

August 31, 2006

Mr. J. Conway  
Site Vice President  
Monticello Nuclear Generating Plant  
Nuclear Management Company, LLC  
2807 West County Road 75  
Monticello, MN 55362-9637

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -  
MONTICELLO NUCLEAR GENERATING PLANT

Dear Mr. Conway:

On August 7, 2006, the NRC staff completed its performance review of the Monticello Nuclear Generating Plant for the first half of the calendar year 2006 assessment cycle. Our technical staff reviewed the 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 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 resultant inspection plan.

Plant performance for the most recent quarter at the Monticello Nuclear Generating Plant was within the Licensee Response column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct reactor oversight process (ROP) baseline inspections at your facility.

The enclosed inspection plan details the inspections, less those related to physical protection scheduled through March 31, 2008. Significant inspections planned include a Problem Identification and Resolution Inspection (PI&R) in November 2006, and an Independent Spent Fuel Storage Installation (ISFSI) Preoperational Inspection in May 2007. 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.

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 (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).

If circumstances arise which cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (630) 829-9629 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

*/RA/*

Bruce Burgess, Chief  
Reactor Projects Branch 2  
Division of Reactor Projects

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

Enclosure:  
Monticello Inspection/Activity Plan

cc w/encl: M. Sellman, Chief Executive Officer  
and Chief Nuclear Officer  
Manager, Nuclear Safety Assessment  
J. Rogoff, Vice President, Counsel, and Secretary  
Nuclear Asset Manager, Xcel Energy, Inc.  
State Liaison Officer, Minnesota Department of Health  
R. Nelson, President  
Minnesota Environmental Control Citizens  
Association (MECCA)  
Commissioner, Minnesota Pollution Control Agency  
D. Gruber, Auditor/Treasurer,  
Wright County Government Center  
Commissioner, Minnesota Department of Commerce  
Manager - Environmental Protection Division  
Minnesota Attorney General's Office  
Chairman, Wright County Board  
Mayor of Monticello  
Chairperson, Sherburne County  
Administrator, City of Monticello  
INPO

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Wright County Government Center  
Commissioner, Minnesota Department of Commerce  
Manager - Environmental Protection Division  
Minnesota Attorney General's Office  
Chairman, Wright County Board  
Mayor of Monticello  
Chairperson, Sherburne County  
Administrator, City of Monticello  
INPO

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**Monticello**  
**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
	<b>BI</b>	<b>- RADIOLOGICAL ACCESS CONTROL AND ALARA</b>	<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		10/16/2006	10/20/2006	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		10/16/2006	10/20/2006	Baseline Inspections
	<b>71152B</b>	<b>- PI&amp;R BI-ENNIAL INSPECTION</b>	<b>3</b>			
1	IP 71152B	Identification and Resolution of Problems		11/13/2006	12/01/2006	Baseline Inspections
	<b>BI</b>	<b>- TRANSPORTATION AND RADWASTE</b>	<b>1</b>			
1	IP 7112202	Radioactive Material Processing and Transportation		12/11/2006	12/15/2006	Baseline Inspections
	<b>FY 2007</b>	<b>- MONTICELLO INIT PREP 01/2007</b>	<b>3</b>			
1	W90147	OL - INITIAL EXAM - MONTICELLO JAN/FEB 2007		01/15/2007	01/19/2007	Not Applicable
	<b>MOD50.59</b>	<b>- MOD/50.59 INSPECTION</b>	<b>2</b>			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		01/15/2007	02/02/2007	Baseline Inspections
1	IP 7111117B	Permanent Plant Modifications		01/15/2007	02/02/2007	Baseline Inspections
	<b>FY 2007</b>	<b>- MONTICELLO INIT EXAM 02/2007</b>	<b>3</b>			
1	W90147	OL - INITIAL EXAM - MONTICELLO JAN/FEB 2007		02/12/2007	02/23/2007	Not Applicable
	<b>71121.02</b>	<b>- ALARA AND ACCESS CONTROL</b>	<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/05/2007	03/09/2007	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/05/2007	03/09/2007	Baseline Inspections
	<b>ISI</b>	<b>- ISI BASELINE INSPECTION</b>	<b>1</b>			
1	IP 7111108G	Inservice Inspection Activities - BWR		03/19/2007	03/23/2007	Baseline Inspections
	<b>7112203</b>	<b>- REMP AND RAM CONTROL</b>	<b>1</b>			
1	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control P		04/30/2007	05/04/2007	Baseline Inspections
1	IP 71151	Performance Indicator Verification		04/30/2007	05/04/2007	Baseline Inspections
	<b>ISFSI</b>	<b>- ISFSI INSPECTION - PREOP</b>	<b>4</b>			
1	IP 60854	Preoperational Testing Of An ISFSI		05/01/2007	07/01/2007	Other Routine
1	IP 60854.1	Preoperational Testing of Independent Spent Fuel Storage Facility Installation at Operating F		05/01/2007	07/01/2007	Other Routine
	<b>MAINRULE</b>	<b>- MAINTENANCE EFFECTIVENESS INSPECTION</b>	<b>1</b>			
1	IP 7111112B	Maintenance Effectiveness		05/14/2007	05/18/2007	Baseline Inspections
	<b>7112103</b>	<b>- RAD INSTRUMENTATION</b>	<b>1</b>			
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		07/09/2007	07/13/2007	Baseline Inspections
	<b>EP BI</b>	<b>- BASELINE EP EXERCISE INSP</b>	<b>1</b>			
1	IP 7111401	Exercise Evaluation		10/01/2007	10/05/2007	Baseline Inspections
1	IP 71151-EP01	Drill/Exercise Performance		10/01/2007	10/05/2007	Baseline Inspections
1	IP 71151-EP03	Alert & Notification System		10/01/2007	10/05/2007	Baseline Inspections
1	IP 71151-EP03	Alert & Notification System		10/01/2007	10/05/2007	Baseline Inspections

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

**Monticello**  
**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
	<b>HEATSINK - HEAT SINK INSPECTION</b>		<b>1</b>			
1	IP 7111107B	Heat Sink Performance		09/10/2007	09/14/2007	Baseline Inspections
	<b>7112101 - ALARA PLANNING AND ACCESS CONTROL</b>		<b>1</b>			
1	IP 7112101	Access Control to Radiologically Significant Areas		10/01/2007	10/05/2007	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		10/01/2007	10/05/2007	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/01/2007	10/05/2007	Baseline Inspections
	<b>71111.11 - LIC OPERATOR REQUAL PROGRAM EVALUATION</b>		<b>2</b>			
1	IP 7111111B	Licensed Operator Requalification Program		10/15/2007	10/19/2007	Baseline Inspections
	<b>ISI - ISI INSPECTION</b>		<b>1</b>			
1	IP 7111108G	Inservice Inspection Activities - BWR		03/08/2008	04/08/2008	Baseline Inspections