

June 29, 2001

Mr. M. Reddemann
Site Vice President
Kewaunee and Point Beach Nuclear Plants
Nuclear Management Company, LLC
6610 Nuclear Road
Two Rivers, WI 54241

SUBJECT: POINT BEACH NUCLEAR PLANT
NRC INSPECTION REPORT 50-266/01-09(DRS); 50-301/01-09(DRS)

Dear Mr. Reddemann:

On June 8, 2001, the NRC completed an Operational Safeguards Response Evaluation and a portion of a physical protection baseline inspection at your Point Beach Nuclear Plant. The enclosed report documents the inspection findings which were discussed on June 8, 2001, with you 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. Specifically, this inspection focused on your ability to respond to an external threat.

No findings of significance were identified.

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 50-266/01-09; 50-301/01-09

See Attached Distribution

cc w/encl: R. Grigg, President and Chief
Operating Officer, WEPCo
R. Anderson, Executive Vice President
and Chief Nuclear Officer
J. Gadzala, Licensing Manager
D. Weaver, Nuclear Asset Manager
F. Cayia, Plant Manager
J. O'Neill, Jr., Shaw, Pittman,
Potts & Trowbridge
K. Duveneck, Town Chairman
Town of Two Creeks
D. Graham, Director
Bureau of Field Operations
A. Bie, Chairperson, Wisconsin
Public Service Commission
S. Jenkins, Electric Division
Wisconsin Public Service Commission
State Liaison Officer

June 29, 2001

Mr. M. Reddemann
Site Vice President
Kewaunee and Point Beach Nuclear Plants
Nuclear Management Company, LLC
6610 Nuclear Road
Two Rivers, WI 54241

SUBJECT: POINT BEACH NUCLEAR PLANT
NRC INSPECTION REPORT 50-266/01-09(DRS); 50-301/01-09(DRS)

Dear Mr. Reddemann:

On June 8, 2001, the NRC completed an Operational Safeguards Response Evaluation and a portion of a physical protection baseline inspection at your Point Beach Nuclear Plant. The enclosed report documents the inspection findings which were discussed on June 8, 2001, with you 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. Specifically, this inspection focused on your ability to respond to an external threat.

No findings of significance were identified.

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 50-266/01-09; 50-301/01-09

See Attached Distribution

DOCUMENT NAME: C:\Program Files\Adobe\Acrobat 4.0\PDF Output\POI01-09 DRS .WPD

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy

OFFICE	RIII		RIII		RIII			
NAME	JBelanger:jb		MKunowski for RLanksbury		JCreed			
DATE	06/28/01		06/29/01		06/29/01			

OFFICIAL RECORD COPY

cc w/encl: R. Grigg, President and Chief
Operating Officer, WEPCo
R. Anderson, Executive Vice President
and Chief Nuclear Officer
J. Gadzala, Licensing Manager
D. Weaver, Nuclear Asset Manager
F. Cayia, Plant Manager
J. O'Neill, Jr., Shaw, Pittman,
Potts & Trowbridge
K. Duveneck, Town Chairman
Town of Two Creeks
D. Graham, Director
Bureau of Field Operations
A. Bie, Chairperson, Wisconsin
Public Service Commission
S. Jenkins, Electric Division
Wisconsin Public Service Commission
State Liaison Officer

ADAMS Distribution:

CMC1
DFT
BAW
GEG
HBC
PGK1
C. Ariano (hard copy)
DRPIII
DRSIII
PLB1
JRK1

U.S. NUCLEAR REGULATORY COMMISSION

REGION III

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

Report No: 50-266/01-09(DRS); 50-301/01-09(DRS)

Licensee: Nuclear Management Company, LLC

Facility: Point Beach Nuclear Plant, Units 1 & 2

Location: 6610 Nuclear Road
Two Rivers, WI 54241

Dates: May 17, 2001 and June 4-8, 2001

Inspectors: J. Belanger, Senior Physical Security Inspector
Team Leader
T. Madeda, Physical Security Inspector
D. Orrik, Reactor Safeguards Specialist, NRR
R. Hsu, Nuclear Engineer, NRR
J. Arildsen, Nuclear Engineer, NRR
R. Powell, Resident Inspector
Contractors (3)

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

SUMMARY OF FINDINGS

IR 05000266/01-09(DRS), IR 05000301/01-09(DRS), on 05/17/2001, 06/04-08/2001, Nuclear Management Company, LLC, Point Beach Nuclear Plant, Units 1 and 2. Operational Response Evaluation (OSRE), Response to Contingency Events (Intrusion Detection System Performance Testing). Security Plan Changes.

The team inspection was conducted by two regional security inspectors, a Resident Inspector, one security specialist and two reactor engineers from the Office of Nuclear Reactor Regulation, and three NRC contractors. No findings of significance were identified.

Report Details

3. SAFEGUARDS

Cornerstone: Physical Protection

3PP3 Response to Contingency Events (71130.03)

a. Inspection Scope

Independent of the Operational Safeguards Response Evaluation documented in paragraph 4OA5, the inspectors completed a portion of the baseline inspection program under Inspection Procedure 71130.03, specifically relating to the performance of the protected area intrusion alarm system and assessment system. A tour of the protected area was conducted to identify potential vulnerabilities that could allow the protected area to be penetrated by individual(s) undetected. Performance tests of the intrusion detection system were conducted by NRC contractor personnel while inspectors observed the tests in the field and in the Central Alarm Station. These performance tests consisted of attempting to jump, walk, or crawl through the detection zones. Licensee security management also observed the testing. The inspector stationed in the Central Alarm Station also evaluated the assessment system while the intrusion alarm tests were conducted.

b. Findings

No findings of significance were identified.

3PP4 Security Plan Changes (71130.04)

a. Inspection Scope

The inspectors reviewed the following revisions to the Point Beach Nuclear Plant Security Plan and the Point Beach Nuclear Plant Spent Fuel Storage Installation Security Plan to verify that the changes did not decrease the effectiveness of the submitted documents:

- Revision, dated August 10, 2000, to the Point Beach Nuclear Plant Security Plan, Sections 1.1, 1.2, 1.5, 2.1, 2.4,2.5, 2.6,2.8,3.1,3.3,5.1,6.1, B-2.0, B-3.0,B-5.0, and B-7.0.
- Revision, dated August 24, 2000, to the Point Beach Nuclear Plant Independent Spent Fuel Storage Installation Security Plan, Sections 1.0, 3.0, 6.0, 7.0, C-1.0, and C-2.0.
- Revision, dated September 29, 2000, to Point Beach Nuclear Plant Security Plan, Section 1.6 and Appendix B.

- Revision, dated November 10, 2000, to the Point Beach Nuclear Plant Security Plan, Chapter 1.1 and Independent Spent Fuel Storage Installation Security Plan, Chapter 1.0

b. Findings

No findings of significance were identified.

4. OTHER ACTIVITIES (OA)

40A5 Operational Safeguards Response Evaluation (81110)

The primary purpose of this inspection was to evaluate the licensee's ability to respond to the external design basis threat.

.1 Management Overview of Protective Strategy (81110.02.01)

a. Inspection Scope

The inspection team met with the Point Beach Security Manager and members of her staff to review the licensee's fundamental strategy to protected against the design basis threat.

b. Findings

No findings of significance were identified.

.2 Preliminary and Onsite Target Analyses (81110.02.02)

a. Inspection Scope

A preliminary in-office target set analysis was conducted using ten target sets provided by the licensee. The preliminary analysis was followed by an on-site review on May 17, 2001, which involved two NRR safeguards engineers, a site NRC resident inspector, a member of the licensee's operations staff and the licensee's probabilistic risk assessment specialist. These ten target sets were reviewed to confirm the sets and to consider licensee operations and damage control measures that could prevent or minimize radiological release after a security contingency. During this meeting, the licensee was requested to provide additional target sets. The licensee provided a total of twenty target sets to NRR for review. After providing their response to NRR's questions/comments, the final target sets were documented and were used by the team in conducting tabletop drills and selecting scenarios for the contingency exercises.

b. Findings

No findings of significance were identified.

.3 Protected and Vital Area Tour (81110-02.03)

a. Inspection Scope

The team toured the facility and assessed potential protected area entry points, routes, barriers, and distances either to equipment or to doors providing access to equipment in the target sets. The team noted the locations of personnel required to respond to a safeguards contingency, the location of contingency equipment, and the design and location of defensive positions.

b. Findings

No findings of significance were identified.

.4 Table-Top Drills, Contingency Exercises, and Licensee Critiques (81110-02.04)

a. Inspection Scope

The inspection team conducted four tabletop drills which simulated overt external assaults. For each drill, team members interacted with a licensee Response Force Leader (RFL) who directed a simulated response force. All tabletop drills assumed three adversaries with the capabilities of the NRC Design Basis Threat as specified in 10 CFR Part 73.1(a) forcibly entering the protected area on foot. Inspection team members identified adversary characteristics, entry points into the protected area, and movement toward critical equipment. The RFL estimated the time required for response officers to reach interdicting positions, based on real time locations of the response officers at the time of the exercise. Both the RFL and the inspection team members estimated the time required for adversaries and responders. Scenario selections for the contingency exercises were based in part on analyses of simulated events in the table top drills.

The team observed the licensee conduct four contingency exercises to demonstrate its protective strategy against a mock adversary force which postulated the NRC design basis threat. Prior to the exercises, a member of the licensee's operations staff was designated by the licensee as the "insider." One of the NRC contractors did not participate in the table top drills and served as the technical adviser for the mock adversary and liaison to the licensee-designated insider. In these exercises, mock adversaries (who came from other nuclear sites within the Nuclear Management Company fleet) started from a hidden position inside the protected area before moving to the protected area barrier. Once in position at the point of simulated entry, a licensee controller generated an intrusion alarm to the alarm station. The mock adversaries delayed to coincide with the licensee's allotted time to reach the protected area barrier, and attempted to reach identified equipment targets.

Licensee controllers (security managers from other NMC sites as well as security specialists from the NMC corporate security office) judged the outcome of adversary-responder engagements. The inspection team did not physically participate in the exercises. Team members observed the licensee's critique of each exercise.

The team used target set analysis and the results of the exercises to evaluate the licensee's efforts at establishing priorities for protection of equipment; the licensee's protective strategies for deployment of response officers and equipment; and the ability of responding officers to arrive at suitable interdicting positions in a timely fashion, in sufficient numbers, and appropriately armed and equipped.

b. Findings

No findings of significance were identified.

.5 Tactical Training (8110.02.06)

a. Inspection Scope

The inspection team observed the performance of the response offices, individually, and as a team during the contingency exercises.

b. Findings

No findings of significance were identified.

.6 Firearms Training (8110.02.07)

a. Inspection Scope

The team evaluated the weapons training programs, including the range, the stress fire course, and the skills of the shooters. The team observed a stress fire course demonstration.

b. Findings

No findings of significance were identified.

4OA6 Meeting(s)

Exit Meeting

The inspectors presented the inspection results to Mr. R. Reddemann and other members of the licensee's staff at the conclusion of the inspection on June 8, 2001. The personnel presented acknowledged the findings presented. No proprietary information was identified.

KEY POINTS OF CONTACT

Licensee

D. Argall, Project Manager, The Wackenhut Corporation
D. Axt, Security Coordinator, NMC Corporate
F. Cayia, Plant Manager
M. Findlay, NMC Security Director
J. Gerondale, Security Specialist
B. Kopetsky, Security Specialist
M. Kuether, Security Trainer, The Wackenhut Corporation
J. McCullum, Security Manager
M. Reddemann, Kewaunee/Point Beach Site Vice President
J. Schwalbe, Operations Captain, The Wackenhut Corporation
D. Wilson, NMC Vice President Operations Support

NRC

J. Creed, Safeguards Program Manager
D. Funk, Physical Security Inspector, Region III

Other

R. Inkeboll, Nuclear Energy Institute (NEI)

LIST OF ACRONYMS USED

CFR	Code of Federal Regulations
DRS	Division of Reactor Safety
NMC	Nuclear Management Company
NRR	Office of Nuclear Reactor Regulation
OSRE	Operational Safeguards Response Evaluation
PBSRP	Point Beach Security Response Procedure
RFL	Response Force Leader

LIST OF DOCUMENTS REVIEWED

PBSRP 1.4.1	Perimeter Intrusion Alarm Response	June 6, 2001
NMC Letter 2001-036	Operational Safeguards Response Evaluation	May 23, 2001