



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 1000
ARLINGTON, TEXAS 76011

In Reply Refer To:
Docket No. 50-285
License No. DPR-40
EA 89-64

AUG 18 1989

Omaha Public Power District
ATTN: Kenneth J. Morris, Division Manager
Nuclear Operations
444 South 16th Street Mall
Omaha, Nebraska 68102-2247

Gentlemen:

SUBJECT: NOTICE OF VIOLATION (NRC INSPECTION REPORTS 50-285/89-10
AND 50-285/89-23)

This refers to the NRC inspections conducted during the periods February 27 through March 3, 1989, and May 8-10, 1989, of activities authorized by NRC Operating License DPR-40 for the Fort Calhoun Station. These inspections focused on certain areas of your physical security program, the details of which were presented in the referenced inspection reports dated March 24, 1989, and June 21, 1989. An enforcement conference was held in the NRC Region IV Office between Omaha Public Power District (OPPD) and NRC personnel on April 12, 1989, during which the apparent violations from the first inspection, their root causes, and your corrective actions were discussed. The inspection conducted May 8-10, 1989, was specifically conducted to verify the effectiveness of the corrective actions discussed in the enforcement conference after the NRC staff considered the additional information provided in the enforcement conference.

NRC has considered each of the apparent violations discussed in Inspection Report 50-285/89-10 in light of the information provided during the enforcement conference and OPPD's ongoing corrective action programs. Our conclusions regarding these issues are stated in the paragraphs that follow.

Violation A in the enclosed Notice of Violation involves the failure of the Fort Calhoun physical security program to properly log and report certain security incidents as required. The inspectors noted during the inspection that approximately fifty security incident reports were not recorded in the quarterly logs as required by 10 CFR 73.71(c)(1). In addition, the inspectors noted that five security incident reports were not reported in 1 hour as required by 10 CFR 73.71(b)(1). During the enforcement conference, OPPD agreed that the security incident reports were not "logged" as required, but took issue with the NRC staff's conclusion that the five security incident reports were required to be reported within one hour.

The NRC staff has subsequently reviewed the information provided at the enforcement conference, and believes that three of the five security incident reports should have been reported within one hour as required. The fact that

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an inadequate search at the Protected Area boundary may have allowed a weapon into the Protected Area should have, in the NRC staff's view, been reported immediately upon identification of the potential problem. The failures to report possible compromises of safeguards information represent the second and third examples of the violation of "1 hour" NRC reporting requirements. In accordance with the NRC Enforcement Policy, 10 CFR Part 2, Appendix C, these violations are being classified as a Severity Level IV problem.

Violation B in the enclosed Notice of Violation involves the potential entry of a weapon inside the Protected Area. As described in the NRC inspection report, the security officer monitoring the X-ray machine saw what he thought was a small caliber pistol in the purse of a woman entering the site. However, the woman was able to obtain her badge and enter the plant because the officer failed to lock the turnstiles to prohibit entry into the Protected Area. Security personnel entered the plant, searched the personal effects of several women who entered at about that time, and made a judgement that an item in the purse of one of the employees probably was what the officer saw when monitoring the X-ray machine. However, the plant was not searched and the article found was not run through the X-ray machine to determine if, in fact, that was the article that the officer saw. Thus, this is considered to be a Severity Level IV violation of the licensee's commitments made in accordance with 10 CFR 73.55(d)(1) for the failure to adequately search individuals prior to allowing access into the protected areas.

The NRC has examined the findings in the inspection report related to lock and key control in light of the additional information provided in the enforcement conference and the results of the May 8 - 10, 1989 inspection. A violation of the licensee's commitments made in accordance with the requirements of 10 CFR 73.55(d)(9) will not be cited in accordance with 10 CFR Part 2, Appendix C, Section V.G.1 because of the extensive actions taken by OPPD since January 1989 and because 1) the violations were identified by OPPD; 2) occurred from September 1, 1988, to January 24, 1989; and 3) were being evaluated and corrected by an on-going, thorough corrective action program at the time of the inspection. The NRC staff also recognizes the extensive reduction in issuance of key sets from forty sets a day when these violations occurred to eleven sets a day by January 1989.

The NRC staff has also considered the actions taken by OPPD involving compensatory measures. 10 CFR 73.55(g)(1) requires that the licensee employ compensatory measures to assure that the effectiveness of the security system is not reduced by the failure of related equipment. Although many of the issues noted by the inspectors occurred in the latter part of 1988, each was identified by OPPD and were the subject of corrective actions in the area of compensatory measures initiated in July 1988. Additional measures were being implemented at the time of the NRC inspection, and although complicated by a change in security contractors in February 1989, were part of an on-going program that recognized the problem of inattentive security officers. For these reasons, the NRC staff has decided not to cite a violation of the

licensee's commitments made in accordance with 10 CFR 73.55(g)(1) in this case as provided for by 10 CFR Part 2, Appendix C, Section V.G.1. However, the NRC staff will continue to closely monitor OPPD actions in this area until the security system replacement is completed.

OPPD had also identified a number of issues with respect to the Fort Calhoun Station access control program which were noted in the inspection report. These issues should be addressed in your reply to this letter and Notice of Violation and you should describe your actions to provide additional assurance that they will not recur. To the extent that you have already addressed these issues in previous correspondence, you may refer to that correspondence in responding to this request.

A decision has not yet been reached by the NRC staff regarding the failures to adequately protect safeguards information from possible compromises as required by 10 CFR 73.21. Because a recent problem involving protection of safeguards information may be relevant to this issue, Fort Calhoun Station will be notified by separate correspondence of NRC's enforcement action regarding the protection of safeguards information.

The information provided at the enforcement conference differed substantially from the conclusions of the inspectors during the first inspection. As indicated in the NRC inspection report, most of the details provided were taken from Fort Calhoun Station security incident reports, particularly those details involving potentially significant violations. Although you indicated that a number of these issues were raised during the inspection, much of this information should have been provided to the NRC at the exit briefing on March 3, 1989, at the conclusion of the first inspection, or shortly thereafter. Licensees are expected to promptly provide information to the NRC when facts relevant to significant issues differ. Although there are time constraints during the conduct of NRC inspections, it is important that relevant information be provided as soon as possible so that these matters may be resolved.

Furthermore, the disparity between some of the facts in the inspection report and those presented in the enforcement conference by OPPD reflect on the technical accuracy of your security incident reports. Those charged with the responsibility of recording facts on security incident reports at Fort Calhoun Station should pay strict attention to detail to ensure that facts relevant to a specific event are both accurate and complete.

After a review of the findings of these inspections, and in consideration of the differences between the facts as presented in the inspection report and those later brought to the NRC's attention at the Enforcement Conference, the NRC has concluded that only those violations in the enclosed Notice are appropriate at this time.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and its enclosure will be placed in the NRC Public Document Room.

You are required to respond to the enclosed Notice and should address the corrective actions taken to prevent recurrence of the violations cited in the Notice. In your response, you should also describe what actions have been taken to ensure that the issues identified in the inspection reports related to the access control program do not result in violations.

The responses directed by this letter and the accompanying Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

Sincerely,

James L. Milhoan
James L. Milhoan, Director
Division of Reactor Projects

Enclosure:
Appendix - Notice of Violation

cc w/enclosure:
Fort Calhoun Station
ATTN: G. R. Peterson, Manager
P.O. Box 399
Fort Calhoun, Nebraska 68023

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Nebraska Radiation Control Program Director

Omaha Public Power District - Fort Calhoun

NRC Public Document Room

Omaha Public Power District

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