June 6, 2000

Mr. William O'Connor, Jr.
Vice President, Nuclear Generation
The Detroit Edison Company
6400 North Dixie Highway
Newport, MI 48166

SUBJECT: NRC FERMI 2 INSPECTION REPORT 50-341/2000005(DRS)

Dear Mr. O'Connor:

On May 15-19, 2000, the NRC completed a baseline inspection at your Fermi 2 nuclear plant. The enclosed report presents the results of that inspection. The results were discussed with you and other members of your staff on that date.

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, observations of activities, and interviews with personnel. Specifically, this inspection focused on your performance involving the 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 placed in the NRC Public Document Room and will be available on the NRC Public Electronic Reading Room (PERR) link at the NRC home page, http://www.nrc.gov/NRC/ADAMS/index.html.

Sincerely,

/RA/

James R. Creed
Safeguards Program Manager
Division of Reactor Safety

Docket No. 50-341
License No. NPF-43

Enclosure: Inspection Report 50-341/2000005(DRS)

See Attached Distribution

cc w/encl: N. Peterson, Director, Nuclear Licensing
P. Marquardt, Corporate Legal Department
Compliance Supervisor
R. Whale, Michigan Public Service Commission
Michigan Department of Environmental Quality
Monroe County, Emergency Management Division
Emergency Management Division
MI Department of State Police

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Michigan Department of Environmental Quality
Monroe County, Emergency Management Division
Emergency Management Division
MI Department of State Police

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U.S. NUCLEAR REGULATORY COMMISSION

REGION III

Docket No:	50-341
License No:	NPF-43
Report No:	50-341/2000005(DRS)
Licensee:	Detroit Edison Company
Facility:	Enrico Fermi, Unit 2
Location:	6400 N. Dixie Highway Newport, MI 48166
Dates:	May 15-19, 2000
Inspector:	J. 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	Radiation Safety	Safeguards
● Initiating Events	● Occupational	● Physical Protection
● Mitigating Systems	● Public	
● Barrier Integrity		
● Emergency Preparedness		

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

Enrico Fermi Unit 2 Nuclear Power Plant
NRC Inspection Report 50-341/2000005(DRS)

The report covers a five day, announced inspection by a regional security specialist. This inspection focused on the Physical Protection Cornerstone, within the Safeguards Strategic Assessment area, and included a review of the access authorization program, access control program, and a review of the performance indicator data collecting and reporting process and performance indicator verification, and security plan changes.

Cornerstone: Physical Protection

- There were no findings identified and documented during this inspection.

3. SAFEGUARDS

Cornerstone: Physical Protection

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

The inspector interviewed four 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 licensee's records to verify the implementation of the licensee's assessment and corrective action program. Specifically, three self-assessments, and three calender 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 licensee corrective action 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. Issues and Findings

There were no findings identified during inspection of this area.

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

a. Inspection Scope

The inspector reviewed licensees protected area access control testing and maintenance procedures. The inspector observed licensee testing of all access control equipment to determine if testing and maintenance practices were performance based. On two occasions during peak ingress periods, the inspector observed in-processing search of personnel, packages, and vehicles to determine that search practices were conducted in accordance with regulatory requirements. Interviews were conducted and records were reviewed to verify that staffing levels were consistently implemented. The inspector reviewed access control measures to verify that program requirements did not allow multiple entries to the protected area without logging offsite. Also the inspector verified the licensee's process for limiting access to only authorized personnel to the protected area or vital equipment by a sample review of access control records and interviews with security management personnel. The inspector reviewed the licensee's program to control hard-keys and computer input of personnel data to verify program responsibilities as required.

The inspector reviewed two licensee self-assessments and audits, three random security event reports, and three calendar quarters of security drills, logs, and

maintenance work requests regarding protected area access control activities. The inspector also interviewed several licensee and contract security management personnel to evaluate their knowledge and use of the licensee's corrective action system, and to determine whether the risk significance of the findings were properly addressed.

b. Issues and Findings

There were no findings identified during inspection of this area.

3PP4 Security Plan Changes

a. Inspection Scope

The inspector reviewed Revision 34 to the Fermi 2 Physical Security Plan which was submitted by licensee letter dated March 8, 2000. The inspector also reviewed Revision 16 to the Fermi 2 Security Personnel Training and Qualification Plan, Revision 16, submitted by letter dated March 28, 2000. These changes were reviewed to verify that the changes did not decrease the effectiveness of the security plans. The revisions were submitted in accordance with 10 CFR 50.54(p).

b. Issues and Findings

There were no findings identified during inspection of this area.

4. OTHER ACTIVITIES

4OA1 Performance Indicator Data Collecting and Reporting Process Review (TI 2515/144) and Performance Indicator Verification

a. Inspection Scope

The inspector reviewed the licensee's program 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 for calendar year 1999 and the first quarter of 2000. A sample of historical records and data for each PI were reviewed to validate the accuracy of the data. The licensee's methodology for determining data and calculating reported values were also reviewed. The inspector also reviewed a sample of plant reports related to security and fitness-for-duty events and other applicable records to validate PI accuracy.

b. Issues and Findings

There were no findings identified and documented during this inspection. The licensee was appropriately implementing the NRC/Industry guidance in the physical protection performance indicator data collecting and reporting process.

There were no findings identified and documented during this inspection. Each Physical Protection PI was in the Green Band.

4OA5 Management Meeting

.1 Exit Meeting Summary

The inspector presented the inspection results to Mr. O'Connor, Vice President, Nuclear Generation, and other members of licensee management at the conclusion of the onsite inspection on May 19, 2000. The licensee's representatives acknowledged the inspector's remarks. No proprietary or safeguards information was discussed.

PARTIAL LIST OF PERSONS CONTACTED

Licensee

K. Harsley, Licensing
J. Korte, Director, Nuclear Security
J. Louwers, Auditor, Nuclear Quality Assurance
J. Moyers, Director, Nuclear Quality Assurance
W. O 'Connor Jr. , Vice President, Nuclear Generation
R. Orwig, Nuclear Security Specialist
J. Pendergast, Compliance
T. Stack, Supervisor Security Operations Support

Initial Security

T. Dings, Acting Assistant Site Force Manager
T. Duffy, Operations Supervisor
E. Sandy, Security Shift Supervisor

NRC

S. Campbell, Senior Resident Inspector
J. Larizza, Resident Inspector
M. Ring, Branch Chief, Division of Reactor Projects, Region III

ITEMS OPENED, CLOSED, AND DISCUSSED

Opened

None

Closed

None

Discussed

None

INSPECTION PROCEDURES USED

71130.01	Access Authorization (AA) Program (Behavior Observation)
71130.02	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorization)
71130.04	Security Plan Changes
71151.00	Performance Indicator Verification
TI 2515/144	Performance Indicator Data Collecting and Reporting Process Review

LIST OF DOCUMENTS REVIEWED

Semi-Annual Fitness-For-Duty Report dated February 28, 2000, for the period of July 1, 1999 to December 31, 1999

Semi-Annual Fitness-For-Duty Report dated August 30, 1999, for the period of January 1, 1999 to June 30, 1999

Nuclear Training Lesson Plan No. LP-GN-502-0106, Revision 3, Subject: Fitness-For-Duty

General Administration Conduct Manual, MGA 10, Revision 9, dated August 11, 1999, "Fitness-For-Duty"

Nuclear Security Administrative Procedure SEP-PD-02, Revision 14, dated January 24, 2000

Detroit Edison Policies & Practices, EM3-1, Fitness-For-Duty, Revision 2, dated December 16, 1996

SEP-SE1-01, Revision 15, dated March 3, 2000, "Testing and Maintenance"

SEP-SEI-02, Revision 6, dated August 11, 1998, "Security Lock & Key Control"

Nuclear Security Maintenance History Reports for periods of July 1, 1999 to December 31, 1999 and January 1, 2000 to March 31, 2000.

Fermi 2 General Administration Conduct Manual, MGA09, Revision 9, dated November 4, 1999, "Access Control"

Nuclear Security Administrative Procedure, SEP-SEI-13, Revision 11, dated September 28, 1999, "Access Authorization"

Nuclear Quality Assurance Audit 99-0115, Fitness-For-Duty (October 11-29, 1999)

Nuclear Quality Assurance Audit 98-0110, Security, Safeguards Program, Access Authorization and Personnel Access Data System (PADS) (June 6-26, 1998)

Nuclear Quality Assurance Audit 9800119, Fitness-For-Duty Program (October 12-28, 1998)

Nuclear Security Drill Worksheet Portals Drills (July 1, 1999 - December 31, 1999 and January 4, 2000 to April 26, 2000)

Safeguards Loggable Events (April 1, 1999 to May 15, 2000)