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UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV  
1600 EAST LAMAR BLVD  
ARLINGTON, TEXAS 76011-4511

June 11, 2012

EA-12-083  
EA-11-067

Mr. Peter Dietrich  
Senior Vice President and  
Chief Nuclear Officer  
Southern California Edison Company  
San Onofre Nuclear Generating Station  
P. O. Box 128  
San Clemente, CA 92674-0128

SUBJECT: SAN ONOFRE NUCLEAR GENERATING STATION, UNITS 2 AND 3 –  
NRC SPECIAL INSPECTION REPORT 05000361/2012403; 05000362/2012403;  
PRELIMINARY GREATER THAN GREEN FINDING

Dear Mr. Dietrich:

On May 16, 2012, the U.S. Nuclear Regulatory Commission (NRC) completed a security baseline inspection at your San Onofre Nuclear Generating Station, Units 2 and 3. The enclosed inspection report documents the inspection results, which were discussed on May 16, 2012, with Mr. Doug Bauder, Vice President and Station Manager, 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 inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

The attached report documents one finding that has preliminarily been determined to be Greater than Green (i.e., finding of greater than very low security significance) that may result in the need for further evaluation to determine the significance and, therefore, the need for additional

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NRC action. The finding is described in the enclosed inspection report. The finding was assessed based on the best available information, using the Physical Protection Significance Determination Process (PPSDP). 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 inspectors arrived on 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 Web site 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 C. Hay, Chief, Plant Support Branch 1, Division of Reactor Safety, at (817) 200-1527 and 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.

Additionally, one self-revealing finding of very low security significance (i.e., Green as determined by the PPSDP) was identified during this inspection. The deficiency was promptly corrected or compensated for and the plant was in compliance with applicable physical

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protection and security requirements within the scope of this inspection before the inspectors arrived on site.

This finding was determined to involve a violation of NRC requirements.

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 D.C. 20555-0001; with copies to (1) the Regional Administrator, U.S. Nuclear Regulatory Commission, Region IV, 1600 E. Lamar Blvd, Arlington, Texas 76011-4511; (2) the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington D.C. 20555-0001; and the NRC Resident Inspector at the San Onofre Nuclear Generating Station.

One cross-cutting aspect was assigned to each finding. The cross-cutting aspects were both related to human performance. The first involved the failure to develop a site procedure which addressed the need to conduct a cyber security analysis of electronic devices designated for Safeguards Information (SGI) use and the second involved the failure of personnel to follow procedural guidance, [H.2.(c)] and [H.4.(b)], respectively. If you disagree with a cross-cutting aspect assignment 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 IV, and the NRC Resident Inspector at the San Onofre Nuclear Generating Station.

Further, the NRC has determined that a violation of NRC requirements occurred involving the failure to maintain complete and accurate information. Specifically, a licensee employee failed to promptly report an August 27, 2007, arrest for public intoxication, which was information required to be maintained by 10 CFR 73.56(h) (2007). This violation would normally be categorized at Severity Level IV. However, in accordance with Section 3.5 of the Enforcement Policy, the NRC will exercise discretion and not issue a violation.

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

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 ADAMS, accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. Because this issue involves Security-Related Information, if you choose to respond, your response will not be made available for public inspection in the NRC Public Document Room or from the NRC's ADAMS. If Safeguards Information is necessary to provide an acceptable response, please provide the

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level of protection described in 10 CFR 73.21. Otherwise, mark your entire response Security-Related Information in accordance with 10 CFR 2.390(d)(1) and 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/**

Thomas Blount, Acting Director  
Division of Reactor Safety

Docket: 50-361, 50-362  
License: NPF-10, NPF-15

Nonpublic Enclosure:  
NRC Inspection Report 05000361/2012403;  
05000362/2012403 w/attachments

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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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ADAMS No. **ML12164A832**

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