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August 17, 2007

Mr. David A. Christian
Senior Vice President and
Chief Nuclear Officer
Innsbrook Technical Center
5000 Dominion Boulevard
Glen Allen, VA 23060-6711

SUBJECT: KEWAUNEE POWER STATION, NRC MATERIAL CONTROL & ACCOUNTING
TI 2515/154 PHASE III INSPECTION REPORT 05000305/2007402(DRP)

Dear Mr. Christian:

On July 31, 2007, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection of the material control and accounting (MC&A) safeguards program at the Kewaunee Power Station. The inspection was conducted under Phase III of Temporary Instruction 2515/154. The enclosed inspection report documents the inspection results, which were discussed with members of your staff during the exit meeting on July 31, 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, Chief, BR4, DRP, RIII
Name and organization of person making determination.

Date of determination: 07/23/2007

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This report documents one NRC-identified Severity Level IV violation of NRC requirements. Additionally, a licensee-identified violation which was determined to be of very low safety significance is listed in this report. However, because of the very low safety significance and because they were entered into your corrective action program, the NRC is treating the violations as non-cited violations (NCV(s)) consistent with Section VI.A.1 of the NRC Enforcement Policy. If you contest these non-cited violations, 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 Kewaunee Power Station.

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 information 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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D. Christian

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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 No. 50-305
License No. DPR-43

Enclosure: Inspection Report 05000305/2007402(DRP)
w/Attachment: Supplemental Information

cc w/o encl:

L. Hartz, Site Vice President
C. Funderburk, Director, Nuclear Licensing
and Operations Support
T. Breene, Manager, Nuclear Licensing
L. Cuoco, Esq., Senior Counsel
D. Zellner, Chairman, Town of Carlton
J. Kitsembel, Public Service Commission of Wisconsin
State Liaison Officer, State of Wisconsin

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Sincerely,

Christine A. Lipa, Chief
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D. Zellner, Chairman, Town of Carlton
J. Kitsembel, Public Service Commission of Wisconsin
State Liaison Officer, State of Wisconsin

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| NAME | GWright:dtg | | BWestreich *via email | | CLipa | | | |
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Letter to D. Christian from Christine A. Lipa dated August 17, 2007

SUBJECT: KEWAUNEE POWER STATION, NRC MATERIAL CONTROL & ACCOUNTING
TI 2515/154 PHASE III INSPECTION REPORT 05000305/2007402(DRP)

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