

Niagara Mohawk

E. King

 John H. Mueller
Senior Vice President and
Chief Nuclear Officer

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June 19, 1998
NMPIL 1332

U. S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555

RE: Nine Mile Point Unit 1
 Docket No. 50-220
 DPR-63

Nine Mile Point Unit 2
Docket No. 50-410
NPF-69

Subject: *Reply to Notice of Violation as Contained in NRC Inspection Report
50-220/98-08 and 50-410/98-08*

Gentlemen:

Niagara Mohawk Power Corporation's reply to the subject Notice of Violation is enclosed in the Attachment to this letter. We do not dispute this violation.

Very truly yours,


John H. Mueller
Chief Nuclear Officer

JHM/TWP/sc
Attachment

xc: Mr. H. J. Miller, Regional Administrator, Region I
 Mr. S. S. Bajwa, Director, Project Directorate I-1, NRR
 Mr. B. S. Norris, Senior Resident Inspector
 Mr. D. S. Hood, Senior Project Manager, NRR
 Records Management

9806290065 5/17



ATTACHMENT

NIAGARA MOHAWK POWER CORPORATION
NINE MILE POINT UNIT 1 AND UNIT 2
DOCKET NO. 50-220/50-410
DPR-63/NPF-69

**"REPLY TO NOTICE OF VIOLATION," AS CONTAINED IN NRC
INSPECTION REPORT 50-220/98-08 AND 50-410/98-08**

VIOLATION

Title 10, Code of Federal Regulations, Part 73.21, "(10CFR73.21), Section (a) and Section (c)(1) respectively requires, in part, that each person who produces, receives, or acquires Safeguards Information shall ensure that Safeguards Information is protected against unauthorized disclosure and no person may have access to Safeguards Information unless the person has an established "need-to-know" for the information. Section (d)(1)(2) requires, in part, that while in use, Safeguards Information shall be under the control of an authorized individual and while unattended, Safeguards Information shall be stored in a locked security storage container. Additionally, Section (e) requires, in part, that each document that contains Safeguards Information shall be marked "Safeguards Information" in a conspicuous manner to indicate the presence of protected information.

The Nine Mile Point Station, Physical Security Plan (the Plan), Revision 5, dated April 8, 1996, Section 3.14, titled "Records," states, in part, that "Records retention associated with all Nuclear Security activities will be in accordance with applicable regulatory requirements."

Contrary to the above, during the above referenced inspection, the inspectors determined that the licensee failed to properly store, control, and classify Safeguards Information (SGI). Specifically, on January 26, 1998, licensee records personnel (not authorized to handle SGI) found 7 boxes in the records management's vault, located outside of the protected area, which contained SGI. The vault was not an approved SGI storage facility. The licensee's initial review of the documents identified that some of the information that was marked as SGI did not actually contain SGI and other information that was not marked as SGI did contain SGI.

This is a Severity Level IV Violation. (Supplement III)



I. THE REASON FOR THE VIOLATION

The seven boxes described in the above violation comprised the project file for a security-related modification that occurred from approximately 1981 through 1988. The project engineers coordinated design activities associated with the modification and compiled the project file. Although much of the information associated with the modification involved SGI and was handled in accordance with procedure, the intent of the project engineers was that the project file be devoid of SGI. Subsequent to the completion of the modification, the project file was shipped to records management for storage, pending microfilming of the file. During the preparation for microfilming in January, 1998, records management personnel identified that some records in the file were labeled as SGI.

Niagara Mohawk Power Corporation (NMPC) determined that the cause of the failure to properly store and control SGI was a failure to self-check by the project engineers. Because it was the intent of the project engineers that the project file be devoid of SGI, the file was handled as any other project file would have been and was not stored in an approved SGI repository. However, the project engineers failed to ensure that no material labeled as SGI was retained within the file.

The seven boxes from the project file had a small number of documents (18 individual items) that were labeled as SGI. Upon further review, NMPC determined that only two of these items actually contained SGI. NMPC also determined that other information in the seven boxes was not labeled as SGI but did contain SGI. As a result, the scope of the review was expanded to other security-related modifications. Additional classification discrepancies were identified in other boxes stored in the records management vault. All of the document discrepancies were associated with the same security-related modification that was compiled in the project file.

Upon implementation of 10 CFR Part 73.21, NMPC's program had no single procedure to ensure proper control of SGI by all departments who might require access to SGI, nor was a formalized training program developed. During the course of the modification, these deficiencies resulted in the improper control of some design sketches that eventually represented the final configuration of portions of the security system. Adequate controls also were not in place to ensure that copies of original documents declassified during the modification were collected and appropriately declassified or destroyed. Further, when final vendor drawings associated with the modification were transferred from Engineering to Security in 1990, a thorough review to ensure that each drawing actually merited classification as SGI was not performed. This led to over-classification of some drawings and the inconsistencies revealed during the review of documents in the project file.

Additionally, NMPC acknowledges that appropriate actions were not taken in a timely manner upon recognition that the scope of the problem was broader than originally perceived. Upon determination that issues similar to those discovered in the original modification may have existed in other security-related modification and project files, actions were initiated to identify and review those files as well (both hard copy and microfilm). However, pending completion of those



reviews, the records management vault was not secured as a SGI repository, nor were personnel working in this area trained for access to SGI. This was caused by management failure to fully evaluate changing conditions. Even though the specific information that was found in the vault did not have high safety significance in that it could not have been used to commit radiological sabotage, NMPC understands the need to aggressively pursue appropriate corrective actions.

II. CORRECTIVE ACTIONS TAKEN AND RESULTS ACHIEVED

1. Security took possession of the seven boxes containing the project file and secured them in a SGI repository.
2. The information was reviewed by the SGI Custodian and System Engineer. Based on interviews with personnel who were involved with the modification during the 1980s and the identified inconsistencies in classification, the scope of the review was expanded to include other security-related modifications.
3. The records management vault was secured as a SGI repository and records management personnel were trained and qualified to handle SGI.
4. Security took possession of the additional items in the records management vault which contained SGI. The documents identified during the course of the review, including those from the original seven boxes, have been reclassified or destroyed, as appropriate.

III. ACTIONS TAKEN TO PREVENT RECURRENCE

Procedure and program changes in place since 1992 to prevent improper handling of SGI include:

1. A division wide procedure, NIP-SAF-01, Control of Safeguards Information, was issued to establish consistent controls and responsibilities.
2. Training is required for personnel who handle SGI to ensure understanding of responsibilities for developing, storing, and handling SGI.
3. Single point accountability is maintained by Security for SGI determination.
4. An annual review is now performed to reinforce understanding of responsibilities and requirements for personnel authorized access to SGI.



Additional Preventive Actions Include:

1. Actions were implemented to perform regular reviews of the status of current Safeguards Event Log entries and associated Deviation/Event Reports to ensure appropriate management review should conditions change.
2. The SGI Custodian communicated this event to personnel authorized access to SGI to remind personnel of the importance of self-checking when handling SGI.

IV. DATE OF FULL COMPLIANCE

Full compliance was achieved on May 8, 1998, when the review of records was completed and SGI found in the records management vault was taken into custody by Security. The records management vault had previously been classified as a SGI repository and records management personnel were trained and qualified to handle SGI by April 14, 1998.



CATEGORY 1

REGULATORY INFORMATION DISTRIBUTION SYSTEM (RIDS)

ACCESSION NBR: 9806290065 DOC. DATE: 98/06/19 NOTARIZED: NO DOCKET #
FACIL: 50-220 Nine Mile Point Nuclear Station, Unit 1, Niagara Powe 05000220
50-410 Nine Mile Point Nuclear Station, Unit 2, Niagara Moha 05000410
AUTH. NAME: AUTHOR AFFILIATION
MUELLER, J.H. Niagara Mohawk Power Corp.
RECIP. NAME RECIPIENT AFFILIATION
 Document Control Branch (Document Control Desk)

SUBJECT: Responds to violations noted in inps rept 50-220/98-08 & 50-410-98-08. Corrective actions: security took possession of seven boxes containing project file, secured boxes in Safeguards Info (SGI) & trained & qualified mgt on SGI.

DISTRIBUTION CODE: IE01D COPIES RECEIVED: LTR 1 ENCL 1 SIZE: 5
TITLE: General (50 Dkt) - Insp Rept/Notice of Violation Response

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	AEOD/TTC	1 1	DEDRO	1 1
	FILE CENTER	1 1	NRR/DRCH/HHFB	1 1
	NRR/DRPM/PECB	1 1	NRR/DRPM/PERB	1 1
	NUDOCS-ABSTRACT	1 1	OE DIR	1 1
	OGC/HDS3	1 1	RGN1 FILE 01	1 1
EXTERNAL:	LITCO BRYCE, J H	1 1	NOAC	1 1
	NRC PDR	1 1	NUDOCS FULLTEXT	1 1

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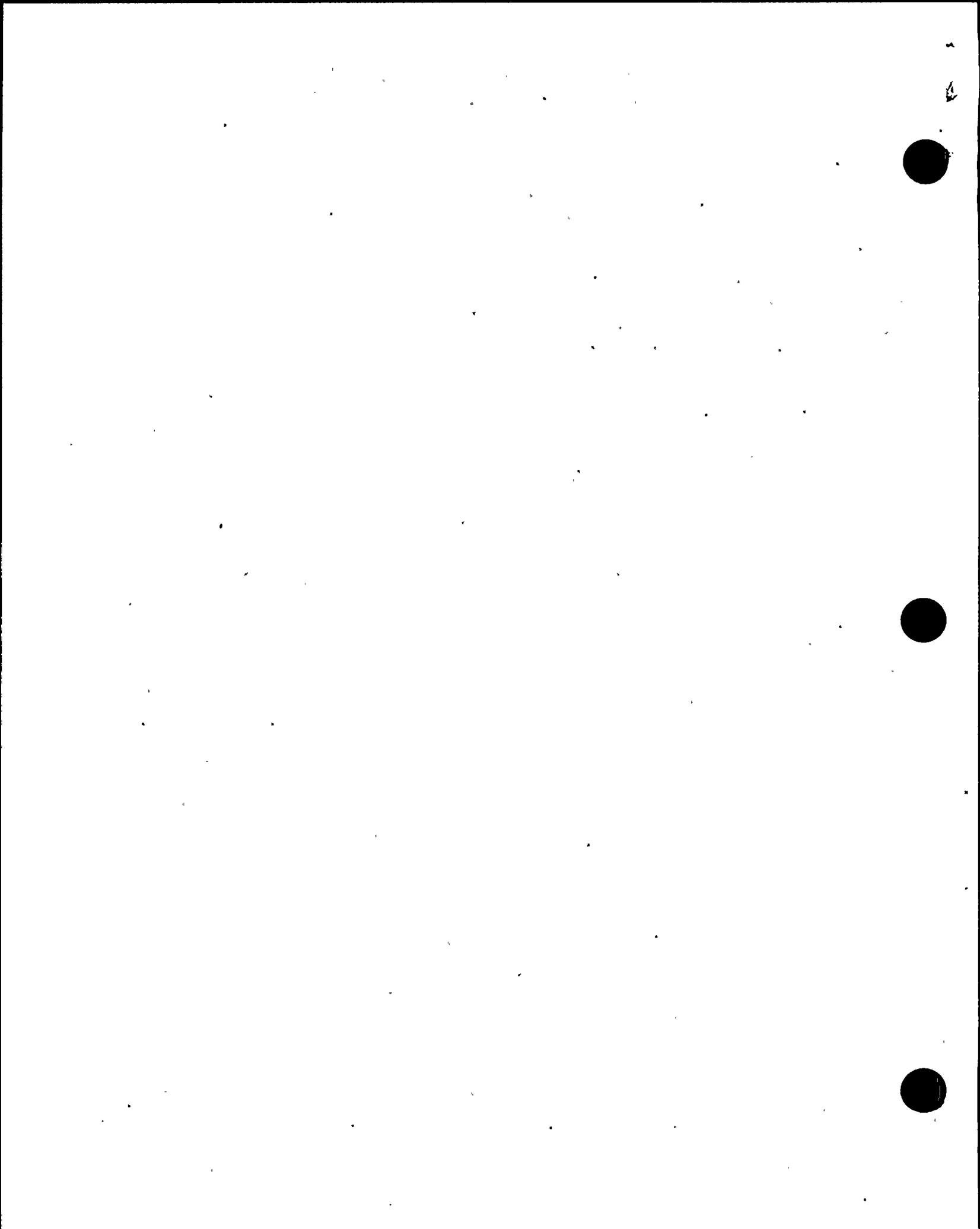
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Q PDR



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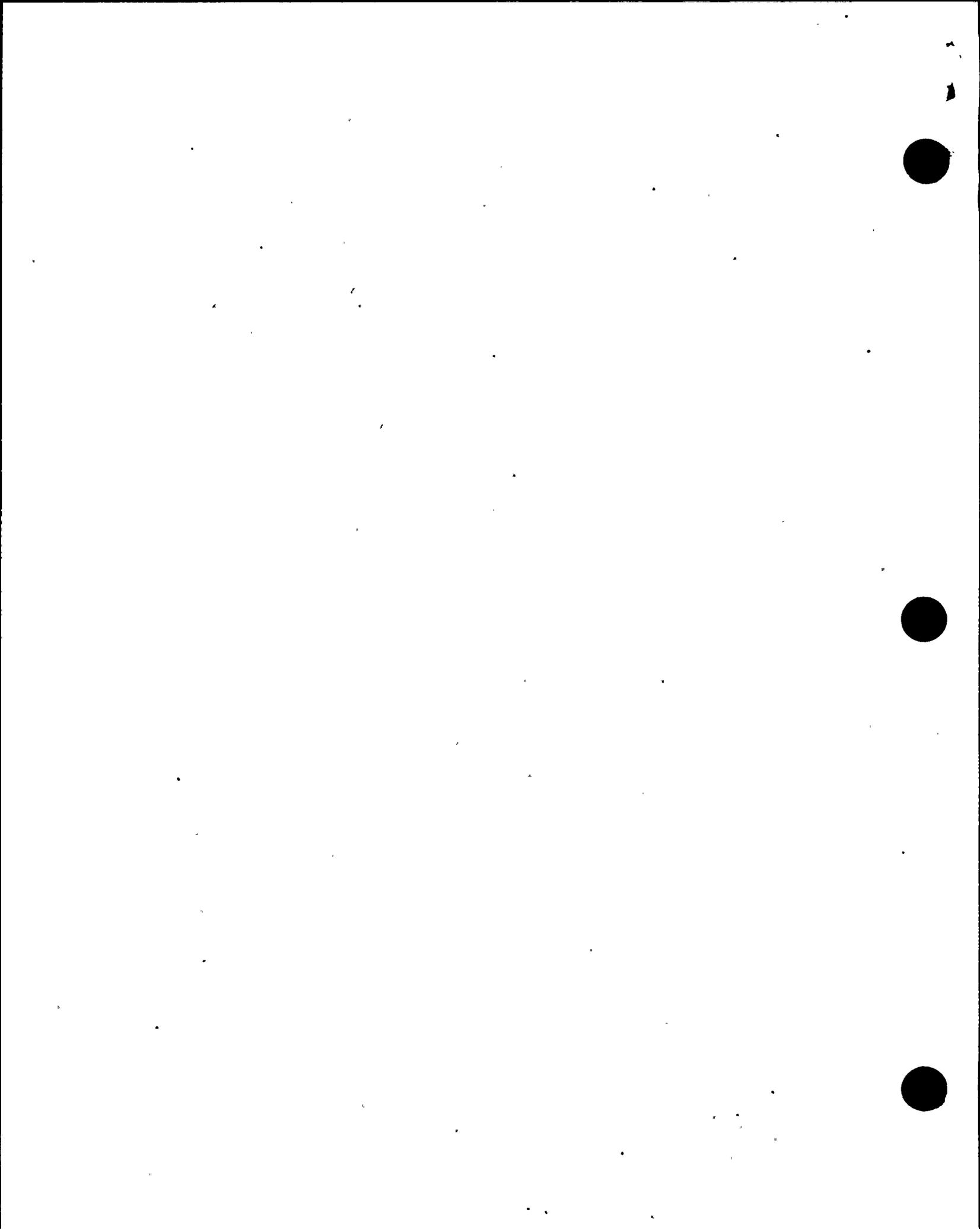
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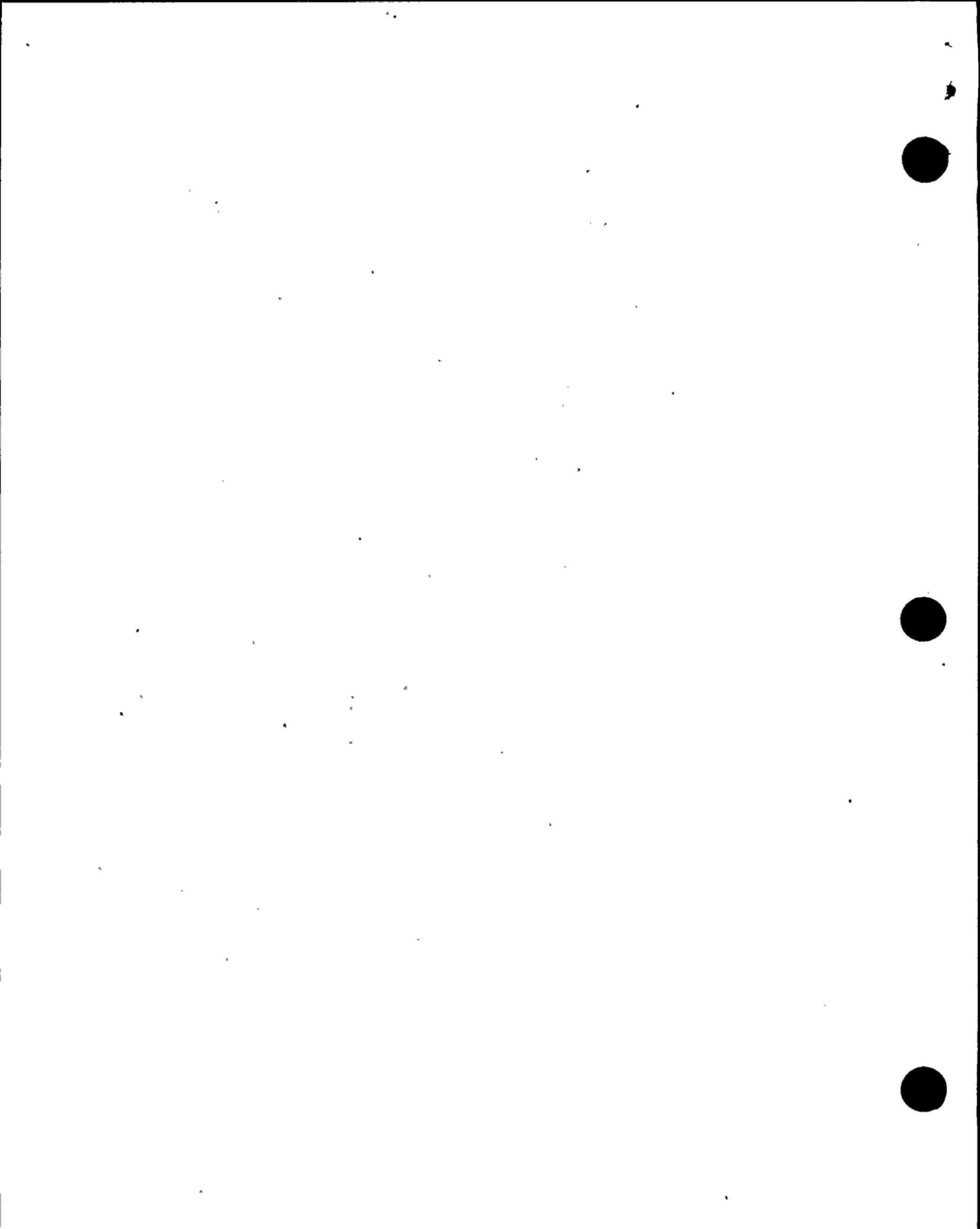
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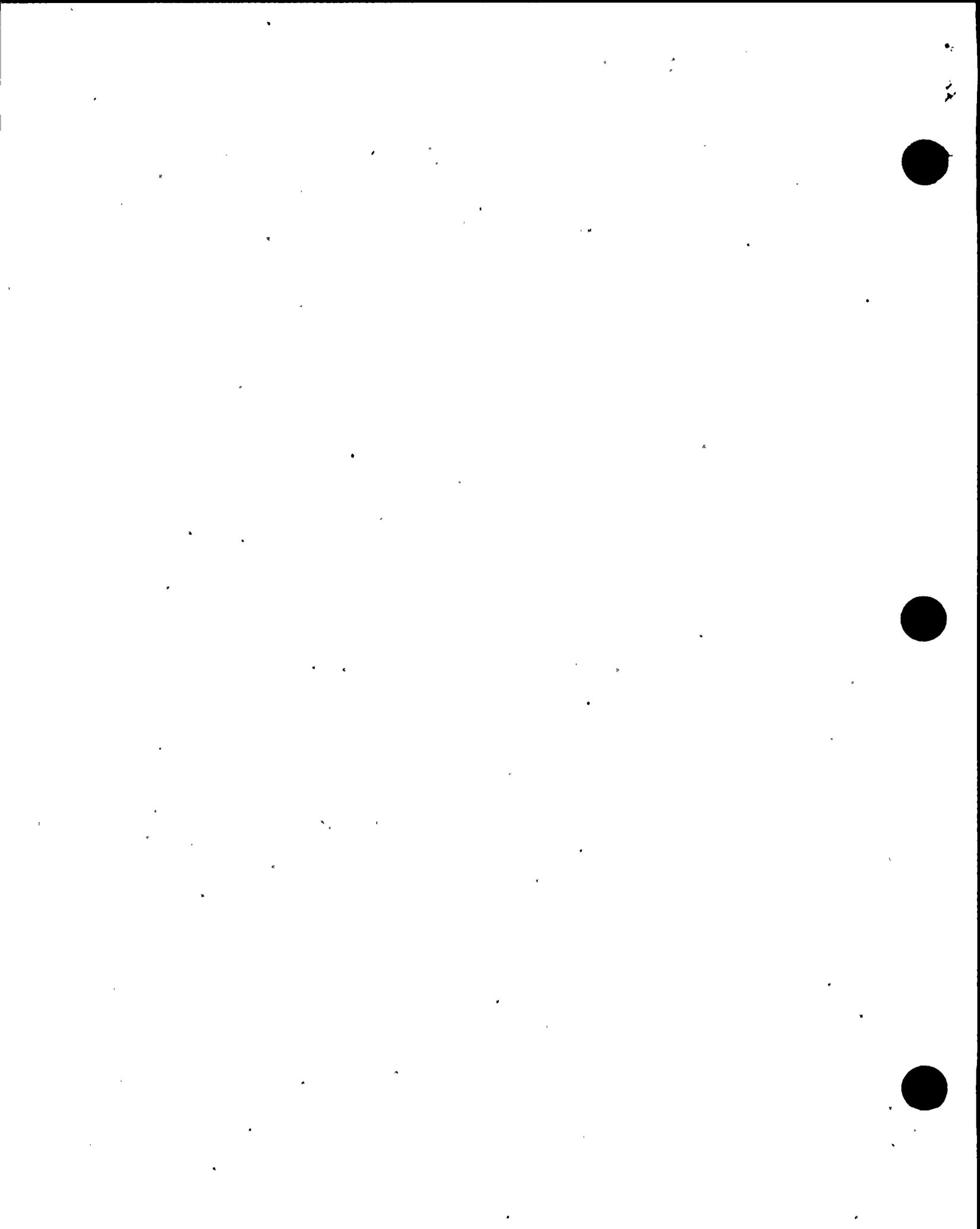
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