

~~OFFICIAL USE ONLY - SECURITY RELATED INFORMATION~~

May 29, 2008

EA-08-062

EA-08-063

Mr. David A. Christian
President and Chief Nuclear Officer
Virginia Electric and Power Company
Innsbrook Technical Center
5000 Dominion Boulevard
Glen Allen, VA 23060-6711

SUBJECT: KEWAUNEE POWER STATION - FINAL SIGNIFICANCE DETERMINATION
OF GREATER THAN GREEN AND NOTICE OF VIOLATION;
NRC INSPECTION REPORT NO. 05000305/2008402(DRS)

Dear Mr. Christian:

The purpose of this letter is to provide you the final significance determination of the preliminary Greater than Green findings discussed in our previous communication dated March 11, 2008, and which were included and discussed in detail in Section 3S08 of the subject inspection report. The findings were assessed using the Physical Protection Significance Determination Process and were preliminarily characterized as more than very low security significance. Specific details of the NRC's decision are included in the enclosures to this letter.

At your request, a Regulatory Conference was held on May 6, 2008, to further discuss your views on these issues. During the meeting your staff described your assessment of the significance of the issues and the corrective actions taken to resolve them, including the root causes. In particular, your staff concluded that the root causes for each of the issues were related to program deficiencies.

After considering the information developed during the inspection and the information you provided at the conference, the NRC has concluded that the issues should be characterized as a single Greater than Green finding, i.e., a finding having more than very low security significance. Enclosure 1 to this letter provides the final significance determination, while Enclosure 2 provides our evaluation of the information you presented during the Regulatory Conference.

You have 30 calendar days from the date of this letter to appeal the staff's determination of the significance for the identified Greater than Green finding. Such appeals will be considered to have merit only if they meet the criteria given in the NRC Inspection Manual Chapter 0609, Attachment 2.

Enclosure transmitted herewith contains Sensitive Unclassified Non-Safeguards Information. When separated from enclosure, this transmittal document is decontrolled.
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The NRC has also determined that the finding is a violation of certain NRC requirements, as cited in the enclosed Notice of Violation (Notice) [Enclosure 3]. The circumstances surrounding the violation are described in detail in the subject inspection report. In accordance with the NRC Enforcement Policy, the Notice is considered an escalated enforcement action because it is associated with a Greater than Green finding. You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. Because plant performance for these issues have been determined to be beyond the licensee response band, we will use the NRC's Security Action Matrix to determine the most appropriate NRC response for this event. We will notify you, by separate correspondence, of that determination.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records System (PARS) component of the 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 security-related information contained in the enclosures, and in accordance with 10 CFR 2.390, a copy of this letter's enclosures will not be available for public inspection.

Because this issue involves security-related information, your response will not be made available electronically for public inspection in the NRC Public Document Room or from the 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 "Proprietary Information in accordance with 10 CFR 2.390(b)(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 by Mark A. Satorius Acting for/

James L. Caldwell
Regional Administrator

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

Nonpublic Enclosures (Contain Official Use Only – Security-Related Information (OUO-SRI))

1. Final Significance Determination
2. Evaluation of Regulatory Conference Information
3. Notice of Violation

cc with encl w/OUO-SRI: P. Schmidt, State of Wisconsin

cc w/o encls:

S. Scace, Site Vice President	L. Cuoco, Esq., Senior Counsel
M. Wilson, Director, Nuclear Safety and Licensing	D. Zellner, Chairman, Town of Carlton
C. Funderburk, Director, Nuclear Licensing and Operations Support	J. Kitsemel, Public Service Commission of WI
	T. Breene, Manager, Nuclear Licensing

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M. Wilson, Director, Nuclear Safety and Licensing
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T. Breene, Manager, Nuclear Licensing
L. Cuoco, Esq., Senior Counsel
D. Zellner, Chairman, Town of Carlton
J. Kitsembel, Public Service Commission of Wisconsin

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1 OE concurrence received via E-mail from R. Barnes on May 22, 2008.

2 NSIR concurrence received via E-mail from R. Barnes on May 22, 2008.

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Letter to D. Christian from James L. Caldwell dated May 29, 2008

SUBJECT: KEWAUNEE POWER STATION FINAL SIGNIFICANCE DETERMINATION OF
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REPORT NO. 05000305/2008402(DRS)

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Enclosure 3