

~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 E. LAMAR BLVD
ARLINGTON TX 76011-4511**

September 21, 2015

Mr. Michael R. Chisum
Site Vice President
Entergy Operations, Inc.
17265 River Road
Killona, LA 70057-0751

**SUBJECT: WATERFORD STEAM ELECTRIC STATION, UNIT 3 – NRC TEMPORARY
INSTRUCTION 2201/004, "INSPECTION OF IMPLEMENTATION OF
INTERIM CYBER SECURITY MILESTONES 1-7," INSPECTION
REPORT 05000382/2015406**

Dear Mr. Chisum:

On September 3, 2015, the U.S. Nuclear Regulatory Commission (NRC) completed a security temporary instruction inspection at your Waterford 3 facility. The inspection covered the implementation of interim milestones associated with your cyber security program, as outlined in your approved cyber security plan and described in Temporary Instruction 2201/004, "Inspection of Implementation of Interim Cyber Security Milestones 1-7," Revision 1. The enclosed inspection report documents the inspection results that were discussed on September 3, 2015, with Mr. J. Jarrell, Regulatory Assurance Manager.

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 NRC inspectors documented three licensee-identified violations, which were determined to be of very low security significance. These violations are listed in Section 4OA7 of this report. The NRC is treating these violations as non-cited violations consistent with Section 2.3.2.a of the Enforcement Policy. These issues were discussed and reviewed during a Security Issues Forum Panel meeting conducted on September 2, 2015. The Security Issues Forum Panel

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

~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~

~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~

M. Chisum

- 2 -

review concluded that although these issues constituted violations of Title 10 of the *Code of Federal Regulations* (10 CFR), Part 73, Section 54, "Protection of Digital Computer and Communication Systems and Networks," the NRC is exercising enforcement discretion. The NRC is exercising enforcement discretion for these violations because they meet the criteria established in an NRC memorandum from Barry C. Westreich, Director, Cyber Security Directorate, Office of Nuclear Security and Incident Response, to each regional office and Director, Division of Reactor Safety, Subject: Enhanced Guidance for Licensee Near-Term Corrective Actions to Address Cyber Security Inspection Findings and Licensee Eligibility for "Good-Faith" Attempt Discretion, dated July 1, 2013 (ADAMS Accession Number ML13178A203). Consistent with the NRC memorandum, when you complete and close corrective actions associated with these violations, you are requested to provide written notification to the NRC's regional office as to the method and date of closure of the corrective actions for the identified violations.

If you contest the violations or significance of these non-cited violations, 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, DC 20555-0001; with copies to the Regional Administrator, Region IV; the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC resident inspector at the Waterford Steam Electric Station, Unit 3.

In accordance with 10 CFR 2.390, "Public Inspections, Exemptions, Requests for Withholding," of the NRC's "Rules of Practice and Procedure," a copy of this letter will be available electronically for public inspection in the NRC's Public Document Room or from the Publicly Available Records (PARS) component of the NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

The material enclosed herewith, however, 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 PARS component of NRC's ADAMS. If you choose to provide a response and Security-Related Information is necessary to provide an acceptable response, please mark your entire response "Security-Related Information—Withhold from public disclosure under 10 CFR 2.390" in accordance with 10 CFR 2.390(d)(1) and follow the instructions for withholding in 10 CFR 2.390(b)(1).

~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~

~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~

M. Chisum

- 3 -

In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

Sincerely,

/RA/

Gregory E. Werner, Chief
Engineering Branch 2
Division of Reactor Safety

Docket No. 50-382
License No. NPF-38

Nonpublic Enclosure:
Inspection Report 05000382/2015406
w/Attachment: Supplemental Information

cc w/o encl: Electronic Distribution

~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~

~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~

M. Chisum

- 3 -

In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

Sincerely,

/RA/

Gregory E. Werner, Chief
Engineering Branch 2
Division of Reactor Safety

Docket No. 50-382
License No. NPF-38

Nonpublic Enclosure:
Inspection Report 05000382/2015406
w/Attachment: Supplemental Information

cc w/o encl: Electronic Distribution

Distribution:
See next page

ADAMS Accession Number: ML15264B147

Entire Report		ADAMS:	<input type="checkbox"/> Publicly Available	<input type="checkbox"/> Non-Sensitive	Keyword: NRC-002 MD 3.4 Non-Public A.3	
<input checked="" type="checkbox"/> SUNSI Review: GAP		Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Non-Publicly Available	<input checked="" type="checkbox"/> Sensitive		
Cover Letter Only		ADAMS:	<input checked="" type="checkbox"/> Publicly Available	<input checked="" type="checkbox"/> Non-Sensitive	Keyword: NRC-002 SUNSI Review Complete	
<input checked="" type="checkbox"/> SUNSI Review: GAP		Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Non-Publicly Available	<input type="checkbox"/> Sensitive		
OFFICE	RI:DRS/EB2	RI:DRA/RCB	SRA	C:EB2	C:PBD	C:EB2
NAME	GPick	NMakris	LJones	GWerner	GMiller	GWerner
SIGNATURE	/RA/	/RA/	/RA/	/RA/	/RA/	/RA/
DATE	9/2/2015	9/2/2015	9/2/2015	9/2/2015	9/9/2015	9/21/2015

OFFICIAL RECORD COPY

~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~

~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~

Letter to Michael R. Chisum from Gregory E. Werner, dated September 21, 2015

SUBJECT: WATERFORD STEAM ELECTRIC STATION, UNIT 3 - NRC TEMPORARY
INSTRUCTION 2201/004, "INSPECTION OF IMPLEMENTATION OF
INTERIM CYBER SECURITY MILESTONES 1-7," INSPECTION
REPORT 05000382/2015406

Electronic distribution by RIV with enclosure:

Director, Cyber Security Directorate (Barry.Westreich@nrc.gov)
Deputy Director, Cyber Security Directorate (Russell.Felts@nrc.gov)
Chief, Reactor Security Oversight Branch (Ronald.Albert@nrc.gov)
Acting Chief, Security Training and Support Branch (Joseph.Willis@nrc.gov)
Branch Chief, RI DRS/EB3 (John.Rogge@nrc.gov)
Branch Chief, RII DRS/EB2 (Scott.Shaeffer@nrc.gov)
Branch Chief, RIII DRS/EB3 (Robert.Daley@nrc.gov)
Branch Chief, Security Performance Evaluation (Clay.Johnson@nrc.gov)
Senior Resident Inspector (Frances.Ramirez@nrc.gov)
Security Specialist (Shyrl.Coker@nrc.gov)
Senior Emergency Response Coordinator, ORA/RCB (Nester.Makris@nrc.gov)
Senior Reactor Inspector, DRS/EB2 (Greg.Pick@nrc.gov)
Security Analyst, NSIR (Larry.Jones@nrc.gov)
Cyber Security Contractor, NSIR (Jeffrey.Knight@nrc.gov)

Electronic distribution by RIV without enclosure:

Regional Administrator (Marc.Dapas@nrc.gov)
Deputy Regional Administrator (Kriss.Kennedy@nrc.gov)
DRP Director (Troy.Pruett@nrc.gov)
DRP Deputy Director (Ryan.Lantz@nrc.gov)
DRS Director (Anton.Vegel@nrc.gov)
DRS Deputy Director (Jeff.Clark@nrc.gov)
Resident Inspector (Chris.Speer@nrc.gov)
WAT Administrative Assistant (Linda.Dufrene@nrc.gov)
Branch Chief, DRP/D (Geoffrey.Miller@nrc.gov)
Senior Project Engineer, DRP/D (Bob.Hagar@nrc.gov)
Project Engineer, DRP/D (Jan.Tice@nrc.gov)
Public Affairs Officer (Victor.Dricks@nrc.gov)
Public Affairs Officer (Lara.Uselding@nrc.gov)
Project Manager (Michael.Orenak@nrc.gov)
Acting Team Leader, DRS/TSS (Eric.Ruesch@nrc.gov)
RITS Coordinator (Marisa.Herrera@nrc.gov)
ACES (R4Enforcement.Resource@nrc.gov)
Regional Counsel (Karla.Fuller@nrc.gov)
Congressional Affairs Officer (Jenny.Weil@nrc.gov)
Technical Support Assistant (Loretta.Williams@nrc.gov)
RIV Congressional Affairs Officer (Angel.Moreno@nrc.gov)
RIV/ETA: OEDO (Cindy.Rosales-Cooper@nrc.gov)
ROPreports

~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~