



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

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May 5, 2000

EA 00-093

Charles M. Dugger, Vice President
Operations - Waterford 3
Entergy Operations, Inc.
17265 River Road
Killona, Louisiana 70066-0751

SUBJECT: NRC INSPECTION REPORT NO. 50-382/00-03

Dear Mr. Dugger:

This refers to the regional initiative inspection conducted on March 20-23, 2000, at the Waterford Steam Electric Station, Unit 3 facility. The purpose of this inspection was to follow up on the results of NRC Inspection 50-382/99-17 conducted on October 4-7, 1999, at your facility. The enclosed report presents the results of this inspection. Telephonic exit meetings were conducted on March 30 and April 24, 2000.

Areas examined during the inspection included your physical security program.

An apparent violation was identified and is being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600. The apparent violation involves the failure to demonstrate, with high assurance, the ability to protect the plant from intrusions by a design basis threat team during exercises conducted at your facility. Because the NRC has not made any final enforcement determinations, a Notice of Violation is not being issued at this time. Please be advised that the number and characterization of apparent violations described in the enclosed inspection report may change as a result of further NRC review.

A closed predecisional enforcement conference to discuss this apparent violation has been scheduled for May 30, 2000, in the Region IV office. The decision to hold a predecisional enforcement conference does not mean that the NRC in the Region IV office has made a final determination that a violation has occurred or that enforcement action will be taken. This

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conference is being held to obtain information to enable the NRC to make an enforcement decision, such as a common understanding of the facts, root causes, missed opportunities to identify the apparent violation sooner, corrective actions, significance of the issues, and the need for lasting and effective corrective action. In addition, this is an opportunity for you to point out any errors in our inspection report and for you to provide any information concerning your perspectives on: (1) the severity of the violation, (2) the application of the factors that the NRC considers when it determines the amount of a civil penalty that may be assessed in accordance with Section VI.B.2 of the Enforcement Policy, and (3) any other application of the Enforcement Policy to this case, including the exercise of discretion in accordance with Section VII.

You will be advised by separate correspondence of the results of our deliberations on this matter. No response regarding the apparent violation is required at this time.

With regard to your ability to protect against the design basis threat, several of the findings in this report are similar to findings we identified in NRC Inspection Report 50-382/99-17. Therefore, we request that you specifically address why the corrective actions for the previous findings were not fully effective in addressing our fundamental concern regarding the ability to protect the plant against the design basis threat. Notwithstanding our concerns in this area, we acknowledge that you have implemented short-term corrective actions to address the effectiveness of your response capabilities.

In addition, we request that you specifically address the following areas at the predecisional enforcement conference: target sets; defensive positions; armed responder staffing levels; response time calculations; operations/security interface, particularly with respect to drill/target set development and participation; command and control; guidance on the use of protective masks by the armed responders; response weapon proficiency; and administrative controls to ensure that plant conditions (e.g., hoses blocking open doors) are evaluated to ensure that protective strategy assumptions (e.g., response time calculations) are not invalidated.

Further, based on the results of this inspection, the NRC has also determined that three additional Severity Level IV violations of NRC requirements occurred. These violations are being treated as Non-Cited Violations (NCVs), consistent with Section VII.B.1.a of the Enforcement Policy. These NCVs are described in the subject inspection report. If you contest the violations or the severity level of these NCVs, 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, U.S. Nuclear Regulatory Commission, Region IV, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas 76011, the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001, and the NRC Resident Inspector at the Waterford Steam Electric Station, Unit 3 facility.

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Entergy Operations, Inc.

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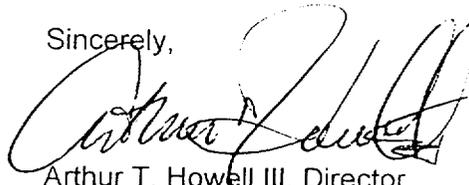
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The material enclosed herewith contains Safeguards Information as defined by 10 CFR 73.21 and its disclosure to unauthorized individuals is prohibited by Section 147 of the Atomic Energy Act of 1954, as amended. Therefore, the material will not be placed in the Public Document Room.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, without enclosures, will be placed in the NRC Public Document Room (PDR).

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

Sincerely,



Arthur T. Howell III, Director
Division of Reactor Safety

Docket No.: 50-382
License No.: NPF-38

Enclosure:
NRC Inspection Report No.
50-382/00-03

cc **without SAFEGUARDS INFORMATION:**

Executive Vice President and
Chief Operating Officer
Entergy Operations, Inc.
P.O. Box 31995
Jackson, Mississippi 39286-1995

Vice President, Operations Support
Entergy Operations, Inc.
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Jackson, Mississippi 39286-1995

Wise, Carter, Child & Caraway
P.O. Box 651
Jackson, Mississippi 39205

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Entergy Operations, Inc.

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General Manager, Plant Operations
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17265 River Road
Killona, Louisiana 70066-0751

Manager - Licensing Manager
Waterford 3 SES
Entergy Operations, Inc.
17265 River Road
Killona, Louisiana 70066-0751

Chairman
Louisiana Public Service Commission
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Baton Rouge, Louisiana 70825-1697

Director, Nuclear Safety &
Regulatory Affairs
Waterford 3 SES
Entergy Operations, Inc.
17265 River Road
Killona, Louisiana 70066-0751

Ronald Wascom, Administrator
and State Liaison Officer
Louisiana Department of Environmental Quality
P.O. Box 82215
Baton Rouge, Louisiana 70884-2215

Parish President
St. Charles Parish
P.O. Box 302
Hahnville, Louisiana 70057

Winston & Strawn
1400 L Street, N.W.
Washington, D.C. 20005-3502

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HARDCOPY of entire SAFEGUARDS report:
 Elaine McNeil (NRR\DIPM\OLB\IRSS)(MS: 6H2)
 RIV Docket File
 Security Inspector (Earnest)

HARDCOPY without SAFEGUARDS portion of the report:
 DMB IE-04
 RIV File

E-Mail without SAFEGUARDS portion of the report:

DJL David Lange
 IPAS NRR Event Tracking System
 EWM Regional Administrator
 KEB DRP Director
 ATH DRS Deputy
 TRF Waterford-3 Senior Resident Inspector
 JMK Waterford-3 Resident Inspector
 LJS DRP\Waterford-3 Branch Chief
 GAP DRP\Waterford-3 Sr. Project Engineer
 JFM1 DRP\Waterford-3 Project Engineer
 AHY Waterford-3 Site Secretary
 LAY Branch Chief (DRP\TSS)
 GMG Branch Chief, DRS\PSB
 MEP1 Ellen Poteat, OCFO\DAF\LFARB, (MS: TWFN 9E-10)
 NBH RITS Coordinator

DOCUMENT NAME: R:\ WAT\WAT2000-03RP-SGI.wpd

RIV:PSB	PSB	NRR/RSS <i>e-mail</i>	C:DRS\PSB	C:DRP\E
*ABEarnest:nlh	*DWSchaefer	RAIbert <i>6-11-00</i>	GMGood <i>6-16</i>	*LJSmith(e-mail)
05/02/00 <i>6-16</i>	05/02/00 <i>6-16</i>	05/5/00	05/2/00	05/02/00
ACES <i>6-16</i>	D:DRS <i>6-16</i>			
GFSanborn	ATHowell			
05/3/00	05/5/00			

*Previously concurred.

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HARDCOPY of entire SAFEGUARDS report:

Elaine McNeil (NRR\DIPM\IOLB\IRSS)(MS: 6H2)
RIV Docket File
Security Inspector (Earnest)

HARDCOPY without SAFEGUARDS portion of the report:

DMB IE-04
RIV File

E-Mail without SAFEGUARDS portion of the report:

DJL David Lange
IPAS NRR Event Tracking System
EWM Regional Administrator
KEB DRP Director
ATH DRS Deputy
TRF Waterford-3 Senior Resident Inspector
JMK Waterford-3 Resident Inspector
LJS DRP\Waterford-3 Branch Chief
GAP DRP\Waterford-3 Sr. Project Engineer
JFM1 DRP\Waterford-3 Project Engineer
AHY Waterford-3 Site Secretary
LAY Branch Chief (DRP\TSS)
GMG Branch Chief, DRS\PSB
MEP1 Ellen Poteat, OCFO\DAFLFARB, (MS: TWFN 9E-10)
NBH RITS Coordinator

DOCUMENT NAME: R:_WAT\WAT2000-03RP-SGI.wpd

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*ABEarnest:nlh	*DWSchaefer	RAIbert <i>Gib</i>	GMGood <i>Gib</i>	*LJSmith(e-mail)
05/02/00 <i>Gib</i>	05/02/00 <i>NY</i>	05/5/00	05/2/00	05/02/00
ACES <i>NY</i>	D:DRS <i>NY</i>			
GFSanborn <i>NY</i>	ATHowell <i>NY</i>			
05/3/00	05/5/00			

*Previously concurred.

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U.S. NUCLEAR REGULATORY COMMISSION
REGION IV

Docket No.: 50-382
License No.: NPF-38
Report No.: 50-382/00-03
Licensee: Entergy Operations, Inc.
Facility: Waterford Steam Electric Station, Unit 3
Location: Hwy. 18
Killona, Louisiana
Dates: March 20 to 23, 2000
Inspectors: A. Bruce Earnest, Physical Security Inspector, Plant Support Branch
Ronald Albert, Reactor Safeguards Specialist,
Reactor Safeguards Section, Office of Nuclear Reactor Regulation
Contractors (3)
Approved By: G. Good, Chief, Plant Support Branch
Division of Reactor Safety

ATTACHMENT: Supplemental Information

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EXECUTIVE SUMMARY

Waterford Steam Electric Station, Unit 3
NRC Inspection Report No. 50-382/00-03

This announced regional initiative inspection focused on the licensee's physical security program. The areas inspected included review of the access authorization program, plans and procedures, response capabilities, and security training and qualifications.

Plant Support

- A violation of Paragraphs 6.10.4 and 6.12.4 of Company Procedure OM-106, Revision 3, was identified for improperly reinstating the unescorted access of a contractor. This Severity Level IV violation is being treated as a noncited violation, consistent with Section VII.B.1.a of the NRC Enforcement Policy. The violation was entered into the licensee's corrective action program as Condition Report CR-WF3-2000-0250 (Section S1.1).
- A violation was identified for failure to forward changes to the training and qualification plan and safeguards contingency plan in accordance with the requirements of 10 CFR 50.54(p)(2). This Severity Level IV violation is being treated as a noncited violation, consistent with Section VII.B.1.a of the NRC Enforcement Policy. The violation was entered into the licensee's corrective action program as Condition Report CR-WF3-2000-0279 (Section S3.1).
- An apparent violation of 10 CFR 73.55(a) and Paragraph 1.3.3 and Threat Event A3 of the safeguards contingency plan was identified for failure to demonstrate a capability to protect vital equipment by locating and stopping adversaries during two force-on-force exercises (EA 00-093). The apparent violation was entered into the licensee's corrective action program as Condition Report CR-WF3-2000-0258 (Section S4.1).
- A violation of Paragraph 2.4.7.1 of the physical security plan and Paragraph 3.0 of the training and qualification plan was identified for failure to demonstrate minimum qualification standards with the long gun. This Severity Level IV violation is being treated as a noncited violation, consistent with Section VII.B.1.a of the NRC Enforcement Policy. The violation was entered into the licensee's corrective action program as Condition Report CR-WF3-2000-0263 (Section S5.1).

ATTACHMENT

SUPPLEMENTAL INFORMATION

PARTIAL LIST OF PERSONS CONTACTED

Licensee

J. McGaha, President, EOI
G. Taylor, Chief Operating Officer, EOI
C. Dugger, Vice President, Operations
E. Aviles, Coordinator, Nuclear Security
E. Beckendorf, Superintendent, Plant Security
G. Bourgeois, Quality Assurance Specialist
M. Brandon, Supervisor, Licensing
R. Burski, Director, Site Support
D. Childress, Supervisor, Security Access Authorization and Fitness-for-Duty
J. Christian, Grand Gulf Security
S. Cooper, Corporate Security
B. Deck, Superintendent, Grand Gulf Plant Security
C. DeDeaux, Supervisor, Licensing
B. Donnand, Security Shift Supervisor
R. Douet, Manager, Operations
L. England, Director, Corporate Licensing
E. Ewing, Director, Nuclear Safety Assurance
R. File, Manager, Quality Assurance
R. Fletcher, Training Supervisor, Operations
B. Fron, Superintendent, Waterford Plant Security
C. Fugate, Operations Superintendent
P. Gropp, Manager, Design Engineering
J. Howard, Engineering
R. Jackson, Grand Gulf Licensing
S. Kinne, Grand Gulf Security
B. Lailheugue, Manager, Material Purchasing and Contracts
D. Madere, Licensing
B. Matthews, Manager, Engineering
J. O'Hern, Manager, Training
E. Perkins, Director, Nuclear Safety Assurance
A. Prendergast, Corporate Communications
L. Rushing, Manager, System Engineering

Contractor/Other

- R. Amato, The Wackenhut Corporation
- B. Barnhouse, Arkansas Nuclear One Security
- E. Causey, River Bend Station Training Instructor
- T. Duet, Training/KeyControl Coordinator, The Wackenhut Corporation
- K. Hayes, Project Manager, The Wackenhut Corporation
- J. Maher, Security Trainer, The Wackenhut Corporation
- M. Power, Fire Watch Coordinator, The Wackenhut Corporation
- A. Smith, Project Supervisor, The Wackenhut Corporation

NRC

- T. Farnholtz, Senior Resident Inspector
- G. Good, Chief, Plant Support Branch, RIV
- A. Howell, Director Division of Reactor Safety, RIV
- R. Albert, Reactor Safeguards Specialist, Reactor Safeguards Section, NRR
- W. Maier, Acting Branch Chief, Plant Support Branch, RIV

INSPECTION PROCEDURES USED

- IP 81700 Physical Security Program for Power Reactors
- IP 81110 Operational Safeguards Response Evaluation

ITEMS OPENED, CLOSED, AND DISCUSSED

Opened

- 50-382/0003-01 NCV Improper Reinstatement of Unescorted Access
- 50-382/0003-02 NCV Failure to Forward 10 CFR 50.54(p) Changes
- 50-382/0003-03 EEI Failure to Demonstrate a Capability to Protect Vital Equipment
- 50-382/0003-04 NCV Failure to Demonstrate Weapons Qualification

Closed

- 50-382/0003-01 NCV Improper Reinstatement of Unescorted Access
- 50-382/0003-02 NCV Failure to Forward 10 CFR 50.54(p) Changes
- 50-382/0003-04 NCV Failure to Demonstrate Weapons Qualification

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PARTIAL LIST OF LICENSEE DOCUMENTS REVIEWED

Waterford 3 Physical Security Plan, Revision 19

Waterford 3 Training and Qualification Plan, Revision 6

Waterford 3 Safeguards Contingency Plan, Revision 6

Security Event Reports A-009-99 and B-063-99

Entergy Departmental Procedure CS-DP-102, "Personnel Access Control," Revision 17

Entergy Departmental Procedure CS-DP-104, "Unescorted Access Authorization," Revision 0

Security Procedure OM-106, "Unescorted Access Authorization Program," Revision 3

One Access Authorization File

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