

SAFEGUARDS INFORMATION

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JUL 4 1991

Docket No. 50-266
Docket No. 50-301

Wisconsin Electric Power Company
ATTN: Mr. C. W. Fay
Vice President
Nuclear Power
231 West Michigan Street - P379
Milwaukee, WI 53201

Dear Mr. Fay:

This refers to a reactive inspection conducted by Mr. T. J. Madeda of this office between May 21 and June 10, 1991, of activities at the Point Beach Nuclear Power Plant authorized by NRC Operating Licenses No. DPR-24 and No. DPR-27 and to the discussion of our findings with Mr. G. Maxfield and other members of your staff on June 10, 1991.

The enclosed copy of our inspection report identifies the areas examined during this inspection. Within these areas, the inspection consisted of a selective examination of procedures and representative records, observations, and interviews with personnel. Our review involved an evaluation of specific concerns relating to your security training program, implementation of compensatory measures, and some management actions relating to your security organization.

During this inspection, certain of your activities appeared to be in violation of NRC requirements, as specified in the enclosed Notice. A written response is required. The violation, which contains Safeguards Information, is discussed in the Attachment to this report.

The NRC is also concerned that a recent job action involving former contractor security employees may have a chilling effect on current contractor security personnel. We are concerned that security personnel might be deterred from identifying and reporting security related concerns they may have. Therefore, you are requested to provide this office, within 30 days of the date of this letter, a response which describes your actions, if any, taken or planned to assure that the previous employment action does not have a chilling effect in discouraging other contractor security employees from raising security and safety concerns in the future. The chilling effect is discussed in concern 4.d of this report.

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In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter and the Inspection Report will be placed in the NRC Public Document Room. In addition, other areas examined during this inspection concern a subject matter which is exempt from disclosure according to Part 73, Title 10, Code of Federal Regulations, Section 73.21(c)(2). This information must be handled and protected in accordance with the provisions of 10 CFR 73.21. Consequently, the Notice of Violation and Attachment to this report, and your response to the violation identified in the enclosure to this letter will not be placed in the NRC Public Document Room. Therefore, your statement of corrective action regarding the violation should be submitted as a separate enclosure to your transmittal letter in the manner prescribed.

The responses directed by this letter and the accompanying Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96.511.

We will gladly discuss any questions you have concerning this inspection.

Sincerely,

ORIGINAL SIGNED BY W. L. AXELSON

Charles E. Norelius, Director
Division of Radiation Safety
and Safeguards

Enclosures:

1. Notice of Violation
(SAFEGUARDS INFORMATION)
2. Inspection Reports
No. 50-266/91012(DRSS);
No. 50-301/91012(DRSS)
3. Attachment: As Stated
(SAFEGUARDS INFORMATION)

cc w/enclosures:

G. J. Maxfield, Plant Manager
NRR/DRIS/RSGB9D
NMSS/HIGDON/4E4
OE Director

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DCD/DCB (RIDS)
OC/LFDCB
Resident Inspector, RIII
Virgil Kanable, Chief
Boiler Section
Charles Thompson, Chairman
Wisconsin Public Service
Commission
Robert M. Thompson, Administrator
Chief, Radiation Protection Section
WI Department of Health and
Social Services

bcc w/enclosures:
Donald Funk

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