

March 4, 2002

Mr. M. Warner
Site Vice President
Kewaunee and Point Beach Nuclear Plants
Nuclear Management Company, LLC
6610 Nuclear Road
Two Rivers, WI 54241

SUBJECT: ANNUAL ASSESSMENT LETTER - POINT BEACH NUCLEAR PLANT
(Report 50-266/02-01; 50-301/02-01)

Dear Mr. Warner

On January 31, 2002, the NRC staff completed its end-of-cycle plant performance assessment of the Point Beach Nuclear Plant. The end-of-cycle review for Point Beach involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period from April 1 through December 31, 2001. 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 so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections which may conflict with your plant activities.

As discussed in our previous annual assessment letter dated May 31, 2001, this inspection and assessment cycle consisted of three quarters (i.e., the second, third, and fourth calendar quarters of calendar year 2001) instead of the usual four quarters. This change was implemented in order to align the inspection and assessment cycle with the calendar year beginning on January 1, 2002.

Overall, Point Beach operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Unit 1 plant performance for the most recent quarter, as well as for the first two quarters of the assessment cycle, was within the Regulatory Response Column of the NRC's Action Matrix based on a White PI for Scrams With Loss of Normal Heat Removal in the Initiating Events cornerstone. This PI has been White since the 4th quarter of 2000 and the NRC completed a supplemental inspection in February 2001 to review this PI. No significant issues or findings were identified during that inspection. Unit 2 plant performance for the most recent quarter 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). While Unit 2 plant performance for the most recent quarter is within the Licensee Response Column of the Action Matrix, there was one safety significant performance indicator during the first two quarters of the assessment cycle. The PI for Unplanned Scrams per 7000 Critical Hours in the Initiating Events cornerstone turned White in the second quarter of 2001 and returned to Green

in the 4th quarter of 2001. The NRC completed a supplemental inspection in November 2001 to review this PI and no significant issues or findings were identified.

The enclosed inspection plan details the inspections scheduled through March 31, 2003. Inspections may also be conducted to review activities associated with your Independent Spent Fuel Storage Installation. These inspections will be coordinated with your staff as the dates approach for the activities. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The last 6 months of the inspection plan are tentative and may be revised at the Mid-Cycle Review meeting.

In addition to the baseline inspection program, the NRC issued safeguards advisories recommending that nuclear power plant licensees go to the highest level of security immediately following the terrorist attacks on the World Trade Center and the Pentagon, and all promptly did so. With continued uncertainty about the possibility of additional terrorist activities, the Nation's nuclear power plants, including Point Beach, remain at a high level of security. On February 25, 2002, the NRC issued an Order to all nuclear power plant licensees, requiring them to take certain additional interim compensatory measures to address the generalized high-level threat environment. These additional compensatory requirements will provide the NRC with reasonable assurance that public health and safety and the common defense and security continue to be adequately protected in the current generalized high-level threat environment. These requirements will remain in effect pending notification from the Commission that a significant change in the threat environment occurs, or until the Commission determines that other changes are needed following a more comprehensive re-evaluation of current safeguards and security programs. To date, we have monitored Point Beach's actions in response to the terrorist attacks through a series of audits. With the issuance of the Order, we will evaluate Point Beach's compliance with these interim requirements.

In accordance with 10 CFR 2.790 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). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.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 Roger Lanksbury of my staff at (630) 829-9631 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Geoffrey E. Grant, Director
Division of Reactor Projects

Docket Nos. 50-266; 50-301
License Nos. DPR-24; DPR-27

Enclosure: Point Beach Inspection/Activity Plan

cc w/encl: R. Grigg, President and Chief
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and Chief Nuclear Officer
T. Webb, Licensing Manager
D. Weaver, Nuclear Asset Manager
T. Taylor, Plant Manager
A. Cayia, Site Director
J. O'Neill, Jr., Shaw, Pittman,
Potts & Trowbridge
K. Duveneck, Town Chairman
Town of Two Creeks
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Point Beach
Inspection / Activity Plan
03/04/2002 - 03/31/2003

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	IP 71114	- BIENNIAL EP EXERCISE INSP	4			
1, 2	IP 7111401	Exercise Evaluation		02/11/2002	03/29/2002	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		02/11/2002	03/29/2002	Baseline Inspections
	IP 71121	- OUTAGE RP ALARA INSP	1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		04/22/2002	04/26/2002	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		04/22/2002	04/26/2002	Baseline Inspections
	ISI	- UNIT 2 ISI & TI-145	1			
2	IP 2515/145	Circumferential Cracking of Reactor Pressure Vessel Head Penetration Nozzles (NRC Bulletin :		04/22/2002	04/26/2002	Safety Issues
2	IP 7111108	Inservice Inspection Activities		04/22/2002	04/26/2002	Baseline Inspections
	IP 71122	- LIQ/GAS EFFLUENTS RP INSP	1			
1, 2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		06/03/2002	06/07/2002	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		06/03/2002	06/07/2002	Baseline Inspections
	HTSINK B	- BIENNIAL HEAT SINK	1			
1, 2	IP 7111107B	Heat Sink Performance		06/10/2002	06/14/2002	Baseline Inspections
	SSDI	- SAFETY SYSTEM DESIGN	5			
1, 2	IP 7111121	Safety System Design and Performance Capability		07/22/2002	08/09/2002	Baseline Inspections
	ISI	- UNIT 1 ISI & TI-145	1			
1	IP 2515/145	Circumferential Cracking of Reactor Pressure Vessel Head Penetration Nozzles (NRC Bulletin :		09/29/2002	10/11/2002	Safety Issues
1	IP 7111108	Inservice Inspection Activities		09/29/2002	10/11/2002	Baseline Inspections
	IP 71121	- RP ALARA INSPECTION (OUTAGE)	1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		09/30/2002	10/04/2002	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		09/30/2002	10/04/2002	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		09/30/2002	10/04/2002	Baseline Inspections
	IP 71114	- NON-EXERCISE BASELINE EP INSPECTION	1			
1, 2	IP 7111402	Alert and Notification System Testing		01/13/2003	01/17/2003	Baseline Inspections
1, 2	IP 7111403	Emergency Response Organization Augmentation Testing		01/13/2003	01/17/2003	Baseline Inspections
1, 2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		01/13/2003	01/17/2003	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		01/13/2003	01/17/2003	Baseline Inspections
	IP 71121	- RAD INSTRUMENTATION INSPECTION	1			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		01/13/2003	01/17/2003	Baseline Inspections
1, 2	IP 7112103	Radiation Monitoring Instrumentation		01/13/2003	01/17/2003	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		01/13/2003	01/17/2003	Baseline Inspections

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