IE-01

December 27, 1996

Mr. E. Watzl, Vice President Nuclear Generation Northern States Power Company 414 Nicollet Mall Minneapolis, MN 55401

SUBJECT: NRC INSPECTION REPORT NO. 50-263/96008(DRP) AND NOTICE OF VIOLATION

Dear Mr. Watzl:

On October 16, 1996, the NRC completed an inspection at your Monticello reactor facility. The enclosed report presents the results of that inspection.

During the 7-week period covered by this inspection period, your conduct of activities at the Monticello facility was generally characterized by safety-conscious operations, sound engineering and maintenance practices, and careful radiological work controls.

However, three examples of a violation of NRC requirements were identified involving test control. We are concerned that your staff did not adequately verify acceptance criteria were met for testing activities and that acceptance criterion for an inservice test was changed without review of potential impact on previous NRC commitments. This violation is cited in the enclosed Notice of Violation, and the circumstances surrounding the violation are described in detail in the enclosed report. Please note that you are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room.

Sincerely,

/s/ J. L. Caldwell

James L. Caldwell, Director Division of Reactor Projects

DOCUMENT NAME: R: INSPRPTS\POWERS\MON96014 SEE ATTACHED CONCURRENCES

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Cames L. Caldwell, Director Division of Reactor Projects

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Enclosures:

1. Notice of Violation

2. Inspection Report No. 50-263/96008(DRP)

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

cc w/encl:

Plant Manager, Monticello John W. Ferman, Ph.D., Nuclear Engineer, MPCA State Liaison Officer, State

of Minnesota

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