

September 14, 1995

Mr. Robert Link, Vice President
Nuclear Power
Wisconsin Electric Power Company
231 West Michigan Street - P379
Milwaukee, WI 53201

Dear Mr. Link:

This refers to the routine safety inspection conducted by Messrs. T. Kobetz, A. McMurtray, and others of this office, from June 17, 1995, through August 11, 1995, of activities at the Point Beach Nuclear Plant Units 1 and 2. Our findings were discussed with Mr. J. G. Schweitzer and other members of your staff at the conclusion of the inspection.

Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations.

Overall performance in the areas of operations and maintenance remained very good. Engineering, although generally good, declined slightly. This was primarily due to weaknesses in the implementation of your program to identify unreviewed safety questions associated with design changes and one-time modifications to the VSC-24 dry cask storage system. We are especially concerned by the apparent lack of management attention given to this vital process.

A violation of NRC requirements was identified in the area of security for a failure to implement a compensatory measure in a timely manner. This occurred when alarm station operators failed to recognize the condition of an alarm zone. This violation is of concern since previous corrective actions for a similar event were not effective in preventing recurrence.

This violation is cited in the enclosed Notice of Violation and the circumstances surrounding it are described in detail in the subject inspection report.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specified actions taken and any additional actions you plan to prevent recurrence. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. After reviewing your response to these Notices, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements. You will be advised by separate correspondence of the results of our deliberations on these matters.

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R. Link

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In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosures and your response to this letter will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction.

The responses directed by this letter and the enclosed Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, Public Law No. 96.511.

We will gladly discuss any questions you have concerning this inspection. Your cooperation with us is appreciated.

Sincerely,

Original Signed by M. J. Farber

Martin J. Farber, Chief
Reactor Projects Section 3A

Docket Nos. 50-266; 50-301; 72-005

Enclosures: 1. Notice of Violation
2. Inspection Reports
No. 50-266/95008(DRP);
No. 50-301/95008(DRP)

cc w/encl: G. J. Maxfield, Plant Manager
Virgil Kanable, Chief
Boiler Section
Cheryl L. Parrino, Chairman,
Wisconsin Public Service
Commission
State Liaison Officer

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