Mr. M. Reddemann Site Vice President Point Beach Nuclear Plant 6610 Nuclear Road Two Rivers, WI 54241

SUBJECT: NRC INSPECTION REPORT 50-266/99012(DRS); 50-301/99012(DRS)

Dear Mr. Reddemann:

On June 18, 1999, the NRC completed an inspection at your Point Beach Nuclear Plant. The focus of this inspection was to review the inservice test program as required by 10 CFR 50.55a and determine whether activities associated with Generic Letter 96-05, "Periodic Verification of Design-Basis Capability of Safety-Related Motor-Operated Valves," were sufficient to ensure the continued capability of motor-operated valves. The enclosed report presents the results of that inspection.

Overall, the revised inservice testing program and associated surveillance procedures included a number of improvements which ensured the applicable safety-related components were properly tested as required. Issues identified during this inspection, such as the inappropriate position on relief valve acceptance criteria for determining test failures resulting in the violation discussed below and the inadequate justification for deferring quarterly testing of manual valves, indicated some additional program refinements were appropriate. The inservice testing background document was considered a good tool to compile component bases and design requirements in one location.

Our inspection results indicated that your long-term motor-operated valve program at your Point Beach Nuclear Plant was not sufficiently established to close-out NRC's review of the program. This resulted from the delay in your implementation of the long-term motor-operated valve program following completion of Generic Letter 89-10. A number of issues, as discussed in the report, need to be resolved to provide continued assurance that motor-operated valves within the scope of Generic Letter 96-05 are capable of performing their design-basis safety functions.

Based on the results of this inspection, the NRC has determined that one violation of NRC requirements occurred. This violation is being treated as Non-Cited Violation (NCV), consistent with Appendix C of the Enforcement Policy. This NCV is described in the subject inspection report. If you contest the violation or severity level of this NCV, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001, with copies to the Regional Administrator, Region III, and the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response to this letter, if you choose to respond, will be placed in the NRC Public Document Room (PDR).

Sincerely,

Original /s/ J. M. Jacobson

John M. Jacobson, Chief Mechanical Engineering Branch Division of Reactor Safety

Docket Nos. 50-266; 50-301 License Nos. DPR-24; DPR-27

Enclosure:

Inspection Report 50-266/99012(DRS);

50-301/99012(DRS)

cc w/encl:

R. Grigg, President and Chief Operating Officer, WEPCO

M. Sellman, Senior Vice President,

Chief Nuclear Officer
R. Mende, Plant Manager
J. O'Neill, Jr., Shaw, Pittman
Potts & Trowbridge

K. Duveneck, Town Chairman

Town of Two Creeks

B. Burks, P.E., Director

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J. Mettner, Chairman, Wisconsin Public Service Commission

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Sincerely,

John M. Jacobson, Chief Mechanical Engineering Branch Division of Reactor Safety

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