



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA, SUITE 400
ARLINGTON, TEXAS 76011-4005**

December 20, 2002

Harold B. Ray, Executive Vice President
Southern California Edison Co.
San Onofre Nuclear Generating Station
P.O. Box 128
San Clemente, California 92674-0128

**SUBJECT: NRC SAFEGUARDS INSPECTION OF COMPLIANCE WITH ORDER
INSPECTION REPORT 50-361/02-013; 50-362/02-013**

Dear Mr. Ray:

On October 11, 2002, the NRC completed an inspection at your San Onofre Nuclear Generating Station, Units 2 and 3, facility. The enclosed report documents the inspection findings which were discussed on October 11, 2002, with Mr. Dwight Nunn and other members of your staff.

This inspection examined activities conducted under your license as they relate to safety and compliance with an Order issued on February 25, 2002, which required your site to implement specific measures related to security of your facility. The inspection utilized Temporary Instruction 2515/148, "Inspection of Nuclear Reactor Safeguards Interim Compensatory Measures," to verify implementation of the Order as clarified in your responses dated March 18, 2002, and May 14, 2002. Within these areas, the inspection consisted of selected examination of procedures and representative records, observations of activities, and interviews with personnel.

As discussed during the inspection and at the exit meeting, the Federal Bureau of Investigation provides the primary law enforcement interface for San Onofre Nuclear Generating Station. Although the Federal Bureau of Investigation is the local law enforcement agency of record, the licensee had established additional verbal agreements with the Orange and San Diego County Sheriff departments and other members of the Critical Incident Response Group. The agreements are not formalized since a federal agency is responsible.

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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, its enclosure, and your response will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

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

Sincerely,

//RA//

Troy W. Pruett, Chief
Plant Support Branch
Division of Reactor Safety

Dockets: 50-361
50-362

Licenses: NPF-10
NPF-15

Enclosure:
NRC Inspection Report
50-361/02-013; 50-362/02-013

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cc with safeguards enclosure:

Vonna Ordaz (NRR/NSIR/DNS/RSPS) (MS 4A8)
 Alan Madison (NRR/NSIR/DNS/RSOS) (MS 06H-02)
 Elaine McNeil (NRR/NRIR/DNS/RSPS) (MS 06H-02)
 RIV Docket File - File Room Custodian
 Security Inspector (Pick)

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 W. A. Maier, RSLO (**WAM**)

DOCUMENT: R:\SO2002-013gapSGI.wpd

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ENCLOSURE

U.S. NUCLEAR REGULATORY COMMISSION
REGION IV

Dockets: 50-361
50-362

Licenses: NPF-10
NPF-15

Report No.: 50-361/02-013
50-362/02-013

Licensee: Southern California Edison Co.

Facility: San Onofre Nuclear Generating Station, Units 2 and 3

Location: 5000 S. Pacific Coast Hwy.
San Clemente, California

Dates: October 7, through 11, 2002

Inspectors: Gregory A. Pick, Senior Physical Security Inspector
Thomas L. Klug, Physical Security Inspector

Approved By: Troy W. Pruett, Chief, Plant Support Branch

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SUMMARY OF FINDINGS

San Onofre Nuclear Generating Station, Units 2 and 3
NRC Inspection Report 50-361/02-013; 50-362/02-013

IR05000361-02-013, IR05000362-02-013: 10/07-11/2002; Southern California Edison; San Onofre Nuclear Generating Station, Units 2 & 3; TI 2515/148, Verification of Compliance With Interim Compensatory Measures Order

The inspection was conducted by regional physical security inspectors.

Cornerstone: Physical Security

- On February 25, 2002, NRC imposed by Order Interim Compensatory Measures that addressed waterborne threats, vehicle bombs, insider threats, land-based assaults, and mitigative measures. The inspectors determined that, overall, the licensee appropriately: evaluated the impact of the interim design basis explosive on the site; incorporated the Interim Compensatory Measures into the site protective strategy and access authorization program; developed and implemented relevant procedures; evaluated the impact of losses of large areas of the site and vulnerabilities of their computer systems; ensured that the emergency plan could be implemented; and established and effectively coordinated interface agreements with offsite organizations.
- The inspectors identified an unresolved item regarding protection of both alarm stations as required in Item B.2.a.(2) of the Order. This item remains open pending review by the Office of Nuclear Security and Incident Response (Section III.A.2).
- The inspectors identified an unresolved item regarding the collateral duties of owner controlled area patrols. This item remains open pending review by the Office of Nuclear Security and Incident Response (Section V.E.2).

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ATTACHMENT

SUPPLEMENTAL INFORMATION

PARTIAL LIST OF PERSONS CONTACTED

Licensee

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D. Calhoun, Senior Engineer, Design Engineering
M. Flannery, Supervisor, Security
N. Jervis, Supervisor, Security
D. Nunn, Vice President, Engineering and Technical Services
D. Pilmer, Project Manager, Licensing
G. Plumlee III, Supervisor, Security
S. Root, Project Manager, Engineering and Technical Services
E. Scherer, Manager, Nuclear Oversight and Regulatory Affairs Division
R. Waldo, Plant Manager, Nuclear Generation
J. Wallace, Manager, Security
J. Wambold, Vice President, Nuclear Generation

NRC

E. Merschhoff, Regional Administrator
M. Sitek, Resident Inspector

ITEMS OPENED

URI 50-361; 50-362/2002-013-01	Failure to protect alarm stations from threat (Section III.A.2)
URI 50-361; 50-362/2002-013-02	Failure to ensure owner controlled area patrols have no collateral duties (Section V.E.2)

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PARTIAL LIST OF DOCUMENTS REVIEWED

Action Request 000800367
Action Request 010900782
Action Request 020200132
Action Request 020300361

Action Request 020301060
Action Request 021000302
Action Request 021000346

Heightened State of Security Awareness - Additional Requirements Checklist

RESPONSE TO ORDER MODIFYING LICENSES, ANSWER TO ORDER MODIFYING LICENSES, REQUEST FOR EXTENSION TO FILE ANSWER AND REQUEST HEARING, San Onofre Nuclear Generating Station, Units 2 and 3, dated March 18, 2002

CLARIFICATION OF RESPONSE TO ORDER MODIFYING LICENSES, San Onofre Nuclear Generating Station, Units 2 and 3, dated May 14, 2002

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