

December 21, 2000

Mr. M. Reddemann
Site Vice President
Kewaunee and Point Beach Nuclear Plants
Nuclear Management Company, LLC
6610 Nuclear Road
Two Rivers, WI 54241

SUBJECT: KEWAUNEE - NRC INSPECTION REPORT 50-305/00-23(DRS)

Dear Mr. Reddemann:

On December 8, 2000, the NRC completed an inspection at your Kewaunee Unit 1 reactor facility. The enclosed report documents the inspection findings which were discussed on December 8, 2000, with you and other members of your staff.

This inspection examined activities conducted under your license as they relate to the Safeguards Strategic Performance Area and compliance with the Commissions' rules and regulations and with the conditions of your license. Within this area, the inspection consisted of a selected examination of procedures and representative records, observations of activities, and interviews with personnel.

No findings of significance were identified.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure 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/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

James R. Creed
Safeguards Program Manager
Division of Reactor Safety

Docket No. 50-305
License No. DPR-43

Enclosure: Inspection Report 50-305/00-23(DRS);

See Attached Distribution

M. Reddemann

-2-

cc w/encl: K. Weinhauer, Assistant Site Vice President, Kewaunee Plant
B. Burks, P.E., Director, Bureau of Field Operations
Chairman, Wisconsin Public Service Commission
State Liaison Officer

Mr. M. Reddemann
Site Vice President
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cc w/encl: K. Weinhauer, Assistant Site Vice President, Kewaunee Plant
B. Burks, P.E., Director, Bureau of Field Operations
Chairman, Wisconsin Public Service Commission
State Liaison Officer

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U.S. NUCLEAR REGULATORY COMMISSION

REGION III

Docket No: 50-305
License No: DPR-43

Report No: 50-305/00-23(DRS)

Licensee: Nuclear Management Company, LLC

Facility: Kewaunee Nuclear Power Plant

Location: N 490 Highway 42
Kewaunee, WI 54216

Dates: December 4-8, 2000

Inspector: Terry J. Madedo, Physical Security Inspector

Approved by: James R. Creed,
Safeguards Program Manager
Division of Reactor Safety

NRC's REVISED REACTOR OVERSIGHT PROCESS

The federal Nuclear Regulatory Commission (NRC) recently revamped its inspection, assessment, and enforcement programs for commercial nuclear power plants. The new process takes into account improvements in the performance of the nuclear industry over the past 25 years and improved approaches of inspecting and assessing safety performance at NRC licensed plants.

The new process monitors licensee performance in three broad areas (called strategic performance areas) reactor safety (avoiding accidents and reducing the consequences of accidents if they occur), radiation safety (protecting plant employees and the public during routine operations), and safeguards (protecting the plant against sabotage or other security threats). The process focuses on licensee performance within each of seven cornerstones of safety in the three areas:

Reactor Safety	Radiation Safety	Safeguards
● Initiating Events ● Mitigating Systems ● Barrier Integrity ● Emergency Preparedness	● Occupational ● Public	● Physical Protection

To monitor these seven cornerstones of safety, the NRC uses two processes that generate information about the safety significance of plant operations: inspections and performance indicators. Inspection findings will be evaluated according to their potential significance for safety, using the Significance Determination Process, and assigned colors of GREEN, WHITE, YELLOW or RED. GREEN findings are indicative of issues that, while they may not be desirable, represent very low safety significance. WHITE findings indicate issues that are of low to moderate safety significance. YELLOW findings are issues that are of substantial safety significance. RED findings represent issues that are of high safety significance with a significant reduction in safety margin.

Performance indicator data will be compared to established criteria for measuring licensee performance in terms of potential safety. Based on prescribed thresholds, the indicators will be classified by color representing varying levels of performance and incremental degradation in safety: GREEN, WHITE, YELLOW, and RED. GREEN indicators represent performance at a level requiring no additional NRC oversight beyond the baseline inspections. WHITE corresponds to performance that may result in increased NRC oversight. YELLOW represents performance that minimally reduces safety margin and requires even more NRC oversight. And RED indicates performance that represents a significant reduction in safety margin but still provides adequate protection to public health and safety.

The assessment process integrates performance indicators and inspection so the agency can reach objective conclusions regarding overall plant performance. The agency will use an Action Matrix to determine in a systematic, predictable manner which regulatory actions should be taken based on a licensee's performance. The NRC's actions in response to the significance (as represented by the color) of issues will be the same for performance indicators as for inspection findings. As a licensee's safety performance degrades, the NRC will take more and increasingly significant action, which can include shutting down a plant, as described in the Action Matrix.

More information can be found at: <http://www.nrc.gov/NRR/OVERSIGHT/index.html>.

SUMMARY OF FINDINGS

IR 05000305/00-23(DRS), on 12/4/00-12/8/00, Nuclear Management Company, LLC. Kewaunee Nuclear Generating Plant, Unit 1. Response to contingency events (Review of Target Sets and Defensive Strategy) and security plan changes. This inspection was conducted by a regional security specialist.

No findings of significance were identified during this inspection.

Report Details

3. SAFEGUARDS

Cornerstone: Physical Protection

3PP3 Response to Contingency Events (71130.03)

a. Inspection Scope

The inspector reviewed the licensee's current protective strategy which included designated targets and target sets, their associated analysis, and security and operation response procedures. The inspector also reviewed security event reports, and the licensee's problem identification and resolution program to determine that issues related to the licensee's contingent event program were identified at the appropriate threshold and were entered into the licensee's corrective action program.

The inspector reviewed appropriate security records and procedures that were related to security drills, drill demonstrations, and drill critiques to verify the licensee's continuing capabilities to identify issues that represented uncorrected performance weaknesses or program vulnerabilities.

The inspector reviewed records and interviewed six selected members of the uniform contract security force to evaluate and verify security training that related to alarm station operations, tactical "force-or-force" training, and weapon proficiency training.

The inspector also reviewed performance indicator information related to alarm equipment performance to determine if isolated or system problems with the protected area intrusion alarm system and/or assessment system had become predictable and potentially exploitable by an adversary.

b. Findings

No findings of significance were identified.

3PP4 Security Plan Changes (71130-04)

a. Inspection Scope

The inspector reviewed Revision 14 to the Kewaunee Security Manual and Revision 3 to the Kewaunee Security Training and Qualification Manual to verify that the changes did not decrease the effectiveness of the submitted documents. The referenced revisions were submitted in accordance with regulatory requirements by a licensee letter dated November 21, 2000.

b. Findings

No findings of significance were identified.

4OA6 Management Meetings

Exit Meeting Summary

The inspector presented the inspection results to Mr. M. Reddemann and other members of licensee management at the conclusion of the onsite inspection on December 8, 2000. The licensee representatives acknowledged the inspector's remarks. No proprietary or safeguards information was discussed at this meeting.

PARTIAL LIST OF PERSONS CONTACTED

Licensee

M. Reddemann, Site Vice President
K. Weinbauer, Assistant Site Vice President
K. Hoops, Plant Manager
J. Stoeger, Operations Superintendent
R. Repshas, Site Services Manager
M. Findlay, Director of Security, Nuclear Management Company (NMC)
J. Fletcher, Security Manager
B. Presl, Security Operations Supervisor
G. Harrington, Licensing Leader
D. Axt, Corporate Security Coordinator, NMC

Security Contractor - Wackenhut

N. Deda, Project Manager

NRC

J. Lara, Senior Resident Inspector
Z. Dunham, Resident Inspector

ITEMS OPENED, CLOSED, AND DISCUSSED

Opened

None

Closed

None

Discussed

None

LIST OF DOCUMENTS REVIEWED

KNPP Defensive Plan
Security Logged Events, January to December 2000
Security Response Matrix's
Response Team Procedures (SO3081-3083, 3051, 3053, 3062, 3063, 3066-68)
Adversary Scenario(s)
Vital Area Target Analysis
Quarterly Security Training Drills, January to December 2000
Force-On-Force Adversary Critiques, January to December 2000
2000 Master Security Training Schedule
Security Training Agendas, May to November 2000
Weapon Proficiency Evaluations, Year 2000
Security Training Records, Year 2000
Security Personnel Training Files (10)