

June 16, 2003

EA-03-057

Mr. John Paul Cowan  
Chief Nuclear Officer  
Nuclear Management Company, LLC  
700 First Street  
Hudson, WI 54016

SUBJECT: REGULATORY CONFERENCE TO DISCUSS PRELIMINARY RED  
INSPECTION FINDING AT THE POINT BEACH NUCLEAR PLANT  
(INSPECTION REPORT 50-266/02-15(DRP); 50-301/02-15(DRP))

Dear Mr. Cowan:

This letter refers to the Regulatory Conference held on June 6, 2003, at the U.S. Nuclear Regulatory Commission Region III office in Lisle, Illinois. The purpose of the Regulatory Conference was for the Nuclear Management Company, LLC (NMC) to provide its perspective on the significance of the preliminary Red inspection finding at the Point Beach Nuclear Plant related to the potential for a common mode failure of the auxiliary feedwater pumps from the plugging by debris of orifices in the pump recirculation lines. In addition, the Regulatory Conference was an opportunity for NMC to provide any revised or new information associated with the original risk analysis, any other information related to the finding, and whether NMC agreed with the apparent violation of 10 CFR Part 50, Appendix B, Criterion III, "Design Control," that was identified during the inspection. The preliminary Red inspection finding and the apparent violation are discussed in Inspection Report 50-266/02-15(DRP); 50-301/02-15(DRP), issued on April 2, 2003.

At the Regulatory Conference, NMC presented an overview of the auxiliary feedwater system orifice issue, the results of the associated root cause evaluation, related corrective actions, and the methodology and status of the NMC/Point Beach significance determination process. During the meeting, NRC and NMC staff held extensive discussions regarding specific technical issues related to NMC's analysis. NMC stated that the analysis of the risk from internal events associated with the orifice plugging issue would be completed in about two weeks and that the analysis of the risk from fire would be completed in August 2003. NMC committed to submit the results of those two analyses to the NRC when they are completed. NMC also stated that it agreed with the characterization of the apparent violation. If our understanding of the expected completion of the analyses and NMC's position on the apparent violation is incorrect, please notify us promptly. The results of our final significance determination and enforcement deliberations will be provided to NMC after completion of our review of the results of NMC's analyses. The handout provided by NMC at the Regulatory Conference and a listing of principal NMC and NRC attendees are attached as Enclosures 1 and 2 to this letter.

During the Regulatory Conference, the NRC staff questioned the installation date for the "A" motor driven auxiliary feedwater pump orifice. Specifically, the installation date presented by your staff was not consistent with the date documented in the related NRC inspection report. Your staff subsequently reviewed this discrepancy and corrected the error as described in the letter from A. J. Cayia dated June 10, 2003, which is attached as Enclosure 3.

In accordance with 10 CFR 2.790 of the NRC's "Rule of Practice," a copy of this letter, its enclosures, and your response 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).

If you have any questions regarding this letter, please contact Mr. Anton Vogel at (630) 829-9620.

Sincerely,

**/RA by Steven A. Reynolds Acting for/**

Geoff E. Grant, Director  
Division of Reactor Projects

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

Enclosures: 1) NMC Handout  
2) List of Principal Attendees  
3) Letter from A. J. Cayia to NRC dated June 10, 2003

See Attached Distribution

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OFFICE	RIII	RIII	RIII	RIII
NAME	MKunowski/trn*	KLambert for BClayton*	AVegel*	SReynolds for GGrant
DATE	6/13/03	6/13/03	6/13/03	6/16/03

**OFFICIAL RECORD COPY**

cc: A. Cayia, Site Vice President  
R. Grigg, President and Chief  
Operating Officer, WEPCo  
Licensing Manager  
D. Weaver, Nuclear Asset Manager  
Joseph Jensen, Plant Manager  
Gordon P. Arent, Manager, Regulatory Affairs  
Jonathan Rogoff, Esquire, General Counsel  
Mano K. Nazar, Senior Vice President  
J. O'Neill, Jr., Shaw, Pittman,  
Potts & Trowbridge  
K. Duveneck, Town Chairman  
Town of Two Creeks  
D. Graham, Director  
Bureau of Field Operations  
A. Bie, Chairperson, Wisconsin  
Public Service Commission  
S. Jenkins, Electric Division  
Wisconsin Public Service Commission  
State Liaison Officer  
D. Markwardt, Manitowoc County  
Board Chairman  
N. Crowley, Director, Manitowoc  
Emergency Management  
G. Novickis, Chairman, Kewaunee  
County Board  
The Honorable Darin A. Jeanquart  
G. Buckley, Two Rivers City Manager  
L. Hucek, Director, Kewaunee  
Emergency Management  
C. Meyer, President, Village of Mishicot  
K. Duveneck, Two Creeks Town Chairman  
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DRPIII

DRSIII

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REGULATORY CONFERENCE PRINCIPAL ATTENDEES  
June 6, 2003

NMC, Point Beach, Wisconsin Electric

John Paul Cowan	Chief Nuclear Office/Executive Vice-President, NMC
Mano Nazar	Senior Vice-President, NMC
Mark Reddemann	Vice-President, Engineering, NMC
Edward Weinkam	Director, Regulatory Services, NMC
Fred Cayia	Site Vice-President, Point Beach
Gordon Arent	Regulatory Affairs Manager, Point Beach
Jim Brander	I&C General Supervisor, Point Beach
Maureen Brown	Public Affairs Director, NMC
Dan Fadel	Director of Engineering, Point Beach
James Masterlark	PRA Engineer
John Olvera	PRA Engineer
Terry Sullivan	Assistant to the President, We Energies
Steve Mays	Manager, Risk Technology (Contractor)

NRC

Jim Dyer	Regional Administrator
Jim Caldwell	Deputy Regional Administrator
Geoff Grant	Director, Division of Reactor Projects
Brent Clayton	Enforcement and Investigation Coordination Staff Team Leader
Anton Vogel	Chief, Branch 7, Division of Reactor Projects
Ken O'Brien	Chief, Fuel Cycle Branch
Ken Riemer	Chief, Plant Support Branch
Ken Lambert	Enforcement Specialist
Jennifer Dixon-Herrity	Senior Enforcement Specialist, Office of Enforcement
Paul Krohn	Senior Resident Inspector
Sonia Burgess	Senior Reactor Analyst
Russell Gibbs	Senior Reactor Analyst
Pat Loudon	Chief, Branch 5, Division of Reactor Projects
Jan Strasma	Public Affairs Officer
Viktoria Mitlyng	Public Affairs Officer
Mike Kunowski	Project Engineer