

June 12, 2000

Mr. M. Wadley  
President, Nuclear Generation  
Northern States Power Company  
414 Nicollet Mall  
Minneapolis, MN 55401

SUBJECT: NRC MONTICELLO INSPECTION REPORT NO. 50-263/2000012(DRS)

Dear Mr. Wadley:

On May 15-19, 2000, the NRC conducted a baseline inspection at your Monticello Nuclear Generating Plant. The enclosed report presents the results of that inspection. The results of this inspection were discussed with Mr. G. Miserendino 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, observation of activities, and interviews with personnel. Specifically, this inspection focused on performance involving your access control and access authorization programs, and your program for collecting and reporting performance indicator information.

Based on the results of the inspection, the NRC has determined that a violation of NRC requirements occurred. It related to the untimely actions by a supervisor advised of a fitness-for-duty issue, and is described in Section 3PP1.2 of the report details. The issue was determined to be of very low risk significance (Green), you are addressing the issue as part of your corrective action program, and therefore the NRC is treating the issue as a Non-Cited Violation (NCV), in accordance with Section VI.A. 1 of the NRC's Enforcement Policy. If you contest the violation or severity level of the Non-Cited Violation, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001, with a copy to the Regional Administrator, Region III, and the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

M. Wadley

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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,

**IRAI**

James R. Creed  
Safeguards Program Manager  
Division of Reactor Safety

Docket No. 50-263  
License No. DPR-22

Enclosure: Inspection Report 50-263/2000012(DRS)

cc w/encl: Site General Manager, Monticello  
Plant Manager, Monticello  
S. Minn, Commissioner, Minnesota  
Department of Public Service

M. Wadley

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U.S. NUCLEAR REGULATORY COMMISSION

REGION III

Docket No: 50-263  
License No: DPR-22

Report No: 50-263/2000012(DRS)

Licensee: Northern States Power Company

Facility: Monticello Nuclear Power Plant

Location: 2807 West Highway 75  
Monticello, MN 55362

Dates: May 15-19, 2000

Inspector: G. 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:

<b>Reactor Safety</b>	<b>Radiation Safety</b>	<b>Safeguards</b>
<ul style="list-style-type: none"><li>● Initiating Events</li><li>● Mitigating Systems</li><li>● Barrier Integrity</li><li>● Emergency Preparedness</li></ul>	<ul style="list-style-type: none"><li>● Occupational</li><li>● Public</li></ul>	<ul style="list-style-type: none"><li>● Physical Protection</li></ul>

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

### Monticello Nuclear Generating Plant NRC Inspection Report 50-263/2000012(DRS)

The report covers a four day, 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, performance indicator verification, identification and resolution of problems, and Temporary Instruction 2515/144. The significance of issues is indicated by their color (green, white, yellow, red) and was determined by the Significance Determination Process in Inspection Manual Chapter 0609.

#### **Cornerstone: Physical Protection**

- Green. The inspector identified a Non-Cited Violation for failure of a supervisor to take timely action on a Fitness-For-Duty Issue. A licensee supervisor received information from an employee that the odor of alcohol was detected on another employee. The supervisor took no further action to evaluate the situation until 1 and ½ hours after receiving the information (Section 3PP1.2).
- Green. Several security supervisors or staff had computer access levels that could allow badge data to be changed, or badges to be fabricated and activated, without another individual validating the accuracy of the data. This situation could have allowed a single individual to bypass some security controls (Section 3PP2.b.2).

## Report Details

### **3. SAFEGUARDS**

Cornerstone: Physical Protection

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

##### **.1 Access Authorization Program**

###### **a. Inspection Scope**

The inspector interviewed five supervisors and five non-supervisors (both licensee and contractor employees) to determine their knowledge of fitness-for-duty (FFD) 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's records to verify the implementation of the licensee's identification and resolution of problems program. Specifically, three self-assessments, and three calendar quarters of logged security events were reviewed to determine their scope to correctly identify issues that involved the behavioral observation program.

The inspector reviewed a sample of licensee self-assessments, audits, and security logged events (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.

###### **c. Issues and Findings**

There were no findings identified during this inspection

##### **.2 Fitness-For-Duty**

###### **a. Inspection Scope**

The inspector reviewed the condition report and other documents pertaining to untimely actions by a licensee supervisor when he was advised of an FFD issue.

###### **b. Issues and Findings**

(Green) On July 8, 1999, a licensee supervisor received information from an employee that the odor of alcohol was detected on another employee. The supervisor took no further action to evaluate the situation until 1 and ½ hours after receiving the information. The supervisor's duty requirements were not of an emergency nature or other nature that justified the delay in evaluating the issue. At approximately 10:05 AM, the individual's supervisor and another supervisor interviewed the individual and found



no evidence of alcohol use or the odor of alcohol. The supervisor's untimely actions violated 10 CFR 26.24(3) and the licensee's FFD Guideline No. 1, which required actions to be taken as soon as possible.

The issue was of very low risk significance (green). The licensee entered the delay in evaluating the potential FFD issue into their corrective action program (Condition Report No. 99002003), and the initial supervisor received counseling and coaching on how he should have handled the situation when initially advised of the issue. This Severity Level IV violation is being treated as a Non-Cited Violation (NCV), consistent with Section VI A.1 of the May 2000 NRC Enforcement Policy (NCV 50-263/2000012-02).

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

a. Inspection Scope

The inspector reviewed licensee's 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. Also the inspector reviewed 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 security-related personnel data.

The inspector reviewed a sample of licensee self-assessments, audits, and security logged events (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. Issues and Findings

- .1 10 CFR 73.55(d)(7) and Section 8.1 of the Monticello security plan requires the access authorization program to limit unescorted access for vital areas for non-emergency work related needs. Six randomly selected personnel's access authorization to vital areas was compared to actual entry into the vital areas. For all of the personnel, entry into some vital areas had not occurred within the past six months. Licensee staff supervisors generally based requests for unescorted access for their personnel on job descriptions for the personnel involved, and unescorted access needs were reviewed by the responsible supervisors on a monthly basis. This issue is an unresolved item. The unresolved item is what constitutes "non-emergency work related needs" for access to vital areas, and if frequency of access to the area(s) is part of the criteria that constitutes work related needs. The issue was entered into the licensee's Corrective Action Program (CR 20002372). This issue will be forwarded to NRC Headquarters for evaluation and resolution of the issue will be addressed by separate correspondence (URI 50-263/2000012-01).

- .2 (Green) During review of security measures for data entered into the access authorization computer systems, it was identified that about 15 security supervisors or staff had computer access levels that could allow badge data to be changed, or in some cases badges fabricated and activated, without knowledge or adequate controls for another individual to identify the unauthorized change of data. This situation existed because the personnel could inactivate the computer concurrence function without other computer access terminals being aware of the elimination of concurrence. Prior to the close of the inspection, the security staff enabled a computer command that requires elimination of concurrence to be concurred with by another computer access location.

#### 4. OTHER ACTIVITIES

##### 4OA1 Performance Indicator Verification

###### 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. Specifically, a sample of plant reports related to security events, security shift activity logs, fitness-for-duty reports, and other applicable security records were reviewed.

###### b. Issues and Findings

There were no findings identified during this inspection relating to the submitted data for the Fitness-for-Duty Personnel Reliability, the Personnel Screening Program, or the Protected Area Security Equipment Performance Indicators for the period through the first quarter of 2000.

##### 4OA5 Other

###### .1 Temporary Instruction 2515/144, "Performance Indicator Data Collecting and Reporting Process"

###### a. Inspection Scope

The inspector reviewed the performance indicator data collecting and reporting process for the "Fitness-For-Duty Personnel Reliability," "Personnel Screening Program," and "Protected Area Security Equipment" performance indicators. This procedure was conducted in conjunction with the performance indicator verification performed per Inspection Procedure 71151, "Performance Indicator Verification," and documented in Section 4OA1 of this report. The review included data collecting and reporting process, definition of terms, calculation method, and consistency with industry guidance document NEI-99-02, Revision 0. The licensee procedures reviewed included:

Administrative Work Instruction 4AWI-04-08.11, Revision 1, "NRC Performance Indicator Reporting"

Security Administrative Procedure (SAP) 02.05, Revision 2, "Quarterly Report Preparation"

b. Issues and Findings

The inspector concluded that Procedure SAP 02.05, after minor administrative changes, contained sufficient information for security personnel compiling plant protection data to adequately report the performance indicators.

- .2 (Closed) Inspection Followup Item (Report No. 50-263/98017-01): On five occasions in October 1998, the local law enforcement agency could not be contacted by radio. The modifications at the county communication center were completed and no problems have been identified with radio communication with the law enforcement agencies for the past 15 months.

4OA6 Management Meeting

.1 Exit Meeting Summary

The inspector presented the inspection results to Mr. G. Miserendino and other members of licensee management at the conclusion of the onsite inspection on May 19, 2000. The licensee representatives acknowledged the findings presented, and when asked by the inspector did not identify any information discussed as proprietary or safeguards information.

## PARTIAL LIST OF PERSONS CONTACTED

### Licensee

G. Miserendino, Director, Corporate Security, Northern States Power  
D. Blakesley, Nuclear Security Specialist  
M. Findley, Security Director, NMC  
T. Gallagher, Nuclear Security Specialist  
L. Hoskins, Quality Control Inspector  
C. Johnson, Nuclear Security Specialist  
B. Linde, Superintendent, Security, Monticello  
D. Miller, Project Manager, The Wackenhut Corporation  
M. Sleigh, Superintendent, Security, Prairie Island  
L. Wilkeson, Manager, Quality Services

### NRC

S. Burton, NRC Region III Senior Resident Inspector

## ITEMS OPENED AND CLOSED

### Opened

50-263/2000012-01    URI                    Criteria Applicable For Unescorted Access to Vital Areas  
(3PP2.2)

### Opened and Closed During this Inspection

50-263/2000012-02    NCV                    Untimely Actions by Supervisor for FFD Issue (4OA5.2)

### Closed

50-263/98017-01        IFI                    Radio Contact With Local Law Enforcement Agencies

## LIST OF ACRONYMS USED

DRS                    Division of Reactor Safety  
FFD                    Fitness For Duty  
NCV                    Noncited Violation

## LIST OF DOCUMENTS REVIEWED

Security Shift Activity Reports from January 1 to March 31, 2000  
Security Event Report Master Listing for March 1999 through March 2000  
Monticello Nuclear Generating Plant Procedure SAP 01.01, Revision 12, "Badging"  
Monticello Nuclear Generating Plant Procedure 00305, Revision 10, "Metal Detector Performance Test Procedure"  
Monticello Nuclear Generating Plant Procedure 4 AWI-08.06.02, Revision 4, "Plant Security Key Control"  
Monticello Nuclear Generating Plant Procedure 4 AWI-08.06.03, Revision 0, "Unescorted Access Authorization and Processing"  
Monticello Nuclear Generating Plant Procedure 0483, Revision 4, "Explosive Detector Performance Test"  
Monticello Nuclear Generating Plant Procedure 4 AWI-04.08.11, Revision 1, "NRC Performance Indicator Reporting"  
Monticello Nuclear Generating Plant Procedure SAP 02.05, Revision 2, "Quarterly Report Preparation"  
Condition Report No. 19993187, "Alarm Station Concurrences"  
Condition Report No. 19992003, "Deficiencies in the Implementation of FFD Guidelines"  
Generation Quality Services Observation Report No.1999165, dated August 30, 1999, "Security-Self Assessment"  
Generation Quality Services Observation Report No.1999183, dated September 24, 1999, "Security Testing and Maintenance Program"  
Northern States Power Company Generation Quality Services Audit No. AG 1999-S-3  
Northern States Power Fitness-For-Duty Performance Data for the Period Ending June 30, 1999 and December 31, 1999  
Monticello Security Work Orders Master List for Work Performed Since October 1998  
Monticello Security Department Quarterly Report for First Quarter 2000  
Security Key Audit, August 6, 1999  
Guard Force Utilization 2000 - PID's Forms For January through March 2000