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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
612 EAST LAMAR BLVD, SUITE 400
ARLINGTON, TEXAS 76011-4125

August 24, 2011

EA-11-178

Mr. Adam C. Heflin, Senior Vice
President and Chief Nuclear Officer
Union Electric Company
P.O. Box 620
Fulton, MO 65251

SUBJECT: CALLAWAY PLANT - NRC SPECIAL INSPECTION REPORT 05000483/2011404;
PRELIMINARY GREATER THAN GREEN FINDING

Dear Mr. Heflin:

On July 22, 2011, the U.S. Nuclear Regulatory Commission (NRC) completed a Special Inspection at your Callaway Plant. The inspection evaluated the facts and circumstances surrounding a security-related event at the plant that occurred on June 7, 2011. The enclosed inspection report documents the inspection results, which were discussed on July 22, 2011, with Mr. D. Neterer, Director, Plant Operations, and other members of your staff.

The inspection examined activities conducted under your license as they relate to security and compliance with the Commission's rules and regulations and with the conditions of your license. The team reviewed selected procedures and records and interviewed personnel.

This letter transmits a finding that has preliminarily been determined to be Greater than Green, (i.e., a finding of greater than very low security significance) that could result in additional NRC inspections and potentially other NRC action. The specific details of the significance of this finding are described in the enclosed report. This finding was assessed based on the best available information using the Physical Protection Significance Determination Process (PPSDP).

"Enclosure transmitted herewith contains SUNSI. When separated from enclosure, this transmittal document is decontrolled."

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- 2 -

The technical details of the issue and associated NRC significance analysis were discussed with your staff during the inspection and the exit meeting. The inspection identified that previous opportunities existed that, had effective corrective actions been implemented, could have prevented this security issue from occurring. Specifically, Callaway Action Requests (CARs) generated to address these past occurrences: 1) were given low significance levels and did not require formal cause evaluations; 2) were closed with corrective actions that focused on individual disciplinary actions rather than prevention of recurrence; and 3) were not identified as a trend requiring broader corrective actions. Additionally, similar NRC observations were made during a recent Problem Identification and Resolution inspection as discussed in NRC Inspection Report 05000483/2010006, issued on December 17, 2010.

The finding was promptly corrected or compensated for and the plant was in compliance with applicable physical protection and security requirements within the scope of this inspection before the team left the site. The finding is also an apparent violation of NRC requirements and is being considered for escalated enforcement action in accordance with the Enforcement Policy, which can be found on the NRC's Website at <http://www.nrc.gov/reading-rm/doc-collections/enforcement>.

In accordance with NRC Inspection Manual Chapter 0609, we intend to complete our evaluation using the best available information and issue our final determination of security significance within 90 days of the date of this letter. The significance determination process encourages an open dialogue between the NRC staff and the licensee; however, the dialogue should not impact the timeliness of the staff's final determination.

Before we make our final significance determination, we are providing you with an opportunity to: (1) attend a Regulatory Conference where you can present to the NRC your perspective on the facts and assumptions the NRC used to arrive at the finding and assess its significance; or (2) submit your position of the finding to the NRC in writing. If you request a Regulatory Conference, it should be held within 30 days of the receipt of this letter and we encourage you to submit supporting documentation at least one week prior to the conference in an effort to make the conference more efficient and effective. If a Regulatory Conference is held, it will not be open for public observation. If you decide to submit only a written response, such submittal should be sent to the NRC within 30 days of your receipt of this letter. If you decline to request a Regulatory Conference or submit a written response, you relinquish your right to appeal the final SDP determination, in that by not doing either, you fail to meet the appeal requirements stated in the Prerequisite and Limitation sections of Attachment 2 of IMC 0609.

Please contact Mr. Michael C. Hay, Chief, Plant Support Branch 1, Division of Reactor Safety, at (817) 276-6527 or in writing within 10 days from the issue date of this letter, to notify the NRC of your intentions. If we have not heard from you within 10 business days, we will continue with our significance determination and enforcement decision. The final resolution of this matter will be conveyed in separate correspondence.

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- 3 -

Because the NRC has not made a final determination in this matter, no Notice of Violation is being issued for this inspection finding at this time. In addition, please be advised that the number and characterization of the apparent violation described in the enclosed inspection report may change as a result of further NRC review.

This report also documents one NRC identified finding of very low security significance (i.e., Green as determined by the physical protection significance determination process). This deficiency was promptly corrected or compensated for, and the plant was in compliance with applicable physical protection and security requirements within the scope of this inspection before the team left the site. Because of its very low security significance, and because this violation was entered into your corrective action program, the NRC is treating this violation as a noncited violation (NCV) consistent with Section 2.3.2 of the NRC Enforcement Policy.

If you contest this noncited violation, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the U.S. Nuclear Regulatory Commission, ATTN.: Document Control Desk, Washington, D.C. 20555-0001; with copies to the Regional Administrator, Region IV, U.S. Nuclear Regulatory Commission, 612 E. Lamar Blvd, Suite 400, Arlington, Texas, 76011-4125; the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555-0001; and the NRC Resident Inspector at the Callaway Plant.

Additionally, the NRC identified finding of very low security significance had a human performance crosscutting aspect associated with decision making (H1.c). If you disagree with the crosscutting aspect assigned to the finding in this report, you should provide a response within 30 days of the date of this inspection report, with the basis for your disagreement, to the Regional Administrator, Region IV, and the NRC Resident Inspector at the Callaway Plant.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>

However, the material enclosed within contains Security Related Information in accordance with 10 CFR 2.390(d)(1) and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in the enclosure will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html>. Because this issue involves Security-Related Information, if you chose to respond, your response will not be made available for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS). If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

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- 4 -

Otherwise, mark your entire response Security-Related Information in accordance with 10 CFR 2.390(d)(1) and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

Sincerely,

/RA/

Anton Vogel, Director
Division of Reactor Safety

Docket: 50-483
License: NPF-30

Nonpublic Enclosure:
NRC Inspection Report 05000483/2011404
w/Attachments:

1. Supplemental Information
2. Callaway Special Inspection Team Charter
3. Chronology for Event at Callaway

cc w/o enclosure:
Stephanie Banker
Callaway Plant, Unit 1
5 Miles North of Hwy 94
Portland, MO 65067

Scott Maglio
Regulatory Affairs Manager
Ameren Missouri
P.O. Box 620
Fulton, MO 65251

Dru Buntin
Deputy Director for Policy
Department of Natural Resources
P.O. Box 176
Jefferson City, MO 65102-0176

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- 5 -

cc w/enclosure:

Mr. Fadi Diya

Vice President – Nuclear Operations

Ameren Missouri

Callaway Nuclear Plant

Post Office Box 620

Fulton, MO 65251

Kevin J. Bruckerhoff

Callaway Plant, Unit 1

5 Miles North of Hwy 94

Portland, MO 65067

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- 6 -

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Security Related Complete Report - OOU:

SUNSI Review Completed: JMR ADAMS: ☒ Yes Initials: JMR
☒ Non-Publicly Available ☒ Sensitive-Security- Related-Periodic Review Required

Letter Only:

SUNSI Review Completed: JMR ADAMS: ☒ Yes Initials: JMR
☒ Publicly Available ☒ Non-Sensitive

PSI:PSB1	SPSI:PSB1	C:PSB1	C:PBB	ACES:SES	C:PSB1	DD:DRS
JRollins	JLarsen	MHay	GMiller	RKellar	MHay	TVegel
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