



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

March 2, 2016

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: ANNUAL ASSESSMENT LETTER FOR MONTICELLO NUCLEAR GENERATING
PLANT (REPORT 05000263/2015006)**

Dear Mr. Gardner:

On February 10, 2016, the U.S. Nuclear Regulatory Commission (NRC) completed its end-of-cycle performance review of Monticello Nuclear Generating Plant. The NRC reviewed the most recent quarterly performance indicators (PIs) in addition to inspection results and enforcement actions from January 1, 2015, through December 31, 2015. This letter informs you of the NRC's assessment of your facility during this period and its plans for future inspections at your facility.

The NRC determined that overall Monticello Nuclear Generating Plant operated in a manner that preserved public health and safety and met all cornerstone objectives. The NRC determined the performance of Monticello Nuclear Generating Plant during the most recent quarter was within the Licensee Response Column of the NRC's Reactor Oversight Process (ROP) Action Matrix because all inspection findings had very low (i.e., green) safety significance, and all PIs indicated that your performance was within the nominal, expected range (i.e., green). Therefore, the NRC plans to conduct ROP baseline inspections at your facility.

In its Mid-Cycle Assessment letter dated September 1, 2015 (ML 15239B403), the NRC concluded that Monticello would have moved from Column 3 to Column 4 of the Action Matrix in the 4th Quarter of 2014, absent a deviation from the Action Matrix which was granted by the NRC's Executive Director for Operations, by letter dated February 27, 2015 (ML15049A132). This deviation resulted in Monticello being placed in the Regulatory Response Column, Column 2 of the Action Matrix. The placement in Column 2 was due to one or more greater-than-green Security Cornerstone inputs as described in Inspection Report 05000263/2015403 (ML15057A401) issued on February 26, 2015.

On June 8, 2015, your staff notified the NRC of your readiness for the NRC to conduct a supplemental inspection to review the actions taken to address the Security Cornerstone performance issues. Beginning on July 20, 2015, the NRC conducted a supplemental inspection in accordance with Inspection Procedure 95001, "Supplemental Inspection for One or Two White Inputs in a Strategic Performance Area." The purpose of the inspection was to provide assurance that: (1) the root causes and contributing causes of risk-significant

performance issues are understood; (2) the extent of condition and extent of cause of risk-significant performance issues are identified; and (3) your corrective actions for risk-significant performance issues are sufficient to address the root and contributing causes and prevent recurrence. Based on the results of that inspection, documented in Inspection Report 05000263/2015407 (ML15245A318), the issue was closed and Monticello returned to the Licensee Response Column as of the 4th quarter of 2015.

In the February 27, 2015, deviation letter, you agreed to perform an independent safety culture assessment with a focus on human performance. On December 22, 2015, you notified us by letter of your completion of this safety culture assessment. The deviation will remain open until the NRC completes its assessment of your safety culture evaluation. The NRC will inform you by separate correspondence when that assessment will be performed. Should another greater-than-green finding occur while this deviation is open, the NRC will reassess your placement in the Action Matrix consistent with the criteria contained in IMC 0305.

The enclosed inspection plan lists the inspections scheduled through December 31, 2017. Routine inspections performed by resident inspectors are not included in the inspection plan. The NRC inspection schedule includes a biennial inspection conducted in accordance with Inspection Procedure 71152, "Problem Identification and Resolution." The inspections listed during the last 9 months of the inspection plan are tentative and may be revised at the mid-cycle performance review. The NRC provides the inspection plan to allow for the resolution of any scheduling conflicts and personnel availability issues. The NRC will contact you as soon as possible to discuss changes to the inspection plan should circumstances warrant any changes. This inspection plan does not include security-related inspections, which will be sent via separate, non-publicly available correspondence.

In response to the accident at Fukushima, the Commission issued Order EA-12-049, "Order Modifying Licenses with Regard to Requirements for Mitigation Strategies for Beyond-Design-Basis External Events." This Order requires licensees to develop, implement, and maintain guidance and strategies to maintain or restore core cooling, containment, and spent fuel pool cooling capabilities following a beyond-design-basis external event. Additionally, the Commission issued Order EA-12-051, "Order Modifying Licenses with Regard to Reliable Spent Fuel Pool Instrumentation." This Order requires licensees to have a reliable means of remotely monitoring wide-range Spent Fuel Pool levels to support effective prioritization of event mitigation and recovery actions in the event of a beyond-design-basis external event. The NRC is conducting audits of licensee efforts towards compliance with these Orders. The audit was completed for Monticello, and the information gathered will aid staff in development of the Safety Evaluation for the site. After the NRC staff receives the Final Compliance letter for the site, the Final Safety Evaluation will be issued. Then, the NRC staff will confirm through inspections the full implementation of the orders mentioned above by performing TI 191, "Inspection of the Implementation of Mitigation Strategies and Spent Fuel Pool Instrumentation Orders and Emergency Preparedness Communication/Staffing/Multi-Unit Dose Assessment Plans."

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 (PARS) component of NRC's document 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

-3-

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

Sincerely,

/RA Darrell Roberts Acting for/

Cynthia D. Pederson
Regional Administrator

Docket Nos. 50-263
License Nos. DPR-22

Enclosure:
Inspection Plan

cc: Distribution via LISTSERV®

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

Sincerely,

/RA Darrell Roberts Acting for/

Cynthia D. Pederson
Regional Administrator

Docket Nos. 50-263
License Nos. DPR-22

Enclosure:
Inspection Plan

cc: Distribution via LISTSERV®

Distribution:

Kimyata MorganButler
RidsNrrDorLpl3-1 Resource
RidsNrrPMMonticello
RidsNrrDirslrib Resource
Cynthia Pederson
Darrell Roberts
Richard Skokowski
Allan Barker
Carole Ariano
Linda Linn
DRPIII
DRSIII
Jim Clay
Carmen Olteanu
ROPAssessment.Resource@nrc.gov

ADAMS Accession Number: ML16060A301

Publicly Available Non-Publicly Available Sensitive Non-Sensitive

| | | | | |
|---------------|---------------|----------|---------------------------|--|
| OFFICE | RIII | RIII | RIII | |
| NAME | KRiemer:bw/mz | PLouden | DRoberts for CPederson | |
| DATE | 02/26/16 | 02/26/16 | 02/29/16 | |

OFFICIAL RECORD COPY

Monticello
Inspection / Activity Plan
03/01/2016 - 12/31/2017

| Unit Number | Planned Dates | | Inspection Activity | Title | No. of Staff on Site |
|-------------|---------------|------------|---|---|----------------------|
| | Start | End | | | |
| | | | ENG BI - TRIENNIAL MODS AND 50.59 INSPECTION | | 3 |
| 1 | 02/29/2016 | 03/18/2016 | IP 711117T | Evaluations of Changes, Tests, and Experiments and Permanent Plant Modifications | |
| | | | BI EP - EP BASELINE INSPECTION/ PI VERIFICATION | | 1 |
| 1 | 10/31/2016 | 11/04/2016 | IP 7111402 | Alert and Notification System Testing | |
| 1 | 10/31/2016 | 11/04/2016 | IP 7111403 | Emergency Preparedness Organization Staffing and Augmentation System | |
| 1 | 10/31/2016 | 11/04/2016 | IP 7111405 | Correction of Emergency Preparedness Weaknesses and Deficiencies | |
| 1 | 10/31/2016 | 11/04/2016 | IP 71151 | Performance Indicator Verification | |
| | | | ENG BI - TRIENNIAL HEAT SINK INSPECTION | | 2 |
| 1 | 04/18/2016 | 04/22/2016 | IP 7111107T | Heat Sink Performance | |
| | | | BI RP - RADIATION PROTECTION BASELINE INSPECTION | | 1 |
| 1 | 05/09/2016 | 05/13/2016 | IP 71124.05 | Radiation Monitoring Instrumentation | |
| | | | BI RP - RADIATION PROTECTION BASELINE INSPECTION | | 1 |
| 1 | 07/25/2016 | 07/29/2016 | IP 71124.06 | Radioactive Gaseous and Liquid Effluent Treatment | |
| 1 | 07/25/2016 | 07/29/2016 | IP 71151 | Performance Indicator Verification | |
| | | | PI&R - BIENNIAL PI&R INSPECTION | | 4 |
| 1 | 09/19/2016 | 10/07/2016 | IP 71152B | Problem Identification and Resolution | |
| | | | BI RP - RADIATION PROTECTION BASELINE INSPECTION | | 1 |
| 1 | 10/03/2016 | 10/07/2016 | IP 71124.08 | Radioactive Solid Waste Processing and Radioactive Material Handling, Storage, and Transportation | |
| | | | ISFSI - NOV FOLLOWUP | | 2 |
| 1 | 10/01/2016 | 10/31/2016 | IP 92702 | Followup On Corrective Actions For Violations And Deviations | |
| | | | OL PREP - ONSITE VALIDATION OF EXAM | | 4 |
| 1 | 10/17/2016 | 10/21/2016 | W90348 | OL - INITIAL EXAM - 2016 OCT-NOV - MONTICELLO | |
| | | | OL EXAM - INIT EXAM/NOVEMBER 2016 | | 4 |
| 1 | 11/14/2016 | 11/18/2016 | W90348 | OL - INITIAL EXAM - 2016 OCT-NOV - MONTICELLO | |
| | | | BI RP - RADIATION PROTECTION BASELINE INSPECTION | | 1 |
| 1 | 01/23/2017 | 01/27/2017 | IP 71124.03 | In-Plant Airborne Radioactivity Control and Mitigation | |
| 1 | 01/23/2017 | 01/27/2017 | IP 71124.04 | Occupational Dose Assessment | |
| | | | BI RP - RADIATION PROTECTION BASELINE INSPECTION | | 1 |
| 1 | 03/06/2017 | 03/10/2017 | IP 71124.01 | Radiological Hazard Assessment and Exposure Controls | |
| | | | ISI - IINSERVICE INSPECTION | | 1 |
| 1 | 03/04/2017 | 04/08/2017 | IP 7111108G | Inservice Inspection Activities - BWR | |
| | | | BI FIRE - TRIENNIAL FIRE PROTECTION AND BAG TRIP | | 3 |
| 1 | 06/12/2017 | 07/14/2017 | IP 7111105T | Fire Protection [Triennial] | |

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.

Monticello
Inspection / Activity Plan
03/01/2016 - 12/31/2017

| Unit Number | Planned Dates | | Inspection Activity | Title | No. of Staff on Site |
|-------------|---------------|------------|---|---|----------------------|
| | Start | End | | | |
| | | | BI RP - RADIATION PROTECTION BASELINE INSPECTION | | 1 |
| 1 | 07/17/2017 | 07/21/2017 | IP 71124.07 | Radiological Environmental Monitoring Program | |
| 1 | 07/17/2017 | 07/21/2017 | IP 71151 | Performance Indicator Verification | |
| | | | BI EP - EP EXERCISE INSPECTION / PI VERIFICATION | | 5 |
| 1 | 08/28/2017 | 09/01/2017 | IP 7111401 | Exercise Evaluation | |
| 1 | 08/28/2017 | 09/01/2017 | IP 7111406 | Drill Evaluation | |
| 1 | 08/28/2017 | 09/01/2017 | IP 7111408 | Exercise Evaluation – Scenario Review | |
| 1 | 08/28/2017 | 09/01/2017 | IP 71151 | Performance Indicator Verification | |
| | | | BI RP - RADIATION PROTECTION BASELINE INSPECTION | | 1 |
| 1 | 10/02/2017 | 10/06/2017 | IP 71124.02 | Occupational ALARA Planning and Controls | |
| | | | OL-RQ - BIENNIAL REQUAL PROGRAM INSPECTION | | 2 |
| 1 | 10/16/2017 | 10/20/2017 | IP 7111111B | Licensed Operator Requalification Program | |

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.