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Everett P. Perkins, Jr.
Director, Nuclear Safety Assurance
Waterford 3

W3F1-2000-0070
A4.05
PR

June 1, 2000

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555

Subject: Waterford 3 SES
Docket No. 50-382
License No. NPF-38
NRC Inspection Report 99-01
Reply to Notice of Violation

Gentlemen:

In accordance with 10CFR2.201 and the NRC's letter dated May 2, 2000, Entergy Operations, Inc. hereby submits in Attachment 1 the response to the violation identified in Enclosure 1 of the subject Inspection Report. In the May 2, 2000 letter, the NRC Staff rejected Entergy's initial denial of the subject violation. EOI concurs with the basis for this rejection and is taking the actions necessary to fully resolve the cited violation. The commitments contained in this submittal are identified on the attached Commitment Identification/Voluntary Enhancement Form.

If you have any questions concerning this response, please contact G. Chris Pickering at (504) 739-6256.

Very truly yours,

E.P. Perkins, Jr.
Director,
Nuclear Safety Assurance

EPP/GCP/rtk
Attachments:

Attachment 1 - Response to Violation Identified in Enclosure 1
Attachment 2 - Commitment Identification/Voluntary
Enhancement Form

IEOI

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cc: E.W. Merschoff, (NRC Region IV)
N. Kalyanam, (NRC-NRR)
J. Smith
N.S. Reynolds
NRC Resident Inspectors Office

ATTACHMENT 1

ENTERGY OPERATIONS, INC. RESPONSE TO THE VIOLATION IDENTIFIED IN
ENCLOSURE 1 OF INSPECTION REPORT 99-01

VIOLATION NO. 9901-01

10 CFR 26.80(b) states that audits must be conducted by "individuals qualified in the subject(s) being audited, and independent of both fitness-for-duty program management and personnel directly responsible for implementation of the fitness-for-duty program."

Paragraph 2.3.1 of the licensee's physical security plan commits to all the requirements of Regulatory Guide 5.66, "Access Authorization Program for Nuclear Power Plants." Paragraph 13.1 of Regulatory Guide 5.66 requires that an independent evaluation of the access authorization program will be conducted at least once every 24 months.

Contrary to the above, the inspector determined that Waterford Audits SA-98-025.1 and SA-98-036.1 dated September 16, 1998, which reviewed the Waterford access authorization and fitness-for-duty programs, were conducted by individuals who were not independent of the program management being audited.

This is a Severity Level IV violation (Supplement III) (382/9901-01).

RESPONSE

Entergy admits the violation occurred as stated.

(1) Reason for the Violation

The Root Cause of this violation was that EOI did not clearly understand the regulatory guidance. Contributing causes include inadequate procedures, which lacked detailed instructions for the selection of audit team members, and inadequate review and assessment of the consequences associated with organizational changes (e.g. centralization of the Fitness-for-Duty (FFD) organization).

(2) Corrective Steps That Have Been Taken and the Results Achieved

- The next FFD/Access Authorization audit (SA-99-036.1) was performed in July 1999. This audit was conducted with independent personnel from the QA organization and was performed in accordance with the subject regulations.
- The next Security audit (SA-99-030.1) was performed in September thru November 1999. This audit was conducted with independent personnel from the QA organization and a technical specialist through the Region IV Audit Exchange Program and was performed in accordance with the subject regulations.

(3) Corrective Steps Which Will Be Taken to Avoid Further Violations

- Waterford 3 QA will review all nineteen audit areas and identify the applicable regulatory requirements. The requirements will be reviewed to ensure that there are no audit related requirements that are in excess of or in addition to the requirements as defined in the EOI Quality Assurance Program Manual (QAPM) and QV-109, Audit Process. Corrective actions will be accomplished concurrently with audit preparation for those audits scheduled to begin prior to the completion date of the review.
- Waterford 3 QA will review and revise, if necessary, QV-109 to address the management independence requirements of 10CFR26, 10CFR73, and any other requirements identified as a result of the requirements review.

(4) Date When Full Compliance Will Be Achieved

The review of the audit areas is scheduled to be completed by October 5, 2000.

The Waterford 3 QA review and revisions if necessary of QV-109 are scheduled to be completed by January 15, 2001.

Upon completion of the above actions, Waterford 3 will be in full compliance.

COMMITMENT IDENTIFICATION/VOLUNTARY ENHANCEMENT FORM

Attachment 2 to W3F1-2000-0070
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COMMITMENT(S)	ONE-TIME ACTION*	CONTINUING COMPLIANCE*	SCHEDULED COMPLETION DATE (IF REQUIRED)	ASSOCIATED CR OR ER
Waterford 3 QA will review all nineteen audit areas and identify the applicable regulatory requirements. The requirements will be reviewed to ensure that there are no audit related requirements that are in excess of or in addition to the requirements as defined in the EOI QAPM and QV-109, Audit Process. Corrective actions will be accomplished concurrently with audit preparation for those audits scheduled to begin prior to the completion date of the review.	X		10/05/00	CR-WF3-1999-0143
Waterford 3 QA will review and revise, if necessary, QV-109 to address the management independence requirements of 10CFR26, 10CFR73, and any other requirements identified as a result of the requirements review.		X	1/15/01	CR-WF3-1999-0143

*Check one only

VOLUNTARY ENHANCEMENT(S)	ASSOCIATED CR OR ER