

Official Use Only - Security-Related Information

August 9, 2007

Mr. Dennis L. Koehl
Site Vice President
Point Beach Nuclear Plant
Nuclear Management Company, LLC
6590 Nuclear Road
Two Rivers, WI 54241-9516

SUBJECT: POINT BEACH NUCLEAR POWER PLANT,
NRC MATERIAL CONTROL & ACCOUNTING TI 2515/154 PHASE III
INSPECTION REPORT 05000266/2007402(DRP); 05000310/2007402(DRP)

Dear Mr. Koehl:

On July 30, 2007, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection of the material control and accounting (MC&A) safeguards program at the Point Beach Nuclear Power Station. The inspection was conducted under Phase III of Temporary Instruction 2515/154. The enclosed inspection report documents the inspection results that were discussed with you and members of your staff during exit meetings on May 18, 2007 and July 30, 2007.

The inspection examined activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your license. The inspectors reviewed selected procedures and records, observed storage of special nuclear material, and interviewed personnel. Areas examined during the inspection included physical inventory and accounting records.

EXEMPT FROM PUBLIC DISCLOSURE

May be exempt from public release under the Freedom of Information Act (5 U.S.C. 552)

Exemption number: 5
Nuclear Regulatory Commission review required before public release.

Christine A. Lipa, RIII/DRP/BR4
Name and organization of person making determination.

Date of determination: 07/23/2007

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Based on the results of this inspection, no findings of significance were identified. However, a licensee-identified violation, which was determined to be of very low safety significance, is listed in this report. The NRC is exercising enforcement discretion for this violation consistent with Section VII.B.6 of the NRC Enforcement Policy and Enforcement Guidance Memorandum 07-002, "Interim Guidance for Dispositioning Violations of 10 CFR 74.19(c)." If you contest this non-cited violation, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN.: Document Control Desk, Washington DC 20555-0001; with copies to the Regional Administrator, Region III; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at the Point Beach Nuclear Power Plant.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter 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), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). However, because of the sensitive issues contained in the enclosure, and in accordance with 10 CFR 2.390, a copy of this letter's enclosure will not be available for public inspection.

In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response, if any. This practice will ensure that your response will not be made available electronically for public inspection in the NRC Public Document Room or from NRC's document system, ADAMS. If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. Otherwise, mark your entire response "Security-Related Information - Withhold Under 10 CFR 2.390" and follow the instructions for withholding in 10 CFR 2.390(b)(1).

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Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

/RA/

Christine A. Lipa, Chief
Branch 4
Division of Reactor Projects

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

Enclosure: Inspection Report 05000266/2007402; 05000301/2007402
w/Attachment: Supplemental Information

cc w/o encl: F. Kuester, President and Chief
Executive Officer, We Generation
D. Cooper, Senior Vice President and Chief
Nuclear Officer
J. McCarthy, Site Director of Operations
D. Weaver, Nuclear Asset Manager
Plant Manager
Regulatory Affairs Manager
Training Manager
Site Assessment Manager
Site Engineering Director
Emergency Planning Manager
J. Rogoff, Vice President, Counsel & Secretary
K. Duveneck, Town Chairman
Town of Two Creeks
Chairperson
Public Service Commission of Wisconsin
J. Kitsembel, Electric Division
Public Service Commission of Wisconsin
State Liaison Officer

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Letter to D. Koehl from C. Lipa dated August 9, 2007

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NRC MATERIAL CONTROL & ACCOUNTING TI 2515/154 PHASE III
INSPECTION REPORT 05000266/2007402(DRP); 05000310/2007402(DRP)

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