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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 EAST LAMAR BLVD
ARLINGTON, TEXAS 76011-4511

February 14, 2012

EA-11-246

David J. Bannister, Vice President
and Chief Nuclear Officer
Omaha Public Power District
Fort Calhoun Station FC-2-4
P.O. Box 550
Fort Calhoun, NE 68023-0550

SUBJECT: FORT CALHOUN STATION - NRC SPECIAL INSPECTION REPORT
05000285/2011406; PRELIMINARY GREATER THAN GREEN FINDINGS

Dear Mr. Bannister:

On January 18, 2012, the U.S. Nuclear Regulatory Commission (NRC) completed a reactive inspection at your Fort Calhoun Station. The enclosed inspection report documents the inspection results, which were discussed on January 18, 2012, with Mr. W. Goodell, Manager, Nuclear Performance Improvement and Support, and other members of your staff.

The inspection was commenced on September 26, 2011, in accordance with NRC Management Directive 8.3, "NRC Incident Investigation Program," and Inspection Manual Chapter 0309, "Reactive Inspection Decision Basis for Reactors," based on the initial deterministic criteria evaluation made by the NRC on June 8, 2011.

The inspection reviewed the circumstances surrounding an issue which occurred on May 24, 2011, and examined activities conducted under your license as they relate to security and compliance with the Commission's rules and regulations and with the conditions of your license.

The attached report documents one or more findings that have preliminarily been determined to be Greater than Green (i.e., findings of greater than very low security significance) that may result in the need for further evaluation to determine the significance, and therefore the need for

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additional NRC action. Each finding was assessed based on the best available information, using the Physical Protection Significance Determination Process (PPSDP). The deficiencies were promptly corrected or compensated for, and the plant was in compliance with applicable physical protection and security requirements within the scope of this inspection before the inspector's left the area.

One or more findings are also apparent violations of NRC requirements and are being considered for escalated enforcement action in accordance with the Enforcement Policy, which can be found on the NRC's Web site at <http://www.nrc.gov/reading-rm/doc-collections/enforcement>.

In accordance with NRC Inspection Manual Chapter (IMC) 0609, we intend to complete our evaluation using the best available information and issue our final determination of security significance within 90 days of the date of this letter. The significance determination process encourages an open dialogue between the NRC staff and the licensee; however, the dialogue should not impact the timeliness of the staff's final determination.

Before we make our final significance determination, we are providing you with an opportunity to (1) attend a Regulatory Conference where you can present to the NRC your perspective on the facts and assumptions the NRC used to arrive at the finding and assess its significance; or (2) submit your position of the finding to the NRC in writing. If you request a Regulatory Conference, it should be held within 30 days of the receipt of this letter and we encourage you to submit supporting documentation at least one week prior to the conference in an effort to make the conference more efficient and effective. If a Regulatory Conference is held, it will not be open for public observation. If you decide to submit only a written response, such submittal should be sent to the NRC within 30 days of your receipt of this letter. If you decline to request a Regulatory Conference or submit a written response, you relinquish your right to appeal the final SDP determination, in that by not doing either, you fail to meet the appeal requirements stated in the Prerequisite and Limitation sections of Attachment 2 of IMC 0609.

Please contact Mr. Michael C. Hay, Chief, Plant Support Branch 1, Division of Reactor Safety, at (817) 200-1527 and in writing within 10 days from the issue date of this letter to notify the NRC of your intentions. If we have not heard from you within 10 business days, we will continue with our significance determination and enforcement decision. The final resolution of this matter will be conveyed in separate correspondence.

Because the NRC has not made a final determination in this matter, no Notice of Violation is being issued for these inspection findings at this time. In addition, please be advised that the number and characterization of the apparent violations described in the enclosed inspection report may change as a result of further NRC review.

One crosscutting aspect was assigned to each finding. The crosscutting aspects were both related to problem identification and resolution. The first involved the failure to thoroughly evaluate problems such that resolutions effectively addressed the causes and extent of

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conditions and the second involved the failure to implement effective corrective actions such that deficiencies are effectively resolved, [P.1.(c)] and [P.1.(d)], respectively. If you disagree with a cross-cutting aspect assignment in this report, you should provide a response within 30 days of the date of this inspection report, with the basis for your disagreement, to the Regional Administrator, Region IV, and the NRC Resident Inspector at the Fort Calhoun Station.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," once separated from the enclosure, a copy of this letter will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

However, the material enclosed within contains Security-Related Information in accordance with 10 CFR 2.390(d)(1) and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in the enclosure will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's ADAMS, accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. Because this issue involves Security-Related Information, if you chose to respond, your response will not be made available for public inspection in the NRC Public Document Room or from the NRC's ADAMS. If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. Otherwise, mark your entire response Security-Related Information in accordance with 10 CFR 2.390(d)(1) and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

Sincerely,

/RA/

Anton Vogel, Director
Division of Reactor Safety

Docket: 50-285
License: DPR-40

Nonpublic Enclosure:
NRC Inspection Report 05000285/2011406
w/Attachments:

1. Supplemental Information
2. Fort Calhoun Special Inspection Team Charter
3. Chronology of Events at Fort Calhoun

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cc w/enclosure:

Jeffrey A. Reinhart
Omaha Public Power District
Fort Calhoun Station FC-2-4 Adm.
P.O. Box 550
Fort Calhoun, NE 68023-0550

Ms. Susan E. Baughn
Manager – Nuclear Licensing
Omaha Public Power District
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Washington, DC 20006-3817

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Security Related Complete Report - OUO:

SUNSI Review Completed: MKB ADAMS: ☒ Yes Initials: MKB

☒ Non-Publicly Available ☒ Sensitive-Security- Related-Periodic Review Required

Letter Only:

SUNSI Review Completed: MKB ADAMS: ☒ Yes Initials: MKB

☒ Publicly Available ☒ Non-Sensitive

CHLTR_FC 2011406-Rpt-MKB.docx

PSI:PSB1	RSOB:DSO	C:PSB1	C:PBB
MBrooks	MFernandez	MHay	JClark
/RA/	/RA/	/RA/	/RA/
02/08/2012	02/06/2012	02/06/2012	02/03/2012
ACES:SES	BC:ACES	DD:DRP	DD:DRS
CMaier	HGepford	KKennedy	TVegel
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02/08/2012	02/08/2012	02/13/2012	02/14/2012

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