UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
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December 26, 2000

Harold B. Ray, Executive Vice President
Southern California Edison Co.
San Onofre Nuclear Generating Station
P.O. Box 128
San Clemente, California 92674-0128

SUBJECT: NRC INSPECTION REPORT NO. 50-361/00-17; 50-362/00-17

Dear Mr. Ray:

On November 27 through December 1, 2000, the NRC completed an inspection at your San Onofre Nuclear Generating Station, Units 2 and 3 facility. The purpose of the inspection was to conduct an Operational Safeguards Response Evaluation (OSRE). The enclosed report documents the inspection findings which were discussed with Mr. R. Krieger, Vice President-Nuclear Generation, and other members of your staff on December 1, 2000, and during a telephonic exit on December 14, 2000.

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.

The material enclosed herewith contains Safeguards Information as defined by 10 CFR 73.21 and its disclosure to unauthorized individuals is prohibited by Section 147 of the Atomic Energy Act of 1954, as amended. Therefore, the safeguards portion of the material will not be placed in the Public Document Room.

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 without the Safeguards Information Enclosure, will be made 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).

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Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

/RA/

Gail M. Good, Chief
Plant Support Branch
Division of Reactor Safety

Docket Nos.: 50-361
50-362
License Nos.: NPF-10
NPF-15

Enclosure:
NRC Inspection Report No.
50-361/00-17; 50-362/00-17

CC enclosure <u>without</u> SAFEGUARDS INFORMATION:
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HARDCOPY of entire SAFEGUARDS report:
Elaine McNeil (NRR\IPM\OLB\RSS)(MS: 6H2)
RIV Docket File
Security Inspector (Earnest and Schaefer)

Electronic distribution from ADAMS by RIV without SAFEGUARDS portion of the report:
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WCS	DRP\San Onofre Project Engineer
SFN1	San Onofre Site Secretary
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ENCLOSURE

U.S. NUCLEAR REGULATORY COMMISSION
REGION IV

Docket Nos.:	50-361 50-362
License Nos.:	NPF-10 NPF-15
Report No.:	50-361/00-17 50-362/00-17
Licensee:	Southern California Edison Co.
Facility:	San Onofre Nuclear Generating Station, Units 2 and 3
Location:	5000 S. Pacific Coast Hwy. San Clemente, California
Dates:	November 27 through December 1, 2000
Inspector(s):	A. B. Earnest, Senior Physical Security Inspector Dennis Schaefer, Physical Security Inspector David Orrik, Reactor Safeguards Specialist Reactor Safeguards Section, Office of Nuclear Reactor Regulation Contractors (3)
Approved By:	Gail M. Good, Chief, Plant Support Branch Division of Reactor Safety
Attachments:	1. Supplemental Information 2. NRC's Revised Reactor Oversight Process

SUMMARY OF FINDINGS

San Onofre Nuclear Generating Station, Units 2 and 3
NRC Inspection Report No. 50-361/00-17; 50-362/00-17

IR 05000361-00-17, IR 05000362-00-17; on 11/27/00 through 12/01/00; Southern California Edison Company; San Onofre Nuclear Generating Station, Units 2 and 3. Physical security report and an Operational Safeguards Response Evaluation (OSRE).

The inspection was conducted by regional and headquarters inspectors and contractors. Based on the results of this inspection, no findings of significance were identified.

ATTACHMENT 1

SUPPLEMENTAL INFORMATION

PARTIAL LIST OF PERSONS CONTACTED

Licensee

R. Krieger, Vice President, Nuclear Generation
G. Broussard, Supervisor, Security Operations
G. Cook, Supervisor, Compliance
M. Jones, Manager of Support, Plant Operations
J. Madigan, Manager, Health Physics
M. McBrearty, Compliance Engineer
D. Mercurio, Supervisor, Licensing
G. Plumlee, Supervisor, Security Compliance
J. Rainsberry, Manager, Nuclear Oversight Regulatory Affairs Division
S. Root, Project Manager, Engineering and Technical Services
E. Scherer, Manager, Nuclear Oversight Regulatory Affairs Division
J. Wallace, Manager, Security Division
M. Wharton, Manager, Nuclear Oversight Regulatory Affairs Division

NRC

J. Sloan, Senior Resident Inspector
J. Kramer, Resident Inspector
L. Willoughby, Project Engineer
G. Good, Chief, Plant Support Branch

ITEMS OPENED, CLOSED, AND DISCUSSED

Opened

50-361; -362/0017-01	URI	Vulnerability in Protective Strategy
50-361; -362/0017-02	URI	Lack of Response Force Timelines

Closed

None

Discussed

None

DOCUMENTS REVIEWED

The following documents were selected and reviewed by the inspectors to accomplish the objectives and scope of the inspection and to support any findings:

Tactical Response/Adversary Timelines Document, dated August 31, 2000

Target Sets/PRA Information Sheets, dated November 22, 2000

Security Drill Controller Guidelines, dated November 21, 2000

Operational Safeguards Response Evaluation Preparation Plan

Training Expiration Report (for uniformed security personnel), dated November 27, 2000

Procedure SO123-IV-3.3.1, “Security Training and Qualification Program,” Revision 3

Annual Requalification/Recertification Guide for Uniformed Security personnel, dated October 25, 2000

ATTACHMENT 2

NRC'S REVISED REACTOR OVERSIGHT PROCESS

The federal Nuclear Regulatory Commission (NRC) 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 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 used 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 plan, as described in the Action Matrix.

More information can be found at: http://www.nrc.gov/NRR/OVERSIGHT/index.html.