



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PA 19406-1415

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November 9, 2010

EA-10-214

Mr. David A. Heacock
President and Chief Nuclear Officer
Dominion Resources
5000 Dominion Blvd.
Glen Allen, VA 23060-6711

**SUBJECT: MILLSTONE POWER STATION, UNITS 2 AND 3 - NRC SECURITY
INSPECTION REPORT 05000336/2010402 AND 05000423/2010402;
PRELIMINARY GREATER THAN GREEN FINDING**

Dear Mr. Heacock:

On September 28, 2010, the U.S. Nuclear Regulatory Commission (NRC) completed a security baseline inspection at your Millstone Power Station, Units 2 and 3 (Millstone). 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 on September 28, 2010, with Mr. S. Jordan, Site Vice President, and other members of your staff.

The inspection examined activities conducted under your licenses as they relate to security and compliance with the Commission's rules and regulations and with the conditions of your licenses. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

This report documents one finding preliminarily determined to be greater than very low security significance (i.e., greater-than-Green as determined by the Baseline Security Significance Determination Process (BSSDP)), which may result in the need for further evaluation to determine significance, and therefore, the need for additional NRC action. The cause of the finding is related to the cross-cutting aspect of Problem Identification and Resolution in the corrective action program area because the issue was not thoroughly evaluated such that the resolution addressed the causes and extent of condition [P.1(c)].

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In addition, the finding is also an apparent violation of NRC requirements, and is therefore being considered for escalated enforcement action in accordance with the NRC's Enforcement Policy, found at: <http://www.nrc.gov/reading-rm/doc-collections/enforcement>.

In accordance with NRC Inspection Manual Chapter (IMC) 0609, "Significance Determination Process," we intend to complete our evaluation using the best available information and issue our final determination of significance within 90 days of the date of this letter. The significance determination process encourages an open dialogue between the NRC staff and the licensee, however, the dialogue should not impact the timeliness of the staff's final determination. Before we make a final decision on this matter, we are providing you an opportunity to (1) attend a Regulatory Conference where you can present to the NRC your perspective on the facts and the assumptions the NRC used to arrive at the finding and assess its significance, 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 for public observation because it involves sensitive security 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. If you decline to request a Regulatory Conference, or submit a written response, you relinquish your right to appeal the final SDP determination, in that by not doing either, you fail to meet the appeal requirements stated in the prerequisite and limitations sections of Attachment 2 of IMC 0609.

Please contact Mr. James Trapp, of my staff at 610-337-5186 within 10 days of the date 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. The final resolution of this matter will be conveyed in separate correspondence. Because the NRC has not made a final determination in this matter, no Notice of Violation is being issued for this inspection finding at this time. In addition, please be advised that the number and characterization of the apparent violation described in the enclosed inspection report may change as a result of further NRC review.

Additionally, two self-revealing findings which were determined to be of very low security significance are listed in this report. The cause of these findings is related to the cross-cutting area of Human Performance (work practices) because human error prevention techniques, such as self and peer checks were not utilized [H.4(a)]. If you disagree with the cross-cutting aspects assigned to any finding in this report, you should provide a response within 30 days of the date of this inspection report, with the basis for your disagreement, to the Regional Administrator, Region I, and the NRC Resident Inspectors at Millstone Power Station.

Two licensee-identified violations which were determined to be of very low security significance are documented in this report. However, because of the very low security significance and because they are entered into your corrective action program, the NRC is treating these violations as non-cited violations (NCVs) consistent with Section 2.3.2 of the NRC Enforcement Policy. If you contest these non-cited violations, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN.: Document Control Desk, Washington, DC 20555-0001; with copies to the

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Regional Administrator, Region I; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at Millstone Power Station.

The deficiencies were promptly corrected or compensated for, and the plant was in compliance with applicable physical protection and security requirements within the scope of this inspection before the team departed the site.

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 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.

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 73.22. 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,



Darrell J. Roberts, Director
Division of Reactor Safety

Docket Nos. 50-336, 50-423
License Nos. DPR-65, NPF-49

Enclosure: NRC Inspection Report Nos. 05000336/2010402, 05000423/2010402
w/Attachment: Supplemental Information
(CONTAINS SAFEGUARDS INFORMATION (SGI))

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Regional Administrator, Region I; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at Millstone Power Station.

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Sincerely,

/RA by Peter R. Wilson for/

Darrell J. Roberts, Director
Division of Reactor Safety

Docket Nos. 50-336, 50-423
License Nos. DPR-65, NPF-49

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