



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**

REGION III  
2443 WARRENVILLE RD. SUITE 210  
LISLE, IL 60532-4352

March 4, 2015

Mr. Peter A. Gardner  
Site Vice President  
Monticello Nuclear Generating Plant  
Northern States Power Company, Minnesota  
2807 West County Road 75  
Monticello, MN 55362-9637

**SUBJECT: ANNUAL ASSESSMENT LETTER FOR THE MONTICELLO NUCLEAR  
GENERATING PLANT (REPORT 05000263/2014001)**

Dear Mr. Gardner:

On February 12, 2015, the U.S. Nuclear Regulatory Commission (NRC) completed its end-of-cycle performance review of the Monticello Nuclear Generating Plant (MNGP). The NRC reviewed the most recent quarterly performance indicators (PIs) in addition to inspection results and enforcement actions from January 1, 2014 through December 31, 2014. This letter informs you of the NRC's assessment of your facility during this period and its plans for future inspections at your facility.

On February 26, 2015, the NRC forwarded a letter that stated the final significance determination of a greater-than-green (GTG) inspection finding in the Security Cornerstone. With both the existing Yellow finding and the GTG security finding, MNGP met the definition of a Repetitive Degraded Cornerstone. Specifically, a Repetitive Degraded Cornerstone is one that is degraded for more than four consecutive quarters with at least one of the quarters having: (1) three or more white inputs (the additional white input(s) can be from any cornerstone), or (2) one yellow and one white input (the additional white input can be from any cornerstone). With the Yellow inspection finding in the Mitigating Systems Cornerstone open for seven consecutive quarters and the GTG inspection finding in the Security Cornerstone, Inspection Manual Chapter (IMC) 0305, "Operating Reactor Assessment Program," specifies that MNGP should be moved from Column 3 to Column 4 of the Action Matrix in the fourth quarter of 2014. However, by letter dated February 27, 2015, you were notified that the NRC's Executive Director for Operations had approved a deviation from the NRC's Reactor Oversight Process (ROP) Action Matrix for MNGP. Therefore, as of February 27, 2015, MNGP is in the Regulatory Response Column, Column 2 of the ROP action matrix.

As stated in the deviation letter, Xcel Energy agreed to perform an independent safety culture assessment with a focus on human performance. The deviation will remain open until MNGP has successfully completed the actions prescribed by Column 2 of the NRC Action Matrix and upon completion of the NRC assessment of your safety culture evaluation. Should these criteria not be met and/or another GTG finding occurs while this deviation is open, the NRC will reassess the licensee's placement in the Action Matrix consistent with the criteria contained in IMC 0305.

In the mid-cycle assessment letter dated September 2, 2014, (ML14245A144), the NRC opened a substantive cross-cutting issue (SCCI) associated with Human Performance, Conservative Bias aspect (H.14). This assessment letter stated that the SCCI will remain open until the number of findings with a cross-cutting aspect of H.14 is reduced, the corrective actions taken to mitigate the cross-cutting theme prove effective, and sustained performance improvement is observed in the H.14 aspect of the human performance area. To address the SCCI, your staff performed a root cause evaluation and developed corrective actions. During the current assessment period, the number of findings with H.14 assigned as the cross-cutting aspect was reduced, but still met the definition of cross-cutting theme as described in IMC 0305, "Operating Reactor Assessment Program," dated November 20, 2014. Specifically, a cross-cutting theme exists if there are four or more findings having the same cross-cutting aspect. Additionally, as of the end of the assessment period, not all of the proposed corrective actions were completed; therefore, the SCCI will remain open until the above closure criteria are met. This is the second consecutive assessment letter documenting this SCCI. The NRC will continue to monitor your staff's effort and progress in addressing the SCCI by evaluating your corrective action program, the root cause evaluation for the SCCI, and performance improvement initiatives to adequately assess if positive results are obtained.

In its assessment letter dated March 4, 2014, (ML14063A307), the NRC opened an SCCI associated with the aspect of Human Performance, Documentation aspect (H.7). Since the SCCI was opened, you have completed a root cause evaluation and implemented corrective actions. The corrective actions appear effective as the number of findings with this cross-cutting aspect was reduced to below the SCCI threshold and our baseline inspections have not identified any significant concerns in this area. Therefore, the NRC determined that the SCCI is closed.

The enclosed inspection plan lists the inspections scheduled through June 30, 2016. Routine inspections performed by resident inspectors are not included in the inspection plan. The inspections listed during the last nine months of the inspection plan are tentative and may be revised at the mid-cycle performance review. The NRC provides the inspection plan to allow for the resolution of any scheduling conflicts and personnel availability issues. The NRC will contact you as soon as possible to discuss changes to the inspection plan should circumstances warrant any changes. This inspection plan does not include security related inspections, which will be sent via separate, non-publicly available correspondence.

As stated in the inspection plan, from June 22 to July 24, 2015, the NRC plans to perform the Component Design Basis Inspection.

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 2.390, "Public Inspections, Exemptions, Requests for Withholding," of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response (if any) will be available electronically for public

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inspection in the NRC's Public Document Room or from the Publicly Available Records (PARS) component of the NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Please contact Kenneth Riemer at 630-829-9628 with any questions you have regarding this letter.

Sincerely,

*/RA/*

Cynthia D. Pederson  
Regional Administrator

Docket Nos. 50-263  
License Nos. DPR-22

Enclosure:  
Monticello Nuclear Generating Plant  
Inspection/Activity Plan

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**Monticello**  
**Inspection / Activity Plan**  
**03/01/2015 - 06/30/2016**

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
			<b>BI ENG - COMPONENT DESIGN BASES INSPECTION</b>		<b>7</b>
1	06/22/2015	07/24/2015	IP 7111121	Component Design Bases Inspection	
			<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>
1	04/13/2015	04/17/2015	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1	04/13/2015	04/17/2015	IP 71124.02	Occupational ALARA Planning and Controls	
			<b>BI ISI - ISI INSPECTION</b>		<b>1</b>
1	04/13/2015	05/11/2015	IP 7111108G	Inservice Inspection Activities - BWR	
			<b>OL PREP - INIT EXAM/JUNE 2015</b>		<b>3</b>
1	05/11/2015	05/15/2015	W90331	OL - INITIAL EXAM - 2015 MAY-JUN - MONTICELLO	
			<b>OL EXAM - INIT EXAM/JUNE 2015</b>		<b>3</b>
1	06/01/2015	06/12/2015	W90331	OL - INITIAL EXAM - 2015 MAY-JUN - MONTICELLO	
			<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>
1	08/10/2015	08/14/2015	IP 71124.07	Radiological Environmental Monitoring Program	
1	08/10/2015	08/14/2015	IP 71151	Performance Indicator Verification	
			<b>BL EPX - EP EXERCISE / PI VERIFICATON</b>		<b>2</b>
1	08/17/2015	08/21/2015	IP 7111407	Exercise Evaluation - Hostile Action (HA) Event	
1	08/17/2015	08/21/2015	IP 7111408	Exercise Evaluation – Scenario Review	
1	08/17/2015	08/21/2015	IP 71151	Performance Indicator Verification	
			<b>ISFSI - PROGRAM REVIEW</b>		<b>1</b>
1	09/01/2015	10/31/2015	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants	
			<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>
1	09/28/2015	10/02/2015	IP 71124.02	Occupational ALARA Planning and Controls	
			<b>BI OLRQ - BIENNIAL REQUAL PROGRAM INSPECTION</b>		<b>2</b>
1	10/19/2015	10/23/2015	IP 7111111B	Licensed Operator Requalification Program	
			<b>STRIKE P - STRIKE PREPARATION</b>		<b>1</b>
1	12/01/2015	12/31/2015	IP 92709	Licensee Strike Contingency Plans	
			<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>
1	01/25/2016	01/29/2016	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
			<b>ENG BI - TRIENNIAL MODS AND 50.59 INSPECTION</b>		<b>2</b>
1	02/29/2016	03/18/2016	IP 7111117T	Evaluations of Changes, Tests, and Experiments and Permanent Plant Modifications	
			<b>ENG BI - TRIENNIAL HEAT SINK INSPECTION</b>		<b>2</b>
1	04/18/2016	04/20/2016	IP 7111107T	Heat Sink Performance	

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