annual (ADAMS Accession No. ML14063A307) and 2014 mid-cycle (ADAMS Accession No. ML14245A144) assessment letters.

Although the site has taken corrective actions that have resulted in some improvement; human performance continues to be an area of NRC concern. As part of this deviation, if approved, Region III staff will perform an additional safety culture inspection focused in the area of human performance to evaluate whether the underlying causes of the human performance to evaluate whether the underlying causes of the human performance issues

are well understood, whether appropriate corrective actions are being taken, and whether these actions are likely to lead to sustained improvement. This inspection would be a one-time assessment performed either in 2015 or by the first quarter of the 2016 calendar year, depending on the licensee's readiness.

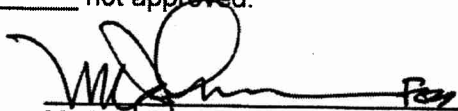
DEVIATION CLOSURE CRITERIA

Upon completion of the actions prescribed by Column 2 of the Action Matrix, MNGP would be returned to Column 1 of the Action Matrix consistent with IMC 0305 criteria. Should these criteria not be met or another GTG finding is finalized while this deviation is open, the NRC would reassess the licensee's placement in the Action Matrix consistent with the criteria in IMC 0305.

Please indicate your concurrence by signing in the space provided below.

This request approved not approved.

2/27/15
Date



Mark A. Satorius
Executive Director for Operations

as well understood, whether appropriate corrective actions are being taken, and whether these actions are likely to lead to sustained improvement. This inspection would be a one-time assessment performed either in 2015 or by the first quarter of the 2016 calendar year, depending on the licensee's readiness.

DEVIATION CLOSURE CRITERIA

Upon completion of the actions prescribed by Column 2 of the Action Matrix, MNGP would be returned to Column 1 of the Action Matrix consistent with IMC 0305 criteria. Should these criteria not be met or another GTG finding is finalized while this deviation is open, the NRC would reassess the licensee's placement in the Action Matrix consistent with the criteria in IMC 0305.

Please indicate your concurrence by signing in the space provided below.

This request X approved not approved.

February 27, 2015
Date

/RA Michael Johnson Acting for/
Mark A. Satorius
Executive Director for Operations

DOCUMENT NAME: Request for a Deviation from the Reactor Oversight Process Action Matrix for Monticello Nuclear Generating Plant **Accession No.: ML15049A132**

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