



Duke Power Company
A Duke Energy Company

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October 23, 1997

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555

Subject: McGuire Nuclear Station, Units 1 and 2
Docket Nos. 50-369 and 50-370
NRC Inspection Report No. 50-369, 370/97-13
Violation 50-369,370/97-13-01, 97-13-02
Reply to a Notice of Violation (NOV)

Pursuant to the provisions of 10 CFR 2.201, attached is Duke Energy Corporation's response to a Notice of Violation dated September 26, 1997 regarding failure to remove security badges for terminated employees and loss of control of protected area badges. These violations were identified during inspections conducted between July 21 and 24, 1997.

Duke Energy Corporation acknowledges these occurrences to be violations of the requirements of Technical Specification 6.8 and paragraph 6.3 of the Duke Power Company Nuclear Security and Contingency Plan, Revision 6 dated May 13, 1997.

I declare under penalty of perjury that the statements set forth herein are true and correct to the best of my knowledge.

If there are any questions concerning this response, please contact Randy Cross at (704) 875-4179.

Very Truly Yours

H. B. Barron

Attachment

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U. S. Nuclear Regulatory Commission
October 23, 1997

xc: (w/attachment)

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Restatement of Violation 50-369,370/97-13-01

- A. Technical Specification 6.3, requires, in part, that written procedures shall be established, implemented and maintained for applicable procedures in Appendix A to Regulatory Guide 1.33, Rev. 2, 1978. Appendix A specifies procedures for Security and Visitor Control.

McGuire Procedure Nuclear System Directive 218 of Nuclear Policy Manual Volume 2, requires management, in the case of involuntary and voluntary termination, to be responsible for verbally notifying, site security and/or site staffing contacts to delete the individuals' security badge. For involuntary terminations, security is to be notified prior to the termination/discharge or simultaneously with the termination/discharge.

Security Procedure EXAO-02, Security Badge Program, Rev. 62, Paragraph III.B.8.c, provides that if termination is unfavorable, Security shall be contacted.

Contrary to the above, the licensee failed to follow procedures for security badge and access control as evidenced by the following:

1. On April 8, 1997, two individuals were terminated, one involuntarily (unfavorable), and the responsible manager failed to notify security prior to or simultaneously with the terminations. As a result the terminated individuals, with protected and vital area access, gained access to the protected area and could have accessed vital areas.
2. On April 19, 1996, a vendor failed to notify security of the involuntary (unfavorable) termination of three individuals with protected and vital area access. There was no access to the protected or vital areas after their termination.
3. On July 2, 1997, a vendor failed to notify security of the involuntary (unfavorable)

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termination of an individual with protected and vital area access. There was no access to the protected or vital areas after termination.

4. On July 8, 1997, a vendor failed to notify security of a voluntary (favorable) termination of an individual with protected area access. No protected areas were accessed.

- B. Technical Specification 6.8, requires, in part, that written procedures shall be established, implemented and maintained for applicable procedures in Appendix A to Regulatory Guide 1.33, Rev. 2, 1978. Appendix A specifies procedures for Security and Visitor Control.

Security Procedure EXAO-02, Security Badge Program, Rev. 62, paragraph III.B.8e(2) provides that security badges shall be removed from storage when security is informed of a person's termination.

Contrary to the above, the licensee failed to follow procedures for security badge and access control as follows:

1. On January 30, 1997, security failed to remove the access badge from storage in the badge rack following notification of the voluntary (favorable) termination of an individual who had protected and vital area access authorization. No protected or vital areas were accessed.
2. On June 30, 1997, security failed to remove the access badge of an individual from storage in the badge rack following notification (via the Daily Deletion Report) of the expiration of the individual's 180 day temporary clearance. As a result on July 3, 7 and 8, 1997, the individual, with protected area access only, entered the protected area.

These violations represent a Severity Level III violation (Supplement III).

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Reply to Violation 50-369,370/97-13-01

1. Reason for the violation:

Part A of the Notice of Violation cites four examples of vendor supervision not notifying security of the involuntary or voluntary termination of employees having protected or vital area access. The reason for the violation is inadequate supervisor training on the termination process or the failure of supervision to follow procedures for terminating employees.

Part B of the Notice of Violation cites two examples of security personnel not removing security badges from storage in the badge rack following notification of employee termination. The reason the violation is failure to follow procedures.

2. Corrective steps that have been taken and the results achieved:

Upon discovery of each occurrence, employee access to the station was promptly terminated. The supervisor involved in each occurrence was counseled and retrained on the employee termination process and applicable procedures.

The badge termination process was improved and the process was communicated to all McGuire supervisors. A dedicated security phone line was added for reporting employee terminations and the contract employee termination checklist was revised to add security notification requirements. Enhancements were made to controls on computer monitoring of access authorizations.

All vendor supervisors and badging sponsors were retrained on the employee termination process.

All Personnel Access Portal (PAP) Security Control Officers were retrained on the badge termination process and applicable procedures.

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Human Error Reduction training was implemented for Security Group employees.

No similar events have occurred since implementation of these corrective actions.

3. Corrective steps that will be taken to avoid further violations:

An assessment of the 31 day review process of active security badges will be performed to determine its overall effectiveness.

4. Date when full compliance will be achieved:

McGuire Nuclear Station is now in full compliance with Technical Specification 6.8 and security procedure EXAO-02.

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- C. The McGuire Facility Operating License NPF-17, Part 2.E. states, in part, that the licensee shall fully implement and maintain in effect all provisions of the Commission approved physical security, guard training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements, revisions to 10 CFR 73.55, and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p).

Duke Power Company Nuclear Security and Contingency Plan, Rev. 6, dated May 13, 1997, Chapter 6, "Access", Paragraph 6.3, provides that protected area badges shall remain within the protected area.

Security Procedure EXAO-2, Security Badge Program, Rev 62, paragraph III.B.5.c provides that prior to exiting the protected area, all badges shall be returned to the exit turnstile at the primary access portal.

Contrary to the above, the licensee failed to follow Security Procedure EXAO-2 on ten occasions between the dates of February 5, 1997 and July 10, 1997, when the licensee failed to control protected area access badges, and the badges were taken outside the protected area.

This is a Severity Level IV violation (Supplement III)

Reply to Violation 50-369,370/97-13-02

1. Reason for the violation:

The reason for the violation is inattention to detail on the part of employees exiting the protected area. Contributing factors include ADT security badge monitor equipment failures, damage to security badge ADT coils and security badges being masked by hand-held equipment or clothing.

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2. Corrective steps that have been taken and the results achieved:

Upon discovery of each occurrence, the security badge was promptly controlled by security and the employee received counseling. In addition, the ADT security badge monitoring equipment was tested and adjusted for sensitivity.

The importance of employees properly controlling security badges was emphasized to all McGuire personnel in a site-wide message issued by the site Vice-President.

A security officer was posted at each Personnel Access Portal (PAP) exit turnstile to verify that security badges are not removed from the protected area by employees. This corrective action will not be necessary once palm geometry access is implemented at McGuire. This was discussed at the Enforcement Conference on September 19, 1997.

On October 22, 1997, a similar event occurred when an employee exited the protected area with a security badge. The reason for this event was failure of the security officer posted at the exit turnstile to ensure the employee returned the badge to security prior to exiting the protected area. The security officer was terminated from employment for this personnel error.

3. Corrective steps that will be taken to avoid further violations:

A new access control system (palm geometry) will be implemented at McGuire Nuclear Station in 1998.

4. Date when full compliance will be achieved:

McGuire Nuclear Station is now in full compliance with the Duke Power Company Nuclear Security and Contingency Plan, paragraph 6.3 and security procedure EXAO-02.