



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

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July 24, 2006

EA-06-163

R. T. Ridenoure
Vice President
Omaha Public Power District
Fort Calhoun Station FC-2-4 Adm.
P.O. Box 550
Fort Calhoun, NE 68023-0550

SUBJECT: FORT CALHOUN STATION - NRC SPECIAL PHYSICAL SECURITY INSPECTION
REPORT 05000285/2006015; PRELIMINARY GREATER THAN GREEN FINDING

Dear Mr. Ridenoure:

On July 05, 2006, the US Nuclear Regulatory Commission (NRC) completed a Special Inspection pursuant to Inspection Procedure 93812 at your Fort Calhoun Station facility, regarding a potential security related vulnerability. The enclosed inspection report documents the inspection results, which were discussed on July 05, 2006, with Mr. J. Reinhart, Site Director, and other members of your staff.

This inspection examined activities conducted under your license as they relate to security and compliance with the Commission's rules and regulations and with the conditions of your license. The inspection charter for this special inspection was issued by the NRC on April 18, 2006. The inspector reviewed selected procedures and records, evaluated activities, and interviewed personnel.

This letter discusses a finding that appears to have greater than green security significance, as described in Section 3.4 of this report. This finding was assessed based on the best available information, including influential assumptions, using the Physical Protection Significance

WARNING: Violation of Section 147 of the Atomic Energy Act, protection requirements for "SAFEGUARDS INFORMATION," is subject to civil and criminal penalties.

Safeguards Information determination made by:
Name/Title Michael P. Shannon, Chief, PSB
Organization US NRC, RIV
Basis 10 CFR 73.21
Signature IRAI Date 7/20/06

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Determination Process (SDP). The final resolution of this finding will convey the increment in the importance to security by assigning the corresponding color, which may require additional NRC inspection. Compensatory measures are in place while long-term corrective measures are being implemented.

The findings are also associated with other apparent violations of NRC requirements that are being considered for escalated enforcement action in accordance with NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Before we make a final decision on this matter, we are providing you an opportunity to: (1) present to the NRC your perspectives on the facts and assumptions, used by the NRC to arrive at the finding and its significance, at a Regulatory Conference; or (2) submit your position on the finding to the NRC in writing. If you request a Regulatory Conference, it should be held within 30 days of the receipt of this letter and we encourage you to submit supporting documentation at least one week prior to the conference in an effort to make the conference more efficient and effective. If a Regulatory Conference is held, it will be closed to public observation due to the discussion of Safeguards Information. If you decide to submit only a written response, such submittal should be sent to the NRC within 30 days of the receipt of this letter.

Please contact Michael P. Shannon, Chief, Plant Support Branch, Division of Reactor Safety, at 817-860-8215 within 10 business days of the date of receipt of this letter to notify the NRC of your intentions. If we have not heard from you within 10 days, we will continue with our significance determination and enforcement decision and you will be advised by separate correspondence of the results of our deliberations on this matter.

Since the NRC has not made a final determination in this matter, no Notice of Violation is being issued for the inspection findings at this time. In addition, 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.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be 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). However, because of the security-related concerns contained in the enclosure, and in accordance with 10 CFR 2.390, a copy of this letter's enclosures will not be available for public inspection.

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In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response, if any. This practice will ensure that your response will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system, ADAMS. If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. Otherwise, mark your entire response "Security Related Information-Withhold under 10 CFR 2.390" and follow the instructions for withholding in 10 CFR 2.390(b)(1).

Sincerely,

/RA/ Roy J. Caniano for/

Dwight D. Chamberlain, Director
Division of Reactor Safety

Docket: 50-285
License: DPR-40

Enclosure:
NRC Inspection Report: 05000285/2006015

cc without **SAFEGUARDS INFORMATION**:

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