

August 1, 2007

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Revision 1

Regional Administrator
Region III
U. S. Nuclear Regulatory Commission
2443 Warrenville Road, Suite 210
Lisle, IL 60532-4352

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

Engineering Commitment Status Update

References: (1) NMC Letter Dated February 10, 2006 (ML060440285)
(2) NMC Letter Dated April 17, 2007 (ML071080095)

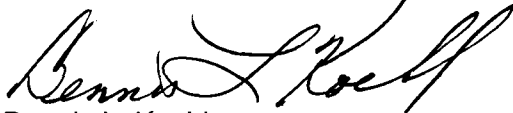
Reference (1) contained two commitments associated with the Point Beach Nuclear Plant (PBNP) Engineering:

1. Incorporate long-term engineering improvements into the Site Excellence Plan by March 2, 2006.
2. Perform alternating independent assessments and self-assessments of Engineering at six-month intervals over the next two years.

Reference (2) transmitted the plan for the second independent assessment of Engineering. The assessment was conducted during the period May 14 through 24, 2007. A summary of the assessment report is presented in Enclosure 1 of this letter. The recommendations have been entered into the station's corrective action program.

Summary of Commitments

There are no new commitments or revisions to existing commitments in this letter.



Dennis L. Koehl
Site Vice-President, Point Beach Nuclear Plant
Nuclear Management Company, LLC

cc: Document Control Desk
NRR Project Manager, Point Beach Nuclear Plant, USNRC
Resident Inspector, Point Beach Nuclear Plant, USNRC

ENCLOSURE 1

SUMMARY OF POINT BEACH NUCLEAR PLANT INDEPENDENT ENGINEERING ASSESSMENT AUGUST 2007

Purpose

Provide an independent and comprehensive evaluation of engineering effectiveness at PBNP. The assessment evaluates the rigor and overall quality of PBNP Engineering

Objectives

1. Fundamentals of Engineering
2. Equipment Reliability
3. Configuration Management
4. Corrective Actions
5. Operating Experience

Checklists for these objectives covered a total of 41 elements.

Assessment Team Composition

- Alex Zarechnak, MPR Associates (Team Leader)
- Rich Cliché, Seabrook
- Rudy Gil, Florida Power & Light
- Jim Johnson, Seabrook
- Dick Skillman, Skillman Technical Resources Inc.
- Mark Fencl, Point Beach Nuclear Plant (On-Site Team Coordinator)

Assessment Scope

The assessment reviewed products developed by PBNP Engineering to identify evidence of improvement. Examples of products used were calculations, apparent cause evaluations, operability recommendations, and modifications.

Conclusions

The overall conclusions of the assessment are that:

- Engineering rigor and overall quality has improved and has been sufficient for successful management of potential challenges to design bases and equipment reliability.
- Plant safety and production have been maintained.
- Unresolved plant material conditions present substantial ongoing challenges.
- A plateau may have been reached for engineering improvement. Additional resources and continued effort will be required to sustain the improvements that have already been obtained and to bridge the remaining gap to excellence.

Overall Issues for Attention include:

- Most recent engineering products are of high quality but examples of products with less than adequate rigor are still being produced.
- Engineering needs to be more predictable and accountable with respect to schedules.
- Important long-standing issues are not resolved.
- Engineering resources may not be adequately matched to engineering obligations.
- Preventive Maintenance Optimization and Single Point Vulnerability projects have languished. As a consequence, the station has not benefited from the improved material condition and safety margins.
- Although a list of low margin issues has been established, there does not appear to be a quantification of the lost margin associated with these issues or an evaluation of cumulative effects.
- It is not clear that cumulative effects of conditions adverse to quality are being addressed. The large numbers of open conditions present a challenge to effectiveness of such a review.
- The CAP process is not used to full potential:
 - CAP trending is not being used as effectively as it could be.
 - More effective use of CAP process for vendor products is warranted.
 - Expectations for a close to fix solution, versus an Apparent Cause Evaluation, warrant examination.

Recommendations

The assessment team's plant-specific recommendations have been entered into the site's corrective action program.