

SAFEGUARDS INFORMATION

October 28, 2004

Mr. Joseph E. Venable
Vice President, Operations
Entergy Operations, Inc.
Waterford 3 Steam Electric Station
17265 River Road
Killona, LA 70066

SUBJECT: WATERFORD 3 STEAM ELECTRIC STATION - ADMINISTRATIVE CHANGE TO FACILITY OPERATING LICENSE IN CONJUNCTION WITH THE COMMISSION ORDER EA-03-086 REGARDING REVISED DESIGN BASIS THREAT (DBT) AND REVISIONS TO PHYSICAL SECURITY PLAN, TRAINING AND QUALIFICATIONS PLAN, AND SAFEGUARDS CONTINGENCY PLAN (TAC NO. MC2987)

Dear Mr. Venable:

By letter dated April 29, 2004, Entergy Operations, Inc. submitted a supplemental response in accordance with Order EA-03-086, the Order requiring compliance with the revised design basis threat, dated April 29, 2003, (DBT Order) for Waterford 3 Steam Electric Station. Section III.A of the Order requires licensees to revise their physical security plans (PSPs), training and qualification plans (T&Q Plans), and safeguards contingency plans (SCPs) to provide protection against the revised DBT set forth in Attachment 2 to the DBT Order. These revised plans, along with an implementation schedule, were required to be submitted to the Nuclear Regulatory Commission (NRC or the Commission) for review and approval no later than April 29, 2004.

The NRC staff's review of the PSP, SCP, and T&Q Plans submitted in your letter dated April 29, 2004, as supplemented on July 1, July 19, July 26, August 9, August 17, August 26, September 9, and October 4, 2004, has focused on ensuring the necessary programmatic elements are contained in these plans in order to provide high assurance that activities involving special nuclear material are not inimical to the common defense and security and do not constitute an unreasonable risk to the public health and safety.

NOTICE: Enclosure 2 contains Safeguards Information. Upon separation from Enclosure 2, this letter and Enclosure 1 are DECONTROLLED.

SAFEGUARDS INFORMATION

The NRC staff has determined that, subject to subsequent inspection and evaluation, these plans contain the necessary programmatic elements that, when effectively implemented, will provide the required high assurance that the Waterford 3 Steam Electric Station will be protected against the revised DBT. The NRC staff, therefore, approves the PSP, SCP, and T&Q Plan for Waterford 3 Steam Electric Station. However, ultimately, the effectiveness of these plans will be judged on your ability to meet regulatory requirements through facility implementing procedures and site practices. As such, your facility implementing procedures and practices will continue to be subject to future NRC review and inspection, including NRC-conducted force-on-force exercises.

In addition, the NRC staff noted that your PSP included alternatives to certain requirements of Title 10 of the *Code of Federal Regulations* (10 CFR) Section 73.55. In each case, the NRC staff found that the alternative measures provides an equivalent level of protection to that of the associated requirement and meets the high assurance objective of 10 CFR 73.55(a). The NRC staff, therefore, approves the alternatives shown in the table below. The NRC staff's evaluation is discussed further in the enclosed Safety Evaluation (SE).

| Approved Alternatives to the Requirements of 10 CFR Part 73 | | | |
|--|--------------------|----------------------------------|---|
| SE Section | PSP Section | Alternative to 10 CFR | Description |
| 3.6.2 | 6.2 | 73.55(c)(3) | Isolation Zones |
| 3.9.4.3 | 9.4.3 | 73.55(d)(4) | Protected Area (PA) vehicle search requirements |
| 3.9.4.4 | 9.4.4 | 73.55(d)(1) | PA personnel search requirements |
| 3.9.5.2 | 9.5 | 73.55(d)(1) 73.55(d)(4) | PA access control requirements |
| 3.10.1 | 10.1 | 73.55(c)(5) | PA illumination requirements |
| 3.13.1 | 14.1 | 73.55(c)(1) 73.55(d)(7)(i)(B) | Temporary reclassification of Vital Areas to PA status (devalitalization) |

Finally, consistent with Order EA-03-086, conforming administrative license changes to Facility Operating Licenses (FOLs) are required to ensure implementation of the DBT Order requirements. Therefore, an administrative license change to FOL No. NPF-38 is being made to incorporate the reference to the revised **PSP, SCP, and T&Q Plans** required by the DBT Order. These changes comply with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I.

Please replace the enclosed page to your FOL as indicated in the Enclosure.

Mr. Venable

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A copy of our SE (designated as Safeguards Information), is also enclosed.

Sincerely,

/RA/

John A. Nakoski, Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-382

Enclosures: 1. Administrative Change to FOL No. NPF-38
2. Safety Evaluation (**Safeguards Information**)

cc w/encl 1 only: See Mailing List 1

cc w/encls 1 and 2: Mr. Scott Anders, Site Security Manager

Mr. Venable

-3-

A copy of our SE (designated as Safeguards Information), is also enclosed.

Sincerely,

/RA/

John A. Nakoski, Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

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cc w/encl 1 only: See Mailing List 1

cc w/encls 1 and 2: Mr. Scott Anders, Site Security Manager

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*See Previous Concurrence

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|--------|-----------|------------|----------|----------|----------|----------|----------|
| OFFICE | SPRT/TL | SPRT/PM | SPRT/LA | SPRT/PL | OGC | NSIR/SC | NRR/SC |
| NAME | PPeduzzi* | MChernoff* | CHawes | JPeralta | JHeck* | SMorris | JNakoski |
| DATE | 10/20/04 | 10/20/04 | 10/20/04 | 10/20/04 | 10/22/04 | 10/28/04 | 10/28/04 |

OFFICIAL RECORD COPY

Waterford Steam Electric Station, Unit 3

cc w/o encl.:

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ENTERGY OPERATIONS, INC.

DOCKET NO. 50-382

WATERFORD 3 STEAM ELECTRIC STATION

ADMINISTRATIVE LICENSE CHANGE TO FACILITY OPERATING LICENSE

License No. NPF-38

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. Consistent with Order EA-03-086, the Order requiring compliance with revised design basis threat, (DBT Order), issued on April 29, 2003, conforming administrative license changes to Facility Operating Licenses (FOLs) are required to ensure implementation of the DBT Order requirements. Therefore, an administrative license change to FOL No. NPF-38 is being made to incorporate the reference to the revised **Physical Security Plan, Safeguards Contingency Plan, and Training and Qualification Plans** required by the DBT Order. These changes comply with the standards and requirements of the Atomic Energy Act (the Act) of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this administrative license change can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this administrative license change will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this administrative license change is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, the FOL is changed, as indicated in the Attachment.
3. This administrative license change is effective as of its date of issuance and shall be implemented on or before October 29, 2004.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

John A. Nakoski, Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the FOL

Date of Issuance: October 28, 2004

CHANGES TO FACILITY OPERATING LICENSE NO. NPF-38

DOCKET NO. 50-382

Replace the following page of the Facility Operating License NPF-38 with the attached revised page as indicated. The revised page is identified by revision date and contains marginal lines indicating the area of change.

Remove Page

8

Insert Page

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- d. Prior to completion of Phase III of the Waterford 3 startup test program, the licensee shall complete corrective actions related to the 23 NRC issues as identified in the LP&L responses.

17. Basemat

The licensee shall comply with its commitments to perform a basemat cracking surveillance program and additional confirmatory analyses of basemat structural strength as described in its letter of February 25, 1985. Any significant change to this program shall be reviewed and approved by the NRC staff prior to its implementation.

- D. The facility requires an exemption from certain requirements of Appendices E and J to 10 CFR Part 50. These exemptions are described in the Office of Nuclear Reactor Regulation's Safety Evaluation Report, Supplement No. 10 (Section 6.1.2) and Supplement No. 8 (Section 6.2.6), respectively. These exemptions are authorized by law and will not endanger life or property or the common defense and security and are otherwise in the public interest. These exemptions are, therefore, hereby granted pursuant to 10 CFR 50.12. With the granting of these exemptions, the facility will operate, to the extent authorized herein, in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission.
- E. EOI shall fully implement and maintain in effect all provisions of the Commission-approved physical security, training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The plan, which contains Safeguards Information protected under 10 CFR 73.21, is entitled: "Physical Security, Safeguards Contingency and Training & Qualification Plan," and was submitted on October 4, 2004.
- F. Except as otherwise provided in the Technical Specifications or the Environmental Protection Plan, EOI shall report any violations of the requirements contained in Section 2.C of this license in the following manner. Initial notification shall be made within 24 hours to the NRC Operations Center via the Emergency Notification System with written follow-up within 30 days in accordance with the procedures described in 10 CFR 50.73(b), (c) and (e).
- G. Entergy Louisiana, Inc. shall have and maintain financial protection of such type and in such amounts as the Commission shall require in accordance with Section 170 of the Atomic Energy Act of 1954, as amended, to cover public liability claims.