

Northeast
Utilities System

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November 8, 1996
Docket Nos. 50-245
50-336
50-423
B15961

Re.: 10CFR2.201

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

Millstone Nuclear Power Station, Unit Nos. 1, 2 and 3
Facility Operating License Nos. DPR-21, DPR-65 and NPF-49
Reply to a Notice of Violation
Inspection 50-245/96-06; 50-336/96-06; 50-423/96-06

In a letter dated October 9, 1996,⁽¹⁾ the NRC transmitted the results of an inspection conducted at the Millstone Station from May 6, 1996 through May 10, 1996. The NRC Inspection Report concluded that certain of our safeguard activities at Millstone Unit Nos. 1, 2 and 3 appeared to be in violation of NRC requirements. The details of the circumstances surrounding the violation are documented in NRC Inspection Report 96-05 dated August 15, 1996.⁽²⁾ It was determined that Northeast Nuclear Energy Company (NNECO) failed to properly control and store Safeguards Information (SGI) in accordance with 10CFR73.21(d)(2).

10CFR73.21(d)(2) requires that matter containing SGI be under the control of an authorized individual, and while unattended, stored in a locked security storage container. On November 5, 1995, audit reports containing SGI were found unattended, and on December 15, 1995, drawings containing SGI were provided to an employee who was not authorized to control SGI.

- (1) W. D. Lanning letter to T. C. Feigenbaum, "NRC Combined Inspection Report 50-245/96-06; 50-336/96-06; 50-423/96-06," dated October 9, 1996.
- (2) W. D. Lanning letter to T. C. Feigenbaum, "NRC Combined Inspection Report 50-245/96-05; 50-336/96-05; 50-423/96-05," dated August 15, 1996.

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On behalf of Millstone Unit Nos. 1, 2 and 3, Attachment 1 of this submittal provides NNECO's reply to the Notice of Violation pursuant to the provisions of 10CFR2.201.

Commitments

The following are NNECO's commitments associated with this response:

- B15961-1 Security Department Instructions were revised to provide enhanced guidelines for corrective action requirements for security events including the need to initiate an Adverse Condition Report (ACR) as necessary. Instructions have been revised to ensure that corrective actions are reviewed by a management review committee for completeness and lessons learned addressed.
- B15961-2 A procedure has been revised to limit distribution of audit documents that contain SGI to only the Security Department.
- B15961-3 Signs have been placed on Security Department file cabinets indicating the requirement to provide a "Safeguards Information Coversheet" on SGI that is transmitted out of the Department.
- B15961-4 The scope of the annual SGI audit has been revised to include a review of self-assessments and corrective actions taken in response to issues related to SGI.
- B15961-5 NNECO will complete a review to identify those areas to be revised to further strengthen the existing Safeguard Information program. The review will consider information from other licensees' programs to identify the best practices relative to managing the Safeguards Information program. The review will be completed and identified program/procedure changes implemented by March 31, 1997.
- B15961-6 Information will be published in a site-wide news letter reiterating each individuals responsibilities regarding Safeguard Information. Publication of this article will be completed by November 15, 1996.
- B15961-7 Several additional procedures that were previously classified as SGI were reviewed and the SGI was removed, as appropriate. These procedures were then declassified.

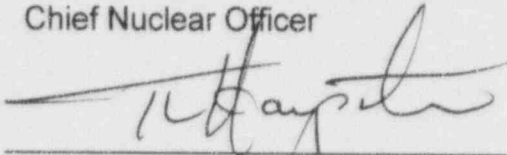
Should you have any questions regarding this submittal, please contact
Mr. William J. Temple at (860) 437-5904.

Very truly yours,

NORTHEAST NUCLEAR ENERGY COMPANY

FOR: T. C. Feigenbaum
Executive Vice President and
Chief Nuclear Officer

BY:



T. L. Harpster
Director - Nuclear Licensing

Attachment (1)

cc: W. D. Travers, Director, Special Projects Office
H. J. Miller, Region I Administrator
W. D. Lanning, Director, Millstone Oversight Team
T. A. Easlick, Senior Resident Inspector, Millstone Unit No. 1
J. W. Andersen, NRC Project Manager, Millstone Unit No. 1
Senior Resident Inspector, Millstone Unit No. 2
D. G. McDonald, Jr., NRC Project Manager, Millstone Unit No. 2
A. C. Cerne, Senior Resident Inspector, Millstone Unit No. 3
V. L. Rooney, NRC Project Manager, Millstone Unit No. 3

Attachment 1

Millstone Unit Nos. 1, 2 and 3

Facility Operating License Nos. DPR-21, DPR-65 and NPF-49

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November 1996

Restatement of Violation

Part 73.21(d)(2) of Title 10 of the Code of Federal Regulations requires, in part, that, while in use, matter containing Safeguards Information shall be under the control of an authorized individual, and, while unattended, Safeguards Information shall be stored in a locked security storage container.

Contrary to the above, the licensee failed to control Safeguards Information (SGI) as required on November 5, 1995, when audit reports containing SGI were left unattended in a copy room, and again on December 15, 1995 when a work package containing SGI was turned over to an employee who was not cleared for SGI.

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

Reason for the Violation

Northeast Nuclear Energy Company (NNECO) does not dispute this violation. SGI was not properly stored and controlled in accordance with the requirements of 10CFR73.21(d)(2) on the two occasions cited above. In addition, it was identified that a blank copy of a weekly surveillance form that was stamped Safeguards Information was left unattended in a copy machine sorter. Although not specifically cited in the violation, this event in conjunction with the events cited in the violation, are symptomatic of a weakness in the control of SGI.

The causes and contributing factors resulting in the failure to properly store and control SGI are:

Cause:

On November 5, 1995, audit reports were left unattended in a copy room while contained in an single envelope. Procedures require that SGI be properly controlled or sealed in a double envelope for mailing. The inner envelope shall be clearly marked as Safeguards Information, and the external envelope having just the addressee's name and location. This material was not properly packaged for delivery in accordance with procedure. Therefore, the cause of this event is believed to be inattention to detail and inadequate work practice due to failure to follow procedure. (It is noted that investigation of this event was unable to conclusively determine who was responsible or how the audit reports were left uncontrolled.)

On December 15, 1995, a second incident involving SGI occurred when an individual who was authorized to control SGI transferred a work package containing drawings that were categorized as SGI to an individual who was not authorized to control SGI. It was not communicated to him at the time he received the work package that the package

contained SGI. Procedures require that SGI be addressed, transmitted and delivered only to authorized individuals. Therefore, the individual delivering the work package neither delivered the package to an authorized individual in accordance with SGI requirements nor communicated that the package contained SGI. In addition, Security Department instruction requires that a "Safeguard Information Coversheet" be placed on all SGI packages being transmitted outside the Security Department. This had not been accomplished. Therefore, the cause of this event is believed to be inattention to detail and inadequate work practice due to failure to follow procedure.

On January 11, 1996, a blank copy of a weekly surveillance form stamped Safeguards Information was found unattended in a copy machine sorter. Although the form did not contain SGI, it should still have been controlled in accordance with procedure. The cause of this event is believed to be inattention to detail and inadequate work practice.

Contributing Factors:

Investigation of the events in November and December, 1995 were neither comprehensive nor thorough to properly identify the causal factors and ensure that adequate corrective actions have been taken to prevent recurrence. Security Department Instructions did not include guidance to initiate an Adverse Condition Report (ACR) to capture the event in the Corrective Action Program when proper control of SGI external to the Security Department was not maintained. The ACR process should have been utilized to ensure that causal factors were identified for these events as well as previous SGI events, and appropriate corrective actions defined and implemented.

Corrective Steps That Have Been Taken and Results Achieved

NNECO determined that the sensitive information that was contained in the audit reports that were left unattended and the drawings that were provided to an employee who did not have authorization for SGI would not have resulted in the ability of an individual to gain unauthorized/undetected access to the station, or assist an individual in committing an act of radiological sabotage.

The individual who did not properly deliver the work package to an individual that was authorized was counseled regarding responsibilities when controlling SGI.

A memorandum was issued to broad distribution restating expectations relative to the control and handling of SGI in accordance with procedures.

A procedure has been revised to limit distribution of audit documents that contain SGI to only the Security Department.

Signs have been placed on Security Department file cabinets indicating the requirement to provide a "Safeguards Information Coversheet" on SGI that is transmitted out of the Department.

The scope of the annual SGI audit has been revised to include a review of Security Department self-assessments and corrective actions taken in response to issues related to SGI.

The blank weekly surveillance form that was stamped Safeguards Information was determined to be improperly classified as SGI, and was subsequently declassified.

Several additional procedures that were previously classified as SGI were reviewed and the SGI was removed, as appropriate. These procedures were then declassified. The reduction of the amount of information that is classified as SGI will reduce the information that is distributed and required to be controlled in accordance with 10CFR73.21.

Security Department Instructions have been revised to provide enhanced guidelines for corrective action requirements for security events including the need to initiate an Adverse Condition Report (ACR), as necessary, when proper control of SGI external to the Security Department has not been maintained. This will ensure that causal factors are identified and corrective actions defined through the ACR process. Also, changes have been made to ensure that corrective actions are reviewed by a Management Review Team in accordance with the ACR process for completeness and that lessons learned have been addressed.

Corrective Actions That Will Be Taken

NNECO will complete a review to identify those areas to be revised to further strengthen the existing Safeguard Information program. The review will consider information from other licensees' programs to identify the best practices relative to managing the Safeguards Information program. The review will be completed and identified program/procedure changes implemented by March 31, 1997.

In addition, information will be published in a site-wide news letter reiterating each individuals responsibilities regarding Safeguard Information. Publication of this article will be completed by November 15, 1996.

Date When Full Compliance Will Be Achieved

NNECO is currently in full compliance with the requirements of 10CFR73.21(d)(2).