U. S. NUCLEAR REGULATORY COMMISSION

REGION V

Report Nos.	50-528/90-49, 50-529/90-49, 50-530/90-49
Docket Nos.	50-528, 50-529, and 50-530
License No.	NPF-41, NPF-51 and NPF-74
Licensee:	Arizona Nuclear Power Project P.O. Box 52034 Phoenix, Arizona 85072-2034
Facility Name:	Palo Verde Nuclear Generating Station, Units 1, 2 and 3
Inspection at:	Wintersburg, Arizona
Inspection conducted:	December 3-28, 1990
Type of Inspection:	Initial, Fitness-for-Duty

Inspectors: M D Schuster 1/23/91
M. D. Schuster, Sr. Physical Security Inspector — Date Signed

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L. R. Norderhaug, Sr. Physical Security Inspector — Date Signed

Accompanying Personnel: L. Bush, NRR

Approved by: James R Reese 1/30/91
James Reese, Chief, Safeguards, Emergency Preparednesses and Non-Power Reactor Branch — Date Signed

Inspection Summary:

Areas Inspected: This initial, announced inspection examined the licensee's Fitness for Duty (FFD) Program as required by 10 CFR Part 26. Specifically, the licensee's written policies and procedures, program administration, training, onsite collection facility and key management personnel responsible for the FFD program were reviewed. The inspectors used NRC Temporary Instruction 2515/106, "Fitness for Duty: Initial Inspection of Implemented Program" dated July 11, 1990.

Results: Based upon the NRC's selective examination of the licensee's FFD program, it has been concluded that the licensee is satisfying the general objectives of 10 CFR Part 26. One licensee-identified violation was reviewed concerning failure to contract with a HHS-certified laboratory and failure to evaluate another HHS-certified laboratory prior to awarding a contract (inspection report details paragraph 5.d). This violation is not being cited because the criteria specified in NRC's Enforcement Policy, 10 CFR Part 2,

Appendix C, were satisfied. The following strengths and weaknesses were identified:

Strengths

1. Licensee management displayed strong support of the program.

2. The licensee's use of a lower cutoff level for marijuana and testing for a larger number of drugs than required by 10 CFR Part 26.

3. The licensee's strong self-assessment program which included Quality Assurance audits, internal and external reviews, and a full time FFD auditor.

4. The professionalism and expertise of the licensee's Medical Review Officer, Fitness for Duty Supervisor, Employee Assistance Program Specialist and the Senior Industrial Nurse.

5. Security Investigator's interview of all persons testing positive.

Weaknesses

1. Some Fitness-for-Duty procedures need updating (inspection report details, paragraph 2).

2. High turn over of Medical Review Officers (inspection report details, paragraph 3.c).

3. Lack of random testing on weekends (Licensee identified, inspection report details, paragraph 5.a).

REPORT DETAILS

1. Key Persons Contacted

*B. Adney, Plant Manager, Unit 3
*J. Bailey, VP Nuclear Safety and Licensing
R. Bouquot, Coordinator, Quality Monitoring
*T. Bradish, Acting Compliance Manager
*L. Brockhurst, VP Human Resources
*P. Caudill, Director, Site Services
*K. Clark, Senior Engineer
*W. Conway, Executive Vice President, Nuclear
*K. Davis, Director, Human Resources
*E. Dotson, Director Engineering and Construction
*J. Draper, Southern California Edison
E. Firth, Manager, Training
*R. Fullmer, Manager, Quality Audits and Monitoring
*S. Guthrie, Deputy Director, QA
*K. Hall, El Paso Electric
*R. Hazelwood, Supervisor, Quality Assurance
*D. Hiller, Supervisor, FFD
S. Kindall, EAP Analyst
F. Larkin, Manager, Security
*J. Levine, VP Nuclear Production
*M. Maddix, Senior Nurse, FFD
*W. Marsh, Nuclear Production
*C. McClain, Supervisor, Training
*R. Rogalsh, QA Audit Supervisor
*R. Rouse, Supervisor Compliance
*B. Whitney, Corporate Security Compliance Investigator
*P. Wiley, Operations Manager, Unit 3

NRC

*L. Bush, NRR

The above individuals denoted with an asterisk were present during the exit meeting on December 6, 1990. The inspectors also contacted other members of the licensee and contractor staffs, both supervisors and non-supervisors, during the course of this inspection.

2. Licensee's Written Policies and Procedures

The licensee's "Fitness For Duty Program/Policy", 01PR-0EM02, Revision 4, establishes a program that provides reasonable assurance that plant and company personnel are not physically or mentally impaired in any way that adversely affects their ability to safely and competently perform their duties. The program assigns specific direction and responsibility to licensee management and staff personnel, the Medical Review Officer (MRO) and contractor representatives and personnel.

The inspectors reviewed the following procedures and found them to be thorough and comprehensive:

Fitness for Duty Testing, Revision 3
Drug and Alcohol Testing, Collection and Evaluation, Revision 3
Random Selection and Notification, Revision 2
Continual Behavior Observation, Revision 1
Fitness for Duty Administration Personnel, Training and Qualification, Revision 0
Drug and Alcohol Testing and Collection Procedure, Off-Site Collection Stations, Revision 0
Cobas "Mira" Equipment Operation and Quality Control, Revision 1
Operation of Intoxilizer-5000, Revision 1

During this review process some procedures were determined to be in need of updating. Examples discussed with the licensee were:

- Lack of a specific written procedure that discusses notification time to persons selected for drug testing and time limits for the person to report to the collection facility. Based on interviews with several licensee employees it appears the practice is to notify the person's supervisor who, in turn, gives the person selected for testing no more than two hours advance notice to report to the collection facility. While the present practice appears to work well, there were some cases where the two hour limit was not followed or not understood.

- The time notified section on the "Random Notification for Drug Screening" form (PV727-00B[11-89]) was not being completed in all cases.

- Use or misuse of over-the-counter drugs (OTC) were not included in the written FFD procedures. It was determined, however, through interviews and an examination of the training program, that sufficient cautions on the use or misuse of OTC's had been included.

- Procedures for randomly testing those with infrequent access should be clarified. It was determined that there were a group of employees/contractors that had been selected for testing, but were not tested due to non-availability. The licensee's random selection system is based on the issuance of the unescorted access badge (ACAD's). A review of the utilization of those badges revealed that 250 badges had not been used for a three month period and for a six month period 104 had not been used. Present procedures do not address that type of infrequent access. It is possible however, that some of those not using their badges may have been tested. The licensee agreed to review infrequent access as it relates to the FFD program. The use or non use of ACAD's and the present recertification process, accomplished by the security organization each 30 days, may also need to be reviewed.

The weaknesses in the above FFD procedures and practices indicated a need to conduct a review. In the exit interview the licensee staff indicated that they would review the above procedures and practices and take appropriate action.

3. Program Administration

a. Responsibilities

The purpose, scope and responsibility for the FFD Program is clearly defined and described in the licensee's procedure 01PR-OEM02. The Director, Human Resources is responsible for ensuring the proper implementation of this program/policy while the FFD Supervisor is responsible for the day-to-day administration of the program. This includes the administration of the Continual Behavioral Observation, FFD testing, Random Selection and Notification, Drug and Alcohol Testing, Collection and Evaluation, FFD Administration, Personnel Training, Qualification and Collection at Off-Site Stations. Based on interviews of personnel, the present organization is effective.

b. Management Responsibilities

Interviews with the different levels of the FFD staff indicated that they were trained, aware of their responsibilities and were dedicated to the success of the program.

c. Program Resources

Program resources appeared adequate. Through interviews and direct observation the inspectors considered the professionalism and expertise of the present Medical Review Officer, the Fitness for Duty Supervisor, and Senior FFD Nurse as a significant strength.

The licensee is experiencing a high turn over of Medical Review Officers (MRO). During the inspection the inspectors were informed that the present MRO would be leaving. The licensee has contracted with the following three medical organizations to provide MRO service: August 1989 - January 1990, MBI Industrial Medicine Inc.; February 1990 - September 1990, Corporate Medical Group; and October 1990 - Present, PMH Inc. In a discussion with the licensee on December 28, 1990, Region V was informed that the present MRO will be retained until March 1991. The licensee is exploring a six month rotational MRO assignment with their present medical contractor. The frequent turn over of MRO's, which could provide a qualification problem, was identified as a program weakness.

The FFD collection facility, located outside the protected area, appears to be adequate in size, equipment, and security to meet the objectives of the current program. Access to the facility is controlled either by the FFD clerk or a medical technician during normal working hours. The facility is protected by adequate walls, doors, locks and an active alarm system that announces at security headquarters during hours when the facility is closed. The licensee staffs the FFD collection facility with laboratory technical personnel who are employees of the licensee. These employees are supervised by the Senior FFD Nurse. Based on interviews, review of their procedures and direct observations, these employees appear to be well trained and qualified for their duties.

An additional strength of the FFD program was the fact that security investigators interview all persons testing positive. This takes place on site, shortly after the MRO interview. The purpose is to identify on site usage or sale or other persons that may be involved with illegal drugs.

The licensee has a second FFD collection facility, which was not inspected, at their downtown offices in Phoenix. An additional collection facility is planned which will be located within the protected area by the Unit 2 Maintenance Building.

d. Employee Assistance Program (EAP)

The inspectors determined through interviews, observations, and examinations that the EAP offers short-term counseling, assessment, referral services and treatment monitoring. This program also offers internal employee assistance and external assistance through a local hospital. The EAP Analyst is responsible for and conducts FFD initial training for supervisors and is responsible for oversight of the refresher training. The expertise, professionalism and caring attitude of the present EAP Analyst is considered a program strength.

e. Worker Awareness

The inspectors interviewed 16 personnel subject to the licensee's FFD program. Employees and contractors interviewed were knowledgeable of the FFD policy. These personnel were selected using the licensee's computer-generated, random selection system, and included licensee and contractor supervisors and employees. Most of the personnel had been selected one or more times for FFD testing and all expressed the opinion that the FFD program was acting as a deterrent for drug abuse and that management was serious about "Zero Tolerance" for drug abuse. Those personnel that had been tested felt that their individual rights and privacy had been adequately protected under this program.

4. Training

The licensee's FFD training program, for supervisors, escorts and plant employees appears to be adequate. Interviews with licensee and contractor supervisors and employees indicated they were knowledgeable of the the FFD program and related sanctions.

5. Key Program Processes

a. Testing

By letter dated January 2, 1990, the licensee notified the NRC that the FFD Program was implemented and met the requirements of 10 CFR 26. They also advised that their cutoff levels for some drugs were more stringent than required. The licensee's cutoff levels for screening are 20 ng/ml for marijuana metabolites and 300 ng/ml for amphetamines. In addition, the licensee tests for benzodiazepines and barbiturates which are not required by 10 CFR Part 26. The

cutoff levels for both drugs is 300 ng/ml. The use of lower cutoff levels and the testing for additional drugs was identified as a program strength.

The licensee uses a computer-generated, random process to select employees and contractors for FFD testing. The program consists of two groups: Group I consists only of persons eligible for FFD testing that have never been selected, and group II consists of all personnel eligible for FFD testing. Persons eligible for FFD testing consist of those persons badged for unescorted access to the protected area which includes those persons identified to respond to the Emergency Operations Center. The licensee's random number generator selects approximately 50% from each group. As the groups fluctuate in numbers so does the selection percentage. The plant population is entered into Group II daily, Monday through Friday. Interviews with the computer programmer and users determined that there were sufficient safeguards in effect to adequately protect the system against compromise of the mechanics or the results of the selection process.

The licensee's random testing process, applied after January 3, 1990, for weekends was as follows:

WEEKENDS	TOTAL TESTED
Sat. 9/29/90	2
Sun. 10/07/90	5
Sun. 11/18/90	3
Sat. 12/01/90	2

While the licensee had identified and started corrective actions for its lack of testing on weekends prior to mid-September, the above testing rate is considered disproportionate to the number of persons available for testing as compared to the normal workday testing rate. Therefore, it was identified as a program weakness. The normal and backshift work day random testing was considered excellent.

b. Chemical Testing

Licensee records indicated that from January to December 1990, the licensee had an average population with unescorted access of 3,450 and conducted 3,762 random tests for a random test rate to date of 109%. There were 11 confirmed positive tests. All positive tests were handled in accordance with the licensee's procedures and 10 CFR Part 26.

c. Records and Reports

A system of files and procedures to protect personal information contained in FFD related records had been developed. Such records were used and stored in an appropriate manner. Access to these records is strictly limited to those who have a job-related "need-to-know."

The results of positive tests from the HHS-certified laboratory are electronically transmitted via a secure facsimile (fax) machine to a terminal in the MRO's office which is kept locked. Only the MRO and the Senior FFD Nurse have a key to the MRO's office.

Upon receipt from the laboratory of a positive drug urinalysis test, the MRO reviews all collection records and interviews the person that provided the specimen. If the MRO determines the person to be a confirmed user of illegal drugs, he immediately notifies the FFD coordinator. If the MRO determines that the person has not used drugs illegally, the licensee is not notified of any positive laboratory test results.

d. Self Assessment

Considered a strength was the licensee's self-assessment program. The program includes a full-time auditor assigned within the FFD organization, as well as the following Nuclear Quality Assurance assessments, and internal and independent external reviews of the FFD program:

Internal Audit - December 14, 1989 to March 16, 1990
Monitoring Report - January 16, 1990
Monitoring Report - January 23, 1990
Monitoring Report - February 24, 1990
Evaluation of Policies and Procedures - March 1, 1990
Monitoring Report - June 5, 1990
Monitoring Report - June 14, 1990
Monitoring Report - October 19, 1990
Independent Audit - October 1990 to November 1990 (conducted by Bensinger, DuPont & Associates)
Monitoring Report - November 29, 1990
Monitoring Report - November 30, 1990

The licensee's internal audit, as denoted above, identified the fact that, contrary to 10 CFR Part 26.24 (f), the licensee had contracted with a laboratory (BPL Inc.) which was not HHS-certified. While BPL had subcontracted to a HHS-certified Lab (LSI), LSI had not been evaluated prior to the contract as further required by 10 CFR Part 26, Appendix A, 2.7 (m).

On January 22, 1990, the date of discovery, the licensee stopped shipping samples to BPL. The licensee conducted a pre-award contract audit of LSI during the period January 29, 1990 through February 1, 1990 and subsequently awarded them the contract for the FFD testing. During the same pre-award audit of LSI, the licensee conducted an audit of BPL and determined that chain-of-custody procedures between the two labs had been properly complied with.

During the January 1990 period, there had been one positive test which was reverified as a result of the audit. The inspectors determined that the licensee's actions were complete and appropriate; accordingly, we have no further questions.

The failure to comply with the above parts of 10 CFR Part 26 was identified in the exit meeting as a violation. This violation is not being cited, because the criteria specified in NRC's Enforcement Policy, 10 CFR Part 2, Appendix C, Part V.G.1. were satisfied. (NCV 50-528/90-49-01)

All other deficiencies and observations, with the exception of the findings of the most recent audits and monitoring reports (which have been included in the licensee's followup program), had been corrected and appeared adequate and appropriate to promote long-term improvements in the FFD program.

6. Entrance and Exit Interview

The inspectors met with the licensee representatives on December 3, 1990, to review the scope and schedule of the inspection. On December 6, 1990, the inspection results were summarized with those persons indicated in paragraph 1. The licensee-identified violation and program strengths and weaknesses identified in the inspection were discussed with the licensee.