



## Nebraska Public Power District

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NLS960190  
October 25, 1996

U.S. Nuclear Regulatory Commission  
Attention: Document Control Desk  
Washington, D.C. 20555-0001

Gentlemen:

Subject: Response to Apparent Violations  
NRC Inspection Report No. 50-298/96-18  
Cooper Nuclear Station, NRC Docket 50-298, DPR-46

- References:
1. Letter to G. R. Horn (NPPD) from K. E. Brockman (USNRC) dated September 18, 1996, "NRC Inspection Report 50/298/96-18"
  2. Letter to Document Control Desk (USNRC) from P. D. Graham dated October 4, 1996, "Due Date Extension for NRC Inspection Report 50-298/96-18"
  3. Letter to US Nuclear Regulatory Commission - Region IV from G. R. Horn (NPPD) dated January 25, 1996, "Access Authorization - Allegations"

In Reference 1, the Nuclear Regulatory Commission (NRC) transmitted to the Nebraska Public Power District (District) the results of an inspection conducted from July 29 through August 2, 1996 at the Cooper Nuclear Station (CNS). In that letter, the NRC identified eight apparent violations that are being evaluated for escalated enforcement. That letter also stated that the District is being provided with "an opportunity to either (1) respond to the apparent violations addressed in this inspection report within 30 days of the date of this letter, or (2) request a predecisional enforcement conference." In Reference 2, the District informed the NRC that it would provide its reply to the apparent violations no later than October 25, 1996.

This letter, and its Attachment 1, in addition to the information provided in Reference 3 to the NRC, constitute the District's reply to the referenced apparent violations. The District admits to the issues raised by all of the apparent violations, and has completed corrective actions necessary to return CNS to full compliance. However, for apparent violations 4, 7, and 8, it is the District's position that these findings constitute either deviations from the applicable regulatory guides or violations of the applicable CNS procedures. For each of the individual findings, where appropriate, the District has restated the apparent violation to more correctly reflect the regulatory noncompliance issues.

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October 25, 1996

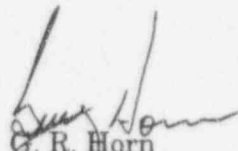
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It should be noted that all but two of the apparent violations were "self-identified," and that the NRC has recognized, for each of the apparent violations, that the District was in compliance with the applicable regulations at the time Inspection 96-18 was conducted. Should your office decide to issue the apparent violations as violations, the District requests that this response be considered as the final response to the Notice of Violation, and that no additional response should be required.

The District proposes that the NRC exercise discretion in evaluating these apparent violations. The District acknowledges that a deficient Access Authorization Program existed in several areas. The new Security Services Supervisor took aggressive steps to assess program deficiencies, including the implementation of an extensive, intrusive and candid investigation of alleged infractions. As deficiencies were confirmed, they were corrected. The Access Authorization Program has changed from one which was generally dysfunctional to a program that is proactive and in compliance with regulatory requirements in less than six months. This positive action to aggressively self-identify, correct, and improve a program such as the Access Authorization Program is our understanding of the NRC's expectations of a licensee. While not excusing the fact that the apparent violations occurred, the District is requesting that the NRC consider the aggressive self-identification and corrective actions taken in the enforcement decision making process, and that the NRC considers the District's actions to offset any civil penalties that could be assigned.

Should you have any questions concerning this matter, please contact me.

Sincerely,



G. R. Horn  
Senior Vice President - Energy Supply

/dnm

Attachment


cc: Regional Administrator  
USNRC - Region IV

Senior Project Manager  
USNRC - NRR Project Directorate IV-1

Senior Resident Inspector  
USNRC

NPG Distribution

PLATTE COUNTY

  
G. R. Horn

Rita L. Pfasterer  
NOTARY PUBLIC

REPLY TO SEPTEMBER 18, 1996, APPARENT NOTICE OF VIOLATION  
COOPER NUCLEAR STATION  
NRC DOCKET NO. 50-298, LICENSE DPR-46

During NRC inspection activities conducted from July 29, 1996, through August 2, 1996, eight apparent violations of NRC requirements were identified. The particular apparent violations and the District's reply are set forth below:

Apparent Violation (VIO 298/9618-01)

*"On July 30, 1996, the inspectors verified through interviews and a review of records that the security manager and the security operations supervisor could individually approve bogus unverified access authorization data for entry into the security computer. The inspectors also verified through interviews that bogus unverified information could be automatically processed by the security central alarm station and entered into the security computer's data base. The licensee confirmed that the security officer in the central alarm station was unable to verify any of the access authorization information. As a result, unverified bogus access authorization information could be used to actively facilitate entrance and exit to unauthorized persons determined to damage the plant. The inspectors discussed the need that a minimum of two persons must be involved in reviewing and approving unescorted access authorization.*

*The licensee's inadequate design of the physical protection system to protect against the single insider in the design basis threat of radiological sabotage, by allowing each of two individuals (insiders) an opportunity to fabricate a bogus security badge and also cause bogus unverified access authorization, data to be entered into the security computer, is an apparent violation of Section 10.2 of the physical security plan (VIO 298/9618-01)."*

Admission or Denial to Apparent Violation

The District admits the apparent violation.

Reason for Apparent Violation

The potential for the Security Manager or Security Operations Supervisor to individually participate in the violation of station procedures in order to circumvent the established badging process was not recognized.

Corrective Steps Taken and the Results Achieved

On July 31, 1996, the District published revision 14.1 to Security Procedure 2.3, "CAS/SAS Duties." As revised, Paragraph 4.1.21 of this procedure states, in part that, "An initial issue badge shall not be entered into the computer without documentation that verifies that unescorted access authorization requirements have been completed. The signatures of two different security personnel are required to verify completion of these requirements." Additionally, the "CNS Badging Checklist" was revised to require a signature and date in the "Reviewed by" and "Verified by" sections of this form.

#### Corrective Steps that will be Taken to Avoid Further Violations

There are no further specific corrective steps to be taken at this time.

#### Date When Full Compliance Will Be Achieved

The District is in full compliance.

#### Apparent Violation (VIO 298/9618-02)

*"... discussed in NRC Inspection Report 96-02 was a file that involved an individual who had an extensive criminal background. His personal history questionnaire required him to list any alcohol related criminal offenses within the last ten years. He listed a driving while intoxicated charge that was outside the 10 year period. When his criminal history file came back from the FBI, it indicated that he had been charged for the crime inside the 10 year period. There was a five year difference from the date submitted in the personnel history questionnaire. No adjudication was made to determine if he had falsified the document. Further, he had just completed probation for arson which he had been convicted of 3 years previously. His credit report contained numerous bad credit entries and he had recently filed for bankruptcy. None of this derogatory information was reviewed, no record of investigation was completed, and no interview was completed and documented. However, he was granted unescorted access to Cooper Nuclear Station.*

*NRC Inspection Report 50-298/93-21 identified a non-cited violation in which the licensee did not adjudicate or review derogatory information. At that time, it was a singular incident. The licensee's corrective action for the violation was apparently not sufficient to prevent recurrence. The failure to obtain criminal history information, review, and consider the information when determining the reliability and trustworthiness of applicants for unescorted access is an apparent violation (VIO 50-298/9618-02)."*

#### Admission or Denial to Apparent Violation

The District admits the apparent violation. This apparent violation was self-identified.

#### Reason for Apparent Violation

This apparent violation identifies three separate areas of concern. First, not all terminated or active access authorization files contained evidence of criminal history or fingerprints. Second, when a criminal history did exist, there was no evidence that the subject had been interviewed or that the criminal history had been reviewed or adjudicated. Third, there was no evidence that fingerprints had been submitted to the FBI prior to granting temporary unescorted access authorization.

While reviewing the administrative processes of the fingerprinting elements, the District discovered that the fingerprints were stored separate from the access authorization jackets. There was a filing system for "active" fingerprints and for "terminated" fingerprints. It appears that when the Access Authorization Technician was notified that a subject had terminated the fingerprints would be moved from the active to the terminated file. A yellow



"post- it" note would be placed on the fingerprints that included the termination date. These fingerprints were then destroyed a year after termination.

Administratively, problems arose when a subject would return under the guides of reinstatement, which does not require reprinting. The subject's access authorization jacket would be pulled back to active status but his prints would remain in the terminated file and be destroyed a year from the date on the post-it note with no review of the subject's current status. Subsequently, individuals were on-site with an active unescorted access authorization (UAA) status without evidence of criminal history investigations being performed.

The apparent violation occurred because management of the Access Authorization Program at that time did not ensure that the program satisfied regulatory requirements.

#### Corrective Steps Taken and the Results Achieved

Regarding the first area of concern, the District performed a review of the active files and determined which individuals did not have adequate criminal history records. These individuals were placed on temporary unescorted access authorization (UAA) until the return of the criminal history. Presently, all fingerprints are filed with the access authorization jackets, and nothing in the file is destroyed prior to five years from the date of UAA termination.

Regarding the second area of concern, the current program requires Access Authorization Technicians to review any criminal charges listed on the subject's background application for unescorted access authorization prior to granting temporary clearance. If any arrest, charges, or pending charges exist, the file is brought to the attention of the Security Services Supervisor or in her absence, the Security Manager. Using a conservative threshold (e.g., one DWI, one insufficient funds check, or a possessions-related charge, etc.) for review, subjects are now interviewed prior to granting temporary unescorted access authorization. Interview notes and recommendations for denial or approval of unescorted access authorization are included in the access authorization file. If the history does not warrant an interview, the Security Services Supervisor annotates the review of the criminal history in the file. If a criminal history is returned that does not mirror what the individual disclosed on the Security Questionnaire, an interview is performed to determine the reason for the inconsistency.

Regarding the third area of concern, current procedures require that the fingerprints be submitted to the Federal Bureau of Investigations prior to granting temporary clearance. Evidence of this submittal is now recorded in a fingerprint log book which is a permanent record in the Access Authorization Program.

During Inspection 96-18, the NRC inspectors reviewed approximately 30 background investigation files and determined that all elements of a successful background investigation were completed in accordance with the Physical Security Plan and regulatory requirements. All files reviewed for individuals with current unescorted access included criminal history.

#### Corrective Steps that will be Taken to Avoid Further Violations

There are no additional steps necessary at this time. Since the occurrence of the above apparent violation, the District has consolidated its Security program activities under the Nuclear Power Group, thus resulting in increased oversight and control of Security Services activities. Implementation of the current management expectations and oversight should prevent future recurrence. Management oversight is implemented through various tools such as peer review, formal self assessment, internal corrective action program, and quality assurance audits and surveillance.

#### Date When Full Compliance Will Be Achieved

The District is in full compliance.

#### Apparent Violation (VIO 298/9618-03)

*"The licensee identified and investigated an incident during October 1995 in which a licensee Access Authorization Program Technician directed two contractor Access Authorization Program Technicians to re-accomplish three personnel history questionnaires and destroy the old ones. The data to be changed were the listed references of three individuals who were requesting unescorted access to CNS. When the two contractor technicians conducting the background investigation could not develop references, the CNS technician apparently instructed them to have the applicants complete a new personnel history questionnaire leaving off some of the listed references. The listed references that were removed from the original personnel history questionnaire were then used as developed references. He also instructed the contractors to destroy the old personnel history questionnaires. The licensee's investigation confirmed and the CNS technician admitted that he did instruct the contractors to change and then destroy the personnel history questionnaires. In addition to these three files, the licensee's audit of the files during 1996 revealed over 100 other files without adequate reference documentation. The failure to develop proper reference information is an apparent violation of Procedure AAPP 3.3 (VIO 298/9618-03)."*

#### Admission or Denial to Apparent Violation

The District admits the apparent violation. This apparent violation was self-identified.

#### Reason for Apparent Violation

This apparent violation identifies an incident where an Access Authorization Technician directed two contract technicians to submit, as a part of the temporary background packages, references that were identified in the packages as developed references. The developed references were, in fact, originally documented as listed references. However, because these individuals were directed to rewrite the packages and the original background paperwork had been destroyed, there was no evidence of this fact. Temporary unescorted access authorization had been granted on two occasions prior to the discovery of this practice.

#### Corrective Steps Taken and the Results Achieved

Upon discovery by the District, immediate actions were taken to identify the individuals whose files did not contain adequate developed references. Unescorted access authorization was revoked for these individuals and the District proceeded with an extensive investigation of the incident. A detailed investigation report for this apparent violation was submitted to the NRC on January 25, 1996 (Reference 3 of the cover letter). The Access Authorization Technician responsible for the incident resigned.

During Inspection 96-18, the NRC inspectors reviewed approximately 30 background investigation files and determined that all elements of a successful background investigation were completed in accordance with the Physical Security Plan and regulatory requirements. All files reviewed, for individuals with current unescorted access, included proper personal references.

#### Corrective Steps that will be Taken to Avoid Further Violations

There are no additional steps necessary at this time. Since the occurrence of the above apparent violation, the District has consolidated its Security program activities under the Nuclear Power Group, thus resulting in increased oversight and control of Security Services activities. Implementation of current management expectations and oversight should prevent future recurrence. Management oversight is implemented through various tools such as peer review, formal self assessment, internal corrective action program, and quality assurance audits and surveillance.

#### Date When Full Compliance Will Be Achieved

The District is in full compliance.

#### Apparent Violation (VIO 298/9618-04)

*"The failure to obtain military records of five individuals who were granted access, failure to document requests for military records, and a failure to request the information within 10 days after granting temporary unescorted access is an apparent violation of paragraph 6.2.4 of Regulatory Guide 5.66 (VIO 298/9618-04)."*

#### Admission or Denial to Apparent Violation

The District admits the apparent violation with the following clarification: This apparent violation, as stated, involves the failure to satisfy a commitment to Regulatory Guide 5.66, which should be considered a deviation.

#### Reason for Apparent Violation

Failure to have an Access Authorization Program that satisfies the Regulatory Guide was the result of inadequate management oversight.



#### Corrective Steps Taken and the Results Achieved

The current Access Authorization staff has been trained regarding the requirements for military history. Current staff members have demonstrated knowledge for these requirements and have implemented tracking mechanisms to ensure proper follow up and completion of military submittals. Security Services Procedure 3.1 now includes the SF 180- "Request Pertaining to Military Records" as an attachment. Current practices, as delineated in Security Services Procedure 3.0 and 3.1, do not utilize NUMARC's 89-01 ten day rule. Instead, a more conservative approach is utilized whereas proof of a request is required prior to granting temporary UAA.

#### Corrective Steps that will be Taken to Avoid Further Violations

There are no additional steps necessary at this time. Since the occurrence of the above apparent violation, the District has consolidated its Security program activities under the Nuclear Power Group, thus resulting in increased oversight and control of Security Services activities. Implementation of the current management expectations and oversight should prevent future recurrence. Management oversight is implemented through various tools such as peer review, formal self assessment, internal corrective action program, and quality assurance audits and surveillance.

#### Date When Full Compliance Will Be Achieved

The District is currently in full compliance.

#### Apparent Violation (VIO 298/9618-05)

*"During the review of the files, the inspectors determined that the licensee did complete formal reports of investigation during the 1990 to early 1993 time frame. After early 1993, however, the licensee stopped consistently completing the reports of investigation. Approximately 50 percent of the files reviewed had no indication that derogatory information discovered during the background investigations had been adjudicated. Several of the files had information that should have been adjudicated and had the potential for access to be denied. This issue was identified as a non-cited violation in NRC Inspection Report 50-298/93-21. Failure to complete investigation reports and to conduct and document derogatory information interviews is an apparent violation of paragraph 6.6.1 of the physical security plan (VIO 50-298/9618-05)."*

#### Admission or Denial to Apparent Violation

The District admits the apparent violation. This apparent violation was self-identified.

#### Reason for Apparent Violation

This apparent violation occurred due to inadequate management oversight of the Access Authorization Program, which resulted in the failure to ensure that regulatory requirements were satisfied.

#### Corrective Steps Taken and the Results Achieved

The District has since conducted formal reviews of all active and terminated files to determine if similar deficiencies existed. Terminated files that do not contain all elements are currently held in abeyance. All active files have been reviewed and any missing elements have been provided. All temporary unescorted access authorizations (UAAs) are tracked and reviewed. Those that have UAA are completed within 180 days of granting unescorted access authorization. In cases where the temporary UAA has been terminated, the clearance is also tracked and whenever possible is completed within 180 days. Security Services Procedures 3.0 and 3.1 now require staff members to calculate and document the temporary expiration date. In addition, staff members utilize a computerized tracking mechanism to support compliance. Management expectations with regard to the completion of temporary clearances have been communicated.

#### Corrective Steps that will be Taken to Avoid Further Violations

There are no additional steps necessary at this time. Since the occurrence of the above apparent violation, the District has consolidated its Security program activities under the Nuclear Power Group, thus resulting in increased oversight and control of Security Services activities. Implementation of the current management expectations and oversight should prevent future recurrence. Management oversight is implemented through various tools such as peer review, formal self assessment, internal corrective action program, and quality assurance audits and surveillance.

#### Date When Full Compliance Will Be Achieved

The District is in full compliance.

#### Apparent Violation (VIO 298/9618-06)

*"During the licensee's audit of files since the issuance of NRC Inspection Report 50298/96-02, they discovered many files where periods of unemployment in excess of 30 days were not verified. In addition, many of the records reviewed did not contain any information that the individuals' activities, during periods of unemployment, were ascertained prior to granting access under a reinstatement. This was not a new issue with the licensee. NRC Inspection Report 50-298/93-21 identified that the licensee did not have a procedure or practice in place that addressed measures for ascertaining activities during periods when the applicant was away from access authorization programs or fitness for duty programs. As a follow up to Inspection 93-21, the Security Services Supervisor prepared a memorandum, undated but signed, that described this item as an action item and an NRC concern expressed during the NRC Inspection Report 50-298/93-21 inspection exit meeting. Licensee Audit 94-03, dated March 5, 1994, identified that the access authorization program staff had not completed any action to resolve the identified concern. The failure to verify unemployment periods in excess of 30 days and to ascertain activities during periods of unemployment away from a fitness for duty program is an apparent violation of procedure AAPP 3.3 (VIO 298/9618-06)."*

#### Admission or Denial to Apparent Violation

The District admits the apparent violation.

#### Reason for Apparent Violation

This apparent violation occurred due to inadequate management oversight of the Access Authorization Program, which resulted in the failure to ensure that regulatory requirements were satisfied.

#### Corrective Steps Taken and the Results Achieved

Upon identification of this deficiency in August of 1995, the District implemented a process to ascertain and verify activities prior to granting unescorted access authorization. Since that time, Security Service Procedure 3.0 and 3.1 have been written that clearly delineate this process. Forms used to meet this requirement have been proceduralized and are now included as attachments to the Security Services Procedure 3.1. Staff members have been trained and demonstrate a working knowledge of this requirement.

#### Corrective Steps that will be Taken to Avoid Further Violations

There are no additional steps necessary at this time. Since the occurrence of the above apparent violation, the District has consolidated its Security program activities under the Nuclear Power Group, thus resulting in increased oversight and control of Security Services activities. Implementation of the current management expectations and oversight should prevent future recurrence. Management oversight is implemented through various tools such as peer review, formal self assessment, internal corrective action program, and quality assurance audits and surveillance.

#### Date When Full Compliance Will Be Achieved

The District is currently in full compliance.

#### Apparent Violation (VIO 298/9618-07)

*"During their audit of all files subsequent to NRC Inspection Report 96-02, the licensee discovered that all update background investigations included only one listed reference and one developed reference when background investigations required two listed and two developed. In addition, no criminal history was developed and reviewed. When employees with unescorted access leave CNS, a complete background investigation is not required if they return within 365 days. If they return after 365 days, an update background investigation is required for that period of time that they were not subject to an access authorization program. Common practice at CNS was to do only one listed reference and one developed reference for update background investigations. In addition, no criminal history was developed and adjudicated. The failure to obtain and review references and criminal histories for update background investigations is an apparent violation of Regulatory Guide 5.66 (VIO 298/9618-07)."*

#### Admission or Denial to Apparent Violation

The District admits the apparent violation with the following clarification: This apparent violation, as stated, involves the failure to satisfy a commitment to Regulatory Guide 5.66, which should be considered a deviation.

#### Reason for Apparent Violation

Violation 9618-07 identifies a practice used during the completion of updated background investigations where only two references were obtained. By definition the update background is identical to that of an expanded or full background with the exception of the abbreviation in the employment verification. Employment verification and suitable inquiry need only be performed back to the date of the last completed background. All other elements of the expanded background apply to the updated background including the requirements to obtain two listed references and two developed references. In reviewing past files the licensee identified that a past practice was to obtain only two references, one listed and one developed. This apparent violation occurred due to inadequate management oversight of the Access Authorization program, which resulted in the failure to ensure that regulatory requirements were satisfied.

#### Corrective Steps Taken and the Results Achieved

At the time of the apparent violation, Access Authorization Program Procedure 3.2 did not specify the number of listed or developed references required to complete an updated background investigation. Subsequently Security Service Procedure 3.0 and 3.1 have been developed. In part, these procedures require updates to be performed according to NUMARC 89-01 guidance. In the tandem Violation 9618-05, the District's current practice is to provide two developed references and two listed references for all active files. Terminated files that do not meet the reference requirements are held in abeyance.

#### Corrective Steps that will be Taken to Avoid Further Violations

There are no additional steps necessary at this time. Since the occurrence of the above apparent violation, the District has consolidated its Security program activities under the Nuclear Power Group, thus resulting in increased oversight and control of Security Services activities. Implementation of the current management expectations and oversight should prevent future recurrence. Management oversight is implemented through various tools such as peer review, formal self assessment, internal corrective action program, and quality assurance audits and surveillance.

#### Date When Full Compliance Will Be Achieved

The District is in full compliance.

#### Apparent Violation (VIO 298/9618-08)

*"During Inspection 96-02, the inspectors identified two examples where the licensee granted back-to-back temporary unescorted access without completing the full background investigations. The inspectors reviewed the temporary access authorization files of several employees. The inspector determined that at least two files documented that the licensee had approved back-to-back temporary unescorted access authorizations. As an example, a cover sheet on the first completed background investigation for one individual indicated that derogatory information had been discovered, and access was not to be reinstated upon the return of the employee without adjudication of that information. When the employee returned, another temporary access authorization was granted and there was no information in the files to demonstrate that the former information was adjudicated. Further, the licensee granted a third temporary unescorted access authorization for the same individual without completing the original background investigation. The granting of back-to-back temporary unescorted access is an apparent violation of Regulatory Guide 5.66 (VIO 298/9618-08)."*

#### Admission or Denial to Apparent Violation

The District admits the apparent violation with the following clarification: This apparent violation, as stated, involves the failure to satisfy a commitment to Regulatory Guide 5.66, which should be considered a deviation. While the District admits that a deviation from this regulatory guide did occur, the apparent violation should be characterized as a violation to Access Authorization Program Procedure 3.1, Revision 2, Paragraph 6.3.2.

#### Reason for Apparent Violation

This apparent violation occurred due to inadequate management oversight of the Access Authorization Program, which resulted in the failure to ensure that regulatory requirements were satisfied.

#### Corrective Steps Taken and the Results Achieved

The District has since conducted formal reviews of all active and terminated files to determine if similar deficiencies existed. All temporary unescorted access authorizations (UAAs) are tracked and reviewed. Those that have current UAA are completed within 180 days of granting unescorted access authorization. In cases where the temporary UAA has been terminated, the clearance is also tracked and whenever possible is completed within 180 days. Current procedures require staff members to calculate and document the temporary expiration date. In addition, current staff members utilize a computerized tracking mechanism to support compliance. Management expectations with regard to the completion of temporary clearances have been communicated.

#### Corrective Steps that will be Taken to Avoid Further Violations

There are no additional steps necessary at this time. Since the occurrence of the above apparent violation, the District has consolidated its Security program activities under the Nuclear Power Group, thus resulting in increased oversight and control of Security Services



activities. Impementation of current management expectations and oversight should prevent future recurrence. Management oversight is implemented through various tools such as peer review, formal self assessment, internal corrective action program, and quality assurance audits and surveillance.

Date When Full Compliance Will Be Achieved

The District is in full compliance.

ATTACHMENT 3 LIST OF NRC COMMITMENTS

Correspondence No: NLS960190

The following table identifies those actions committed to by the District in this document. Any other actions discussed in the submittal represent intended or planned actions by the District. They are described to the NRC for the NRC's information and are not regulatory commitments. Please notify the Licensing Manager at Cooper Nuclear Station of any questions regarding this document or any associated regulatory commitments.

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