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UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV  
612 EAST LAMAR BLVD, SUITE 400  
ARLINGTON, TEXAS 76011-4125

March 21, 2011

EA-11-035

David J. Bannister, Vice President  
and Chief Nuclear Officer  
Omaha Public Power District  
Fort Calhoun Station FC-2-4  
P.O. Box 550  
Fort Calhoun, NE 68023-0550

SUBJECT: FORT CALHOUN STATION - NRC SECURITY INSPECTION  
REPORT 05000285/2011404; PRELIMINARY GREATER THAN GREEN FINDING

Dear Mr. Bannister:

On March 18, 2011, the U.S. Nuclear Regulatory Commission (NRC) completed a security inspection at your Fort Calhoun 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 on March 18, 2011, with Mr. J. Reinhart, Site Vice President, and other members of your staff.

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 inspector reviewed selected procedures and records and interviewed personnel.

This letter transmits a finding that has preliminarily been determined to be Greater than Green, (i.e., a finding of greater than very low security significance) that may result in the need for further evaluation to determine significance and, therefore, the need for additional NRC action. The finding is described in the enclosed inspection report. This finding was assessed based on the best available information using the Physical Protection Significance Determination Process (PPSDP).

**“Enclosure transmitted herewith contains SUNSI. When separated from enclosure, this transmittal document is decontrolled.”**

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The finding was 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 inspector left the site. The finding is also an apparent violation of NRC requirements and is being considered for escalated enforcement action in accordance with the Enforcement Policy, which can be found on the NRC's Website at <http://www.nrc.gov/reading-rm/doc-collections/enforcement>.

In accordance with NRC Inspection Manual Chapter (IMC) 0609, we intend to complete our evaluation using the best available information and issue our final determination of security 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 our final significance determination, we are providing you with an opportunity to: (1) attend a Regulatory Conference where you can present to the NRC your perspective on the facts and assumptions the NRC used to arrive at the finding and assess its significance; or (2) submit your position of 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 not be open for public observation. If you decide to submit only a written response, such submittal should be sent to the NRC within 30 days of your 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 Limitation sections of Attachment 2 of IMC 0609.

Please contact Mr. Michael P. Shannon, Chief, Plant Support Branch 1, Division of Reactor Safety, at (817) 860-8215 or in writing within 10 days from the issue date of this letter, to notify the NRC of your intentions. If we have not heard from you within 10 business 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.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>

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However, the material enclosed within contains Security Related Information in accordance with 10 CFR 2.390(d)(1) and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in the enclosure will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html>. If Security Related Information is necessary to provide an acceptable response, please follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

Sincerely,

*/RA/*

Anton Vogel, Director  
Division of Reactor Safety

Docket: 50-285  
License: DRP-40

Nonpublic Enclosure:  
NRC Inspection Report 05000285/2011404  
w/Attachment: Supplemental Information

cc w/o enclosure:  
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Site Vice President  
Omaha Public Power District  
Fort Calhoun Station FC-2-4 Adm  
P.O. Box 550  
Fort Calhoun, NE 68023-0550

Susan Baughn  
Manager - Nuclear Licensing  
Omaha Public Power District  
Fort Calhoun Station FC-2-4 Adm.  
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Security Related Complete Report - OUO:

SUNSI Review Completed: MKB ADAMS:  Yes Initials: MKB  
 Non-Publicly Available  Sensitive-Security- Related-Periodic Review Required

Letter Only:

SUNSI Review Completed: MKB ADAMS:  Yes Initials: MKB  
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PSI:PSB1	PSI:PSB1	C:PSB1	C:PBE	ACES:SES	C:PSB1	DD:DRS
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<i>/RA/</i>	<i>/RA/</i>	<i>/RA/</i>	<i>/RA/</i>	<i>/RA/</i>	<i>/RA/</i>	<i>/RA/</i>
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