

March 31, 2000

Mr. Mark L. Marchi
Site Vice President
Kewaunee Plant
Wisconsin Public Service
Corporation
Post Office Box 19002
Green Bay, WI 54307-9002

SUBJECT: PLANT PERFORMANCE REVIEW - KEWAUNEE

Dear Mr. Marchi:

The purpose of this letter is to communicate our assessment of your performance and to inform you of our planned inspections at your facility. On March 6, 2000, we completed a Plant Performance Review (PPR) of Kewaunee. We conduct these reviews to develop an integrated overview of the safety performance of each operating nuclear power plant. We use the results of the PPR in planning and allocating inspection resources and as inputs to our senior management meeting (SMM) process. This PPR evaluated inspection results and safety performance information for the period from February 1, 1999, through January 31, 2000, but emphasized the last 6 months to ensure that our assessment reflected your current performance. Our most recent summary of plant performance at Kewaunee was provided to you in a letter dated March 26, 1999, and was discussed with you in a public meeting on May 3, 1999.

The NRC has been developing a revised reactor oversight process that will replace our existing inspection and assessment processes, including the PPR, the SMM, and the Systematic Assessment of Licensee Performance (SALP). We recently completed a pilot program for the revised reactor oversight process at nine participating sites and are making necessary adjustments based on feedback and lessons learned. We plan to begin initial implementation of the revised reactor oversight process industry-wide, including your facility, on April 2, 2000.

This PPR reflects continued process improvements as we make the transition into the revised reactor oversight process. You will notice that the following summary of plant performance is organized differently from our previous performance summaries. Instead of characterizing our assessment results by SALP functional area, we are organizing the results into the strategic performance areas embodied in the revised reactor oversight process. In addition, we have considered the historical performance indicator data that you submitted in January 2000 in conjunction with the inspection results in assessing your performance. The results of this PPR were used to establish the inspection plan in accordance with the new risk-informed inspection program (consisting of baseline and supplemental inspections). Although this letter

incorporates some terms and concepts associated with the new oversight process, it does not reflect the much broader changes in inspection and assessment that will be evident after we have fully implemented our revised reactor oversight process.

During the assessment period, Kewaunee operated at full power (97 percent), except during brief periods to perform main turbine stop and control valve testing. Full power was limited to 97 percent due to plugged steam generator tubes.

We have not identified any significant performance issues in the Radiation Safety or Safeguards strategic performance areas. Therefore, we plan to conduct only baseline inspections at your facility in those areas as noted in the enclosed inspection plan. Although the NRC noted some performance issues in the Reactor Safety strategic performance area during this assessment period, we note that Kewaunee continues to operate in a safe manner. In an effort to ensure that these issues are addressed, additional inspection resources will be allocated in certain areas as noted in this letter and the enclosed inspection plan.

In our PPR letter to you dated September 30, 1999, we informed you of our intention to conduct an engineering inspection within the core inspection program. That core inspection was delayed. Therefore, in the Reactor Safety strategic area, we plan to conduct a baseline Safety System Design Inspection early in the next assessment period, as noted in the enclosed inspection plan. We note that the Alert and Notification System performance indicator was yellow. In an effort to ensure that this issue is addressed, additional resources beyond the baseline inspection program will be allocated in this area as noted in this letter and the enclosed inspection plan. Additionally, we will set up a meeting with you to discuss our inspection plans and results, as well as your planned actions to return this indicator to the licensee response band.

Enclosure 1 contains a historical listing of plant issues, referred to as the Plant Issues Matrix (PIM), that were used during this PPR process to arrive at our integrated view of your performance trends. The PIM for this assessment is grouped by the prior SALP functional areas of operations, maintenance, engineering and plant support, although the future PIM will be organized along the cornerstones of safety as described in the revised reactor oversight process. The enclosed PIM includes items summarized from inspection reports or other docketed correspondence between the NRC and Wisconsin Public Service Corporation regarding Kewaunee. We did not document all aspects of licensee programs and performance that may be functioning appropriately. Rather, we only documented issues that we believe warrant management attention or represent noteworthy aspects of performance. In addition, the PPR may also have considered some predecisional and draft material that does not appear in the enclosed PIM, including observations from events and inspections that had occurred since our last inspection report was issued, but had not yet received full review and consideration. We will make this material publically available as part of the normal issuance of our inspection reports and other correspondence.

M. Marchi

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Enclosure 2 lists our planned inspections for the period April 2000 through March 2001 at Kewaunee to allow you to resolve scheduling conflicts and personnel availability in advance of our inspector arrival onsite. The inspection schedule for the latter half of the period is more tentative and may be adjusted in the future due to emerging performance issues at Kewaunee or other Region III facilities. Routine resident inspections are not listed due to their ongoing and continuous nature.

We will inform you of any changes to the inspection plan. If you have any questions, please contact me at (630) 829-9757.

Sincerely,

/RA/

Kenneth R. Riemer, Acting Chief
Reactor Projects Branch 2
Division of Reactor Projects

Docket No. 50-305
License No. DPR-43

- Enclosures:
- 1. Plant Issues Matrix
 - 2. Inspection Plan

See Attached Distribution

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M. Marchi

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cc w/encls: K. Weinhauer, Manager, Kewaunee Plant
B. Burks, P.E., Director, Bureau of Field Operations
Chairman, Wisconsin Public Service Commission
State Liaison Officer
The Honorable Jerome Zelten
D. Day, President, Two Rivers City Council
D. C. Markwardt, Chairperson, Manitowac County
H. Reckelberg, Chairman, Kewaunee County
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