



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**

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

February 26, 2015

EA-14-165

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: FINAL SIGNIFICANCE DETERMINATION OF A GREATER THAN GREEN FINDING AND NOTICE OF VIOLATION; NRC INSPECTION REPORT NO. 05000263/2015403; MONTICELLO NUCLEAR GENERATING PLANT

Dear Mr. Gardner:

This letter provides the final significance determination of the preliminary Greater than Green finding identified in our previous communication dated December 8, 2014, which included U.S. Nuclear Regulatory Commission (NRC) Inspection Report No. 05000263/2014406. This Greater than Green finding was discussed in detail in that inspection report.

At your request, a regulatory conference was held on January 14, 2015, to further discuss your views on this issue. During the regulatory conference, your staff agreed with the NRC's description of the finding and apparent violation and with our significance determination. A list of attendees at the conference is included in Enclosure 1.

At the regulatory conference, your staff requested that the NRC consider the security issue under the criteria for an old design issue (ODI). Your staff presented information that the issue met the ODI conditions for the following reasons: (1) the issue was identified by your staff during a voluntary initiative (a focused self-assessment in preparation for NRC inspection activities); (2) immediate corrective actions were implemented and long-term corrective actions were being developed; (3) the issue was not likely to be identified by prior assessments or opportunities; and (4) the issue occurred over 10 years ago and was not indicative of current performance and the improvements you have recently implemented.

In response to your staff's request at the regulatory conference, we reviewed the NRC guidance associated with characterization of an issue as an ODI, as outlined in NRC Inspection Manual Chapter 0305 and the NRC Enforcement Manual. While the guidance does not preclude a security issue from being characterized as an ODI, we noted that most issues characterized as ODIs have been in the engineering area. During the regulatory conference, you noted two examples of issues in the emergency preparedness area that were recently characterized as ODIs. In order to provide further clarity as to the scope of the ODI policy, we have initiated an internal feedback process to address this question.

Enclosures 2 and 3 contain Sensitive Unclassified Non-Safeguards Information. Upon separation, this cover letter and Enclosure 1 are decontrolled.

P. Gardner

-2-

Notwithstanding the historical treatment of security issues within the ODI process, we reviewed the specifics of the Monticello security issue, using information gathered during the inspection and provided either during or after the regulatory conference, against the NRC Inspection Manual Chapter 0305 criteria for characterization of an issue as an ODI. Based on this review, we determined that the Monticello security issue did not meet at least one of the ODI characterization criteria. Specifically, the performance deficiencies which led to the security issue appeared to be consistent with the two substantive cross-cutting issues discussed in your most recent NRC assessment letter. While we recognize that you are making improvements in these two substantive cross-cutting areas, we concluded that the criteria for characterization of the security issue as an ODI were not met because the security issue was indicative of current performance.

After considering the information developed during the inspection, and noting that your staff agreed with the information during the regulatory conference, the NRC has concluded that the inspection finding is of at least low to moderate security significance, and is appropriately characterized as Greater than Green. Further details regarding the NRC's determination of the final significance can be found in Enclosure 2 (non-public). Because this issue has been determined to be beyond the licensee response column, we will use the NRC's Action Matrix to determine the most appropriate NRC response. We will notify you, by separate correspondence, of that determination.

You have 30 calendar days from the date of this letter to appeal the staff's determination of significance for the identified finding. Such appeals will be considered to have merit only if they meet the criteria given in NRC Inspection Manual Chapter 0609, Attachment 2.

The NRC has also determined that the condition discussed is a violation of NRC requirements, as cited in the Notice of Violation (Notice) provided in Enclosure 3 (non-public). In accordance with the NRC Enforcement Policy, the Notice is considered escalated enforcement action, because it is associated with a Greater than Green finding.

The NRC has concluded that information regarding the reasons for the violation, the corrective actions taken and planned to be taken to correct the violation, and the date when full compliance was achieved is already adequately addressed on the docket in NRC Inspection Report No. 05000263/2014406 and during the regulatory conference. Your corrective actions will be reviewed during the supplemental inspection. Therefore, you are not required to respond to this letter unless the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

For administrative purposes, this letter is issued as NRC Inspection Report No. 05000263/2015403. Additionally, apparent violation (AV) 05000263/2014406-01 is now closed, and violation (VIO) 05000263/2014406-01 is opened in its place.

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR), Section 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 NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at

P. Gardner

-3-

<http://www.nrc.gov/reading-rm/adams.html>. The NRC also includes significant enforcement actions on its Web site at <http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions/>.

However, because the material in Enclosures 2 and 3 is considered security-related information, as defined in 10 CFR 2.390(d)(1), its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in these enclosures will not be made available electronically for public inspection. If Security-Related Information is necessary to provide an acceptable response, please mark your entire response Security-Related Information in accordance with 10 CFR 2.390(d)(1) and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

Sincerely,

*/RA/*

Cynthia D. Pederson  
Regional Administrator

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

Enclosures:

1. Regulatory Conference Attendees
2. Final Significance Determination  
(non-public)
3. Notice of Violation (non-public)

cc w/o encls 2 & 3: Distribution via ListServ®

REGULATORY CONFERENCE ATTENDEES

Northern States Power – Minnesota

Karen Fili, Site Vice President (former)  
Scott Northard, Nuclear Vice President Licensing  
Harlan Hanson, Plant Manager  
Rob White, Director Nuclear Security  
Kevin Nyberg, Security Manager  
Paul Albares, Operations Manager  
Mark Lingenfelter, Director Site Engineering  
Anne Ward, Regulatory Affairs Manager

Nuclear Regulatory Commission

Cynthia Pederson, Regional Administrator, Region III  
Kenneth O'Brien, Director, Division of Reactor Safety (DRS)  
Anne Boland, Director, Division of Reactor Projects (DRP)  
Mohammad Shuaibi, Deputy Division Director, DRS  
Eric Duncan, Acting Enforcement Officer  
Steven Orth, Chief, Plant Support Branch, DRS  
Dale Lawver, Security Inspector, Plant Support Branch, DRS  
Nathan Egan, Security Inspector, Plant Support Branch, DRS  
Patricia Lougheed, Enforcement Coordinator  
Kenneth Riemer, Chief, Branch 2, DRP  
Nirodh Shah, Project Engineer, Branch 2  
Joseph Mancuso, Reactor Engineer, Branch 2  
Joshua Havertape, Reactor Engineer, Branch 2

P. Gardner

-3-

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DATE	02/04/15	02/05/15	02/05/15	02/12/15	02/24/15	02/23/15	02/24/15	02/24/15

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<sup>1</sup> NSIR concurrence provided via email from B. McDermott on February 24, 2015

<sup>2</sup> OE concurrence provided via email from D. Furst on February 23, 2015

~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~

Letter to Peter A. Gardner from Cynthia D. Pederson dated February 26, 2015

SUBJECT: FINAL SIGNIFICANCE DETERMINATION OF A GREATER THAN GREEN FINDING AND NOTICE OF VIOLATION; NRC INSPECTION REPORT NO. 05000263/2015403; MONTICELLO NUCLEAR GENERATING PLANT

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