

March 4, 2002

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

SUBJECT: ANNUAL ASSESSMENT LETTER - PRAIRIE ISLAND NUCLEAR PLANT  
(Report 50-282/02-01; 50-306/02-01)

Dear Mr. Nazar:

On January 31, 2002, the NRC staff completed its end-of-cycle plant performance assessment of the Prairie Island Nuclear Plant. The end-of-cycle review for Prairie Island 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, Prairie Island 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 two quarters of the assessment cycle, was within the Regulatory Response Column of the NRC's Action Matrix based on a White inspection finding in the Mitigating Systems Cornerstone identified in the 4<sup>th</sup> quarter of 2000. The White finding was caused by the simultaneous inoperability of the three safety-related cooling water (service water) pumps. A supplemental inspection was conducted in June 2001 to review your staff's response to this finding, including root cause evaluation, extent of condition review, and corrective actions. During that inspection, the inspectors identified that your staff had not identified all of the root causes for the White finding and therefore had not developed corrective actions for all the root causes. As a result, the White finding could not be closed. A follow-up supplemental inspection is planned for April 2002, to review your staff's root cause evaluations and corrective actions.

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 Prairie Island, 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 Prairie Island's actions in response to the terrorist attacks through a series of audits. With the issuance of the Order, we will evaluate Prairie Island'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).

M. Nazar

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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, Region 3

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

Enclosure: Prairie Island Inspection/Activity Plan

See Attached Distribution

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cc w/encl: Plant Manager, Prairie Island  
R. Anderson, Executive Vice President  
and Chief Nuclear Officer  
Site Licensing Manager  
Nuclear Asset Manager  
J. Malcolm, Commissioner, Minnesota  
Department of Health  
State Liaison Officer, State of Wisconsin  
Tribal Council, Prairie Island Indian Community  
J. Silberg, Esquire  
Shawn, Pittman, Potts, and Trowbridge  
A. Neblett, Assistant Attorney General  
Office of the Attorney General  
S. Bloom, Administrator  
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Commissioner, Minnesota Department  
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SRI Prairie Island

DRP III

DRSIII

PLB1

JRK1

BAH3

**Prairie Island**  
**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	
	<b>IP 95001</b>	<b>- FOLLOWUP INSPECTION FOR A WHITE FINDING</b>	<b>1</b>			
1, 2	IP 95001	Supplemental Inspection For One Or Two White Inputs In A Strategic Performance Area		04/08/2002	04/12/2002	Supplemental Program
	<b>IP 71114</b>	<b>- BIENNIAL EP EXERCISE INSPECTION</b>	<b>3</b>			
1, 2	IP 7111401	Exercise Evaluation		05/13/2002	05/17/2002	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		05/13/2002	05/17/2002	Baseline Inspections
	<b>IP 71122</b>	<b>- RAM PROCESSING/SHIPPING INSPECTION</b>	<b>1</b>			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		05/13/2002	05/17/2002	Baseline Inspections
1, 2	IP 7112202	Radioactive Material Processing and Transportation		05/13/2002	05/17/2002	Baseline Inspections
	<b>MOD50.59</b>	<b>- BIENNIAL PLANT MODS AND 50.59</b>	<b>4</b>			
1, 2	IP 7111102	Evaluation of Changes, Tests, or Experiments		06/17/2002	06/21/2002	Baseline Inspections
1, 2	IP 711117B	Permanent Plant Modifications		06/17/2002	06/21/2002	Baseline Inspections
	<b>FY 2002</b>	<b>- PRAIRIE ISLAND INIT PREP 07/2002</b>	<b>4</b>			
1	W90062	OL - INITIAL EXAM - PRAIRIE ISLAND - JUL/AUG 2002		07/15/2002	07/19/2002	Not Applicable
	<b>FY 2002</b>	<b>- PRAIRIE ISLAND INIT EXAM 08/2002</b>	<b>5</b>			
1	W90062	OL - INITIAL EXAM - PRAIRIE ISLAND - JUL/AUG 2002		08/12/2002	08/16/2002	Not Applicable
	<b>IP 71122</b>	<b>- LIQ/GASEOUS RAD EFFLUENTS INSPECTION</b>	<b>1</b>			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		10/07/2002	10/11/2002	Baseline Inspections
1, 2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		10/07/2002	10/11/2002	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		10/07/2002	10/11/2002	Baseline Inspections
	<b>IP 71121</b>	<b>- OUTAGE ALARA INSPECTION</b>	<b>1</b>			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		11/04/2002	11/08/2002	Baseline Inspections
1, 2	IP 7112102	ALARA Planning and Controls		11/04/2002	11/08/2002	Baseline Inspections
	<b>ISI</b>	<b>- ISI UNIT 1</b>	<b>1</b>			
1	IP 2515/145	Circumferential Cracking of Reactor Pressure Vessel Head Penetration Nozzles (NRC Bulletin :		11/25/2002	12/06/2002	Safety Issues
1	IP 7111108	Inservice Inspection Activities		11/25/2002	12/06/2002	Baseline Inspections
	<b>MAIN B</b>	<b>- BIENNIAL MAINTENANCE RULE</b>	<b>1</b>			
1, 2	IP 711112B	Maintenance Rule Implementation		02/10/2003	02/14/2003	Baseline Inspections
	<b>IP 71122</b>	<b>- RAD ENVIRONMENTAL MONITORING INSPECTION</b>	<b>1</b>			
1, 2	IP 7112203	Radiological Environmental Monitoring Program		02/10/2003	02/14/2003	Baseline Inspections
	<b>SSDI</b>	<b>- SAFETY SYSTEM BIENNIAL (DRS)</b>	<b>6</b>			
1, 2	IP 7111121	Safety System Design and Performance Capability		03/17/2003	04/04/2003	Baseline Inspections

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