September 5, 2000

Mr. M. Wadley
Senior Vice President and Chief Nuclear Officer
Nuclear Management Company
700 First Street
Hudson, WI 54016

SUBJECT: PRAIRIE ISLAND - NRC INSPECTION REPORT 50-282/2000010(DRS); 50-306/2000010(DRS)

Dear Mr. Wadley:

On August 17, 2000, the NRC completed a routine baseline inspection at your Prairie Island Nuclear Generating Plant. The enclosed report presents the results of that inspection. The results of this inspection were discussed with Mr. J. Sorensen and other members of your staff on August 17, 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 program.

Based on the results of this inspection, it was determined that the programs examined met NRC requirements. An issue of low safety significance (Green) was identified pertaining to reporting requirements when the minimum number of armed response force personnel are not available.

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 Nos. 50-282; 50-306
License Nos. DPR-42; DPR-60

Enclosure: Inspection Report 50-282/2000010(DRS); 50-306/2000010(DRS)

See Attached Distribution

cc w/encl: Site General Manager, Prairie Island
Plant Manager, Prairie Island
J. Bernstein, Deputy Commissioner, Minnesota
Department of Public Service
State Liaison Officer, State of Wisconsin
Tribal Council, Prairie Island Dakota Community

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See Attached Distribution

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cc w/encl: Site General Manager, Prairie Island
Plant Manager, Prairie Island
J. Bernstein, Deputy Commissioner, Minnesota
Department of Public Service
State Liaison Officer, State of Wisconsin
Tribal Council, Prairie Island Dakota Community

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U.S. NUCLEAR REGULATORY COMMISSION

REGION III

Docket Nos:	50-282; 50-306
License Nos:	DPR-42; DPR-60
Report No:	50-282/2000010(DRS); 50-306/2000010(DRS)
Licensee:	Nuclear Management Company, LLC
Facility:	Prairie Island Nuclear Generating Plant
Location:	1717 Wakonade Drive East Welch, MN 55089
Dates:	August 14 - 17, 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:

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

IR 05000282-00-10; IR 05000306-00-10; on 08/14-17/2000; Nuclear Management Company, LLC, Prairie Island Nuclear Generating Plant, Units 1 and 2; a security specialist report. This inspection was conducted by a regional security specialist.

Cornerstone: Physical Protection

(Green) The Security Event Reporting procedure described incorrect reporting requirements when the minimum number of armed responders are not available. The issue is of low safety significance because it pertains to reporting requirements rather than an actual occurrence (PP2).

Report Details

3. REACTOR SAFETY

Cornerstone: Physical Protection

PP1 Access Authorization (AA) Program (IP 71130-01)

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 and behavior observation responsibilities. Procedures pertaining to the Behavior Observation Program and Fitness-for-Duty semi-annual test result reports were also reviewed.

b. Findings

No findings were identified.

PP2 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 that entered the protected area.

b. Findings

Neither the annual test procedure nor other test procedures for explosive detectors identified adequate pass/fail criteria because the procedures did not include the requirement that the alarm from the test source be received prior to the exit light activating. This issue was entered into the licensee's corrective action program (Condition Report/Corrective Action Number 20003018). Explosive detector testing performance observed during the inspection was satisfactory.

(Green) The licensee's security procedure for reporting security events required the minimum number of response force members not being immediately available to respond to a security contingency to be logged (Section 12.1 of Security Implementing Procedure 5.1, "Reporting of Security Events"). NRC Headquarters has determined, as a result of an identical unresolved item at another plant, that such events must be reported within one hour and followed up with a Licensee Event Report within 30 days if the minimum number of response force member is not immediately available for greater than ten minutes. If periods of unavailability are less than ten minutes, a loggable event is required. If the non-availability of a response force member exceeds the time

specified in the security plan, a violation of the security plan occurs. This issue was entered into the licensee's corrective action program (Condition Report/Corrective Action Number 20003013). The finding was determined to be a green finding and of very low risk significance since it pertained to reporting requirements rather than an actual occurrence.

4. OTHER ACTIVITIES

4OA1 Identification and Resolution of Problems

a. Inspection Scope

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 were identified.

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 first two 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

An unresolved item was identified pertaining to the security equipment performance indicator (PI). The Security Equipment PI consists of counting compensatory hours for the perimeter intrusion detection system (IDS) and the closed circuit television (CCTV) system. The PI Indicator Value is determined by adding the IDS Unavailability Index plus the CCTV Unavailability Index and dividing by 2. At Prairie Island, compensatory measures for the CCTV system are not required except for catastrophic equipment failures that exceed the ability of the on duty security force to compensate for. Therefore, the current PI indicator value for the Protected Area Security Equipment shows only half the out-of-service time requiring compensatory man-hours for the perimeter detection system. The unresolved item is: Should Prairie Island use the part of the PI formula pertaining to CCTV compensatory hours since the security force is not required to compensate for CCTV degradations (50-282/2000010-01; 50-306/2000010-01).

Except for the unresolved item identified above, there were no findings identified during this inspection relating to the submitted data for the Fitness-for-Duty Personnel Reliability PI, the Personnel Screening Program PI, or the Protected Area Security Equipment PI.

4CC5 Management Meeting

.1 Exit Meeting Summary

The inspector presented the inspection results to members of licensee management at the conclusion of the onsite inspection on August 17, 2000. Attendees were informed that our evaluation of the unresolved item would continue and resolution of the issue would be addressed in separate correspondence. 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

J. Sorensen, Site Manager
T. Amundson, Acting Plant Manager
R. Cleveland, Nuclear Security Specialist
R. Glad, Training Captain, The Wackenhut Corporation, TWC
T. Grossell, Project Manager, TWC
D. Hutchson, Nuclear Security Consultant
H. Nyberg, Shift Captain, TWC
D. Parrish, Security Engineer
R. Prescott, Operations Coordinator, TWC
D. Schlintz, Generation Quality Services
M. Sleigh, Superintendent, Security
E. Timmer, Nuclear Security Specialist

NRC

S. Ray, NRC Region III Senior Resident Inspector
S. Thomas, NRC Region III Resident Inspector

ITEMS OPENED, CLOSED, AND DISCUSSED

Opened

50-282/2000010-01	URI	Performance Indicator Calculation for Protected Area Security Equipment
50-306/2000010-01	URI	Performance Indicator Calculation for Protected Area Security Equipment

Closed

None

Discussed

None

PARTIAL LIST OF DOCUMENTS REVIEWED

Security Event Logs - January - August 2000
Vital Area Card Reader History for Six Randomly Selected Personnel for a Three Month Period
Generation Quality Services Internal Audit Report No. AG 1999-S-3, dated November 4, 1999
Corporate Nuclear Administrative Control Directives No. N1ACD 2.12, "Fitness-for-Duty Program," Revision 1, dated November 29, 1999
Security Administrative Procedure 2.8, "Quarterly Security Report" effective March 28, 2000
Security Implementing Procedure 1.1, "Badge Control," Revision 0, approved June 1, 1999
Security Implementing Procedure 1.5, "Escort Responsibilities", Revision 0, approved April 9, 1998
Security Implementing Procedure 3.3, "Portal Control Room Operations," Revision 1, approved October 14, 1999
Security Implementing Procedure 4.1, "Testing and Inspection of Systems and Equipment," Revision 1, approved April 21, 1999
Security Implementing Procedure 4.2, "Calibration and Surveillance Procedure", Revision 0, approved December 8, 1997
Security Implementing Procedure 5.1, "Reporting of Security Events," Revision 2, approved January 3, 2000
Administrative Work Instruction 5AWI 5.1.0 "Plant Security and Unescorted Access Authorization," Revision 3, dated December 29, 1999
Administrative Work Instruction 5AWI 3.18.0, "Fitness-for-Duty Program," Revision 1, dated December 18, 1999
Surveillance Procedure 1653, "Quarterly X-Ray Machine Test," Revision 5, approved June 26, 2000
Surveillance Procedure 1621, "Explosive Vapor Detector Annual Test," Revision 10, approved June 26, 2000
Surveillance Procedure 1620, "Quarterly Metal Detector Calibration," Revision 9, approved June 25, 2000
Administrative Work Instruction 5AWI 5.1.0, "Plant Security and Unescorted Access Authorization," Revision 3, effective December 29, 1999
Fitness-for-Duty Program Performance Data Personnel Subject to 10 CFR 26 for period between July 1 and December 31, 1999
Security Services-Personnel Security Section Procedure AAP-15, "Continuous Behavior Observation," Revision 5, approved August 9, 2000
General Training Data Sheet for Three Newly Assigned Supervisors to Confirm Completion of Behavior Observation Training
Security Self-Assessment Schedule for 2000
Review of Corporate Security Annual Audit Item 5.13, "Results Pertaining to Behavior Observation Program" for period between August 4 - 14, 2000
First Quarter 2000 Security Report, dated April 20, 2000
Second Quarter 2000 Security Report, dated July 25, 2000
Fitness-for-Duty Personnel Reliability and Personnel Screening Performance Indicator for the period between First and Second Quarters, 2000
Security Key Inventory Report, dated June 14, 2000
Summary Report of Work Orders and Preventive Maintenance Completed for Personnel Search Equipment for 2000
Error Reduction Report 00-03-24, issued March 17, 2000, "Nonqualified Security Force Member Issued Key Cards"

Error Reduction Report 00-04-05, issued April 10, 2000, “Uncompensated Guard Post, CAS Failed to Reset Alarm IAW Proper Procedure”
Error Reduction Report 00-03-07, issued March 8, 2000, “Active Badge (Test Badge) Uncontrolled in Search Area”
Error Reduction Report 00-07-13, issued July 14, 2000, “ Response Team Below Minimum Level”
Error Reduction Report 00-02-25, issued March 1, 2000, “Response Team Below Minimum Level”