

August 31, 2006

Mr. David A. Christian
Senior Vice President and
Chief Nuclear Officer
Innsbrook Technical Center
5000 Dominion Boulevard
Glen Allen, VA 23060-6711

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN - KEWAUNEE
POWER STATION

Dear Mr. Christian:

On August 7, 2006, the NRC staff completed its performance review of Kewaunee Power Station for the first half of the calendar year 2006 assessment cycle. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results over the previous 12 months. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility.

This performance review and the enclosed inspection plan do not include physical protection information. A separate letter designated and marked as "Exempt from Public Disclosure in Accordance with 10 CFR 2.390" will include the physical protection review and a resultant inspection plan.

Plant performance for the most recent quarter at Kewaunee Power Station was within the Degraded Cornerstone Column of the NRC's Action Matrix based on one finding of substantial safety significance (Yellow) within the Mitigating Systems cornerstone. This Yellow finding, from the 4th quarter of 2005, involved the failure to provide adequate design control to ensure that Class I equipment was protected against damage from tornado- or seismic-induced flooding of the turbine building.

A 95002 supplemental inspection was conducted to review the corrective actions for the Yellow finding and to review corrective actions for a White finding from the 3rd quarter of 2005 associated with the design of the auxiliary feedwater system. As discussed in report 05000305/2006007, issued on July 3, 2006, the NRC concluded that the planned corrective actions were not sufficient to address the causes of the performance deficiencies associated with the violations. Consequently, these findings remained open. You have since informed us that you have revised your original evaluation and have planned additional corrective actions. The revised evaluation and your additional corrective actions were reviewed during the week of August 14 by NRC inspectors. A report of our review, with our conclusions on the corrective actions for the Yellow and White findings, will be issued at a later date.

Additionally, the staff has identified substantive cross-cutting issues in the areas of problem identification and resolution (PI&R) and human performance. The substantive cross-cutting issue in the PI&R area is a continuation of the cross-cutting issue discussed in our Annual Assessment Letter for 2005, dated March 2, 2006, and first opened in our Annual Assessment Letter for 2004, dated March 2, 2005. For this mid-cycle 2006 assessment, we considered eight findings in the PI&R area with the same aspect of inadequate problem evaluation in our determination to continue the PI&R substantive cross-cutting issue. The findings with this common aspect included several Green findings and one Yellow finding and involved the Initiating Events, Mitigating Systems, Barrier Integrity, and Occupational Radiation Safety cornerstones. Because of the recurring substantive cross-cutting issue in PI&R, we request that you provide to us, within 45 days from the date of this letter, a written description of the actions that you will be taking to address the persistent performance problems in this area. We are aware that you have developed some actions to address these issues and have incorporated them into the Kewaunee Excellence Plan; however, the effectiveness of these actions has not yet been demonstrated. We will evaluate your progress in addressing this substantive cross-cutting issue through semi-annual trend reviews conducted during the end-of-cycle assessment. This substantive cross-cutting issue will remain open until the number of findings with the same cross-cutting aspect is reduced or when the NRC has more confidence in the performance of your corrective action program to evaluate and correct problems.

For our determination of the human performance substantive cross-cutting issue, an issue first being identified in this mid-cycle performance review, we considered five findings with the same aspect of procedural compliance not maintained. All of the findings were Green and involved more than one cornerstone: Initiating Events, Mitigating Systems, and Public Radiation Safety. Four of the five findings were identified in the first two quarters of 2006 and involved human performance concerns such as failing to follow procedures during a reactor startup and failing to follow procedures to assess the extent of condition for a degraded fuse problem. We are aware of several actions that you have taken to address the human performance substantive cross-cutting issue and will assess your performance through routine baseline inspections. This substantive cross-cutting issue will remain open until the number of human performance findings with the same cross-cutting aspect is reduced or when the NRC has more confidence in your ability to identify and correct human performance issues.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through March 31, 2008. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last 9 months of the inspection plan are tentative and may be revised at the end-of-cycle review meeting.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records System (PARS) component of NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

D. Christian

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If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact Patrick Loudon at (630) 829-9627 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

James L. Caldwell
Regional Administrator

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

Enclosure:
Kewaunee Power Station Inspection/Activity Plan

cc w/encl: L. Hartz, Site Vice President
C. Funderburk, Director, Nuclear Licensing
and Operations Support
T. Breene, Manager, Nuclear Licensing
L. Cuoco, Esq., Senior Counsel
D. Zellner, Chairman, Town of Carlton
J. Kitsemel, Public Service Commission of Wisconsin
State Liaison Officer, State of Wisconsin
Mayor of Kewaunee
City Council President
Chair, Manitowoc County Board
County Executive
Chair, Kewaunee County Board
Director, Manitowoc County Emergency
Management Agency
Director, Kewaunee County Emergency
Management Agency
City Manager of Two Rivers
Village President of Mishicot
INPO

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cc w/encl: L. Hartz, Site Vice President
C. Funderburk, Director, Nuclear Licensing
and Operations Support
T. Breene, Manager, Nuclear Licensing
L. Cuoco, Esq., Senior Counsel
D. Zellner, Chairman, Town of Carlton
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City Council President
Chair, Manitowoc County Board
County Executive
Chair, Kewaunee County Board
Director, Manitowoc County Emergency
Management Agency
Director, Kewaunee County Emergency
Management Agency
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Village President of Mishicot
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Kewaunee
Inspection / Activity Plan
09/01/2006 - 03/31/2008

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	ISI	- INSERVICE INSPECTION	1			
1	IP 7111108P	Inservice Inspection Activities - PWR		09/04/2006	09/29/2006	Baseline Inspections
	BI	- ALARA & ACCESS CONTROL	1			
1	IP 7112102	ALARA Planning and Controls		09/11/2006	09/15/2006	Baseline Inspections
	MOD5059	- MODIFICATIONS/50.59 INSPECTION	2			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		10/23/2006	11/17/2006	Baseline Inspections
1	IP 7111117B	Permanent Plant Modifications		10/23/2006	11/17/2006	Baseline Inspections
	CDBI	- COMPONENT DESIGN BASES INSPECTION	6			
1	IP 7111121	Component Design Bases Inspection		01/29/2007	03/02/2007	Baseline Inspections
	7112202	- RADWASTE AND TRANSPORTATION	1			
1	IP 7112202	Radioactive Material Processing and Transportation		03/05/2007	03/09/2007	Baseline Inspections
	HEATSINK	- BIENNIAL HEAT SINK INSPECTION	1			
1	IP 7111107B	Heat Sink Performance		04/16/2007	04/20/2007	Baseline Inspections
	PI&R	- PI&R INSPECTION	1			
1	IP 71152B	Identification and Resolution of Problems		04/30/2007	05/18/2007	Baseline Inspections
	7112102	- ACCESS CONTROL & ALARA	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		05/07/2007	05/11/2007	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		05/07/2007	05/11/2007	Baseline Inspections
	7112103	- INSTRUMENTATION AND SCBA	1			
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		05/21/2007	05/25/2007	Baseline Inspections
	7112203	- REMP	1			
1	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control P		06/25/2007	06/29/2007	Baseline Inspections
	MAINRULE	- MAINTENANCE EFFECTIVENESS INSPECTION	1			
1	IP 7111112B	Maintenance Effectiveness		07/30/2007	08/03/2007	Baseline Inspections
	7112101	- ACCESS CONTROL & ALARA	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		08/06/2007	08/10/2007	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		08/06/2007	08/10/2007	Baseline Inspections
	FY 2007	- KEWAUNEE INIT PREP 09/2007	3			
1	W90162	OL - INITIAL EXAM - KEWAUNEE - SEP/OCT 2007		09/10/2007	09/14/2007	Not Applicable
	FY 2008	- KEWAUNEE INIT EXAM 10/2007	3			
1	W90162	OL - INITIAL EXAM - KEWAUNEE - SEP/OCT 2007		10/01/2007	10/12/2007	Not Applicable
	FPI	- FIRE PROTECTION INSPECTION - TRIENNIAL	3			
1	IP 7111105T	Fire Protection [Triennial]		10/01/2007	10/19/2007	Baseline Inspections
	EP BI	- BASELINE EP EXERCISE INSP	1			
1	IP 7111401	Exercise Evaluation		12/03/2007	12/07/2007	Baseline Inspections

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

Kewaunee
Inspection / Activity Plan
09/01/2006 - 03/31/2008

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	EP BI	- BASELINE EP EXERCISE INSP	1			
1	IP 71151-EP01	Drill/Exercise Performance		12/03/2007	12/07/2007	Baseline Inspections
1	IP 71151-EP02	ERO Drill Participation		12/03/2007	12/07/2007	Baseline Inspections
1	IP 71151-EP03	Alert & Notification System		12/03/2007	12/07/2007	Baseline Inspections