

March 2, 2006

Mr. T. Palmisano
Site Vice President
Prairie Island Nuclear Generating Plant
Nuclear Management Company, LLC
1717 Wakonade Drive East
Welch, MN 55089

SUBJECT: ANNUAL ASSESSMENT LETTER AND INSPECTION PLAN - PRAIRIE ISLAND
NUCLEAR GENERATING STATION, UNITS 1 AND 2 (05000282/2006001;
05000306/2006001)

Dear Mr. Palmisano:

On February 9, 2006, the NRC staff completed its performance review of Prairie Island Nuclear Generating Plant, Units 1 and 2. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2005. 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.

Overall, Prairie Island Nuclear Generating Plant Units 1 and 2 operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter, as well as for the first three quarters of the assessment cycle, 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). Although plant performance was within the Licensee Response column, the significance of a preliminary White finding is still under review as part of the Significance Determination Process which, when finalized, may change our assessment of your plant's safety performance. This finding is associated with an apparent violation for a failure to maintain in effect emergency plans that meet the requirements in Risk-Significant Planning Standard 10 CFR 50.47(b)(4) regarding the flooding Emergency Action Level. Currently, we plan to conduct reactor oversight process baseline inspections at your facility. However, based on the final results of the significance determination for the above mentioned preliminary White finding, additional inspections may be performed.

The enclosed inspection plan details the inspections, less those related to physical protection scheduled through September 30, 2007. Significant inspections planned for this year include, a Modification/50.59 Inspection in March 2006, the Unit 1 Reactor Vessel Head Replacement Inspection in April 2006, a Triennial Fire Protection Inspection in July 2006, and Independent

Spent Fuel Storage Installation Inspection in July 2006. 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 nine months of the inspection plan are tentative and may be revised at the mid-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 this inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (630) 829-9620 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Richard A. Skokowski, Chief
Reactor Projects Branch 3
Division of Reactor Projects

Docket Nos. 50-282; 50-306
License Nos. DPR-42; DPR-60

Enclosure: Prairie Island Nuclear Generating Plant Inspection/ Activity Plan

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Spent Fuel Storage Installation Inspection in July 2006. 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 nine months of the inspection plan are tentative and may be revised at the mid-cycle review.

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cc w/encl: C. Anderson, Senior Vice President, Group Operations
M. Sellman, Chief Executive Officer and Chief Nuclear Officer
Regulatory Affairs Manager
J. Rogoff, Vice President, Counsel & Secretary
Nuclear Asset Manager
Tribal Council, Prairie Island Indian Community
Administrator, Goodhue County Courthouse
Commissioner, Minnesota Department
of Commerce
Manager, Environmental Protection Division
Office of the Attorney General of Minnesota
Council Administrator
President, Prairie Island Tribal Council
Goodhue County Sheriff
Director, Pierce County Emergency
Management Agency
Chair, Pierce County Board of Commissioners
Chair, Dakota County Board of Commissioners
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Prairie Island
Inspection / Activity Plan
03/01/2006 - 09/30/2007

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	MOD	- MOD/50.59 INSPECTION	2			
1,2	IP 7111102	Evaluation of Changes, Tests, or Experiments		03/06/2006	03/24/2006	Baseline Inspections
1,2	IP 7111117B	Permanent Plant Modifications		03/06/2006	03/24/2006	Baseline Inspections
	BI	- GASEOUS AND LIQUID EFFLUENTS	1			
1,2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		03/13/2006	03/17/2006	Baseline Inspections
	MAINT	- MAINTENANCE EFFECTIVENESS	1			
1,2	IP 7111112B	Maintenance Effectiveness		04/03/2006	04/07/2006	Baseline Inspections
	ISI	- PRAIRIE ISLAND UNIT 1 ISI & HD FAB INSP	3			
1	IP 71007	Reactor Vessel Head Replacement Inspection		04/17/2006	05/26/2006	Other Routine
1	IP 7111108P	Inservice Inspection Activities - PWR		04/17/2006	05/26/2006	Baseline Inspections
	BI	- OUTAGE ALARA AND ACCESS CONTROL	2			
2	IP 7112101	Access Control to Radiologically Significant Areas		05/08/2006	05/12/2006	Baseline Inspections
2	IP 7112102	ALARA Planning and Controls		05/08/2006	05/12/2006	Baseline Inspections
	INSP	- ISFSI INSPECTION	1			
1,2	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants		07/10/2006	07/15/2006	Other Routine
	FPI	- TRIENNIAL FIRE PROTECTION INSPECTION	3			
1,2	IP 7111105T	Fire Protection [Triennial]		07/31/2006	08/18/2006	Baseline Inspections
	7111401	- EP EXERCISE BASELINE	2			
1,2	IP 7111401	Exercise Evaluation		07/17/2006	07/21/2006	Baseline Inspections
1,2	IP 71151	Performance Indicator Verification		07/17/2006	07/21/2006	Baseline Inspections
	INSPECTI	- ISFSI INSPECTION	2			
1	IP 2515/149	Mitigating Systems Performance Index Pilot Verification		08/01/2006	09/30/2006	Safety Issues
	BI	- RAD INSTRUMENTATION	1			
1,2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		09/11/2006	09/15/2006	Baseline Inspections
	ISI	- PRAIRIE ISLAND UNIT 2 ISI INSPECTION	1			
2	IP 7111108P	Inservice Inspection Activities - PWR		11/13/2006	12/01/2006	Baseline Inspections
	BI	- OUTAGE ACCESS CONTROL AND ALARA	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		01/02/2007	01/06/2007	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		01/02/2007	01/06/2007	Baseline Inspections
	71122.02	- TRANSPORTATION	1			
1,2	IP 7112202	Radioactive Material Processing and Transportation		02/12/2007	02/16/2007	Baseline Inspections
	CDBI	- COMPONENT DESIGN BASIS INSPECTION	6			
1,2	IP 7111121	Component Design Bases Inspection		04/16/2007	05/18/2007	Baseline Inspections
	FY 2007	- PRAIRIE ISLAND INIT PREP 07/2007	3			
1	W90165	OL - INITIAL EXAM - PRAIRIE ISLAND - JUL/AUG 2007		07/09/2007	07/13/2007	Not Applicable

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

Prairie Island
Inspection / Activity Plan
03/01/2006 - 09/30/2007

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	FY 2007	- PRAIRIE ISLAND INIT EXAM 07&08/2007	3			
1	W90165	OL - INITIAL EXAM - PRAIRIE ISLAND - JUL/AUG 2007		07/30/2007	08/10/2007	Not Applicable
	HEATSINK	- HEAT SINK INSPECTION	1			
1,2	IP 7111107B	Heat Sink Performance		08/20/2007	08/24/2007	Baseline Inspections