



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

NOV - 3 1999

Charles M. Dugger, Vice President
Operations - Waterford 3
Entergy Operations, Inc.
P.O. Box B
Killona, Louisiana 70066

SUBJECT: NRC INSPECTION REPORT NO. 50-382/99-17

Dear Mr. Dugger:

This refers to the physical security assistance inspection conducted on October 4-7, 1999, at the Waterford Steam Electric Station, Unit 3 facility. The inspection was conducted by a region-based inspector, one NRC inspector, and three contractor personnel from the Reactor Safeguards Section, Office of Nuclear Reactor Regulation. The enclosed report presents the results of this inspection. A followup discussion was conducted on November 2, 1999, to address minor changes to the findings presented during the inspection exit meeting.

Based on the results of this inspection, the NRC has determined that seven Severity Level IV violations of NRC requirements occurred. These violations are being treated as noncited violations, consistent with Appendix C of the Enforcement Policy. These noncited violations are described in the subject inspection report. If you contest any of these violations or the severity level of these noncited violations, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001, with copies to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region IV, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas 76011, the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at the Waterford Steam Electric Station, Unit 3 facility.

The results of this inspection, as well as, past NRC inspections have revealed multiple physical security program implementation problems. Problem areas include: (1) the access control program (four violations are identified in this report and two were identified in Inspection Report 97-09); (2) security systems (two vulnerabilities are identified in this report); and (3) training and qualifications. Moreover, the results of table top exercises and time line evaluations conducted during this inspection resulted in concerns regarding response capabilities.

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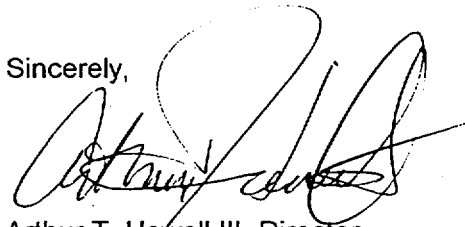
As a result of these issues, we desire to meet with you in the Region IV office to gain a better understanding of your perspective regarding these issues and the implementation effectiveness of your physical security program, including any plans you have to improve the physical security program and its implementation effectiveness. The date and agenda for the meeting were discussed and agreed upon by you and other members of your staff. The meeting is scheduled for November 10, 1999, at 2 p.m. in the Region IV office.

The material enclosed herewith contains Safeguards Information as defined by 10 CFR 73.21 and its disclosure to unauthorized individuals is prohibited by Section 147 of the Atomic Energy Act of 1954, as amended. Therefore, the material will not be placed in the Public Document Room.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, without its enclosure(s), and your response, if appropriate, will be placed in the NRC Public Document Room (PDR).

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

Sincerely,



Arthur T. Howell III, Director
Division of Reactor Safety

Docket No.: 50-382
License No.: NPF-38

Enclosure:
NRC Inspection Report No.
50-382/99-17

cc without SAFEGUARDS INFORMATION:

Executive Vice President and
Chief Operating Officer
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Jackson, Mississippi 39286-1995

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Waterford-3 Resident Inspector

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Waterford-3 Resident Inspector

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