



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**

REGION III  
2443 WARRENVILLE RD. SUITE 210  
LISLE, IL 60532-4352

September 2, 2014

Ms. Karen Fili  
Senior Vice President  
Monticello Nuclear Generating Plant  
Northern States Power Company, Minnesota  
2807 West County Road 75  
Monticello, MN 55362-9637

SUBJECT: MONTICELLO NUCLEAR GENERATING PLANT, UNIT 1, TEMPORARY  
INSTRUCTION 2201/004, "IMPLEMENTATION OF INTERIM CYBER  
SECURITY MILESTONES 1 - 7" INSPECTION REPORT 05000263/2014403

Dear Ms. Fili:

On July 25, 2014, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection at your Monticello Nuclear Generating Plant, Unit 1. The inspection covered the interim cyber security Milestones 1 - 7 of the security cornerstone. The enclosed inspection report documents the inspection results, which were discussed on July 25, 2014, with Mr. Harlan Hanson Jr. and other members of your staff.

The inspection examined activities conducted under your license as they relate to cyber security and compliance with the Commission's rules and regulations and with the conditions of your license. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

Two NRC-identified findings of very low significance (Green) were identified during this inspection. The findings were determined to involve violations of NRC requirements. Further, one licensee-identified violation which was determined to be of very low significance (Green), is listed in Section 4OA7 of this report. The NRC is treating these violations as Non-Cited Violations (NCVs) consistent with Section 2.3.2 of the Enforcement Policy. However, in accordance with the Security Issues Forum (SIF) Charter, the NRC may exercise enforcement discretion during inspection of the interim cyber security measures for licensees who demonstrate a "good-faith interpretation and attempt to implement" Milestones 1 – 7. This discretion applies to licensees who have tried to implement the new requirements, but failed to be in full compliance. Before discretion is considered or granted for any issue, licensees must accept the finding, put the finding into their Corrective Action Program (CAP), and take appropriate corrective action once identified.

These issues were discussed and reviewed during the Security Issues Forum (SIF) Meeting conducted on August 6, 2014. The results of the SIF Panel review concluded that although these issues constituted violations of your facility operating license (FOL) and Title 10, *Code of Federal Regulations* (CFR), Part 73, Section 54, "Protection of Digital Computer and

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Communication Systems and Networks,” the NRC is exercising enforcement discretion. The NRC is not taking enforcement action for these violations because they meet the criteria established in an NRC memorandum from Barry C. Westreich, Director, Cyber Security Directorate, Office of Nuclear Security and Incident Response, to each Regional Office and Director, Division of Reactor Safety, Subject: Enhanced Guidance for Licensee Near-Term Corrective Actions to Address Cyber Security Inspection Findings and Licensee Eligibility for “Good-Faith” Attempt Discretion dated July 1, 2013, (ADAMS Accession Number ML13178A203). Consistent with the NRC Memorandum, upon completion of all corrective actions, you are requested to provide written notification to the NRC’s regional office as to the method and date of closure for the identified issue(s).

In accordance with Title 10, *Code of Federal Regulations* (CFR), Part 2, Section 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 System (PARS) component of NRC’s Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). However, the material enclosed herewith contains Security-Related Information in accordance with 10 CFR 2.390(d)(1) and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in the enclosure will not be made available electronically for public inspection in the NRC Public Document Room or from the PARS component of NRC’s ADAMS. If you choose to provide a response and Security-Related Information is necessary to provide an acceptable response, please mark your entire response “Security-Related Information – Withhold Under 10 CFR 2.390” in accordance with 10 CFR 2.390(d)(1) and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

Sincerely,

/RA/

Robert C. Daley, Chief  
Engineering Branch 3  
Division of Reactor Safety

Docket No.: 50-263  
License No.: DPR-22

Nonpublic Enclosure:  
Inspection Report 05000236/2014403  
w/Attachment: Supplemental Information

cc w/o encl: Distribution via LISTSERV®

cc w/encl: K. Nyberg, Monticello Nuclear Generating Plant, Security Manager  
B. Westreich, NSIR  
R. Felts, NSIR  
J. Rogge, RI  
S. Shaeffer, RII  
J. Dixon, RIV  
N. Coleman, OE

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Letter to Karen Fili from Robert C. Daley dated September 2, 2014.

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