

FEB 13 1990

In Reply Refer To:
Docket: STN 50-482/89-26

Wolf Creek Nuclear Operating Corporation
ATTN: Bart D. Withers
President and Chief Executive Officer
P.O. Box 411
Burlington, Kansas 66839

Gentlemen:

This refers to the meeting conducted at our request in your Wichita corporate office on January 11, 1990. This meeting related to activities authorized by NRC Operating License NPF-42 for the Wolf Creek Generating Station, and was attended by those listed on the enclosed attendance list.

The subjects discussed at this meeting are described in the enclosed Meeting Summary.

It is our opinion that this meeting was beneficial and has provided a better understanding of the issues involved.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter will be placed in the NRC's Public Document Room.

Should you have any questions concerning this matter, we will be pleased to discuss them.

Sincerely,

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Samuel J. Collins, Director
Division of Reactor Projects

Enclosures:

1. Meeting Summary
2. Attendance List
3. Licensee Handout

cc w/Enclosures:

Wolf Creek Nuclear Operating Corp.
ATTN: Gary Boyer, Plant Manager
P.O. Box 411
Burlington, Kansas 66839

RIV:C:SEPS
DAPowers/ch
2/17/90

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LAYandell
1/90

DD:DRSS
ABBeach
2/12/90

D:DRR
SJCollins
2/12/90

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PDR ADOCK 05000482
G PNU

IE45 111

Shaw, Pittman, Potts & Trowbridge
ATTN: Jay Silberg, Esq.
1800 M Street, NW
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Public Service Commission
ATTN: Chris R. Rogers, P.E.
Manager, Electric Department
P.O. Box 360
Jefferson City, Missouri 65102

U.S. Nuclear Regulatory Commission
ATTN: Regional Administrator, Region III
799 Roosevelt Road
Glen Ellyn, Illinois 60137

Wolf Creek Nuclear Operating Corp.
ATTN: Otto Maynard, Manager
Regulatory Services
P.O. Box 411
Burlington, Kansas 66839

Kansas Corporation Commission
ATTN: Robert Elliot, Chief Engineer
Utilities Division
4th Floor - State Office Building
Topeka, Kansas 66612-1571

Office of the Governor
State of Kansas
Topeka, Kansas 66612

Attorney General
1st Floor - The Statehouse
Topeka, Kansas 66612

Chairman, Coffey County Commission
Coffey County Courthouse
Burlington, Kansas 66839

Kansas Department of Health
and Environment
Bureau of Air Quality & Radiation
Control
ATTN: Gerald Allen, Public
Health Physicist
Division of Environment
Forbes Field Building 321
Topeka, Kansas 66620

Wolf Creek Nuclear Operating Corporation

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U.S. Nuclear Regulatory Commission
ATTN: Senior Resident Inspector
P.O. Box 311
Burlington, Kansas 66839

U.S. Nuclear Regulatory Commission
ATTN: Regional Administrator, Region IV
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76011

bcc w/Enclosures:
bcc to DMB (IE45)
R. D. Martin
A. B. Beach
L. A. Yandell
Resident Inspector
SEPS File
D. A. Powers
DRP File
Section Chief, DRP/D
RIV File
Project Engineer, DRP/D
DRS
P. O'Conner, NRR Project Manager
A. B. Earnest
R. A. Caldwell

ENCLOSURE 1

MEETING SUMMARY

Licensee: Wolf Creek Nuclear Operating Corporation

Facility: Wolf Creek Generating Station

License No.: NPF-42

Docket No.: 50-482

SUBJECT: MANAGEMENT CONFERENCE TO DISCUSS WCNOG PROGRAM TO
CONTROL SAFEGUARDS INFORMATION

A management conference was held at NRC's request to discuss the licensee's program for controlling safeguards information (SGI). The NRC concerns on SGI controls arose from inspection findings that were documented in NRC Inspection Report 50-482/89-26. During the meeting, discussions were held concerning these licensee-identified events that occurred over the past 2 years when SGI was potentially compromised at the WCNOG corporate offices and the Wolf Creek Generating Station. Also discussed were the licensee's previous and current corporate facilities and the protection afforded for ensuring the proper handling of SGI at those facilities. A tour of the current corporate offices was also provided. The licensee presented their new methodology for evaluating the need for logging and reporting events involving potential compromise of SGI.

As a result of the subject events, the licensee has established two successive task forces to investigate the SGI control program, issued an SGI stop work order, and issued Corrective Action Request 26. The WCNOG SGI enhancement program resulting from the licensee's current evaluations are the centralization of storage and control over corporate SGI documents, the reduction of SGI documentation, and revision of the main procedure that establishes the responsibilities and activities for controlling SGI. Other activities underway include staff training and improved quality assurance trending. The licensee anticipates completion of the enhancement program in July 1990.

The NRC staff committed to provide at a later date reporting clarification in response to a licensee question. The question concerned the time afforded to the licensee to report pursuant to 10 CFR 73.71 to NRC an event wherein a compromise of SGI has occurred. Specifically, the licensee questioned the time permitted to evaluate and establish the significance of the compromised SGI after the actual discovery of the event. After consultation with NRC program office personnel, the staff responded to the licensee that as specified in NUREG-1304, "Reporting of Safeguards Events," missing SGI that is significant in that it could significantly assist a person in an act of radiological sabotage or theft of special nuclear material should be reported within 1 hour of discovery.

ENCLOSURE 2

ATTENDANCE LIST

Attendance at the WCNOC - NRC Meeting on January 11, 1990, at the WCNOC Wichita office.

WCNOC

Harold Chernoff, Supervisor, Licensing
Merlin G. Williams, Manager, Plant Support
John W. Johnson, Chief of Security
W. Mike Lindsay, Manager, Quality Assurance (QA)
Dave Peavler, QA Specialist III
Forrest Rhodes, Vice President, Engineering & Technical Services
Jack Pippin, Manager, Nuclear Power Engineering (NPE)
R. Kevin Steinbroek, NPE Engineer
Ed Asbury, Supervisor, Configuration Management
Gene Rathbun, Manager, NPE-Wichita
John Goodwin, Manager, Management Systems
Robert C. Hagan, Manager, Nuclear Services

NRC

L. A. Yandell, Deputy Director, Division of Radiation Safety and Safeguards (DRSS)
D. A. Powers, Chief, Security and Emergency Preparedness Section, DRSS

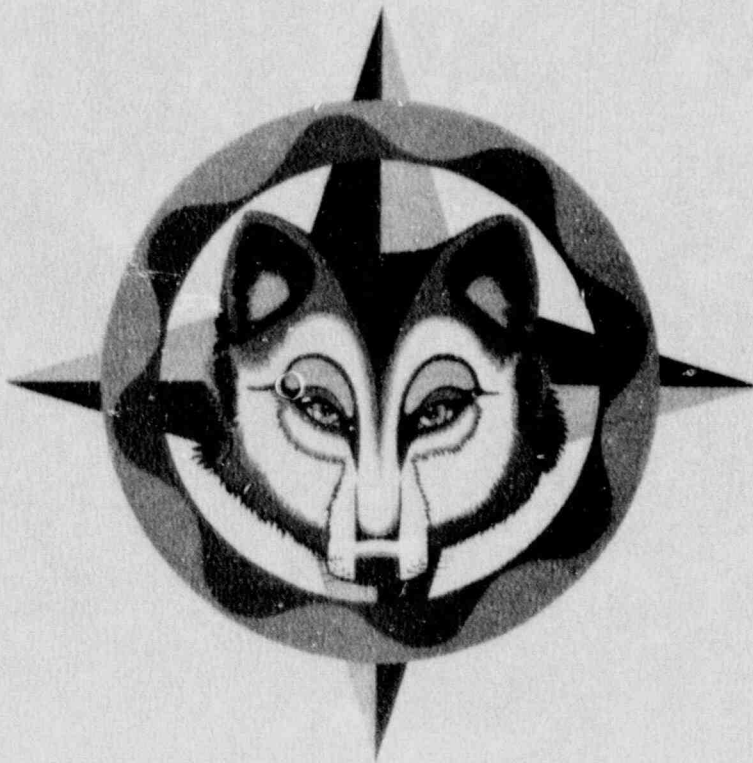
However, if the significance of the missing SGI is not apparent, the licensee is expected to actively pursue such a determination upon discovery. It is not the NRC staff's intent that a licensee report compromised SGI without first establishing the significance of such SGI. The NRC staff recognizes that to establish the significance of some events will require time to acquire a copy of or reconstruct the missing documentation and then to perform an evaluation of the documentation.

Dale A. Powers

Dale A. Powers, Chief
Security and Emergency
Preparedness Section

ENCLOSURE 3

WCNOC MEETING WITH NRC REGION IV
ON
SAFEGUARDS INFORMATION CONTROL



JANUARY 11, 1990

WOLF CREEK
NUCLEAR OPERATING CORPORATION

NRC MEETING AGENDA

I. INTRODUCTION

II. FACILITY DESCRIPTIONS/TOUR

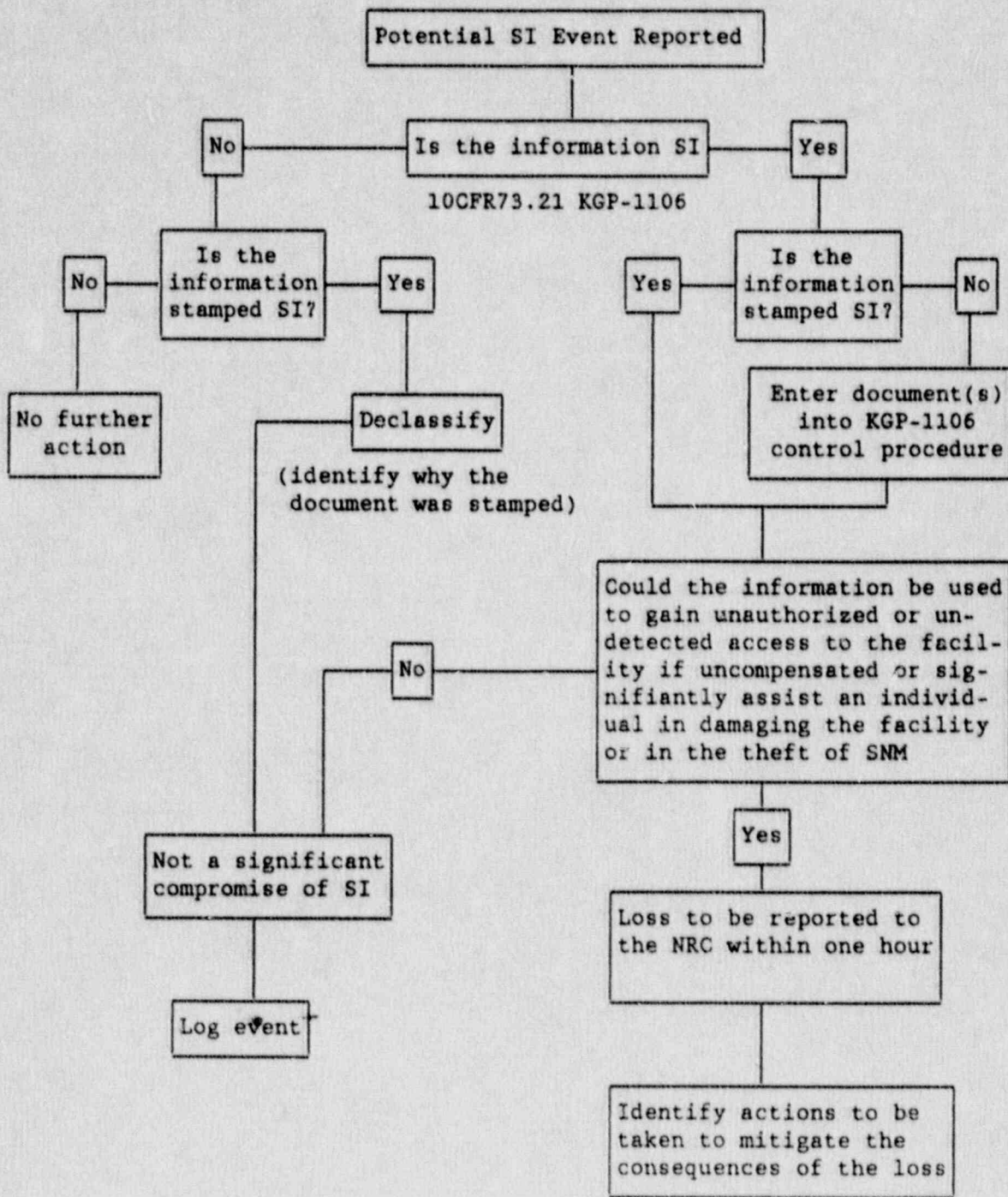
III. SIGNIFICANCE DETERMINATIONS

IV. OPEN DISCUSSION OF SELECTED EVENTS

V. WCNOC SI CONTROL ENHANCEMENTS

VI. CONCLUSION

SIGNIFICANCE REVIEW



SIGNIFICANCE REVIEW

Things to evaluate to determine significance

1. Where did the event occur? Evaluate the people who may have had access.
2. How long was the information uncontrolled?
3. Has there been any attempt to sabotage the plant?
4. If the information represents only the design features of the Physical Protection System, does it reflect substantial amounts of information to allow an adversary to breach the layered electronic surveillance/detection system and elude the Physical Protection Program (Physical Security Forces) to gain access to the Protected Area (PA) and ultimately Vital Areas (VA) without interdiction to either steal SNM or sabotage the plant.
5. If the information represents only the Physical Protection Program, does it reflect substantial amounts of information to allow the adversary to circumvent the response force from interdiction and allow the adversary to gain access to the PA and ultimately the VA's to either steal SNM or sabotage the plant.
6. If both types of information are represented, is substantial amounts of both types available to bypass the layered designed Physical Protection Features and elude the response of the Physical Protection Program to either steal SNM or sabotage the plant.

If questions 4, 5 or 6 can be answered yes a significant compromise has occurred and a one hour report to the NRC is required. (one hour from the discovery of the event)

SINCE NO COMPENSATORY MEASURE CAN ADEQUATELY COMPENSATE FOR A COMPROMISE OF SAFEGUARDS INFORMATION -- DOCUMENT WHAT ACTIONS ARE TO BE TAKEN TO MITIGATE THE CONSEQUENCES OF THE LOSS.

The above review shall be completed by personnel cognizant of the content of the material. (i.e. Security to review information related to the specifics of the Physical Protection Program and NPE to review the information related to the design features of the electronic surveillance/detection system). Concurrence with the findings of the review between both groups is required before the review can be approved.

WCNOC SI ENHANCEMENTS

<u>FINDING</u>	<u>CORRECTIVE ACTION</u>	<u>COMPLETION DATE</u>
<p>A. Safeguards Information Protection: Inability to adequately protect safeguards information.</p>	<p>1. Upgrade KGP-1106</p> <p>a. Clearly establish:</p> <ol style="list-style-type: none"> 1. Responsibility 2. Authority 3. Accountability 4. Security Investigation Report required for all events and control problems 5. Training requirements for general employees and SI workers <p>b. Review for level of readability</p>	03/15/90
<p>Root Cause: Poor governing procedure, lack of adequate training to improve understanding of the procedure and an indifferent attitude toward safeguards information protection.</p>	<p>2. Training</p> <p>a. Conduct GET training on how to recognize SI and what to do if found unattended</p> <p>b. Specific training for SI workers on an annual basis or KGP-1106 major revisions</p>	07/30/90
<p>B. SI Event Precursors and Ineffective Corrective Actions: Failure by Management/QA to identify re-occurring events and establish proper corrective actions to be applied project wide.</p>	<p>1. Enhance QA trending activities and information distribution for safeguards information problems.</p>	06/30/90
<p>Root Cause: Lack of available trending data concerning SI event precursors and an indifferent attitude toward safeguards information protection.</p>		

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| <p>C. Security Notification of SI Events:
Lack of procedural requirements for timely reporting of safeguard information control events to security.</p> | <p>1. Upgrade KGP-1106 to require timely reporting of an SI control event to the Chief of Security.</p> | <p>03/15/90</p> |
| <p>Root Cause:
Failure to recognize new reporting requirements for SI control events.</p> | <p>2. Upgrade KGP-1106 to require a written follow-up of event to security</p> | <p>03/15/90</p> |
| | <p>3. SI worker training to include requirement for timely reporting of SI control events</p> | <p>07/15/90</p> |
| <p>D. Security Compensatory Measures:
Failure to review in a timely manner a safeguards information control event for significance to initiate measures to mitigate the consequences of the loss as required.</p> | <p>1. Formalize significance review guidelines</p> | <p>03/31/90</p> |
| | <p>2. Develop procedures to document compensatory measures taken for SI control events</p> | <p>02/02/90</p> |
| <p>Root Cause:
Failure to identify the need to establish a formalized (documented) significance determination procedure.</p> | | |
| <p>E. Applicability Review for Reporting SI Events:
A review is needed to establish if all new security reporting requirements have been reflected into WCGS procedures.</p> | <p>1. Review Regulatory Guide 5.62 and NUREG 1304 to determine if other possible omissions occurred in addition to the proper reporting of SI control events</p> | <p>02/02/90</p> |
| <p>Root Cause:
Failure to proceduralize new reporting requirements for SI control events.</p> | | |
| <p>F. SI Magnetic Media Errors:
Lack of provisions to allow accountability of all documents contained on magnetic media and to properly handle safeguards information on magnetic media.</p> | <p>1. KGP-1106 upgrade to include requirements for handling magnetic media</p> | <p>03/15/90</p> |
| | <p>2. SI worker training to include instruction on magnetic media handling</p> | <p>07/15/90</p> |
| <p>Root Cause:
Failure to recognize the need to document and properly handle information contained on magnetic media.</p> | | |