

August 17, 2000

Mr. M. Reddemann
Site Vice President
Point Beach Nuclear Plant
Wisconsin Electric Power Company
6610 Nuclear Road
Two Rivers, WI 54241

SUBJECT: POINT BEACH - NRC INSPECTION REPORT 50-266/2000010(DRS);
50-301/2000010(DRS)

Dear Mr. Reddemann:

On July 28, 2000, the NRC completed a baseline inspection at your Point Beach Nuclear Plant. The results of this inspection were discussed with Mr. A. J. Cayia and other members of your staff on July 27, 2000. The enclosed report presents the results of that inspection.

The inspection was an examination of activities under your license as they relate to the Safeguards Strategic Performance Area and compliance with the Commission's rules and regulations and the conditions of your license. Within this area, the inspection consisted of a selected examination of procedures and representative records, observations of activities, and interviews with personnel. Specifically, this inspection focused on performance involving your access control and access authorization programs, your program for collecting and reporting performance indicator information and security plan revisions. The NRC did not identify any issues which were categorized as being of risk significance.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available **electronically** for public inspection in the NRC Public Document Room or from the Publicly Available Records System (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

James R. Creed
Safeguards Program Manager
Division of Reactor Safety

Docket Nos. 50-266; 50-301
License Nos. DPR-24; DPR-27

Enclosure: Inspection Report 50-266/2000010(DRS);
50-301/2000010(DRS)

See Attached Distribution

cc w/encl: R. Grigg, President and Chief
Operating Officer, WEPCo
M. Sellman, Senior Vice President
Chief Nuclear Officer
R. Mende, Plant Manager
J. O'Neill, Jr., Shaw, Pittman,
Potts & Trowbridge
K. Duveneck, Town Chairman
Town of Two Creeks
B. Burks, P.E., Director
Bureau of Field Operations
J. Mettner, Chairman, Wisconsin
Public Service Commission
S. Jenkins, Electric Division
Wisconsin Public Service Commission
State Liaison Officer

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U.S. NUCLEAR REGULATORY COMMISSION

REGION III

Docket Nos: 50-266; 50-301
License Nos: DPR-24; DPR-27

Report No: 50-266/2000010(DRS); 50-301/2000010(DRS)

Licensee: Wisconsin Electric Power Company

Facility: Point Beach Nuclear Plant, Units 1 and 2

Location: 6610 Nuclear Road
Two Rivers, WI 54241

Dates: July 24 - 28, 2000

Inspector: James L. Belanger
Senior Physical Security Inspector

Approved by: James R. Creed
Safeguards Program Manager
Division of Reactor Safety

NRC's REVISED REACTOR OVERSIGHT PROCESS

The federal Nuclear Regulatory Commission (NRC) recently revamped its inspection, assessment, and enforcement programs for commercial nuclear power plants. The new process takes into account improvements in the performance of the nuclear industry over the past 25 years and improved approaches of inspecting and assessing safety performance at NRC licensed plants.

The new process monitors licensee performance in three broad areas (called strategic performance areas) reactor safety (avoiding accidents and reducing the consequences of accidents if they occur), radiation safety (protecting plant employees and the public during routine operations), and safeguards (protecting the plant against sabotage or other security threats). The process focuses on licensee performance within each of seven cornerstones of safety in the three areas:

Reactor Safety

- Initiating Events
- Mitigating Systems
- Barrier Integrity
- Emergency Preparedness

Radiation Safety

- Occupational
- Public

Safeguards

- Physical Protection

To monitor these seven cornerstones of safety, the NRC uses two processes that generate information about the safety significance of plant operations: inspections and performance indicators. Inspection findings will be evaluated according to their potential significance for safety, using the Significance Determination Process, and assigned colors of GREEN, WHITE, YELLOW or RED. GREEN findings are indicative of issues that, while they may not be desirable, represent very low safety significance. WHITE findings indicate issues that are of low to moderate safety significance. YELLOW findings are issues that are of substantial safety significance. RED findings represent issues that are of high safety significance with a significant reduction in safety margin.

Performance indicator data will be compared to established criteria for measuring licensee performance in terms of potential safety. Based on prescribed thresholds, the indicators will be classified by color representing varying levels of performance and incremental degradation in safety: GREEN, WHITE, YELLOW, and RED. GREEN indicators represent performance at a level requiring no additional NRC oversight beyond the baseline inspections. WHITE corresponds to performance that may result in increased NRC oversight. YELLOW represents performance that minimally reduces safety margin and requires even more NRC oversight. And RED indicates performance that represents a significant reduction in safety margin but still provides adequate protection to public health and safety.

The assessment process integrates performance indicators and inspection so the agency can reach objective conclusions regarding overall plant performance. The agency will use an Action Matrix to determine in a systematic, predictable manner which regulatory actions should be taken based on a licensee's performance. The NRC's actions in response to the significance (as represented by the color) of issues will be the same for performance indicators as for inspection findings. As a licensee's safety performance degrades, the NRC will take more and increasingly significant action, which can include shutting down a plant, as described in the Action Matrix.

More information can be found at: <http://www.nrc.gov/NRR/OVERSIGHT/index.html>.

SUMMARY OF FINDINGS

IR 50-266/2000010, IR 50-301/2000010 (DRS), on 07/24-28/2000; Wisconsin Electric Company; Point Beach Nuclear Plant; Units 1 and 2; Security specialist report.

The inspection was conducted by a regional security specialist. No findings were identified.

Report Details

3. SAFEGUARDS

Cornerstone: Physical Protection (PP)

3PP1 Access Authorization (AA) Program (Behavior Observation Only) (IP 71130.01)

a. Inspection Scope

The inspector interviewed five supervisors and six non-supervisors (both licensee and contractor personnel) to determine their knowledge level and practice of implementing the licensee's behavior observation program responsibilities as required. Selected procedures pertaining to the Behavior Observation Program and associated training activities were also reviewed.

The inspector reviewed a sample of the licensee's records to verify the implementation of the licensee's assessment and corrective action program. Specifically, a draft report of the recently conducted quality assurance audit, and three calendar quarters of logged security events that involved access authorization, behavioral observation and fitness-for-duty were reviewed to determine their scope to correctly identify issues that involved the behavioral observation program. The inspector also reviewed the licensee corrective action program to determine that it was properly focused in the areas of identification, evaluation of risk significance, root cause analyses, performance trending, and short term corrective actions regarding behavioral observation activities.

b. Findings

There were no findings identified.

3PP2 Access Control (Identification, Authorization and Search of Personnel, Packages, and Vehicles) (IP 71130.02)

a. Inspection Scope

The inspector reviewed the licensee's protected area access control testing and maintenance programs. The inspector observed licensee testing of all protected area access control equipment to determine if testing and maintenance practices were performance based. On at least two occasions during peak and routine ingress periods, the inspector observed in-processing search of personnel, packages, and vehicles to determine if search practices were conducted in accordance with regulatory requirements. Interviews were conducted and records were reviewed to verify that security staffing levels at protected area entry points were consistently implemented. Also, the inspector reviewed the licensee's process for limiting access to only authorized personnel to the protected area or vital equipment by a review of vital area access lists and interviews with security management. The inspector reviewed the licensee's program to control hard-keys and computer input of security related personnel data.

The inspector reviewed a sample of licensee self-assessments, audits, and security logged events to determine their scope to identify and correct issues that involved access control programs (see attached list of documents reviewed). In addition, the inspector interviewed security managers to evaluate their knowledge and use of the licensee's corrective action system.

b. Findings

There were no findings identified.

3PP4 Security Plan Changes (IP 71130.04)

a. Inspection Scope

The inspector reviewed revisions to the Point Beach Nuclear Plant Security Plan which were submitted by letter dated January 27, 2000 and July 25, 2000. These changes were reviewed to verify that the changes did not decrease the effectiveness of the security plan. The revisions were submitted in accordance with 10 CFR 50.54(p).

b. Findings

There were no findings identified.

4. OTHER ACTIVITIES

4OA1 Performance Indicator Verification (IP 81151)

a. Inspection Scope

The inspector reviewed the licensee's Performance Indicator (PI) program for the purpose of verifying PI accuracy for the Physical Protection Performance Indicators (PI) pertaining to Protected Area Equipment, Personnel Screening, and Fitness-for-Duty/Personnel Reliability Programs. The inspector reviewed a sample of plant reports generated for the current four calendar quarters related to access authorization and fitness-for-duty events and other applicable records to validate the accuracy of licensee submitted PI data. (Note: In the case of the security equipment performance indicator, the licensee noted in their quarterly PI reports to the NRC that compensatory hours were not counted in the indicator since May 1998, because an engineering evaluation indicated a need to upgrade the intrusion detection and assessment systems and that a modification package, as part of the licensee's corrective action program, was initiated in October 1997 and approved in May 1998, as allowed by the NEI 99-02 Revision 0 guidance.)

b. Findings

There were no findings identified. The modification to upgrade the physical protection system was ongoing.

4OA5 Performance Indicator Data Collecting and Reporting Process Review (TI 2515/144)

a. Inspection Scope

The inspector reviewed the licensee's process for identifying, gathering, and submitting data for the Physical Protection Performance Indicators (PI) pertaining to Protected Area Equipment, Personnel Screening, and Fitness-for-Duty/Personnel Reliability Programs. (Note: Although the licensee did not report to the NRC the compensatory hours for the security equipment performance indicator because of the ongoing modification program, they did record and track compensatory hours for such equipment, and this process was included in the inspector's review.)

b. Findings

There were no findings identified.

4OA6 Management Meeting

Exit Meeting Summary

The inspector presented the inspection results to Mr. Cayia, Regulatory Services and Licensing Manager, and other members of licensee management at the conclusion of the onsite inspection on July 27, 2000. The licensee representatives acknowledged the inspector's remarks. No proprietary information was discussed.

PARTIAL LIST OF PERSONS CONTACTED

Licensee

- A. Cayia, Regulatory Services and Licensing Manager
- C. Andrews, Security Specialist
- M. Fencil, Security Specialist
- F. Flentje, Senior Regulation and Compliance Specialist
- B. Kopetsky, Security Specialist
- J. McCullum, Security Supervisor
- D. Peters, FFD/AA Specialist

NRC

- F. Brown, Senior Resident Inspector

ITEMS OPENED, CLOSED, AND DISCUSSED

Opened

None

Closed

None

Discussed

None

LIST OF ACRONYMS USED

| | |
|-------|--|
| AA | Access Authorization |
| CFR | Code of Federal Regulations |
| DRS | Division of Reactor Safety |
| FFD | Fitness-For-Duty |
| NRC | Nuclear Regulatory Commission |
| NEI | Nuclear Energy Institute |
| PBSAP | Point Beach Security Administrative Procedures |
| PBSG | Security Guidelines |

LIST OF DOCUMENTS REVIEWED

Fitness-For-Duty Program Performance Data, July–December 1999

PBSG 3.2, Revision 5, dated May 28, 1998, “Badges on Administrative Hold”

PBSAP 1.4, Revision 1, dated April 28, 2000, “Security Locks, Keys & Combinations”

Point Beach Nuclear Plant Security System Tracking (October 1999 to June 2000)

Plant Support Audit (A-P-00-09) 2nd Quarter 2000 (draft report)

Security Self-Assessment: “Site Access Processing/Access Authorization Assessment”
No. S-A-SEC-99-02 (July 26–29, 2000)

Security Incident Reports (October 1999–June 2000)

Security Drill Reports: Fourth Quarter 1999, First and Second Quarters 2000

NP 1.7.3, “Site Specific Requirements for Access to and Termination from Point Beach Nuclear Plant”

Condition Reports (FFD and AA Issues) October 1999 to June 2000

Northgate Security Equipment Tests (October 1999–June 2000)

Southgate Security Equipment Tests (October 1999–June 2000)