UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 E. LAMAR BLVD.
ARLINGTON, TX 76011-4511

May 17, 2016

EA-16-076

Mr. Dan A. Tallman
Manager, Rancho Seco Assets
Sacramento Municipal Utility District
MS N493
14440 Twin Cities Road
Herald, CA 95638

SUBJECT: RANCHO SECO INDEPENDENT SPENT FUEL STORAGE INSTALLATION, PHYSICAL SECURITY REQUIREMENTS FOR INDEPENDENT SPENT FUEL STORAGE INSTALLATIONS AND INSPECTION REPORT 072-00011/2016401

Dear Mr. Tallman:

This letter refers to the security inspection conducted from February 8, 2016, to April 12, 2016, at the Sacramento Municipal Utility District's Rancho Seco facility. The purpose of the inspection was to examine 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 preliminary inspection findings were discussed on February 11, 2016, with Mr. E. Ronningen, former Superintendent, Rancho Seco Assets, and other members of your staff. On April 12, 2016, a final telephonic exit meeting was conducted with you.

Based on the results of this inspection, the NRC identified one apparent violation of NRC security 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/about-nrc/regulatory/enforcement/enforce-pol.html.

Since your facility has not been the subject of escalated enforcement actions within the last 2 years and, based on our understanding of your corrective actions, a civil penalty may not be warranted in accordance with Section 2.3.4 of the Enforcement Policy. The final decision will be based on you confirming on the license docket that the corrective actions previously described to the NRC staff have been or are being taken.

Before the NRC makes its enforcement decision, we are providing you an opportunity to: (1) respond in writing to the apparent violation addressed in the enclosed inspection report within 30 days of the date of this letter, or (2) request a pre-decisional enforcement conference (PEC). If a PEC is held, the NRC may issue a press release to announce the time

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and date of the conference; however, the PEC will be closed to public observation since Security-Related Information will be discussed. If you decide to participate in a PEC, please contact Mr. Mark S. Haire, Chief, Plant Support Branch 1, at 817-200-1527, within 10 days of the date of this letter. A PEC should be held within 30 days of the date of this letter.

If you choose to provide a written response, it should be clearly marked as a, "Response to An Apparent Violation in NRC Inspection Report 072-00011/2016401; EA-16-076," and should include for the apparent violation: (1) the reason for the apparent violation or, if contested, the basis for disputing the apparent violation; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken; and (4) the date when full compliance will be achieved.

Your response may reference or include previously docketed correspondence, if the correspondence adequately addresses the required response. Your response should be sent to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC, 20555-0001, with a copy mailed to Mr. Anton Vegel, Director, Division of Reactor Safety, Region IV, 1600 E Lamar Blvd, Arlington, Texas, 76011, within 30 days of the date of this letter. If an adequate response is not received within the time specified or an extension of time has not been granted by the NRC, the NRC will proceed with its enforcement decision or schedule a PEC. In addition, please be advised that the number and characterization of apparent violations described in the enclosed report may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

If you choose to request a PEC, the conference will afford you the opportunity to provide your perspective on this issue and any other information that you believe the NRC should take into consideration before making an enforcement decision. The decision to hold a conference does not mean that the NRC has determined that a violation has occurred or that enforcement action will be taken. This conference would be conducted to obtain information to assist the NRC in making an enforcement decision. The topics discussed during the conference may include information to determine whether a violation occurred, information to determine the significance of a violation, information related to the identification of a violation, and information related to any corrective actions taken or planned.

In accordance with Title 10 of the Code of Federal Regulations (10 CFR) 2.390, "Agency Rules of Practice and Procedure," a copy of this letter will be made available for public inspection in the NRC's Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at http://www.nrc.gov/reading-rm/adams.html.

However, the material enclosed herewith 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 enclosures will not be made available electronically for public inspection in the NRC's Public Document Room or from the NRC's ADAMS. If you choose to provide a response and Security-Related Information is necessary to provide an

acceptable response, please mark your entire response "Security-Related Information" and follow the instructions for withholding in 10 CFR 2.390(b)(1). If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response. If you have any questions concerning this matter, please contact Mr. Mark S. Haire, Chief, Plant Support Branch 1, at 817-200-1527.

Sincerely,

/RA/

Anton Vegel, Director
Division of Reactor Safety

Docket: 072-00011
License: SNM-2510

Nonpublic Enclosure:
NRC Inspection Report 072-00011/2016401
w/Attachment: Supplemental Information

cc w/o enclosure:
Gonzalo Perez, Chief
California Dept. of Public Health (CDPH)
Radiologic Health Branch
P.O. Box 997414, MS 7610
Sacramento, CA 95899-7414

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Anton Vegel, Director
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Distribution:
See next page
CHLTR_EA-16-076_Rancho Seco.docx

ADAMS Accession Number: ML16138A834

Entire Report: ☒ SUNSI Review by: JLB	☐ Non-Sensitive ☒ Sensitive	☐ Publicly Available ☒ Non-Publicly Available	Keyword: NRC-002 MD 3.4 Non-Public A.3
Cover Letter Only: ☒ SUNSI Review by: JLB	☒ Non-Sensitive ☐ Sensitive	☒ Publicly Available ☐ Non-Publicly Available	Keyword: NRC-002 SUNSI Review Complete

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SIGNATURE	E-mail	E-mail	/RA/			
DATE	5/16/16	5/16/16	5/16/16			

OFFICIAL RECORD COPY

Letter to Dan A. Tallman from Anton Vegel, dated May 17, 2016

SUBJECT: RANCHO SECO INDEPENDENT SPENT FUEL STORAGE INSTALLATION, PHYSICAL SECURITY REQUIREMENTS FOR INDEPENDENT SPENT FUEL STORAGE INSTALLATIONS AND INSPECTION REPORT 072-00011/2016401

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