

SAFEGUARDS INFORMATION

October 27, 2008

Mr. Barry S. Allen
Site Vice President-Nuclear, Davis-Besse
FirstEnergy Nuclear Operating Company
Davis-Besse Nuclear Power Station
5501 North State Route 2
Oak Harbor, OH 43449-9760

SUBJECT: NRC INSPECTION REPORT 05000346/2008201; PRELIMINARY GREATER
THAN GREEN FINDING FOR DAVIS-BESSE NUCLEAR POWER STATION

Dear Mr. Allen:

On May 02, 2008, the U.S. Nuclear Regulatory Commission (NRC) completed a security baseline inspection at the Davis-Besse Nuclear Power Station. The inspection covered one or more of the key attributes of the security cornerstone of the NRC's Reactor Oversight Process. The enclosed inspection report documents the inspection results, which were discussed during a preliminary exit meeting on May 02, 2008, with yourself, and other members of your staff. A final exit briefing was conducted on October 24, 2008, with Mr. Gary Kendrick, who acknowledged the results.

The 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 inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

This letter discusses a finding that appears to have greater than green security significance, as described in Section 3.26 of this report. This finding was assessed based on the best available information, including influential assumptions, using the Physical Protection Significance Determination Process. 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. The licensee promptly implemented compensatory measures for the deficiency, and the site was in compliance with applicable physical protection and security requirements within the scope of the inspection before the inspectors left the site. The finding also had a cross-cutting aspect in the area of Problem Identification and Resolution (P1 (P1.c)) because personnel failed to conduct an adequate effectiveness review.

The finding is also associated with a violation of the 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>.

Enclosure contains Safeguards Information . Upon removal, this letter is decontrolled.

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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 1 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 security related 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 Mr. Clay Johnson, Chief, Security Performance Evaluation Branch on 301-415-6640 within 10 business days of the date of your receipt of this letter to notify the NRC of your intentions.

Since the NRC has not made a final determination in this matter, no Notice of Violation is being issued for the inspection finding at this time. In addition, please be advised that the number and characterization of any apparent violation described in the enclosed inspection report may change as a result of further NRC review.

In accordance with Title 10 of the Code of Federal Regulations (10 CFR) Section 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 System (PARS) component of NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Website 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 enclosure will not be available for public inspection.

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

Sincerely,

/RA/

Barry C. Westreich
Deputy Director for Security Oversight
Division of Security Operations
Office of Nuclear Security and Incident Response

Docket No.: 50-346

License No.: NPF-3

Enclosure: NRC Inspection Report No. 05000346/2008201 (SGI)

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cc w/encl: **(SAFEGUARDS INFORMATION)**
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(SAFEGUARDS INFORMATION)
Mr. Michael Parker, Security Manager
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Oak Harbor, OH 43449-9760

cc w/o encl: Henry Guzman, Director
Ohio Department of Public Safety
1970 W. Broad St.
Columbus, OH 43223-1102

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Columbus, OH 43223-1102

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Accession No.: ML083020155

* See previous concurrence

OFC:	DSO/SPEB	DSO/SPEB	SRI Davis-Besse	Region III	DSO/SPEB
NAME:	*D. Cardenas	*M. Rodriguez	*J. Rutkowski	*E. Duncan	R.C. Johnson
DATE:	10/20/08	10/24/08	10/24/08	10/23/08	10/27 /08

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