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August 7, 2000

Docket Nos.: 50-348
50-364

NEL-00-0195

Mr. L. A. Reyes, Regional Administrator
U. S. Nuclear Regulatory Commission
Region II, Suite 23T85
Atlanta Federal Center/61 Forsyth Street
Atlanta, Georgia 30303

Joseph M. Farley Nuclear Plant
OSRE Follow-up Information

Ladies and Gentlemen:

An Operational Safeguards Response Evaluation was conducted at Farley Nuclear Plant the week of July 10-14, 2000. In the preliminary exit, the inspector requested that Southern Nuclear (SNC) provide the following information:

- 1) evaluation of the operator mitigating actions for Exercises 1, 2, and 4
- 2) review the TIA based on the clarification received from NRR during the OSRE
- 3) evaluate the need to re-evaluate target sets for adequacy

SNC has completed the evaluations of the operator mitigating actions for Exercises 1, 2, and 4 and they are attached as Attachment 1. SNC believes that Exercise 2 is not a valid exercise and should have been terminated by our controllers at several points due to problems that arose during the exercise. We take full responsibility for the problems experienced during this exercise. These problems and several unrealistic situations that were induced prior to and during the exercise render any conclusions from this exercise invalid and therefore it should be taken out of consideration. These issues were discussed with the inspection team during a post drill review and evaluation.

SNC has reviewed a copy of the TIA and agrees with the conclusion in the TIA. Some of the assumptions supporting the conclusion are currently being discussed as part of the development of industry target set guidance and may change as part of that process. SNC is evaluating the need to change target sets. In order to assess what should be included in a target set there must be a clear basis. Currently there is no agreement between the Industry and the NRC on the basis for target set elements. This makes it very difficult to perform an assessment. SNC is continuing to improve defensive strategies in accordance with Security Plan and contingency response commitments.

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No attempt was made by Southern Nuclear to perform any detailed risk analysis because the transfer of conditions from the Physical Protection Significance Determination Process (SDP) to the Reactor Safety SDP is not well defined in the current guidance. The end point of the Physical Protection SDP is such that the analysis of the risk is more like the analysis of an actual plant event since both an initiating event and subsequent equipment degradation are assumed. The Reactor Safety SDP and the processes developed for Phase 3 risk analysis under the Reactor Safety SDP are based upon assessing the impact of equipment degradation given the potential for an initiating event during the time that the degradation existed. Application of the change in CDF assuming the potential for any initiating event over a three day period given the equipment degradation assumed to be present at the end of a physical protection exercise may over-predict or under-predict the importance of the exercise findings. Similarly, application of the proposed importance scales based on Conditional Core Damage Probability (CCDP) in documents such as NRC Management Directive 8.3 is inappropriate for the evaluation of this type of inspection finding. This is due to the fact that the typical baseline CCDP for LOSP conditions would exceed IE-4 and result in an exercise being rated Yellow if an LOSP were assumed to have been generated without ever challenging the physical protection of the plant. Therefore, additional discussions are needed between the NRC and the industry to develop a clear process for the detailed significance determination in the area of physical protection.

Attachment 1 contains safeguards information and should be withheld from public disclosure in accordance with 10 CFR 73.21.

This letter contains no NRC commitments. If you have any questions, please advise.

Respectfully submitted,

SOUTHERN NUCLEAR OPERATING COMPANY



Dave Morey

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Attachment:

Attachment 1 - Exercise Operator Mitigating Actions
(NOTE: Contains Safeguards Information)

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U. S. Nuclear Regulatory Commission

cc: Southern Nuclear Operating Company
Mr. L. M. Stinson, General Manager – Farley

U. S. Nuclear Regulatory Commission, Washington, DC
Mr. L. Mark Padovan, Licensing Project Manager - Farley
Document Control Desk (*NOTE: Contains Safeguards Information*)

U. S. Nuclear Regulatory Commission, Region II
Mr. T. P. Johnson, Senior Resident Inspector - Farley (letter only)

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