



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

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

August 31, 2016

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: MID-CYCLE ASSESSMENT LETTER FOR MONTICELLO NUCLEAR
GENERATING PLANT (REPORT 05000263/2016005)**

Dear Mr. Gardner:

On August 10, 2016, the U.S. Nuclear Regulatory Commission (NRC) completed its mid-cycle performance review of Monticello Nuclear Generating Plant. The NRC reviewed the most recent quarterly performance indicators (PIs) in addition to inspection results and enforcement actions from July 1, 2015 through June 30, 2016. This letter informs you of the NRC's assessment of your facility during this period and its plans for future inspections at your facility.

The NRC determined that overall, Monticello Nuclear Generating Plant operated in a manner that preserved public health and safety and met all cornerstone objectives. The NRC determined the performance at Monticello Nuclear Generating Plant during the most recent quarter was within the Licensee Response Column of the NRC's Reactor Oversight Process (ROP) Action Matrix because all inspection findings had very low (i.e., Green) safety significance, and all PIs indicated that your performance was within the nominal, expected range (i.e., Green). Therefore, the NRC plans to conduct ROP baseline inspections at your facility.

In its assessment letter dated September 1, 2015, (ML15239B403), the NRC concluded that with a Yellow inspection finding in the Mitigating Systems Cornerstone open for 7 consecutive quarters and a greater-than-green inspection finding in the Security Cornerstone, Monticello 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, (ML15049A132), you were notified that the NRC's Executive Director for Operations had approved a deviation from the NRC's ROP Action Matrix for Monticello. Therefore, Monticello was placed in the Regulatory Response Column, Column 2 of the ROP Action Matrix. On June 8, 2015, your staff notified the NRC of your readiness for the NRC to conduct a supplemental inspection to review the actions taken to address the greater-than-green finding. Beginning on July 20, 2015, the NRC conducted a supplemental inspection in accordance with Inspection Procedure 95001, "Supplemental Inspection for One or Two White Inputs in a Strategic Performance Area." Based on the results of that inspection, documented in Inspection Report 05000263/2015407 (ML15245A318), the issue was closed and Monticello returned to the Licensee Response Column as of the fourth quarter of 2015.

As stated in the deviation letter, you agreed to perform an independent safety culture assessment with a focus on human performance. Subsequently, the NRC would perform an independent inspection of your assessment to determine whether the deviation could be closed. On December 22, 2015, you notified us by letter that you had completed your safety-culture assessment. On June 10, 2016, the NRC completed its independent inspection of this assessment. The inspection was conducted in accordance with NRC Inspection Procedure 40100, "Independent Safety Culture Assessment Followup," with emphasis on your actions and the effectiveness of your actions in addressing site cultural issues impacting an identified trend of human performance errors. Based on the inspection sample, the inspection team determined that your staff's implementation of corrective actions has resulted in an improving trend in the human performance error rate over the inspected period of May 2015 through June 2016. Additionally, the inspection did not identify any program elements, corrective actions, or cultural attributes that would inhibit continuing long-term improvement in the human performance error rate. As we have determined that the performance issues associated with these issues are improving and the issues themselves have been corrected, we will be closing the deviation as of this letter.

The enclosed inspection plan lists the inspections scheduled through June 30, 2018. Routine inspections performed by resident inspectors are not included in the inspection plan. The inspections listed during the second half of the inspection plan are tentative and may be revised at the end-of-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.

In response to the accident at Fukushima, the Commission issued Order EA-12-049, "Order Modifying Licenses with Regard to Requirements for Mitigation Strategies for Beyond-Design-Basis External Events," and Order EA-12-051, "Order Modifying Licenses with Regard to Reliable Spent Fuel Pool Instrumentation." The NRC conducted audits of licensee efforts towards compliance with these Orders, and the information gathered will aid staff in development of the ultimate Safety Evaluation for the site. After the NRC staff receives the Final Compliance letter for the site, the Safety Evaluation will be issued. Then, the NRC staff will confirm through inspections the full implementation of the orders mentioned above by performing Temporary Instruction 191, "Inspection of the Implementation of Mitigation Strategies and Spent Fuel Pool Instrumentation Orders and Emergency Preparedness Communication/Staffing/Multi-Unit Dose Assessment Plans."

In Staff Requirements Memorandum – SECY 16-0009, "Recommendations Resulting from the Integrated Prioritization and Re-Baselining of Agency Activities," the Commission approved the NRC staff recommendation to discontinue the formal mid-cycle assessment process beginning in calendar year 2017. This will be the final mid-cycle assessment letter. The staff will continue to conduct quarterly assessment meetings and communicate changes in the assessment of licensee performance in accordance with the guidance in Inspection Manual Chapter 0305, "Operating Reactor Assessment Program."

P. Gardner

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In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 2.390 of the NRC's "Rules of Practice," a copy of this letter 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/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 Darrell Roberts Acting for/

Cynthia D. Pederson
Regional Administrator

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

Enclosure:
Inspection Plan

cc: Distribution via LISTSERV®

P. Gardner

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Monticello
Inspection / Activity Plan
09/01/2016 - 06/30/2018

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
			PI&R - BIENNIAL PI&R INSPECTION		5
1	09/19/2016	10/07/2016	IP 71152B	Problem Identification and Resolution	
			BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
1	10/03/2016	10/07/2016	IP 71124.08	Radioactive Solid Waste Processing and Radioactive Material Handling, Storage, and Transportation	
			OL PREP - ONSITE VALIDATION OF EXAM		3
1	10/17/2016	10/21/2016	W90348	OL - INITIAL EXAM - 2016 OCT-NOV - MONTICELLO	
			OL EXAM - INIT EXAM/NOVEMBER 2016		3
1	11/14/2016	11/18/2016	W90348	OL - INITIAL EXAM - 2016 OCT-NOV - MONTICELLO	
			BI EP - EP BASELINE INSPECTION/ PI VERIFICATION		1
1	12/05/2016	12/09/2016	IP 7111402	Alert and Notification System Testing	
1	12/05/2016	12/09/2016	IP 7111403	Emergency Preparedness Organization Staffing and Augmentation System	
1	12/05/2016	12/09/2016	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies	
1	12/05/2016	12/09/2016	IP 71151	Performance Indicator Verification	
			ISFSI - ISFSI INSPECTION		1
1	01/01/2017	02/28/2017	IP 92702	Followup On Corrective Actions For Violations And Deviations	
			BI RP - RADIATION PROTECTION BASELINE INSPECTION		2
1	04/17/2017	04/21/2017	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1	04/17/2017	04/21/2017	IP 71124.03	In-Plant Airborne Radioactivity Control and Mitigation	
1	04/17/2017	04/21/2017	IP 71124.04	Occupational Dose Assessment	
			ISI - IINSERVICE INSPECTION		1
1	04/15/2017	05/15/2017	IP 7111108G	Inservice Inspection Activities - BWR	
			BI FIRE - TRIENNIAL FIRE PROTECTION AND BAG TRIP		3
1	06/12/2017	07/14/2017	IP 7111105T	Fire Protection [Triennial]	
			BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
1	07/17/2017	07/21/2017	IP 71124.07	Radiological Environmental Monitoring Program	
1	07/17/2017	07/21/2017	IP 71151	Performance Indicator Verification	
			BI EP - EP EXERCISE INSPECTION / PI VERIFICATION		5
1	08/28/2017	09/01/2017	IP 7111401	Exercise Evaluation	
1	08/28/2017	09/01/2017	IP 7111406	Drill Evaluation	
1	08/28/2017	09/01/2017	IP 7111408	Exercise Evaluation – Scenario Review	
1	08/28/2017	09/01/2017	IP 71151	Performance Indicator Verification	
			BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
1	10/02/2017	10/06/2017	IP 71124.02	Occupational ALARA Planning and Controls	

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

Monticello
Inspection / Activity Plan
09/01/2016 - 06/30/2018

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
			OL-RQ - BIENNIAL REQUAL PROGRAM INSPECTION		2
1	10/16/2017	10/20/2017	IP 7111111B	Licensed Operator Requalification Program	
			BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
1	01/22/2018	01/26/2018	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
			FLEX - FLEX/MITIGATING STRATEGIES/SFP		4
1	03/05/2018	03/09/2018	IP 2515/191	Inspection of Licensee's Responses to Order EA-12-049, EA-12-051 & EP Info Request March 12, 2012	
			BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
1	04/02/2018	04/06/2018	IP 71124.08	Radioactive Solid Waste Processing and Radioactive Material Handling, Storage, and Transportation	
			ISFSI - ISFSI INSPECTION		1
1	06/01/2018	09/01/2018	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants	

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