

ENCLOSURE 2

U.S. NUCLEAR REGULATORY COMMISSION
REGION IV

Docket No.: 50-382
License No.: NPF-38
Report No.: 50-382/97-09
Licensee: Entergy Operations, Inc.
Facility: Waterford Steam Electric Station, Unit 3
Location: Hwy. 18
Killona, Louisiana
Dates: April 21-25, 1997
Inspector: Thomas W. Dexter, Senior Physical Security Specialist
Plant Support Branch
Approved By: Blaine Murray, Chief, Plant Support Branch
Division of Reactor Safety

ATTACHMENT: Supplemental Information

EXECUTIVE SUMMARY

Waterford Steam Electric Station, Unit 3
NRC Inspection Report 50-382/97-09

Plant Support

- Implementation of the access authorization program was not fully effective. In general, the security staff was knowledgeable of regulatory requirements and performed their duties satisfactorily. Management support for the program was very good (Section S1.1).
- Background investigations were completed in a comprehensive and thorough manner in accordance with proper regulations, the physical security plan, and procedural requirements (Section 1.2).
- The licensee had implemented proper procedures for the behavioral observation program. However, ineffective implementation of the behavioral observation program by one contractor caused the licensee to be in violation of regulatory requirements (Section 1.3).
- A violation was identified involving the assignment of a security badge to a contractor who had been terminated. The reinstatement, updating, transfer, and temporary access program elements, were generally administered in accordance with rule requirements (Section 1.4).
- A program for denying or revoking unescorted access was in place but was not being followed by a contractor. Two violations were identified involving the failure of a contractor to notify the licensee of individuals who no longer required unescorted access (Section 1.5).
- A violation was identified involving an inattentive security officer posted at the vital area equipment hatch into reactor containment (Section S4).

Report Details

This reactive inspection, conducted in accordance with NRC Inspection Manual 2515A/81700, "Physical Security Program for Power Reactors," dated April 15, 1994, assessed the continued effective implementation of the licensee's access authorization program.

S1 Conduct of Access Authorization Program Activities

S1.1 Access Authorization Program Activities and Organization

a. Inspection Scope 81700

The inspector evaluated the access authorization program administration and implementation through the assessment of management involvement, oversight and support of the program, structure and interfaces of the organization, the authorities and responsibilities assigned, and the specialized training and work experience of key program personnel.

b. Observations and Findings

On April 18, 1997, Region IV was informed that 10 individuals had been granted unauthorized access to the protected area. In response to this information a security inspector was dispatched to the site on April 21, 1997, to review the access authorization issues.

The licensee's access authorization program was conducted from an office located at the plant site outside of the protected area. Responsibility for overall management of the program was assigned to the corporate security department. The plant manager or his designee was responsible for making a final determination whether unescorted access would be granted.

On April 18, 1997, The Director, Plant Modification and Construction, in a conversation with an individual seeking employment with a contractor on site was informed that the individual was not currently employed, but was badged as a Stone and Webster employee.

The Director questioned the ability of someone to have unescorted access to the plant protected area and not be employed by a contractor at the site and immediately informed the Director, Site Support. The Director, Site Support informed the Superintendent, Plant Security and discussed the situation with badging personnel.

Personnel in badging confirmed that the subject individual was badged and the Director, Site Support ordered the badge be inactivated. Badging personnel began investigating the situation; and, based on their current in-processing list for the upcoming week, noted that an additional individual was badged but not employed by a contractor at the time. The Director, Site Support ordered that individual's badge also be inactivated.

Badging personnel continued their investigation of the situation and the Director, Site Support informed the Vice President, Operations of the situation. In addition, the Director, Site Support requested Superintendent, Plant Security to check the use of badges by these individuals. Badging personnel's investigation determined that 8 other individuals had been issued a badge who apparently were not currently employed by a contractor at the site. Plant access involving the badges was also checked and it was determined that one individual was in the plant at the time. Security personnel were directed to find the individual and escort him to the security office. This was accomplished and further investigation determined that the individual was employed by a contractor at the site.

Based on the one individual being in the plant and the potential for additional unemployed personnel to be in the plant and not under a continuous behavioral observation program supervisor, a decision was made to lock all ingress and egress from the primary access point and begin a one-on-one verification process.

The General Manager, Plant Operations and the Control Room were notified of the action being taken. Licensing and security personnel began developing a condition report and the NRC Headquarters Operations Center was notified.

Following further discussion the General Manager, Plant Operations was requested to initiate a controlled evacuation of the plant of all non-essential personnel. The plan was to collect all of the key cards, place them in the card racks with tags and begin reverifying each individual's access status.

Corporate Security personnel generated reports, by contractor, listing the names of personnel assigned to the contractor who were issued a key card. These lists were distributed to responsible contractor representatives with instructions to verify the personnel assigned to their group, their employment status and need for unescorted access.

An orderly evacuation of the plant was conducted and verification of plant personnel was initiated at the primary access point by security as each individual was allowed to reenter the protected area.

The licensee found two additional contractor employees who were working for a contractor other than the contractor of record at the time. It was later determined that these individuals had originally been processed for badging with one contractor and changed to another contractor during the screening and badging process.

The inspector interviewed program administrators and site representatives and determined they were knowledgeable of program responsibilities and performed their duties satisfactorily. The inspector reviewed the utility's access authorization program procedures and noted they contained the guidance necessary to implement the program. However, problems were noted involving the revoking of unescorted access, 31 day reviews of access affecting the continuous behavioral observation program, and issuing of badges/key cards after an individual has been terminated. Three violations of access authorization requirements are discussed in Sections S1.4 and S1.5.

c. Conclusions

Implementation of the access authorization program was not fully effective resulting in violations. However, the staff were knowledgeable and performed their duties satisfactorily. Management support for the program was very good.

S1.2 Background Investigations Elements

a. Inspection Scope 81700

The inspector reviewed records and conducted interviews to determine the adequacy of the program. The inspector also reviewed information concerning the licensee's verification of identity, employment history, education history, credit history, criminal history, military service, and the character and reputation of the applicants, before granting individuals unescorted access to protected and vital areas.

b. Observations and Findings

The inspector verified documentation in 24 background files and determined that all elements of a successful background investigation were completed in accordance with the physical security plan and regulatory requirements. The inspector verified that when the licensee reviewed periods of employment and unemployment, they also specifically verified employee activities during periods of unemployment.

c. Conclusions

Background investigations were completed in a comprehensive and thorough manner in accordance with regulations, the physical security plan, and procedural requirements.

S1.3 Behavioral Observation Program

a. Inspection Scope (81700)

The licensee's behavioral observation program was inspected to determine whether supervisors and managers were meeting program requirements.

b. Observations and Findings

The licensee's implementation of the continual behavior observation program procedures was verified against the program requirements. The procedures covered all of the program elements effectively. However, problems were identified with one contractor's behavioral observation program. The contractor's weak program contributed to the violations identified in Sections S1.4 and S1.5.

c. Conclusions

The licensee had implemented procedures for the behavioral observation program. Ineffective implementation of the behavioral observation program by one contractor caused the licensee to be in violation of their program.

SI.4 Reinstatement, Updating, Transfer and Temporary Unescorted Access Authorization

a. Inspection Scope 81700

The inspector reviewed the licensee's program for reinstatement, updating, transfer, and temporary unescorted access, to insure compliance with requirements.

b. Observations and Findings

A review of 24 access authorization files of reinstatement, updating, transfer, and/or temporary unescorted access on individuals was completed. The licensee had ensured that all requirements were met prior to granting unescorted access to all but one of the 24 individuals. That one exception involved the granting of unescorted access to an individual after he had been terminated by the contractor. The contractor had failed to inform the licensee of the termination as required by the security plan and implementing procedures.

Waterford 3 Physical Security Plan, Revision 17, dated August 1996, Chapter 5, paragraph 5.2.1, "Personnel Access Authorization," states, in part, "Unescorted access into the protected area is limited to those individuals who meet the Entergy screening requirements and who have a legitimate reason for entry. . . . Authorizations for unescorted personnel access to the protected area are issued by the General Manager, Plant Operations, his designee, or Duty Plant Manager(s), after a reason for entry has been established."

Attachment NUMARC 89-01, to Regulatory Guide 5.66, June 1991, paragraph 3.0, "Responsibility," states, in part, "The final granting and controlling of unescorted access authorization is the responsibility of the utility. Each nuclear utility will inform contractors and vendors of the existence of these guidelines and of the necessity to follow these guidelines."

Security Procedure PS-011-107, "Badge/Key Card Assignment and Control," Revision 10, February 16, 1995, paragraph 5.2.1 states, in part, "... photo badge/key cards shall be assigned to individuals by a badging and in-processing administrative specialist after the following criteria have been met: 1. A supervisor requests that the individual be authorized unescorted access ... In addition paragraph 5.10 states, in part, the security department must be notified whenever ... the access authorization of the assigned person is terminated."

On April 23, 1997, the inspector identified that on March 25, 1997, a photo badge/key card had been assigned to a contractor employee who had been terminated by the contractor on March 21, 1997, and no longer had a need to enter the plant. The licensee had deleted the badge from the computer system on April 21, 1997. The assignment of a security badge to an individual who had been terminated is a violation of the security plan and Procedure PS-011-107 (50-382/9709-03).

c. Conclusions

The reinstatement, updating, transfer, and temporary access program elements, were administered in accordance with rule requirements. One violation of NRC program requirements was identified related to assignment of a security badge to an individual who had been terminated.

SI.5 Denial or Revocation of Unescorted Access

a. Inspection Scope 81700

A review of the licensee's system for denial or revocation of unescorted access authorization was conducted to determine if the licensee had implemented a proper procedure for the denial or revocation of unescorted access of an employee of the licensee, contractor, or vendor.

b. Observations and Findings

The licensee had implemented procedures for revocation of unescorted access of an employee of the licensee, contractor, or vendor. However, the inspector identified the following problems regarding procedure implementation.

Waterford 3 Physical Security Plan, Revision 17, dated August 1996, Chapter 2, paragraph 2.3.1, "Personnel Screening and Access Authorization," states, in part, "Entergy Operations, Inc., Waterford 3, commits to Regulatory Guide 5.66, Access Authorization Program for Nuclear Power Plants dated June 1991. All regulatory elements have been implemented to satisfy the requirements of 10 CFR 73.56." In addition paragraph 5.2.1, "Personnel Access Authorization," states, in part, "Unescorted access into the protected area is limited to those individuals who meet the Entergy screening requirements and who have a legitimate reason for entry. . . . Authorizations for unescorted personnel access to the protected area are issued by the General Manager, Plant Operations, his designee, or Duty Plant Manager(s), after a reason for entry has been established."

Attachment NUMARC 89-01, to Regulatory Guide 5.66, June 1991, paragraph 3.0, "Responsibility," states, in part, "The final granting and controlling of unescorted access authorization is the responsibility of the utility. Each nuclear utility will inform contractors and vendors of the existence of these guidelines and of the necessity to follow these guidelines."

Waterford 3 Procedure OM-106, "Unescorted Access Authorization Program," Revision 2, April 28, 1996, paragraph 5.8 states, in part, "All company officers, directors, managers, superintendents, supervisors and their appointed designees are responsible for: Taking appropriate action to ensure that individuals under their authority with unescorted access, . . . who no longer need unescorted access, have their unescorted access terminated"

Site Directive W2.102, "Employee Termination and Resignation Practices," Revision 1, April 29, 1994, paragraph 4.3 states, in part, "The Director, General Manager-Plant Operations and/or concerned Manager or Supervisor is responsible for: ensuring that information pertaining to the reason and condition associated with all terminations and resignations is relayed to the Waterford 3 Security Superintendent prior to or concurrently with the employee's departure from the plant site."

On April 18, 1997, the licensee determined that the Waterford 3 Security Superintendent had not been notified prior to or concurrently of the termination of approximately 10 contract employees. Active badge/key cards were available to those employees after they no longer had a need for unescorted access into the protected area. In some cases, those active badges/key cards were on file at the badge issue station 30 days or more after the contract employee's termination. The failure to terminate badges for contract employees that had no need for unescorted access to the protected area is a violation of security procedures (50-382/97-09-01).

Waterford 3 Physical Security Plan, Revision 17, dated August 1996, paragraph 5.2.2 states, in part, "A list of personnel authorized unescorted access to the protected and vital areas is located at the Primary Access Point for use by the security department and is reviewed by cognizant supervisors/managers every 31 days and updated as applicable."

Waterford 3 Procedure OM-110, "Continual Behavioral Observation Program," Revision 0, March 31, 1995, paragraph 6.2.3a. states, in part, "Each month, an unescorted access verification report is generated by the site access or security section and provided to the cognizant department heads. The purpose of the report is to verify that individuals with current unescorted access continue to have a valid need for unescorted access."

On April 23, 1997, the inspector identified that on April 1, 1997, a contractor supervisor signed the 31 day access review record for his department indicating he had reviewed the record and no changes were required. However, that record had approximately four individuals listed who had not used their unescorted access in excess of 30 days and two individuals who had been terminated days prior to the required review date. Those individuals no longer had a need for unescorted access into the protected area. The failure to update the access authorization list is a violation of the security plan and Procedure OM-110 (50-382/9709-02).

c. Conclusions

A program for denying or revoking unescorted access was in place, but was not being followed by a contractor. The failure by the contractor to notify the licensee of individuals who no longer needed unescorted access resulted in two violations of NRC requirements.

S4 Access Control of Personnel

a. Inspection Scope (81700-02.05)

During a walk down of refueling outage activities another NRC inspector observed a security officer posted as a compensatory measure to control access into containment from the protected area.

b. Observations and Findings

On April 23, 1997, an NRC inspector, accompanied by a licensee representative, were exiting the reactor containment building at the west side access point when the inspector noticed a security officer who appeared to be asleep. The security officer was wearing sun glasses and sitting in a swivel type office chair. To the inspector it appeared that the security officer was responsible for controlling access into containment through the equipment hatch. The inspector approached the security officer and waved his hand in front of the security officer's face. The

security officer did not respond. The inspector then taped the security officer on the shoulder and the officer was startled. The inspector asked the officer if he was alright and then who his supervisor was. The officer gave the inspector the name of his supervisor. The licensee's representative called the security manager, who had the officer relieved of duty.

Waterford 3 Physical Security Plan, Revision 17, dated March 1996, Chapter 10 states, in part, "Exterior doors to vital areas utilized for the movement of special equipment during refueling and major maintenance operations are controlled, when in use, by security personnel. When frequent access to containment is permitted during refueling or major maintenance, positive access control will be maintained for access from the protected area into containment."

Licensee Administrative Procedure UNT-004-036, "Security Requirements for Penetrating PA & VA Barriers," Revision 3, January 7, 1997, paragraph 4.3, "PA & VA Barriers," states, in part, "The Security Officer (S.O.) posted for a security barrier penetration or approved activity in an outer isolation zone is responsible for access control to the affected area."

Security Procedure PS-016-101, "Security Procedure During Refueling and Major Maintenance Operations," Revision 8, June 19, 1996, paragraph 5.2.3 states, in part, "When frequent access to containment is permitted during refueling or major maintenance, positive access control will be maintained from the protected area into containment (which is a vital area). If the door at the protected area to vital area barrier is circumvented it must then be posted by an armed security officer who must control entry and exit through the door."

On April 23, 1997, during refueling, an inspector determined that the licensee failed to maintain positive access control to a vital area. Specifically, an NRC inspector, accompanied by a licensee employee, identified that a security officer posted as a compensatory measure at the equipment hatch entrance to containment was inattentive. The failure to maintain proper vital area access control is a violation of the security plan and procedure PS-016-101 (50-382/9709-04).

c. Conclusion

A security officer was inattentive at the vital area equipment hatch into reactor containment that resulted in a violation of NRC requirements.

V. Management Meetings

X1 Exit Summary

The inspector presented the inspection results to members of the licensee management at the conclusion of the inspection on April 25, 1997. The licensee acknowledged the findings presented. No proprietary information was identified.

ATTACHMENT

SUPPLEMENTAL INFORMATION

PARTIAL LIST OF PERSONS CONTACTED

Licensee

C. Dugger, Vice President Nuclear Operations
E. Beckendorf, Superintendent, Plant Security
R. Bitner, Project Manager, Wackenhut
H. Cooper, Manager, Corporate Security
F. Drummond, Director, Site Support
R. Dawdy, Acting Security Supervisor (Corporate Security)
E. Ewing, Director, Nuclear Safety and Regulatory Affairs
T. Gaudet, Manager, Licensing
J. Lewis, Emergency Planning Manager
D. Pintado, Coordinator, Nuclear Security
G. Scott, Licensing Engineer
L. Thomas, Licensing Supervisor
G. Wilson, Acting Quality Assurance Manager

NRC

P. Harrell, Chief, Division Reactor Projects Branch D
T. Pruett, Resident Inspector
W. McNeill, Reactor Inspector

INSPECTION PROCEDURES USED

IP 81700 Physical Security Program for Power Reactors

ITEMS OPENED, CLOSED, AND DISCUSSED

Opened

50-382/9709-01	VIO	Failure To Terminate Active Key Cards for Terminated Employees
50-382/9709-02	VIO	Inadequate 31-Day Access List Review
50-382/9709-03	VIO	Temporary Unescorted Access Granted without Background Investigation Screening Completed
50-382/9709-04	VIO	Inattentive Security Officer at Vital Area Door

PARTIAL LIST OF LICENSEE DOCUMENTS REVIEWED

24 Selected Background Investigation Files

Waterford 3 Physical Security Plan, Revision 17, dated August 1996

31-Day Access Review Update files signed by managers

Selected Condition Reports for 1997

Licensee Procedures

Security Procedure PS-011-107, Badge/Key Card Assignment and Control, Revision 10, February 16, 1995

Waterford 3 Procedure OM-110, Continual Behavioral Observation Program, Revision 0, March 31, 1995

Security Procedure PS-016-101, Security Procedure During Refueling and Major Maintenance Operations, Revision 8, June 19, 1996

Licensee Administrative Procedure UNT-004-036, Security Requirements for Penetrating PA & VA Barriers, Revision 3, January 7, 1997

Waterford 3 Procedure OM-106, Unescorted Access Authorization Program, Revision 2, April 28, 1996