



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION II  
SAM NUNN ATLANTA FEDERAL CENTER  
61 FORSYTH STREET SW SUITE 23T85  
ATLANTA, GEORGIA 30303-8931**

October 28, 2002

Southern Nuclear Operating Company, Inc.  
ATTN: Mr. H.L. Sumner, Jr.  
Vice President - Hatch Plant  
P. O. Box 1295  
Birmingham, AL 35201-1295

**SUBJECT: EDWIN I. HATCH NUCLEAR POWER PLANT - NRC INTEGRATED  
INSPECTION REPORT 50-321/02-04, 50-366/02-04, 72-36/02-03**

Dear Mr. Sumner:

On September 28, 2002 the Nuclear Regulatory Commission (NRC) completed an inspection at your Hatch Units 1 and 2. The enclosed report documents the inspection findings which were discussed on October 1, 2002 with Mr. Peter Wells and other members of your staff.

The inspection examined activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your license. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

Based upon the results of this inspection, the inspectors identified one finding of very low safety significance (Green) that was determined to involve a violation of NRC requirements. However, because of the very low safety significance and because the violation was entered into your corrective action program, the NRC is treating the violation as a Non-Cited Violation in accordance with Section VI.A.1 of the NRC's Enforcement Policy. If you deny the non-cited violation contained in the enclosed inspection report, you should provide a response with the basis for your denial, within 30 days of the date of this inspection report, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001; with copies to the Regional Administrator, Region II; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at the Hatch facility.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be available in the NRC Public Document Room or from the Publicly Available Records (PARS) component of the NRC's document system (ADAMS). ADAMS is accessible

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from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

**/RA/**

Stephen J. Cahill, Chief  
Reactor Projects Branch 2  
Division of Reactor Projects

Docket Nos.: 50-321, 50-366, 72-36  
License Nos.: DPR-57, NPF-5

Enclosure: Integrated Inspection Report  
50-321/02-04, 50-366/02-04, 72-36/02-03  
w/Attachment

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U. S. NUCLEAR REGULATORY COMMISSION

REGION II

Docket Nos: 50-321, 50-366, 72-36

License Nos: DPR-57, NPF-5

Report No: 50-321/02-04, 50-366/02-04, 72-36/02-03

Licensee: Southern Nuclear Operating Company, Inc. (SNC)

Facility: E. I. Hatch Nuclear Power Plant, Units 1 & 2

Location: P.O. Box 2010  
Baxley, Georgia 31515

Dates: June 30 - September 28, 2002

Inspectors: J. Munday, Senior Resident Inspector  
N. Garrett, Resident Inspector  
C. Rapp, Senior Project Engineer  
L. Miller, Operations Engineer (Section 1R11.2)  
G. Laska, Operations Engineer (Section 1R11.2)  
T. Kolb, Operations Engineer (in training)  
K. Davis, Physical Security Inspector (Sections 3PP1, 3PP2)

Approved By: Stephen J. Cahill, Chief  
Reactor Projects Branch 2  
Division of Reactor Projects

## SUMMARY OF FINDINGS

IR 05000321/02-04, IR 05000366/02-04, IR 07200036/02-03, Southern Nuclear Operating Company, Inc., 06/30/2002 - 09/28/2002, Edwin I. Hatch Nuclear Plant, Licensed Operator Requalification.

The inspection was conducted by resident inspectors, a regional security inspector, regional operator licensing examiners, and a regional reactor inspector. The inspectors identified one finding (Green) which was a non-cited violation. The significance of most findings is indicated by their color (Green, White, Yellow, Red) using Inspection Manual Chapter (IMC) 0609 "Significance Determination Process" (SDP). Findings for which the SDP does not apply may be Green or be assigned a severity level after NRC management review. The NRC's program for overseeing the safe operation of commercial nuclear power reactors is described in NUREG-1649, "Reactor Oversight Process," Revision 3, dated July 2000.

### A. Inspector Identified Findings

#### Cornerstone: Initiating Events

- Green. A non-cited violation (NCV) of Technical Specification 5.2.2.f was identified for allowing the Operations Manager to continue in his normal duties without a current license in that he did not complete a requalification program within the two year training cycle as required by 10 CFR 55.53(h) and 10 CFR 55.59(a).

The finding was more than minor because the Operations Manager was permitted to continue his daily duties, including directing day-to-day plant operation by licensed operators. The finding was of very low safety significance because the individual did not actually perform any licensed operator duties. Although not suitable for Significance Determination Process (SDP) analysis in the Operator Requalification or Reactor SDP, the issue was determined by management review to be of Green significance. (Section 1R11.2)

### B. Licensee Identified Violations

None

## Report Details

### Summary of Plant Status

Both Unit 1 and Unit 2 operated at or near 100% Rated Thermal Power (RTP), with the exception of planned maintenance and testing, during this inspection period.

### **1. REACTOR SAFETY**

#### **Cornerstones: Initiating Events, Mitigating Systems, Barrier Integrity [REACTOR - R]**

#### 1R04 Equipment Alignment (Quarterly)

##### a. Inspection Scope

The inspectors performed partial walkdowns of the following five systems to verify the availability of redundant or diverse systems and components and that defense-in-depth was maintained during periods when safety equipment was inoperable. The inspectors compared system configuration to the associated licensee procedures and system and component checklists to verify systems and components were correctly aligned. Additionally, inspectors reviewed selected Condition Reports (CR's) to verify that equipment alignment issues were being identified and adequately resolved.

- Unit 1 A Core Spray (CS)
- Unit 1 A and B Residual Heat Removal (RHR)
- Unit 2 A CS and Unit 2 A & B RHR
- Unit 2 A RHR and Unit 2 A & B CS
- Unit 1 A, B, and C Emergency Diesel Generators and Unit 2 A, EDG

##### b. Findings

No findings of significance were identified.

#### 1R05 Fire Protection

##### a. Inspection Scope

The inspectors toured risk significant areas, identified in the licensee's Independent Plant Evaluation for External Events, to assess the material condition of the fire protection and detection equipment and to verify fire protection equipment was not obstructed. The inspectors reviewed licensee Procedure 40AC-ENG-008-OS, Fire Protection Program, and conducted area walkdowns to assess the licensee's control of transient combustibles. The inspectors also reviewed the Site Fire Hazards Analysis and applicable Pre-fire Plan drawings to verify that the necessary fire fighting equipment, such as fire extinguishers, hose stations, ladders, and communications equipment, was in place. In addition, an unannounced fire drill for Unit 2 was observed. The drill was conducted on the 130 foot elevation of the Reactor Building in the area of the Remote Shutdown Panel. The drill was observed to verify the licensee responded to a simulated fire with adequate protective clothing, self-contained breathing apparatus, and equipment necessary to control and extinguish the fire. The inspectors used licensee Procedure 34AB-X43-001-1S, Fire Procedure, and fire pre-plan sheets to assess the fire brigades fire fighting strategy including; entry into the fire area; communications; search and rescue; and equipment usage. Documents and

drawings reviewed are listed in the Attachment of this report. The fire areas inspected included the following:

- Fire Area 0501, Intake Structure Unit 1 & 2
- Fire Areas 1409, 1410, 1411, 1412, and 2409, Unit 1 'A' EDG, Switchgear Room 1E and Switchgear Room 2G
- Fire Areas 1405, 1406, 1407, 1408, Unit 1 'B' EDG and Switchgear Room 1F
- Fire Areas 1401, 1402, 1403, 1404, Unit 1 'C' EDG and Switchgear Room 1G
- Fire Areas 2401, 2402, 2403, 2404, 0401, Unit 2 'A' EDG, Switchgear Room 2E, and Hall
- Fire Areas 2405, 2406, 2407, 2408, Unit 2 'C' EDG and Switchgear Room 2F

b. Findings

No findings of significance were identified.

1R11 Licensed Operator Requalification

.1 Resident Inspector Observation (Quarterly Review)

a. Inspection Scope

The inspectors observed licensed operator performance during two simulator exercises; LT-SG-50409-09, Steam Leak in the Drywell/ATWS and LT-SG-50613-04, Loss of Hi-Pressure Feed. The inspectors reviewed licensee procedures 10AC-MGR-019-0S, Procedure Use and Adherence, and DI-OPS-59-0896N, Operations Management Expectations, to verify formality of communication, procedure usage, alarm response, control board manipulations, and supervisory oversight. The inspectors also reviewed licensee procedure 73-EP-EIP-001-0S, Emergency Classification and Initial Actions, to verify the event action level was correctly identified and reported. The inspectors attended the post exercise critiques and discussed operator performance with the instructors to verify the licensee identified issues were comparable to issues identified by the inspectors.

b. Findings

No findings of significance were identified.

.2 Operator Licensing Requalification Inspection (Annual Review)

a. Inspection Scope

During the week of July 29, 2002, the inspectors reviewed documentation, interviewed licensee personnel, and observed the administration of simulator operating tests associated with the licensee's operator requalification program. Each of the activities performed by the inspectors was done to assess the effectiveness of the licensee in implementing requalification requirements identified in 10 CFR 55 Operators' Licenses. The evaluations were also performed to determine if the licensee effectively implemented operator requalification guidelines established in NUREG 1021, Operator Licensing Examination Standards for Power Reactors, and Inspection Procedure 71111.11, Licensed Operator Requalification Program. The inspectors observed two

operator crews during the performance of the operating tests. Documentation reviewed included written examinations, Job Performance Measures (JPMs), simulator scenarios, licensee procedures, on-shift records, licensed operator qualification records, watchstanding records, simulator modification request records, and medical records. Licensee documents reviewed during the inspection are listed in the Attachment.

Following the completion of the annual operating examination testing cycle which ended on December 31, 2001, the inspectors reviewed the overall pass/fail results of the biennial written examination, the individual JPM operating tests, and the simulator operating tests administered by the licensee during the operator licensing requalification cycle. These results were compared to the thresholds established in Manual Chapter 609 Appendix I, Operator Requalification Human Performance Significance Determination Process.

b. Findings

Introduction: A Green non-cited violation (NCV) of Technical Specification 5.2.2.f was identified for allowing the Operations Manager to continue to perform his normal duties without a current license. He failed to complete a requalification program within the two year training cycle as required by 10 CFR 55.53(h) and 10 CFR 55.59(a).

Description: During the week of July 29, 2002, the inspectors noted that the Operations Manager failed the 2001 requalification biennial comprehensive written examination on May 17, 2001 and did not pass a retake of the examination until April 15, 2002. Upon being notified by the inspectors, the licensee captured the issue in the licensee's corrective action program as CR-2002007793.

Analysis: This performance deficiency was a more than minor finding. The licensee allowed the Operations Manager to continue his daily duties, as referenced in Final Safety Analysis Report section 13.1.2.2.D, which include being responsible for directing the day-to-day operation of the plant in a safe and efficient manner in compliance with the established plant procedures and regulatory requirements.

The finding was considered of very low safety significance (Green) because the individual did not actually perform any licensed operator duties. The finding is considered a Non-SDP Finding as determined by Manual Chapter 0612 since it was not suited for SDP analysis and was subject to a management review. Neither the Operator Requalification SDP, Inspection Manual Chapter 0609 appendix I, nor the SDP of Reactor Inspection Findings for At-Power Situations, Inspection Manual Chapter 0609 Appendix A, adequately applied for the specifics of this finding.

Enforcement: 10 CFR 55.53(h) states, "The licensee shall complete a requalification program as described by 10 CFR 55.59" as a condition of license. 10 CFR 55.59 (a) requires each licensee to pass a comprehensive requalification written examination every two years. 10 CFR 55.59(b) and the licensee's procedure, License Continuing Training Program, 72TR-TRN-002-0, Rev. 10.0, section 7.4.1.3, require remedial training and examination for an individual who fails the comprehensive requalification written examination prior to returning to license duties. Contrary to the above, the Operations Manager did not pass a comprehensive requalification written examination during the two year cycle and was allowed to continue in the performance of his duties



as Operations Manager without a current license. This violation of Technical Specification 5.2.2.f is being treated as an NCV, consistent with Section VI.A.1 of the NRC Enforcement Policy, issued May 1, 2000, (65 FR 25368). The NCV is identified as NCV-50-321, 366/02-04-01, Failure to Meet Conditions of License for Requalification Examinations.

1R12 Maintenance Effectiveness

a. Inspection Scope

The inspectors conducted a detailed review of the Unit 1 Off-Gas System, and the Unit 2 Residual Heat Removal Service Water System (RHRSW). The inspectors performed a system walkdown with the system engineer to establish current system configuration and deficiencies. The inspectors reviewed the system health report, maintenance work orders (MWO's), condition reports (CR's), and system modifications to determine system condition and maintenance problems. Additionally, the inspectors reviewed the licensee's maintenance rule (MR) reports and scoping documents to determine that the systems were properly scoped, in the proper maintenance rule category, and appropriate actions were being taken on the system.

b. Findings

No findings of significance were identified.

1R13 Maintenance Risk Assessments and Emergent Work Evaluation

a. Inspection Scope

The inspectors reviewed the following five licensee Plan of the Day (POD) documents to verify that plant risk was adequately assessed prior to components being removed from service or following failure of a component. In addition, when emergent work was identified, the inspectors held discussions with licensee personnel and walked down plant systems to verify actions were taken to minimize the probability of an initiating event and maintain the functional capability of mitigating systems.

- POD for Work Week July 13 - July 19, including failure of Unit 1 'B' CS pump to start and Unit 2 'B' RHRSW pump cooling coil low flow
- POD for Work Week July 27 - August 2, including Unit 1 and 2 RHRSW pumps cooling coil low flow
- POD for Work Week August 9 - August 16, including failure of Unit 1 High Pressure Coolant Injection (HPCI) oil system
- POD for Work Week August 31 - September 6
- POD for Work Week September 14 - September 20

b. Findings

No findings of significance were identified.

## 1R15 Operability Evaluations

### a. Inspection Scope

The inspectors reviewed the following four operability evaluations to verify the licensee had adequately assessed TS operability. The inspectors also reviewed the UFSAR to verify the system or component remained available to perform its intended function. In addition, the inspectors verified compensatory measures were adequate and properly implemented.

- Unit 1 and 2 Safety Relief Valve (SRV) Operability: LR-REG-002-0702, LR-REG-005-0702, and LR-REG-002-0802
- Failure of Unit 2 'B' CS Pump, CR 2002007353, Engineering Evaluation Document for MWO 10202586
- Operating Order 00-01-0702S, Unit 2 SRV Operability due to Bore Size
- Unit 2 HPCI Oil Tank Level Switch Determined To Be Non-Safety-Related, LR-REG-002-0902

### b. Findings

Introduction: The licensee's operability assessment for the Unit 1 and 2 SRV's contained several inconsistencies including lack of maintenance records, lack of sufficient data to be statistically significant, and the use of several unverified assumptions. The inconsistencies did not support a determination of operable, but the significance of this finding has not been evaluated by the SDP pending additional information.

Description: During reactor startup from the spring 2002 Unit 1 refueling outage, the 1'J' SRV tailpipe temperature was higher than normal and was suspected of leaking. On April 19, the licensee attempted to cycle the valve to stop the leakage; however, the valve failed to fully open and then did not reclose. The plant was subsequently shut down and the valve was removed. The licensee disassembled the valve and found the valve disk to be cocked and stuck in the valve cylinder. In addition, several other parts associated with the main valve body were found to be substantially worn.

The licensee believed the problem was age related and possibly associated with vibration. The inspectors questioned the operability of the remaining SRV's and, on June 21, two months after the failure, the licensee issued an operability assessment which concluded that the remaining SRV's were operable. The inspectors noted several inconsistencies in the assessment including lack of maintenance records for the remaining SRV's, lack of sufficient data to be statistically significant, and the use of several unverified assumptions. The assessment was also general in nature and was determined to be inadequate to support an operability determination for the remaining SRVs. The licensee investigated the cause of the failure further and revised the assessment on July 19. However, questions remained and the inspectors determined it remained insufficient to support a conclusion of operability. On August 2, following further significant investigation and analysis, the licensee issued a third revised operability assessment. The inspectors reviewed the assessment and noted that the failure mechanism was not fully understood by the licensee and concluded that the extent of condition could not be adequately determined. Four SRV's, three on Unit 1

and one on Unit 2 were in question, due in part, to a lack of, or inadequate, maintenance records.

The NRC inspectors met with the licensee engineering staff and the SRV vendor, Target Rock, in the Region II NRC office on August 20 to discuss the issue in detail. The licensee considered that, based on the limited information they had, the failure was largely age related and would affect only one additional valve, the Unit 1, 'L' SRV, which they declared inoperable. This determination did not require entry into the TS required action statement because the TS only required ten of eleven SRV's to be operable. However, the inspectors determined that the amount of data obtained to date was not sufficient to support a conclusion of fully operable. The licensee initiated plans to shut down Unit 1 in October, 2002 to replace and inspect the remaining SRV's in question to ascertain their operability.

Analysis: The inspectors concluded that the licensee's initial response to this significant condition adverse to quality was not timely or adequate to support a determination of operable. It also required multiple revisions when inconsistencies were questioned by the inspectors. This finding has not been evaluated using the SDP pending removal, inspection, and further evaluation of the remaining SRV's and operability determination. This finding will remain open as unresolved item (URI) 50-321, 366/02-04-02, Inadequate Assessment of Main Steam Safety Relief Valve Operability.

Enforcement: The applicable enforcement action for this issue will be determined after the significance has been evaluated using the SDP.

#### 1R19 Post Maintenance Testing

##### a. Inspection Scope

The inspectors either observed personnel performance or reviewed the test results for the following six maintenance testing activities to verify the scope of testing demonstrated that both the work performed was correctly completed and the affected equipment was operable. The inspectors also reviewed the maintenance package to verify procedural requirements were met. The inspectors reviewed equipment status and alignment to verify the system or component was properly realigned to perform the required safety function.

- MWO 20202332, Replacement of Plant Service Water Piping for the Main Control Room Air Conditioners
- MWO 20002656, Replacement of Condensate Storage Tank Low Level Switch for the Reactor Core Isolation Cooling system Suction Swap
- MWO 10202812 & 10202813, Repair of Oil Leak on Unit 1 HPCI Oil System
- MWO 20200752 Replace RMS-9 Trip Device 2R23-S001 Frame 1AB
- MWO 20203279, Main Control Room Fire Seals Leaking

##### b. Findings

No findings of significance were identified.

## 1R22 Surveillance Testing

### a. Inspection Scope

The inspectors reviewed the following six surveillance test procedures and either observed the test or reviewed test records to verify the test scope demonstrated the affected equipment was operable. The inspectors also reviewed for preconditioning of equipment, procedure adherence, and valve alignment following completion of the surveillance. The inspectors reviewed licensee Procedure AG-MGR-21-0386N, Evolution and Pre-and Post-Job Brief Guidance, and attended selected briefings to verify procedure requirements were met.

- 42SV-FPX-004-0S, Fire Pump Test
- 34SV-E41-002-1S, High Pressure Coolant Injection (HPCI) Pump Operability
- 34IT-OPS-003-0, Security and Dry Storage Power Systems Test
- 34SV-R43-003-2S, Diesel Generator 2C Monthly Test
- 34SV-E11-001-1S, Residual Heat Removal Pump Operability
- 57SV-C32-003-2S, Reactor High Water Level FT&C

### b. Findings

No findings of significance were identified.

## 1R23 Temporary Plant Modifications

### a. Inspection Scope

The inspectors reviewed the following temporary modifications (TMM) to verify the TMM met the criteria defined in licensee procedure 40AC-ENG-018-0S, Temporary Modification Control. In addition, the inspectors reviewed the 10 CFR 50.59 evaluation using the design basis information in the UFSAR to verify the modification did not affect the safety function of the system. The inspectors walked down the modification to verify it was installed in accordance with the TMM requirements.

- TM 2-02-008, Remove Temperature Indicating Switch 2U61-N110B from Operation
- TM 2-02-009, Remove Temperature Indicating Switch 2U61-N112B from Operation

### b. Findings

No findings of significance were identified.

## **Cornerstone: Emergency Preparedness [EP]**

### 1EP6 Drill Evaluation

#### a. Inspection Scope

The inspectors observed licensee activities in the control room simulator, and Technical Support Center (TSC) during an emergency drill conducted on July 17 to verify implementation of 10AC-MGR-006-1S, Hatch Emergency Plan. The inspectors reviewed 73EP-EIP-001-0S, Emergency Classification and Initial Actions, to verify the

licensee properly classified the simulated event and developed protective action recommendations. The inspectors also reviewed 73EP-EIP-073-0S, Offsite Emergency Notification, to verify the licensee made the required offsite notifications. The inspectors attended the post-drill exercise critique to verify the licensee's identification for areas of improvement were consistent with the inspectors observations.

b. Findings

No findings of significance were identified.

### 3. SAFEGUARDS

#### Cornerstone: Physical Protection [PP]

##### 3PP1 Access Authorization (Behavior Observation Program)

a. Inspection Scope

During the period of July 29 through August 2, 2002, the inspectors reviewed the licensee's behavioral observation program to evaluate the effectiveness and proper implementation of the behavioral observation portion of the personnel screening and fitness for duty (FFD) program. Five representatives of licensee management and five representatives assigned escort duties were interviewed to determine their understanding of the behavior observation program. The inspectors evaluated the effectiveness of each individual's training, including their ability to recognize aberrant behavioral traits, indications of narcotic and alcohol use, and knowledge of work call-out reporting procedures.

The inspectors reviewed the licensee's Semi-Annual FFD report for the period July through December 2001, and a sample of the licensee's Condition Reports (CRs) and Quarterly Safeguards Event Logs for the period January through December 2001, to evaluate the licensee's threshold for recommending for-cause testing for events related to human performance. In addition, the inspectors interviewed the Access Authorization Manager and reviewed licensee's procedures and controls used by supervisors to determine whether employees were continuously observed in accordance with the established continual behavior observation program.

The licensee's activities were evaluated against requirements in the Hatch Nuclear Plant Physical Security Plan, associated plant procedures, and 10 CFR Part 26, Fitness For Duty Program. Specific licensee documents evaluated are described in the attachment.

b. Findings

No findings of significance were identified.

### 3PP2 Access Control

#### .1 Protected Area

##### a. Inspection Scope

During the period of July 29 through August 2, 2002, the effectiveness of the licensee's access control procedures and associated equipment designed to detect and prevent the introduction of contraband into the protected area were evaluated. On July 30, 2002, the inspectors evaluated, through direct observation, the adequacy of the licensee's equipment testing procedures performed by a licensee representative on in-use access control equipment and on in-service standby equipment at the site's Plant Entry & Security Building (PESB). The inspectors evaluated the equipment testing procedure to determine if testing was performance based and challenged the presently installed and configured site equipment. Through observation of licensee performance testing, the inspectors assessed the adequacy of the card readers and biometric hand readers located at the PESB to prevent unauthorized entry into the protected area. In addition, the inspectors reviewed the licensee's process for restoring search equipment to service following repair and post maintenance testing. The inspectors also observed and assessed in-processing searches of personnel and packages at the PESB, and search of vehicles at the vehicle access gate.

The licensee's Key and Lock Program and associated procedures for limiting and controlling vital area keys were examined, including key inventories for the first quarter of 2002. A random audit of security daily shift reports for the current year was conducted to verify each shift's accountability for vital area keys. On August 1, 2002, the inspectors verified operations accountability for Emergency Operations Keys maintained in the Control Room to gain access to vital equipment during an emergency. The inspectors also discussed safeguards in place to protect against unauthorized access to the site security computers from outside the protected area with the Access Authorization Manager .

The licensee's procedures and processes for granting unescorted access to vital area equipment were evaluated to determine if access was granted to only those personnel identified as having a need for such access. Specifically, selected employees were verified as having a need for vital equipment and protected area access. Also, site access authorization personnel were interviewed to determine their knowledge associated with supervisors' actions when maintaining the employee monthly protected and vital area access list. The inspectors assessed the licensee's evaluations and corrective actions identified in the annual Security Audit Report No. 01-SP-1, dated October 22, 2001, to determine if observations related to access controls were being appropriately dispositioned.

The licensee's activities were evaluated against requirements contained in the Hatch Physical Security Plan, associated procedures, 10 CFR 73.55, Requirements for Physical Protection of Licensed Activities in Nuclear Power Reactors Against Radiological Sabotage, and 10 CFR 73.56, Personnel Access Authorization Requirements for Nuclear Power Plants. Specific licensee documents evaluated are described in the attachment.

b. Findings

No findings of significance were identified.

.2 Independent Spent Fuel Storage Installation (ISFSI)

a. Inspection Scope

The inspectors evaluated the licensee's physical security program for the ISFSI, against regulatory requirements and the commitments contained in the licensee's security plans and procedures. On July 2, 2002, the inspectors evaluated, through direct observation, the licensee's testing procedures for the intrusion detection equipment to determine if the procedures were sufficiently challenging and to determine if the licensee was able to adequately detect and assess unauthorized entry at the protected area (PA). In addition, selected security logs and CR's for the years 2001 and 2002 were examined to determine if maintenance associated with the intrusion detection equipment was appropriately prioritized and performed. Interviews were conducted with responsible patrols to independently verify that patrols were being performed, as required, at the ISFSI. The inspectors also examined a sample of daily shift reports to verify the licensee's accountability of keys for the ISFSI barrier. In addition, the licensee's procedures were reviewed to determine if access to the ISFSI PA was being limited to only those individuals having a need for such access.

The existence of licensee's offsite agreement letters with local law enforcement agencies was also verified, and selected daily shift reports for the years 2001 and 2002 were examined to determine whether communication checks were conducted with local law enforcement agencies.

The licensee's activities were evaluated against requirements contained in the Hatch Physical Security Plan, associated procedures, 10 CFR 73.51, Requirements for Physical Protection of Stored Spent Nuclear Fuel and High-level Radioactive Waste, and 10 CFR 73.55, Requirements for Physical Protection of Licensed Activities In Nuclear Power Reactors Against Radiological Sabotage. Specific licensee documents evaluated are described in the attachment.

b. Findings

No findings of significance were identified.

3PP3 Response to Contingency Events

The Office of Homeland Security (OHS) developed a Homeland Security Advisory System (HSAS) to disseminate information regarding the risk of terrorist attacks. The HSAS implements five color-coded threat conditions with a description of corresponding actions at each level. NRC Regulatory Information Summary (RIS) 2002-12a, dated August 19, 2002, "NRC Threat Advisory and Protective Measures System," discusses the HSAS and provides additional information on protective measures to licensees.

a. Inspection Scope

On September 10, 2002, the NRC issued a Safeguards Advisory to reactor licensees to implement the protective measures described in RIS 2002-12a in response to the Federal government declaration of threat level "orange." Subsequently, on September 24, 2002, the OHS downgraded the national security threat condition to "yellow" and a corresponding reduction in the risk of a terrorist threat.

The inspector interviewed licensee personnel and security staff, observed the conduct of security operations, and assessed licensee implementation of the threat level "orange" protective measures. Inspection results were communicated to the region and headquarters security staff for further evaluation.

b. Findings

No findings of significance were identified.

#### 4. OTHER ACTIVITIES [OA]

##### 4OA1 Performance Indicator (PI) Verification

###### .1 Mitigating Systems Cornerstone

a. Inspection Scope

The inspectors reviewed the licensee's procedures and methods for compiling and reporting PIs. The inspectors reviewed raw PI data collected for the PI's below from July, 2001 to June, 2002 and compared graphical representations from the most recent PI report to the raw data to verify the data was correctly included in the report. The inspectors also examined a sampling of operations logs and procedures to verify the PI data was appropriately captured for inclusion into the PI report, and that the PI was calculated correctly. The inspectors compared their observations with licensee procedure, 00AC-REG-005-0S, Preparation And Reporting Of NRC PI Data, and NEI 99-02, Regulatory Assessment Performance Indicator Guideline, Rev. 2, to verify licensee procedure requirements and industry reporting guidelines were met.

- Safety System Unavailability - RHR
- Safety System Unavailability - RHRSW
- Safety System Unavailability - Reactor Core Isolation Cooling (RCIC)

b. Findings

No findings of significance were identified.



.2 Physical Security Cornerstone

a. Inspection Scope

The inspectors evaluated the licensee's PI data associated with the Intrusion Detection System (IDS) and Closed Circuit Television (CCTV) to determine if the licensee provided accurate reporting for compensatory time relative to equipment degradation for the protected area Equipment Performance Index PI. The evaluation included a sample review of tracking and trending reports, equipment maintenance logs, and security event reports for the year of 2001 and the first quarter of 2002. A review of a sample list of licensee's event reports and security logs for the same period were also conducted to determine the accuracy of PI data associated with the Personnel Screening Program Performance and Fitness for Duty/Personnel Reliability Program Performance PIs.

b. Findings

No findings of significance were identified.

4OA2 Identification and Resolution of Problems (annual sample review)

.1 Follow-up on Inability to Obtain Adequate Records

a. Inspection Scope

The inspectors reviewed CR 2002005369, which documented that maintenance records for safety/relief valves could not be located. The records were required to be maintained for the life of the plant, in accordance with ANSI Standard N45.2.9. The inspectors reviewed the procedures used to process condition reports, 10AC-MGR-004-0, Corrective Action Program, Rev. 19.1 and CAP Process Expectations Handbook, August 2002, Rev. 9 and conducted an in-depth review of the licensee's problem identification and resolution activities to ensure they included:

- Complete and accurate identification of the problem in a timely manner commensurate with its significance and ease of discovery.
- Consideration of extent of condition, generic implications, common cause, and previous occurrences.
- Classification and prioritization of the resolution of the problem commensurate with its safety significance.
- Identification of corrective actions in a timely manner which are appropriately focused to correct the problem.
- Completion of corrective actions in a timely manner commensurate with the safety significance of the issue.

b. Findings and Observations

The inspectors concluded that a violation of regulatory requirements had not occurred because the records identified in the CR were ultimately located. Their retrieval was difficult, in part, due to the manner in which the documents had been identified and entered into the licensee's computer system. However, the inspectors observed the following:

- The extent of condition was narrowly focused. The resolution involved locating the missing records associated with the SRV's. It did not involve sampling other records to determine if a similar problem existed which could involve generic implications, a common cause, or previous occurrences. Development of corrective actions also took longer than the licensee's process allowance of 45 days. Corrective actions were developed in 51 days for this CR.
- The CR was classified as a severity level 4. Since the licensee did not recognize the potential for a violation of regulatory requirements existed, this was appropriate. However, the licensee later identified that these records were covered by regulatory requirements. The process requires that CR's involving regulatory requirements be classified as severity level 3. The CR was not reclassified as a severity level 3.
- The corrective actions were not comprehensive in that they only included finding the missing documents.

The issues identified were determined to be inconsistencies in application of the licensee's processes. No findings of significance were identified.

## .2 Licensee Resolution of Documented Issues

### a. Inspection Scope

While performing a maintenance effectiveness inspection and plant status inspections, the inspectors had noted that several CR's had been closed to other processes without the actual adverse condition being properly addressed or corrected. Eight CR's and associated documents were reviewed in detail to determine how each adverse condition was corrected. In addition, the inspectors reviewed procedures 10AC-MGR-004-0, Corrective Action Program, and CAP Process Expectations Handbook.

### b. Findings and Observations

The inspectors found that five CR's had been closed to the Action Item Tracking (AIT) process. The inspectors noted that these CR's were overdue when they were closed. In addition, no assessment of the problem was performed; the information documented in the CR was simply copied to the AIT. Four of the AIT's were assigned a four month due date while the fifth was assigned a six month due date. This effectively resulted in an extension to six months from the time the issue was identified until action was to be taken.

Two CR's had been closed out to maintenance work orders (MWOs), and one CR had been deleted because it was thought to have been a duplicate of a previous CR. Each of these CR's were closed out or transferred to other processes without conducting a thorough review. As a result, the conditions adverse to quality were not corrected in a timely manner. However, the safety significance of each individual issue was minor and no violation of regulatory requirements occurred as a result of the licensee's delay in correcting the condition.

- A CR stated that the condition adverse to quality was a valve that was worn out. The CR indicated that the valve had been repaired, using MWO 1020190, but needed

replacing during the next opportunity. The CR was closed to MWO 1020190 without any justification about why the valve would not be considered for replacement.

- CR 2002007531 involved a leaking piping connection to the Unit 2 condensate storage tank. The CR was closed to an MWO without considering the need for compensatory action. Approximately one month later, the inspectors identified the leak and upon investigation, the licensee performed an immediate repair.
- Condition report 2002000610 was written because an Operations procedure required a CR be generated whenever a valve was closed using a torquing device. Five valves had been snugged with a torquing device to aid in identifying a leak. The CR was written to document this fact and to initiate actions to determine if the valves had been damaged due to the torquing. However, the CR had been deleted because it was thought to have been a duplicate of a CR which actually identified other valves which were responsible for the leak.

#### 4OA6 Meetings

##### Exit Meeting Summary

The inspectors presented the overall inspection results to Mr. Pete Wells, General Manager - Nuclear Plant and the other members of licensee management at the conclusion of the inspection on October 1, 2002. A follow-up phone call was held with Mr. Steve Grantham, Operations Training Manager on October 22, 2002 to discuss the finding documented in Section 1R11.2. No proprietary information was identified.

## Supplementary Information

### KEY POINTS OF CONTACT

#### Licensee

J. Betsill, Assistant General Manager - Plant Support  
E. Burkett, Operations Support Superintendent  
D. Davis, Plant Administration Manager  
R. Dedrickson, Operations Manager  
M. Googe, Performance Team Manager  
J. Hammonds, Engineering Support Manager  
C. Hutchens, Access Authorization Manager  
G. Johnson, Safety Audit and Engineering Review Supervisor  
W. Kirkley, Health Physics and Chemistry Manager  
J. Lewis, Training and Emergency Preparedness Manager  
D. Madison, Assistant General Manager - Plant Operations  
A. Manning, Acting Chemistry Manager  
J. Reddick, Radiation Protection Manager  
P. Roberts, Outage and Planning Manager  
J. Thompson, Nuclear Security Manager  
S. Tipps, Nuclear Safety and Compliance Manager  
P. Underwood, Unit Superintendent  
R. Varnadore, Unit Superintendent  
P. Wells, General Manager - Nuclear Plant

#### NRC

K. Barr, Senior Management Analyst  
A. Boland, Branch Chief, Plant Support Branch

### ITEMS OPENED, CLOSED, AND DISCUSSED

<u>Opened/Closed</u>	<u>Item Type</u>	<u>Description</u>
50-321, 366/02-04-01	NCV	Failure to Meet Conditions of License for Requalification Examinations (Section 1R11.2).

<u>Opened</u>	<u>Item Type</u>	<u>Description</u>
50-321, 366/02-04-02	URI	Inadequate Assessment of Main Steam Safety Relief Valve Operability (Section 1R15).

## INSPECTION DOCUMENTS REVIEWED

### Section 1R05

Plant Drawing A-43966, Sheet 27B  
 Plant Drawing A-43966, Sheet 5B  
 CR 20002006877

### Section 1R11.2

72TR-TRN-002-0, License Continuing Training Program procedure Rev. 10.0  
 10AC-MGR-001-0, Plant Organization, Staff Responsibilities and Authorities Rev. 9.2  
 LR-EG-00102-01, License Requalification Biennial Written Examination Examiner's Guide  
 LR-EG-00101-00, License Annual Examination Evaluator Guide  
 LR-EG-00103-02, License Job Performance Measure Evaluator Guide  
 DI-TRN-55-0601N, Operations Personnel Qualification Instructions, Rev. 2.0

### Sections 3PP1, 3PP2

Hatch Physical Security Plan (Sections applicable to the inspection being performed)

#### Licensee Procedures:

- Inspection Test Procedure, 82IT-SEC-001-5S
- Access Control, 82SS-SEC-005-5S
- Key and Annunciated Door Control, 80AC-SEC-002-0S
- Access Authorization and Badging of Personnel, 80AC-SEC-003-0S
- Security Lock and Key Control, 82SS-SEC-033-0S
- Plant Security and Entry Controls, 80AC-SEC-001-0S
- Vehicle and Cargo Searches, 82SS-SEC-019-SS
- Security Control of ISFSI Activities, 82SS-SEC-050-5S
- Protected and Vital Area Personnel Access List, 82SS-SEC-006-0S
- Testing Security Systems/Equipment, 82IT-SEC-001-5S
- Security Patrols, 82SS-SEC-025-5S

Hatch Semi-Annual Fitness for Duty Report, July - December, 2001

Security Audit Report, 01-SP-1, Dated 10/22/01

#### Local Law Enforcement Liaison Letters with:

- GA State Patrol, dated 11/20/01
- Appling County Sheriff Department, dated 11/27/01
- Toombs County Sheriff Department, dated 3/18/02

### Section 4OA2

CR's 2002001862, 2002002056, 2002002061, 2002002643, 2002003595, 2002004515,  
 2002008386

AIT's 2002200988, 2002201024, 2002201025, 2002201229, 2002201638

MWO 20203170