

September 11, 2006

EA-06-195

Mr. Michael Balduzzi
Site Vice President
Entergy Nuclear Operations, Inc.
Pilgrim Nuclear Power Station
600 Rocky Hill Road
Plymouth, MA 02360-5508

SUBJECT: PILGRIM NUCLEAR POWER STATION - NRC MATERIAL CONTROL AND
ACCOUNTING PROGRAM INSPECTION REPORT NO. 05000293/2006201
AND NOTICE OF VIOLATION

Dear Mr. Balduzzi:

On June 5-8, 2006, the U.S. Nuclear Regulatory Commission (NRC) conducted a material control and accounting (MC&A) safeguards inspection at your Pilgrim Nuclear Power Station facility. The inspection was conducted under Phase III of Temporary Instruction 2515/154. The enclosed inspection report documents the inspection findings, which were discussed during a preliminary exit meeting on June 8, 2006, with members of your staff, and in a supplemental exit meeting by telephone on August 16, 2006.

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. Areas examined during the inspection included the special nuclear material (SNM) physical inventory and accounting records. The inspectors reviewed selected procedures and records, observed practices for control and storage of SNM in the spent fuel pool, and interviewed personnel.

Based on the results of this inspection, the NRC has determined that a Severity Level IV violation of NRC requirements occurred involving inadequate records of the inventory, transfer, and disposal of all SNM in your possession and your failure to conduct an adequate physical inventory of all SNM in your possession. The violation was evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Website at www.nrc.gov; select **What We Do, Enforcement**, then **Enforcement Policy**. The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding the violation are described in detail in the subject inspection report.

When separated from the Enclosure, this document is DECONTROLLED.

M. Balduzzi

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You are required to respond to this letter and should follow the instructions specified in the

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enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publically Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). However, because of the security-related concerns contained in the enclosures, and in accordance with 10 CFR 2.390, this letter's enclosures will not be available for public inspection.

Should you have any questions concerning this report, please contact Glenn Tuttle at (301) 415-7644 or Dori Votolato (301) 415-7633.

Sincerely,

/RA/

Jeffrey Cruz, Chief
Material Security Oversight Branch
Division of Security Operations
Office of Nuclear Security and Incident Response

Docket No. 50-293
License No. DPR-35

Enclosures:

1. Notice of Violation
2. MC&A Inspection Report 05000293/2006201
w/Attachment: Supplemental Information

cc w/enclosures:	Kevin Bronson Plant General Manager Pilgrim Nuclear Power Station	Bryan Ford Licensing Manager Pilgrim Nuclear Power Station
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Gary James
Reactor Engineering Superintendent
Pilgrim Nuclear Power Station

cc w/o enclosures:	Cristine McCombs, Director Massachusetts Emergency Management Agency
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cc w/enclosures: Kevin Bronson Bryan Ford
Plant General Manager Licensing Manager
Pilgrim Nuclear Power Station Pilgrim Nuclear Power Station

Gary James
Reactor Engineering Superintendent
Pilgrim Nuclear Power Station

cc w/o enclosures: Cristine McCombs, Director
Massachusetts Emergency Management Agency

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