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U. S. NUCLEAR REGULATORY COMMISSION

REGION V

Report Nos. 50-528/86-07 and 50-529/86-06 (IE-V-737)

Docket Nos. 50-528 and 50-529

License Nos. NPF-41 and NPF-46

Licensee: Arizona Nuclear Power Project
P. O. Box 52034
Phoenix, Arizona 85072-2034

Facility Name: Palo Verde Nuclear Generating Station, Units 1 and 2

Inspection at: Wintersburg, Arizona

Inspection conducted: February 11 through March 13, 1986

Date of Last Physical Security Inspection: November 11-14 and 27, 1985

Type of Inspection: Unannounced, Routine Physical Security

Inspectors: *Dennis W. Schaefer* 4/2/86
D. Schaefer, Physical Security Inspector Date Signed

L. Norderhaug 4/1/86
L. Norderhaug, Sr. Material Control Analyst Date Signed

Approved By: *M. D. Schuster* 4/2/86
M. D. Schuster, Chief, Safeguards Section Date Signed

Inspection Summary:

Areas Inspected: Information Notice 85-79; Security Event Reports; Management Effectiveness-Security Program; Security Organization; Records and Reports; Physical Barriers - Protected Area; Physical Barrier - Vital Areas; Lighting; Access Control - Personnel; Detection Aids - Vital Areas; Alarm Stations; Communication; Personnel Training and Qualification Plan; and Follow-up items from previous security inspections. During this inspection, Inspection Procedures 30703, 81020, 81022, 81038, 81052, 81054, 81062, 81070, 81080, 81084, 81088, 81501, 92700, 92701, 92702 and 92703 were covered.

Results: The licensee was found to be in compliance with NRC requirements within the areas examined during the inspection, except for the following items: Failure to limit vital area access to only authorized individuals; Failure to respond to vital area alarms; Failure to maintain adequate vital area barriers; Failure to account for identification badges on a daily basis; Failure to maintain minimum illumination level inside the protected area; and Failure to report security events to the NRC.

REPORT DETAILS

1. Key Persons Contacted

*J. Ball, Resident Inspector, USNRC
*S. Brown, Corporate Security, ANPP
*J. Bynum, Plant Manager, PVNGS
M. Deblo, Security Operations Supervisor, PVNGS
*T. Delnoce, Compliance Specialist, Operations Security, PVNGS
*W. Fernow, Plant Services Manager, ANPP
K. Gross, Compliance Supervisor, PVNGS
*J. Haynes, Vice President, Nuclear Production, ANPP
R. Hans, Director of Personnel, ANPP
K. Helman, Labor Relations Specialist, ANPP
*G. Hernandez, Resident Inspector, USNRC
*W. Ide, Director, Corporate Quality Assurance/Quality Control, ANPP
*C. Kelley, Security Training Support Services Supervisor, PVNGS
B. Knighton, Supervisor, Construction Security, PVNGS
*D. Lanier, Licensing Engineer, ANPP
*E. Lumley, Sr., Compliance Specialist, Operations Security, PVNGS
*L. Miller, Chief, Reactor Projects Section 2, Region V, USNRC
M. Menten, Communications Engineer, ANPP
*D. Nelson, Manager, Operations Security, PVNGS
*S. Penick, Quality Monitoring Supervisor, ANPP
*C. Russo, Manager, Quality Assurance Auditor and Monitoring, ANPP
P. Ruth, Access Control/Badging Supervisor, PVNGS
*M. Schuster, Chief, Safeguards Section, Region V, USNRC
*T. Shriver, Manager, Compliance, PVNGS
J. Thompson, Compliance Engineer, PVNGS
*E. Van Brunt Jr., Executive Vice President, ANPP
D. Webb, Quality Assurance Engineer, ANPP
*R. Zimmerman, Senior Resident Inspector, USNRC

The inspectors also interviewed members of the licensee's security staff during the course of this inspection.

*Denotes those individuals that attended the February 14, 1986 exit interview.

2. Licensee Actions on Previous Inspection Findings

(Open) Follow-up Items (85-15-03 and 85-41-04): Inoperative [REDACTED]
[REDACTED] Although [REDACTED] identified on
the previous security inspection had been repaired,
[REDACTED]

(Closed) Follow-up Item (85-24-01): Contract for security guard services. During a previous security inspection, the inspector observed that the Arizona Public Service (APS) contracts for security guard services did not contain the four part provisions required by 10 CFR 73.55(b)(1). During this inspection, the inspector verified that

[REDACTED]

[REDACTED]

[REDACTED]

these security guard contracts had been amended to include the required provisions.

(Closed) Violation, Unit-1 (85-30-01): Failure to telephonically notify NRC within required time limitations of loss of physical security effectiveness. During a previous security inspection, the inspector determined that the licensee failed to telephonically notify NRC within 24 hours of a licensee identified deficiency in their perimeter [REDACTED]. This identified deficiency, classed as a Moderate Loss of Physical Security Effectiveness, allowed undetected access into the licensee's protected area. During this inspection, the inspectors again determined that the licensee failed on numerous occasions to telephonically notify NRC within the required time limitations of a loss of physical security effectiveness. See paragraph 7 of this report for details. (Note: This previous violation is administratively closed, however, it serves as the basis for issuance of the repeat violation discussed in paragraph 7 of this report.)

(Closed) Violation, Unit-1 (85-30-02): Failure to compensate for perimeter alarm deficiency. During a previous security inspection it was determined through observations of the inspector that no compensatory measures had been taken by the licensee for an inadequate segment of the perimeter [REDACTED]. A portion of the alarm system was proven deficient on September 23, 1985, and the compensatory measure was not posted until the morning of September 25, 1985. During this inspection the inspectors observed that the security officer compensatory posts were consistent with the licensee's approved Security Plan and with the security procedures. The inspectors randomly tested [REDACTED] and determined that the sensitivity and operation of these zones were adequate.

(Closed) Follow-up Item (85-30-01): Revision of Security Procedure. During a previous security inspection, the licensee indicated their intention of revising Security Procedure 20AC-OZZ07 pertaining to unescorted access screening. During this inspection, the inspectors verified that Revision 1 of this procedure had been approved on January 9, 1986 and distributed for use.

(Open) Follow-up Item (85-30-02): Security Alarm Rate. The alarm rate during the period of the inspection visit appeared manageable although the level of activity, particularly at Unit 1, was also minimal. This item will remain open for additional review during the upcoming Unit 1 outage.

(Open) Follow-up Item (85-30-03): Detection Aids. During a previous security inspection, it was observed by the inspectors that [REDACTED]

[REDACTED]

(Open) Follow-up Item (85-30-13): Central Alarm Station (CAS). During a previous security inspection, it was determined that the CAS had high activity and a high noise level. During this inspection it was noted

[REDACTED]

that [REDACTED]

(Open) Follow-up Item (85-30-14): Radio Communication. During a previous security inspection it was determined that [REDACTED] During this inspection it was determined that [REDACTED]

Limited interviews with security officers disclosed that some were under the impression that they [REDACTED] The licensee noted that shift briefings would include a clarification to assure that all security officers are aware of their full access to the [REDACTED] See paragraph 13 of this inspection report for a discussion concerning the licensee's status of the required improvements and upgrade of their radio communication system.

(Open) Follow-up Item (85-30-15): Safeguards Information. The licensee policies, procedures for the protection of safeguards information, and practices at corporate offices and contractor facilities will be inspected during subsequent security inspections.

(Closed) Violation, Unit-1 (85-38-01): Failure to evaluate screening records for contract employees. During a previous security inspection, Bechtel screening records had not been evaluated in accordance with the criteria used for the licensee's Personal Reliability Program. Subsequent security inspections determined that Bechtel Construction had revised their background screening procedure and had reviewed the screening records of all employees recommended for unescorted access. During this inspection, the inspector also verified that Bechtel was reviewing the results of all background investigations prior to requesting unescorted access to the protected area.

(Closed) Violation, Unit-1 (85-38-02): Failure to maintain complete screening records for contract employees. During a previous security inspection, it was determined [REDACTED]

Subsequent to the identification of this violation, the inspector verified that [REDACTED]

(Closed) Violation, Unit-1 (85-38-04): Failure of protected area (PA) detection aids to detect personnel. During a previous security inspection, [REDACTED]

[REDACTED] During a subsequent security inspection, the inspectors verified through testing that the security equipment associated with these perimeter [REDACTED] performed as required and detected all personnel attempting to avoid detection.

(Closed) Follow-up Item (85-41-01): ANPP evaluation of extended work schedule for security personnel. See paragraph 5 of this report for details.

(Open) Follow-up Item (85-41-02): Inspection of vital area barriers. During a previous security inspection, the inspectors [REDACTED]

[REDACTED] The licensee indicated that completion of an approved work order [REDACTED]

(Closed) Follow-up Item (85-41-03): Inspection of vital area barriers. During a previous security inspection, the inspectors determined that the [REDACTED] were not properly secured. During this inspection, it was noted by the inspectors that the [REDACTED] the barrier opening.

3. Licensee Actions on Open Items Since Last Security Inspection

(Closed) 73.71(c) Report Item (10-29-85): Vital area (VA) Door Assigned Improper Access Level. See paragraph 11A of this report for details.

(Closed) 73.71(c) Report Item (11-23-85): Security key-card issued to a wrong employee. The licensee reported that approximately 7:04 a.m., November 23, 1985, a contract employee (1st employee) had been issued a [REDACTED] assigned to another contract employee (2nd employee). At 7:30 a.m., November 23, 1985, upon being searched and requesting his [REDACTED] to enter the protected area (PA), it was determined that the assigned [REDACTED] for the second employee was not available for issuance. A check with the Central Alarm Station (CAS) determined that this [REDACTED] for the second employee had been previously issued to the first employee at 7:04 a.m., and that the first employee was inside the PA. Approximately 7:55 a.m., the [REDACTED] assigned to the second employee was [REDACTED]

Later in the morning, when the first employee (possessing the [REDACTED] of the second employee) attempted to exit the PA, and caused an alarm. Security Department responded and questioned his activity while inside the PA and determined, through interview and a review of [REDACTED] that he had entered the PA earlier in the morning and had not entered any vital areas. The licensee notified the NRC Operations Center within 24 hours and submitted a written report of this event to Region V, NRC. The licensee classified this event as a Moderate Loss of Security Effectiveness, uncompensated.

[REDACTED]

[REDACTED]

The licensee's corrective action(s) included a critical task retraining of the security officer prior to being returned to duty.

(Closed) 73.71(c) Event Report (01-26-86): Vital entrance security post mistakenly removed. See paragraph 11.D of this report for details of this event and a summary of licensee's corrective actions.

(Closed) 73.71(c) Report Item (01-29-86): Vital area door found unlocked and unalarmed during a planned security computer outage. See paragraph 8.C of this report for details of this event and a summary of licensee's corrective actions.

4. MC-30703 - Exit Meeting

On February 14, 1986, the inspectors met with the licensee representatives noted in paragraph 1 to summarize the scope and results of this inspection. Also present at the exit meeting was M. D. Schuster, Chief, Safeguards Section, Region V, US NRC. Following comments by the two NRC inspectors (D. Schaefer and L. Norderhaug), M. Schuster expressed his concerns that the demonstrated overall performance of the licensee's security program was "marginal at best".

The licensee indicated that they would forward to Region V an engineering description of a possible substandard barrier at [REDACTED] (see paragraph 8A(2)). The inspectors noted that further review of security incident reports and potentially reportable occurrences may identify additional problem areas.

5. MC-81022 - Security Organization

No violations were identified.

- A. As discussed during the telephone conversation between Messrs. C. Kelley, ANPP and D. Schaefer of this office on March 13, 1986, this inspection identified an inconsistency in the approved Security Plan. The first paragraph of Section 5.2.1 of the Security Plan states in part that,

[REDACTED]

(emphasis added).

This portion of the Security Plan satisfies the requirements of 10 CFR 73.55(d)(7) which requires in part, that unoccupied vital areas be locked and protected by an active intrusion alarm system.

The second part of Section 5.2.1 of the Security Plan states in part:

[REDACTED]

[REDACTED]

[REDACTED]
[REDACTED] (emphasis added)

This second part of Section 5.2.1 does not require that the vital portals be alarmed as required by 10 CFR 73.55(d)(7).

During the above telephone conversation, the licensee indicated that the second part of Section 5.2.1 [REDACTED]

(50-528/86-07-01)

- B. Also identified during this inspection was a portion of a Security Procedure which did not totally support the requirements in the approved Security Plan. Section 11.0 of the Security Plan states in part:

[REDACTED]
Paragraph 7.6.1 of the CAS/SAS Operations Procedure (20SP-OZZ07) required that a Security Officer be dispatched to investigate only [REDACTED]

(emphasis added)

The above referenced portion of Procedure 20SP-OZZ07 does not agree with Section 11.0 of the approved Security Plan in that the [REDACTED]

(50-528/86-07-02)

6. MC-81022 Security Organization

One apparent violation was identified.

- A. During the previous security inspection, it was determined through interview of security officers that [REDACTED]

[REDACTED] ANPP was requested to consider all (safety) related work factors and evaluate the need for continuing this extended work schedule for their security personnel.

During this inspection, the licensee stated that as a result of their evaluation, they intended to use as "guidance" the requirements contained in Station Procedure 10AC-OZZ07 titled: Overtime Limitations, and to apply the work limitations to the Security Department.

- B. The licensee's approved Security Plan dated October 1979, in Section 11.0 states in part that, [REDACTED]

Contrary to this requirement, on February 25, 1986, the licensee forwarded a 73.71(c) report describing an event which occurred at [REDACTED]

[REDACTED]

Unit 2. Additionally, on March 13, 1986, Messrs. C. Kelley, ANPP and D. Schaefer of this office discussed this event in detail. The licensee reported that on February 20, 1986, on three separate occasions, a contract employee from Combustion Engineering, not authorized to enter the [REDACTED]

[REDACTED] The employee, however, on these three occasions, [REDACTED]

[REDACTED] caused additional alarms in the security alarm stations -- a total of six alarms. The UER alarms caused by this contract employee were as follows.

Time In-Vital Area

9:53 a.m.
11:47 a.m.
3:38 p.m.

Time Out-Vital Area

10:04 a.m.
12:15 p.m.
3:42 p.m.

Upon questioning, this contract employee advised the licensee that he had apparently [REDACTED]

[REDACTED]

The failure by the licensee to respond to the security alarms at 9:53 a.m., 10:04 a.m., 11:47 a.m., 12:15 p.m., and 3:38 p.m., represent an apparent Violation. (50-529/86-06-01)

7. MC-81038 Records and Reports

One apparent violation was identified.

During this inspection, the inspectors reviewed licensee's Security Incident Reports, Potentially Reportable Occurrence (PRO) Reports and (10 CFR 73.71c) Security Event Reports. The inspectors review of these reports revealed situations at Units 1 and 2 which were not reported to NRC in accordance with the requirements of 10 CFR 73.71(c).


10 CFR 73.71(c) requires in part, that each licensee notify the NRC Operations Center via the Emergency Notification System, within a specified time, of any event which threatens or lessens the effectiveness of a required physical security system. The time period begins upon discovery of the event by any member of the security organization or any other licensee employee. Additionally, the licensee is required to submit a written report to NRC describing the event in detail within five days of the time of discovery. Specifically, the Table in this paragraph requires that an uncompensated Major Loss of Physical Security Effectiveness be telephonically reported to NRC within one hour. Additionally, this Table requires that a compensated Major or an uncompensated Moderate Loss of Physical Security Effectiveness be

[REDACTED]

telephonically reported to NRC within 24 hours. Footnote 2 to this paragraph indicates in part, that a Major Loss occurs when security features break down without proper compensation allowing unauthorized or undetected access to vital areas. Further, Footnote 4 to this paragraph indicates in part, that the term properly compensated, means measures as specified in the security or contingency plans, or if the event is not specified in either of these plans, it means measures implemented within 10 minutes of an events occurrence that provides a level of security equivalent to that existing before the event.

Footnote 5 to Paragraph 73.71(c) indicates that a moderate loss of physical security effectiveness occurs when a major loss of effectiveness is properly compensated.

A review of the licensee's Security Incident Reports determined that on several occasions listed in the following table, security component failures, which provided an avenue for unauthorized access, were properly compensated for when discovered by the licensee but were not reported to the NRC.

<u>DATE</u>	<u>NATURE</u>
09/24/85	
09/30/85	
10/30/85	
11/26/85	
12/21/85	
01/04/86	
01/23/86	
01/24/86	

The failure to report these events represents a repeat violation.
(50-528/86-07-03)

[REDACTED]

NOTE: On September 23, 1985, the licensee failed to notify the NRC of a specific deficiency in the perimeter [REDACTED] (See NRC Inspection Report 50-528/85-30).

8. MC-81054 - Physical Barriers - Vital Areas

Two apparent violations were identified.

- A. The licensee's approved Security Plan dated October 1979, in Section 5.2.1 states in part that, [REDACTED]

- (1) Contrary to the above requirement, a review of licensee security incident reports determined that on September 30, 1985, the vital area barrier installed [REDACTED]

[REDACTED] Additionally, on November 26, 1985, the vital area [REDACTED]

[REDACTED] The licensee identified, but did not report these violations to the NRC. (Note: Paragraph 7 of this inspection report identifies these two events as not being reported to the NRC). (50-528/86-07-04)

- (2) Contrary to the above requirement, on February 13, 1986, the inspectors identified an opening in a vital area barrier in the vicinity of [REDACTED]

[REDACTED] (50-529/86-06-02)

The failure to provide an adequate barrier [REDACTED]

[REDACTED] represents three examples of an apparent violation.

- B. The licensee's approved Security Plan dated October 1979, Section 5.2.1 states in part that: [REDACTED]

- (1) Contrary to the above requirement, on February 13, 1986, the inspectors identified a [REDACTED]

- (2) Contrary to the above requirements, a review of licensee Security Incident Reports determined that on September 24, 1985, an inadequate vital area barrier existed adjacent to [REDACTED]

[REDACTED] The licensee [REDACTED]

[REDACTED]

[REDACTED]

identified but did not report this violation to the NRC.
(Note: Paragraph 7 of this inspection report identifies this event as not being reported to the NRC). (50-528/86-07-05)

The failure to provide an adequate barrier at [REDACTED]
[REDACTED] represents an apparent violation.
(50-528/86-07-06)

- C. A review of licensee Security Event Reports determined that approximately 2:36 a.m., January 29, 1986, [REDACTED] a security officer conducting a vital area tour discovered that vital area [REDACTED] was unlocked and unalarmed. The security officer immediately secured the door and notified his shift Captain, who in turn initiated a search of the lower levels of the auxiliary building. No unauthorized persons or any degradation was found. The licensee investigation determined that [REDACTED] was initiated at 11:12 p.m., January 28th and lasted until 3:00 a.m., January 29, 1986. At approximately 2:12 a.m., a security officer opened vital area [REDACTED] to allow a fire watch to complete his tour. This was the last recorded transaction at this door until it was discovered unlocked 24 minutes later, by a security officer on vital area tour. During the [REDACTED] compensatory security posts were in place at the time of this event. The periodic line-of-sight monitoring of all vital area doors during [REDACTED] enhanced the potential to detect the presence of unauthorized personnel. The licensee has completed an evaluation of the locking device on [REDACTED] and determined that during this event this mechanism allowed removal of the key with the door either locked or unlocked. The licensee is seeking a new mechanism which will allow removal of the key only after the door has been locked. (50-528/86-07-07)

9. MC-81062 - Lighting

One apparent violation was identified.

The licensee's approved Security Plan dated October 1979, in Section 3.1.4 states in part that, [REDACTED]

At approximately 9:30 p.m. on February 11, 1986, [REDACTED]

[REDACTED] The failure to provide adequate illumination at these two areas represents an apparent violation. (50-529/86-06-03)

10. MC-81064 - Compensatory Measures

No violations were identified.

[REDACTED]

[REDACTED]

NUREG-1045 dated January 1984 titled: "Guidance on the Application of Compensatory Safeguards Measures for Power Reactor Licensees" addresses examples of appropriate safeguards compensatory measures. On page 3, the appropriate compensatory measure for a component failure in the case of doors, walls, roofs and floors of buildings containing vital equipment is specified as "armed guards with appropriate communications to alarm stations."

The licensee's approved Security Plan dated October 1979, in Section 3.1.2 states in part that, [REDACTED]

The licensee's approved Security Procedure 20SP-0ZZ08 discusses the compensatory measures provided utilizing members of the security force (MSF). This procedure, in Section 5.5.3 (on page 10) states in part: [REDACTED]

During this inspection, it was observed by the inspectors and verified through interviews with security supervisors that [REDACTED]

[REDACTED] This issue will be addressed to Headquarters NRC by Region V. (50-528/86-07-08)

11. MC-81070 Access Control-Personnel

Two apparent violations were identified.

The licensee's approved Security Plan dated October 1979, in Section 5.2.2 states in part that, [REDACTED]

Further, Section 1.6.6 of the approved Security Plan states in part that, Identification picture [REDACTED]

A. Contrary to the above requirements, between September 30 and October 29, 1985, vital area [REDACTED]

[REDACTED] Additionally, on November 1, 1985, for approximately 12 hours, this vital [REDACTED]

[REDACTED]

[REDACTED]

Further, on October 30, 1985, for a period of approximately 5 hours, vital area [REDACTED]

[REDACTED]

The licensee identified these violations, but did not report the October 30, 1985, incident to the NRC. (Note: Paragraph 7 of this inspection report identifies this event as not being reported to the NRC.)

Each time the licensee discovered that a vital area door had been [REDACTED]

Following each of these events, the licensee [REDACTED] for these vital areas and, with one exception, determined that no unauthorized person(s) had entered these vital areas without having a proper level of vital area access authorization.

This one exception occurred on October 29, 1985, when one of seven NRC inspectors entered this vital area door. This newly assigned regional inspector had only been authorized unescorted access to plant protected areas and his [REDACTED]

Subsequent vital area entries were provided to this NRC inspector through an assigned escort.

The failure to limit vital area access to only those individuals authorized access to vital areas represents an apparent violation. (50-528/86-07-09)

- B. Contrary to the above requirements, a review of licensee Security Incident Reports determined that on January 17 and 24, 1986, [REDACTED]

When discovered, the licensee invalidated the badges upon determining that they had last been used for exit from the protected area. The licensee identified but did not report this violation to the NRC. (Note: Paragraph 7 of this inspection report identifies these events as not being reported to the NRC).

The failure to account for these [REDACTED] represents an apparent violation. (50-528/86-07-10)

- C. Further, on December 12, 1985, [REDACTED]
- [REDACTED]

[REDACTED]

(50-528/86-07-11)

D. The licensee reported that [REDACTED]

The inspectors determined that [REDACTED]

Additionally, the inspectors determined [REDACTED]

During this event, [REDACTED]

As a result of this event, the licensee retrained the acting security sergeant and also issued Training Bulletin #35 title: Vital Area Post Mistakenly Removed. This bulletin provides a check-and-balance system, [REDACTED]

12. MC-81084 - Alarm Stations

[REDACTED]

[REDACTED]

No violations were identified.

During this inspection, the inspectors reviewed the licensee's security incident reports and determined that on July 21, 1985, January 31 and February 7, 1986, [REDACTED]

Previously, the licensee was of the opinion that a loss of [REDACTED] was a moderate rather than a major loss of security effectiveness. The inspectors noted that since [REDACTED]

[REDACTED] should be initially considered as a major loss of security effectiveness. Additionally, during the loss of [REDACTED]

13. MC-81088 - Communications

No violations were identified.

As stated in the Unit 2 Operating License, Attachment 1 dated December 9, 1985, and also included in an ANPP letter from E. E. Van Brunt Jr., to J. B. Martin, Region V, U.S. NRC, dated November 14, 1985, ANPP will make the following upgrades to the radio communication system by February 15, 1986.

1. Replace coaxial wiring to the radio antennas in the Radwaste and Auxiliary Buildings.
2. Relocate the base stations from the 160 foot level of the Corridor Building to a more central location.
3. Install and evaluate a passive antenna system on the 74 foot level of the Control Building.

All three of these actions have been completed. The licensee advised the inspectors that in referring to Item 3 above, that an active antenna system was installed rather than a passive antenna system. At the time of evaluation, it was evident to the licensee that a mere passive antenna system could never perform adequately at their multi-unit site. For this reason, the active antenna system was installed and evaluated.

The licensee is also required to complete, prior to initial criticality, an evaluation of the effectiveness of the above changes and, if significant communications deficiencies remain, to establish an action plan to provide for adequate security communications and report same to Region V. (Note: Initial criticality for Unit 2 is anticipated on/about April 10, 1986).

-Initial discussions with licensee security personnel, and direct observations by the inspectors confirmed that [REDACTED]

[REDACTED]

[REDACTED]

14. MC-81501 - Personnel Training and Qualification Plan

No violations were identified.

On February 12, 1986, as requested by the inspectors, [REDACTED] fired the weapons qualification course with their assigned revolvers. Each officer qualified with a minimum score of 70% (210 out of 300 points), with the qualifying scores ranging from 210 points to 299 points. Two security officers were then selected by the inspectors to fire the [REDACTED] qualification course. Both officers also qualified with the [REDACTED]

15. MC-92703 IE Bulletin, Information Notice, Confirmatory Action Letter, and Generic Letter Follow-up

No violations were identified.

The licensee had received Information Notice 85-79 titled: Inadequate Communication between Maintenance, Operations and Security Personnel. To preclude events occurring at Palo Verde Nuclear Generating Station similar to the events described in this Information Notice, the licensee conducts Plant Security System Scheduling Meetings. These daily meetings, hosted each morning by the Security Department are attended by station representatives from: Station Computer Group, I&C Department, Foley Maintenance Company, Maintenance Scheduling, Power Block Scheduling, and specific engineering support for security lighting, security screening equipment, CCTV equipment, vital area door/barrier, and perimeter alarm equipment. Additionally, both the on-coming and off-going Security Shift Captains attend this 7:15 a.m. Monday through Friday meeting.

16. During this routine security inspection, the following additional areas were inspected and no violations or deviations were observed by NRC inspectors.

- a. Management Effectiveness - Security Program
- b. Physical Barriers - Protected Area
- c. Detection Aids - Vital Areas



Arizona Nuclear Power Project

ANPM-00466-DMN/CLK-95.32

DATE: February 10, 1986
TO: Security Operations Personnel
Sta.#
Ext.

Prepared by:

Signature

Name/Ext./Sta. Chris Kelley 7739/6283

Reviewed By:

Signature

Name/Ext./Sta. Mike Deblo 7740/6237

Approved by:

Signature

Name/Ext./Sta. Doeg Nelson 6342/6135

SUBJECT: Training Bulletin #35
(Vital Area Post Mistakenly Removed)

File: 86-001-762

Recently, a major loss of Security effectiveness was reported to the NRC Operations Center. The result of this report could be a Level III violation, the most serious we have incurred to date.

In an effort to prevent future losses, the following check and balance system shall be instituted by 28Feb86.

This check and balance system is a part of the corrective action submitted to the NRC by plant management.

DN/MD/CK/djh

cc: W.F. Fernow 6130
K. Gross 6088



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

1450 MARIA LANE, SUITE 210
WALNUT CREEK, CALIFORNIA 94596

APR 30 1986

Docket Nos. 50-528 and 50-529

Arizona Nuclear Power Project
P. O. Box 52034
Phoenix, Arizona 85072-2034

Attention: Mr. E. E. Van Brunt, Jr.
Executive Vice President

Gentlemen:

Subject: NRC Enforcement Conference, Palo Verde, Units 1 and 2

This letter refers to the enforcement conference held with you and members of your staff at the Palo Verde Nuclear Generating Station (PVNGS) on April 10, 1986. The conference was related to activities conducted under the NRC license listed above. Subjects discussed during that meeting are described in the report which is enclosed for your information.

No response to this letter is required. If you have any questions concerning this report, please contact J. L. Montgomery at telephone 415 943-3778.

In accordance with Section 2.790(d) of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, documentation of the findings of your safeguards and security measures are exempt from public disclosure; therefore, the enclosed report will not be placed in the Public Document Room and will receive limited distribution.

We have determined that the enclosure so designated contains Safeguards Information and therefore is subject to the controls of 10 CFR 73.21.

Sincerely,

Ross A. Scarano
for Ross A. Scarano, Director
Division of Radiation Safety
and Safeguards

Enclosure:

Report No. 50-528/86-14
50-529/86-14 (IE-V-744)

cc w/enc:

J. Bynum, ANPP
W. F. Quinn, ANPP
T. D. Shriver, ANPP
W. E. Ide, ANPP
C. N. Russo, ANPP

cc w/o enc:

Ms. Jill Morrison; Lynne Bernabei; Duke Railsback; Arthur C. Gehr

8605070113 +p

E/5



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

1450 MARIA LANE, SUITE 210
WALNUT CREEK, CALIFORNIA 94596

APR 4 1986

Docket Nos.: 50-528 and 50-529

Arizona Nuclear Power Project
P. O. Box 52034
Phoenix, Arizona 85072-2034

Attention: Mr. E. E. Van Brunt, Jr.
Executive Vice President

Subject: NRC Enforcement Conference

This will confirm the telephone conversation between Mr. E. E. Van Brunt, Jr. of your staff and Mr. M. D. Schuster of this office on April 2, 1986, concerning the scheduling of an enforcement conference to be held at the Palo Verde Nuclear Generating Station between NRC management and the management of ANPP. It is our understanding that the conference will convene at approximately 11:00 a.m., April 10, 1986. The following matters will be discussed:

1. The violations identified during the last security inspection on February 11 through 14, 1986.
2. NRC enforcement options.
3. NRC concerns.
4. Licensee management responsibilities.

We anticipate that the entire meeting should take no longer than one hour.

Sincerely,

for *Frank A. Wenslawski*
Ross A. Scarano, Director
Division of Radiation Safety
and Safeguards

2607150163-2 pp.



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

1450 MARIA LANE, SUITE 210
WALNUT CREEK, CALIFORNIA 94596

APR 3 1986

NOTICE OF SIGNIFICANT MEETING

Name of Licensee: Arizona Nuclear Power Plant (ANPP)

Name of Facility: Palo Verde Nuclear Generating Station (PVNGS),
Units 1 and 2

Docket Nos.: 50-528 and 50-529

Date and Time of Meeting: April 10, 1986, 11:00 a.m.

Location of Meeting: Palo Verde Nuclear Generating Station,
Wintersburg, Arizona

Purpose of Meeting: Enforcement conference to discuss violations noted
during an unannounced routine security inspection
at Palo Verde Nuclear Generating Station.

NRC Attendees: John B. Martin, Regional Administrator
James L. Montgomery, Chief
Nuclear Materials Safety and Safeguards Branch
A. D. Johnson, Enforcement Officer
R. Zimmerman, Senior Resident Inspector
D. W. Schaefer, Physical Security Inspector

Licensee Attendees: E. E. Van Brunt, Jr., Executive Vice President
J. G. Haynes, Vice President Nuclear Production
J. R. Bynum, Plant Manager
W. Hayden, Project Counsel
C. Kelley, Supervisor, Security Training and Support
D. Nelson, Manager, Operations Security
W. Quinn, Manager, Nuclear Licensing
T. Shriver, Manager, Compliance
L. Souza, Assistant Director, Corporate QA/AC

NOTE: Attendance at this meeting by NRC personnel other than those listed
above should be made known by April 9, 1986, 12:00 noon via a telephone
call to M. D. Schuster, FTS 463-3780.

Distribution:

Acting DEDROGR - J. H. Snizek
Director, IE - J. M. Taylor
Director, Division of Inspection Programs, IE - J. G. Partlow
Director, Enforcement Staff, IE - J. A. Axelrad
Director and Chief Counsel, Regional Operations and Enforcement, ELD - J. Lieberman
Director, Division of Safeguards, NMSS - R. F. Burnett
Division of Safeguards, NMSS - G. W. McCorkel, Chief, SGPR
Division of PWR Licensing, NRR - G. Knighton, Project Director
Regional Administrator - John B. Martin
Division Director, NRC Region - Ross A. Scarano
Branch Chief, NRC Region - James L. Montgomery



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

1450 MARIA LANE, SUITE 210
WALNUT CREEK, CALIFORNIA 94596

APR 02 1986

Docket Nos. 50-528 and 50-529

Arizona Nuclear Power Project
P. O. Box 52034
Phoenix, Arizona 85072-2034

Attention: Mr. E. E. Van Brunt, Jr.
Executive Vice President

Gentlemen:

Subject: NRC Security Inspection, Palo Verde, Units 1 and 2

This letter refers to the routine safeguards inspection of your activity at Palo Verde Nuclear Generating Station (PVNGS), Units 1 and 2 authorized under NRC License Nos. NPF-41 and NPF-46, respectively. The inspection was conducted by Messrs. D. Schaefer and L. Norderhaug of this office on February 11 through March 13, 1986. It also refers to the discussion of our inspection findings held by the inspectors with Mr. E. Van Brunt Jr., Executive Vice President of the Arizona Nuclear Power Project (ANPP), and members of his staff on February 14, 1986. Further this letter refers to the telephone discussion between Messrs. C. Kelley, ANPP and D. Schaefer of this office on March 13, 1986.

During this inspection, certain of your activities appeared to be in violation with NRC requirements. You will be notified by separate correspondence of our decision regarding enforcement actions based on the findings of this inspection.

Areas examined during this inspection are described in the enclosed inspection report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with facility and contract personnel and observations by the inspectors.

In accordance with Section 2.790(d) of NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, documentation of the findings of your safeguards and security procedures are exempt from public disclosure; therefore, the enclosed inspection report will not be placed in the Public Document Room and will receive limited distribution.

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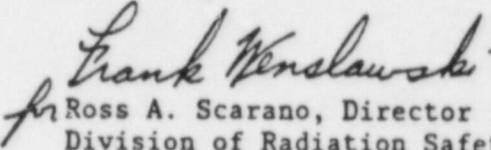
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APR 02 1986

We have determined that the enclosure to this letter contain Safeguards Information and must be protected against unauthorized disclosure in accordance with the provisions of 10 CFR 73.21.

Should you have any questions concerning this letter, we will be glad to discuss them with you.

Sincerely,


for Ross A. Scarano, Director
Division of Radiation Safety and
Safeguards

Enclosure:

Inspection Report

Nos. 50-528/86-07

50-529/86-06 (IE-V-737)

cc w/enclosure:

J. Bynum, ANPP

W. F. Quinn, ANPP

T. D. Shriver, ANPP

W. E. Ide, ANPP

C. N. Russo, ANPP

cc w/o enclosure:

Ms. Mill Morrison, PVIF

Lynne Bernabei, GAP

Duke Railsback, ACC

Arthur C. Gehr, Esq., Snell and Wilmer