

VIRGINIA ELECTRIC AND POWER COMPANY
RICHMOND, VIRGINIA 23261

August 14, 1996

U. S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, D. C. 20555

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| Serial No. | 96-377 |
| NAPS/ETS | R8 |
| Docket Nos. | 50-338 |
| | 50-339 |
| License Nos. | NPF-4 |
| | NPF-7 |

Gentlemen:

VIRGINIA ELECTRIC AND POWER COMPANY
NORTH ANNA POWER STATION UNITS 1 AND 2
INSPECTION REPORT NOS. 50-338/96-05 AND 50-339/96-05
REPLY TO THE NOTICE OF VIOLATION

We have reviewed your letter of July 15, 1996, which referred to the inspection conducted at North Anna Power Station from June 10, 1996 through June 14, 1996, and the associated Notices of Violation which were reported in Inspection Report Nos. 50-338/96-05 and 50-339/96-05 as corrected by your letter of August 8, 1996. Our reply to the Notice of Violation is attached.

In your letter transmitting the Notices of Violation you expressed concern because of previous violations for failure to control safeguards information and the recurrence of personnel errors in securing safeguards information documents. We share your concern and established a task team to review these discrepancies and recommend aggressive corrective actions to prevent recurrence. Details of the task team's results are provided in the attachment. In addition, we plan to increase the awareness and sensitivity of our employees who work with safeguards information to ensure continued compliance with safeguards security requirements.

Consistent with the alternative provided in the inspection report, a response to Violation B will not be provided since the description of the violation and corrective actions taken to prevent recurrence are accurately discussed in the inspection report.

If you have any further questions, please contact us.

Very truly yours,



James P. O'Hanlon
Senior Vice President - Nuclear

Attachment

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cc: U.S. Nuclear Regulatory Commission
Region II
101 Marietta Street, N.W.
Suite 2900
Atlanta, Georgia 30323

Mr. R. D. McWhorter
NRC Senior Resident Inspector
North Anna Power Station

REPLY TO NOTICE OF VIOLATION
INSPECTION REPORT NOS. 50-338/96-05 AND 50-339/96-05

NRC COMMENT

During an NRC inspection conducted on June 10-14, 1996, violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG 1600, the violations are listed below:

- A. 10 CFR 73.21(d)(2) requires Safeguards Information, while unattended, to be stored in a locked security storage container.

Contrary to the above, Safeguards Information, was not stored properly while unattended, in that:

1. From January 19, 1996 to February 5, 1996, at the Innsbrook Corporate Office in the Civil Engineering Department, Safeguards Information was left unattended on a desk.
2. On April 25, 1996, from approximately 5:30 p.m. to 6:04 p.m., in the instrumentation shop at the North Anna facility, Drawing Number N-96162-3-V-1400, Revision 0 which contains Safeguards Information was left unattended on a desktop.
3. On May 8, 1996, from approximately 8:45 a.m. to 10:30 a.m., in the records management area at the Innsbrook Corporate Office, 15 Safeguards Information aperture cards were left unattended in the card viewing machine.

This is a Severity Level IV violation (Supplement III).

REPLY TO NOTICE OF VIOLATION A

1. REASON FOR THE VIOLATION

The cause of the violation was inadequate procedural guidance and administrative controls. Specifically, Virginia Power Administrative Procedure (VPAP) 2503, Control of Safeguards information, did not specify: 1) adequate accountability / ownership for safeguards information, 2) a process to determine what was or was not safeguards information, 3) instructions on how to classify and / or declassify safeguards information and 4) a method for distinguishing between safeguards and non-safeguards aperture cards.

2. CORRECTIVE STEPS WHICH HAVE BEEN TAKEN AND THE RESULTS ACHIEVED

Upon identification of each of the individual discrepancies, the safeguards information was placed in a locked security storage container, personnel involved were instructed on the proper handling of safeguards information and station deviation reports were submitted.

A North Anna Security Alert bulletin was posted at various locations around the station to stress to personnel the need for proper control of safeguards information.

In order to enhance personnel sensitivity to the special controls required in handling safeguards information, the process for obtaining and maintaining safeguards information has been changed. Safeguards information is now stored in locked security storage containers located only in Security and Records Management. Each time an individual requests access to safeguards information, they will be required to review and confirm their understanding of the requirements and responsibilities in handling the safeguards information prior to receiving the information. The individual requesting the safeguards information will then be required to sign for the information and keep it under their personal control until returning it to a safeguards storage facility.

In an effort to prevent recurrence, a task team was formed to identify the cause of the violation and recommend corrective actions. The task team developed a safeguards information improvement plan. As a result, the following corrective actions have been implemented.

VPAP-2503 was revised to provide: 1) responsibilities for safeguards administrators, 2) a decision making process to determine what was or was not safeguards information, 3) guidance on how to declassify safeguards documents, 4) the requirement for two individuals to validate the classification / declassification of safeguards information, and 5) a new placard which contains a self check list of significant requirements from VPAP-2503 that will be used to coversheet safeguards documents.

- Aperture cards that are classified as safeguards are now maintained with a distinct color to call attention to the fact that the information contains safeguards information.

A major effort has been undertaken to reduce the amount of safeguards information. Additional reviews are ongoing to determine if further reductions in the amount of safeguards information can be made.

The number of safeguards information storage locations has been reduced. The remaining licensee controlled safeguards locations reside in Security and Records Management.

The number of personnel authorized to access safeguards information has been reduced.

3. CORRECTIVE STEPS WHICH WILL BE TAKEN TO AVOID FURTHER VIOLATIONS

The corrective actions as described above will ensure safeguards information is properly maintained and include steps to avoid further violations. No further corrective actions are required.

4. THE DATE WHEN FULL COMPLIANCE WILL BE ACHIEVED

Full compliance has been achieved.