



Nuclear Management Company, LLC

October 31, 2003

10 CFR 50.54(a)(3)

10 CFR 50.54(a)(4)

U S Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Washington, DC 20555-0001

Duane Arnold Energy Center  
Docket 50-331  
License No. DPR-49

Monticello Nuclear Generating Plant  
Docket 50-263  
License No. DPR-22

Kewaunee Nuclear Power Plant  
Docket 50-305  
License No. DPR-43

Point Beach Nuclear Plant Units 1 and 2  
Dockets 50-266 and 50-301  
License Nos. DPR-24 and DPR-27

Palisades Nuclear Plant  
Docket 50-255  
License No. DPR-20

Prairie Island Nuclear Generating Plant Units 1 and 2  
Dockets 50-282 and 50-306  
License Nos. DPR-40 and DPR-60

Request For Approval Of Nuclear Management Company Quality Assurance Topical Report

Nuclear Management Company, LLC, (NMC) submits the enclosed Quality Assurance Topical Report (QATR) (Enclosure 1) for your review and approval in accordance with 10 CFR 50.54(a)(4). This letter also fulfills the 10 CFR 50.54(a)(3) requirements for notification of changes. The program described in the QATR will be applied to 10CFR50 licensed activities. NMC also requests NRC review and approval to apply the QATR to 10CFR71 and 10CFR72 activities in accordance with 10 CFR 71.101(f) and 10 CFR 72.140(d). Following approval and plant-specific implementation, this QATR will become the common quality assurance program for all sites operated by NMC.

The NMC QATR contains explicit commitments to applicable quality assurance requirements of ASME NQA-1-1994, "Quality Assurance Requirements for Nuclear Applications." The acceptability of the use of NQA-1-1994, Part 1, is based on Safety Evaluation by the Office of Nuclear Reactor Regulation, "Proposed Change to the Quality Assurance Program, Quality Assurance Program Consolidation, Exelon Generation Company, LLC and Amergen Energy Company, LLC," dated December 24, 2002. That safety evaluation, in part, presented the NRC's staff's position that it had "examined the side-by-side comparison of NQA-1-1983 and NQA-1-1994 equivalence, and concurs with the licensee's conclusions in finding NQA-1-1994, as implemented through the common QATR, to provide an acceptable basis for the licensee's operational QA program." The 1983 version of NQA-1 had been previously endorsed by NRC through Regulatory Guide 1.28, Revision 3, August 1985, "Quality Assurance Program Requirements (Design and Construction)," to which NMC commits via the enclosed QATR, with substitution of

NQA-1-1994 for the version endorsed. Where exceptions or alternatives to NQA-1 requirements have been deemed to be appropriate, they are described within the text of the NMC QATR. Enclosure 3 is a compilation of exceptions, including original sources of NRC approval.

NMC commits to certain portions of NQA-1-1994, Part 2. Six of the subparts in NQA-1, Part 2 represent conversions from ANSI Standards previously endorsed by the NRC through six Regulatory Guides issued in the 1970s. Unlike the "programmatic" ANSI Standards that were converted into NQA-1, Part 1, and had received NRC endorsement through Revision 3 of Regulatory Guide 1.28, the older ANSI Standard/Regulatory Guides remain as the currently endorsed guidance for those aspects of quality assurance. NMC has completed a comparison of each of the older ANSI Standards with the appropriate sections of Part 2 of NQA-1-1994 and finds that the requirements are equivalent, and often identical. NMC (as stated in the QATR) proposes to substitute the appropriate sections of NQA-1-1994, Part 2, for the older ANSI Standards. Enclosure 5 is a matrix for each Standard providing a comparison of the older ANSI Standard with the appropriate NQA-1-1994, Part 2 section.

NMC recognizes that NRC Regulatory Guide 1.33, "Quality Assurance Program Requirements (Operations)," endorses ANSI Standard N18.7, "Administrative Controls and Quality Assurance for the Operational Phase of Nuclear Power Plants," and that the NMC plants have commitments to this standard. NMC has concluded that the QATR, combined with our commitment to Regulatory Guide 1.28, provides an acceptable alternative to Regulatory Guide 1.33 and ANSI N18.7-1976, in that the QATR provides both quality assurance and administrative control requirements consistent with that guidance, and provides for a quality assurance program that meets 10CFR50, Appendix B. Enclosure 4 is a table illustrating that the quality assurance requirements of N18.7-1976 are addressed through our commitment to NQA-1-1994, and that the administrative controls of N18.7 are addressed by inclusion of equivalent requirements within the text of the QATR. The only significant element of N18.7 that is not addressed in the QATR is the establishment of an independent review body. That reduction in commitment is addressed in Enclosure 6 to this letter.

NMC plans to implement the QATR at NMC plants by November 12, 2004, or within six months of NRC approval, whichever is later. In order to meet the implementation date, NMC requests NRC review and approval by May 15, 2004. Approval by this date will allow NMC to complete necessary implementation actions, including procedure changes and relevant training, during the non-refueling outage period.

As required by 10 CFR 50.54(a)(4)(ii), Enclosure 2 provides for each plant a comparison of that plant's existing program with the new QATR, identifies any changes considered to be "reductions in commitment," and provides a basis for concluding the program, as changed, continues to meet 10CFR50, Appendix B requirements. Because of the extensive formatting differences involved, NMC considers that the combination of the QATR and the site comparison matrices included with this letter fulfill the requirement of 10 CFR 50.54(a)(4)(ii) to submit "all pages affected by that change."

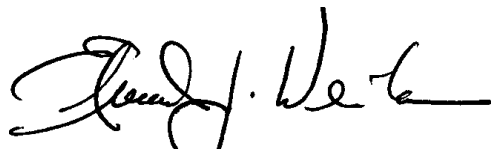
The following are enclosed with this letter:

- (1) The NMC Quality Assurance Topical Report, Revision 0a, (unsigned)
- (2) Existing Site QA Programs to QATR Comparison Matrices (6)
- (3) List of QATR Exceptions to NQA-1-1994
- (4) Table Comparing ANSI N18.7 to NQA-1 and the NMC QATR
- (5) NQA-1 vs. Non-programmatic ANSI Standards Tables (6)
- (6) Reduction in Commitment Regarding Offsite Review Committees

NMC recognizes that NRC review of this submittal may require more than the 60 days allotted in 10 CFR 50.54(a)(4)(iv), and hereby waives its right to acceptance of the QATR within 60 days after submittal absent an acceptance letter from the Commission within the 60-day timeframe.

This letter contains two new commitments and no revisions to existing commitments.

1. Implement the QATR at NMC plants by November 12, 2004, or within six months of NRC approval, whichever is later.
2. Statements in the Monticello and Prairie Island Operational Quality Assurance Program (OQAP) concerning quality assurance for Fire Protection will be relocated to applicable site Fire Protection Program Plans, as referenced in the sites' Updated Safety Analysis Reports (USARs).



Edward J. Weinkam  
Director of Regulatory Services

cc: Regional Administrator, USNRC, Region III  
Project Managers, Office of Nuclear Reactor Regulation (Duane Arnold Energy Center, Kewaunee Nuclear Power Plant, Monticello Nuclear Generating Plant, Palisades Nuclear Plant, Point Beach Nuclear Plant, Prairie Island Nuclear Generating Plant)  
NRC Resident Inspectors (Duane Arnold Energy Center, Kewaunee Nuclear Power Plant, Monticello Nuclear Generating Plant, Palisades Nuclear Plant, Point Beach Nuclear Plant, Prairie Island Nuclear Generating Plant)

Enclosures