

December 22, 2000

Mr. John K. Wood
Vice President - Nuclear
FirstEnergy Nuclear Operating Company
P. O. Box 97, A200
Perry, OH 44081

SUBJECT: PERRY NUCLEAR POWER PLANT - NRC INSPECTION REPORT
50-440/00-16(DRS)

On November 30, 2000, the NRC completed a routine baseline inspection at the Perry Nuclear Power Plant. The enclosed report presents the results of that inspection. The results of this inspection were discussed with Mr. R. Schrauder and other members of your staff on November 30, 2000.

The inspection was an examination of activities conducted under your license as they relate to the Safeguards Strategic Performance Area and compliance with the Commission's rules and regulations and with the conditions of your license. Within this area, the inspection consisted of a selected examination of procedures and representative records, observation of activities, and interviews with personnel. Specifically, this inspection focused on performance involving your access control and access authorization programs.

Based on the results of this inspection, it was determined that the programs examined met NRC requirements.

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 (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 No. 50-440
License No. NPF-58

Enclosure: Inspection Report 50-440/00-16(DRS)

See Attached Distribution

J. Wood

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cc w/encl: B. Saunders, President - FENOC
N. Bonner, Director, Nuclear
Maintenance Department
G. Dunn, Manager, Regulatory Affairs
K. Ostrowski, Director, Nuclear
Services Department
T. Rausch, Director, Nuclear
Engineering Department
R. Schrauder, General Manager,
Nuclear Power Plant Department
A. Schriber, Chairman, Ohio Public
Utilities Commission
Ohio State Liaison Officer
R. Owen, Ohio Department of Health

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K. Ostrowski, Director, Nuclear
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U.S. NUCLEAR REGULATORY COMMISSION
REGION III

Docket No: 50-440
License No: NPF-58

Report No: 50-440/00-16

Licensee: FirstEnergy Nuclear Operating Company (FENOC)

Facility: Perry Nuclear Power Plant, Unit 1

Location: P. O. Box 97 A200
Perry, OH 44081

Inspection Dates: November 27-30, 2000

Inspector: Gary L. Pirtle, 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	Radiation Safety	Safeguards
<ul style="list-style-type: none">● Initiating Events● Mitigating Systems● Barrier Integrity● Emergency Preparedness	<ul style="list-style-type: none">● Occupational● Public	<ul style="list-style-type: none">● 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 05000440-00-16, on 11/27-11/30/2000, FirstEnergy Nuclear Operating Company, Perry Nuclear Power Plant. Security Specialist Report. This inspection was conducted by a regional security specialist.

Cornerstone: Physical Protection

The Access Authorization and Access Control programs met NRC requirements.

Report Details

3. REACTOR SAFETY

Cornerstone: Physical Protection

3PP1 Access Authorization (AA) Program (IP 71130.01)

a. Inspection Scope

The inspector interviewed five supervisors and five non-supervisors to determine their knowledge of fitness-for-duty and behavior observation responsibilities. Procedures pertaining to the Behavior Observation Program and fitness-for-duty semi-annual test result reports were also reviewed. The inspector reviewed a sample of licensee self-assessments, audits, and security logged events. In addition, the inspector interviewed security managers to evaluate their knowledge and use of the licensee's corrective action system.

b. Findings

No findings of significance were identified.

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

a. Inspection Scope

The inspector reviewed testing and maintenance procedures, observed licensee testing activities, and interviewed and monitored security personnel regarding the staffing and operational requirements for protected area search equipment, to include explosive detectors, metal detectors, and X-ray machines. The inspector also conducted random observations and interviewed selected security personnel responsible for access control measures for packages, personnel, and vehicles that entered the protected area. The program for controlling and accounting for vital area keys was reviewed. The inspector reviewed a sample of licensee self-assessments, audits, maintenance request records, and security logged events for identification and resolution of problems. In addition, the inspector interviewed security managers to evaluate their knowledge and use of the licensee's corrective action system.

b. Findings

An unresolved item was identified. The security staff had implemented a procedure that allowed packages or containers to enter the protected area (PA) without being searched if the containers were searched and sealed (with a signature seal) at a designated location outside of the protected area (specific location is considered safeguards information until the issue is resolved). These measures do not require the containers be controlled or stored in a secure location after being searched; allows the containers to be stored indefinitely outside the PA; and does not require periodic security checks of the containers while they are outside of the PA. Although this practice has been

addressed by security procedure, the practice has not been identified in the plant security plan. The issue is risk significant since inadequate package search procedures could allow prohibited items to enter the protected area.

The unresolved item has two parts: (1) are the protection requirements adequate to prevent prohibited items from entering the protected area; and (2) do such search measures have to be included within the security plan? (URI 50-440/016-01). Resolution of this issue will be addressed by separate correspondence.

PP4. Security Plan Changes (IP 71130.04)

a. Inspection Scope

The inspector reviewed Revisions 28 and 29 of the Perry Nuclear Power Plant security plan which were submitted by licensee letters, dated April 11 and June 5, 2000. The review was completed to verify that the changes did not decrease the effectiveness of the security plan. The security plan revisions were submitted in accordance with 10 CFR Part 50.54(p).

b. Findings

No findings of significance were identified.

4. OTHER ACTIVITIES

4CC2 Performance Indicator Verification (IP 71151)

a. Inspection Scope

The inspector reviewed the licensee's program for the gathering and submittal of data for the Physical Protection Performance Indicators (PI) pertaining to Fitness-for-Duty Personnel Reliability, Personnel Screening Program, and Protected Area Security Equipment for the second and third quarters of 2000. Specifically, a sample of plant reports related to security events, fitness-for-duty reports, and other applicable security records were reviewed.

b. Findings

No findings of significance were identified.

4OA6 Management Meetings

Exit Meeting Summary

The inspector presented the inspection results to members of licensee management at the conclusion of the onsite inspection on November 30, 2000. The licensee representatives acknowledged the findings presented and did not identify any information discussed as proprietary or safeguards information.

PARTIAL LIST OF PERSONS CONTACTED

Licensee

- R. Schrauder, Plant General Manager
- B. Boles, Operations Manager
- N. Bonner, Director, Nuclear Maintenance Department
- A. Dunlap, Lead Security Officer
- D. Gudge, Supervisor, Compliance Unit
- L. Lindrose, General Supervisor Nuclear Security Operations
- B. Luthanen, Compliance Engineer
- T. Mahon, Security Manager
- K. Ostrowski, Director, Nuclear Services Department
- J. Palinkas, Supervisor, Nuclear Security
- T. Rausch, Director, Nuclear Engineering Department
- J. Slike, Access Authorization Supervisor
- J. Toward, Lead Auditor

NRC

- C. Lipa, NRC Region III Senior Resident Inspector

ITEMS OPENED, CLOSED, AND DISCUSSED

Opened

50-440/016-01 URI Search Practices at a Designated Location

Closed

None

Discussed

None

PARTIAL LIST OF DOCUMENTS REVIEWED

The following is a list of licensee documents reviewed during the inspection. Inclusion on this list does not imply that the NRC inspector reviewed the documents in their entirety, but rather that selected sections or portions of the documents were evaluated as part of the overall inspection effort.

Condition Report No. 00-2038 Pertaining to the Security Equipment Performance Indicator, dated July 5, 2000
Condition Report No. 00-2044 Pertaining to Visitor Escort, dated July 5, 2000
Condition Report No. 00-4355 Pertaining to Maintenance Support for Security Equipment, dated November 8, 2000
Condition Report No. 00-3236 Pertaining to Protected Area Security Equipment, dated October 18, 2000
Condition Report No. 00-3698 Pertaining to Testing of Explosive Detectors, dated November 29, 2000
Condition Report No. 00-3680 Pertaining to Verification of Security Performance Indicators, dated November 28, 2000
Condition Report No. 00-3682 Pertaining to Personnel Search equipment, dated November 28, 2000
Condition Report No. 00-3681 Pertaining to Documents Related to Security Performance Indicators, dated November 28, 2000
Condition Report No. 00-3236 Pertaining to trend in Protected Area Security equipment, dated October 18, 2000
Condition Report No. 00-2886 Pertaining to Parts for Security Equipment, dated September 20, 2000
Perry Nuclear Power Plant Desktop Guideline for NRC Performance Indicators, effective March 10, 2000
Site Protection Section Self Assessment Plan, "Effectiveness of Protected Area Hand Geometry System," dated April 17, 2000
Audit Report PA 00-09, "Security," dated July 13, 2000
Procedure No. NOP-LP-1002, "Fitness For Duty Program," Revision 00
Procedure No. NOP-LP-1001, "Unescorted Access requirements," Revision 0
Security Administrative Instruction 0003, "Access Badging," Revision 5, effective November 27, 2000
Fitness-For-Duty Program Performance Data, dated February 24, 2000
Fitness-For-Duty Program Performance Data, dated July 31, 2000
Summary Listing of Loggable Security Events for the Period between January 1 and October 26, 2000
Security Surveillance Instruction SSI-0001, "PACP Search Equipment Operability Testing," Revision 3, effective September 1, 1998
Security Post Instruction SPI 0024, "Personnel and Package Search," Revision 8, effective June 1, 1999
Security Post Instruction SPI 0011, " Site Protection Section Lock and Key Control Program," Revision 7, effective January 28, 1999
Nuclear Operating Administrative Procedure NOP-LP-1001, "Unescorted Access Requirements," Training Completion Data Base for Eleven Supervisors
Security Lock and Key Control Inventory, dated October 4, 2000