

No. 93-59  
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FOR IMMEDIATE RELEASE  
(Tuesday, May 4, 1993)

NRC STAFF PROPOSES TO FINE NORTHEAST  
NUCLEAR ENERGY COMPANY \$100,000

The Nuclear Regulatory Commission staff has cited Northeast Nuclear Energy Company for two significant violations of NRC requirements governing the operation of its Millstone nuclear power plant and has proposed a \$100,000 fine. The violations were uncovered as the result of an investigation by the NRC's Office of Investigations conducted during the period from December 18, 1989, through August 31, 1992.

The first violation involves subjecting Mr. Paul Blanch, at that time Supervisor, Instrument and Controls Special Projects, to harassment, intimidation and discrimination for raising a potentially significant generic safety issue related to a failure mechanism for certain Rosemount level transmitters used in the reactor protection system.

The second violation involves a requirement governing the timely evaluation and reporting of significant safety hazards concerns.

The discrete acts of harassment, intimidation and discrimination against Mr. Blanch that, taken together, comprised a hostile work environment included:

- an accusation of unprofessional conduct during a March 30, 1989, meeting which was never retracted though the accuser later said he agreed with the Senior NRC Resident Inspector who believed that all attendees at the meeting had acted in a professional manner;

- a June 1989 attempt to prevent Mr. Blanch from serving as Chairman of the Boiling Water Reactor Owners' Group (BWROG) Committee concerning Rosemount level transmitter issues; and

- improper attempts by supervisors and managers to influence an audit being prepared by Northeast's Internal Audit Department by attempting to insert negative comments concerning Mr. Blanch's supervisory performance.

In a letter to the company, the NRC staff also noted that an independent assessment of the Rosemount level transmitter issue, including possible incidents of harassment and intimidation, by a Northeast consultant concluded that Mr. Blanch was subjected to harassment and attempts at intimidation which were sometimes made with intent and might be continuing at the time of the consultant's report.

The staff also expressed concern about the failure of senior utility management to terminate the hostile work environment in the light of the consultant's report. Other workers stated to NRC investigators that they knew of the Blanch matter and, as a result, would not raise safety concerns with their management.

This has been characterized as a Severity Level II violation (Level I is the most severe, Level V the least severe) and the entire \$100,000 fine is proposed for it.

In addition, the staff has sent a Demand for Information to Northeast Nuclear Energy Company requiring the company to advise the staff, in writing: (1) why the NRC can have confidence that the licensee will ensure an environment that is free from harassment, intimidation and discrimination and, in particular, with certain employees who were involved in the Blanch matter still involved with safety-related activities; and (2) and why, after certain managers became aware of the concerns involving Mr. Blanch, the utility was ineffective in promptly terminating the hostile work environment to which he was subjected.

The second violation involves the NRC's Part 21 regulations which, among other things, require that procedures be adopted for the evaluation of deviations and to assure that a director or responsible officer is informed if a basic component supplied for the facility fails to comply with any particular rule, regulation, order or license of the Nuclear Regulatory Commission relating to a substantial safety hazard.

Contrary to this requirement and Northeast Nuclear Energy Company's implementing procedures, the requirement for the identification of a substantial safety hazard in a timely manner was violated in that the suggested processing time of 10 days was exceeded by approximately 35 days and the appropriate Northeast manager was not notified. The specific substantial safety hazard involved the potential for a generic problem with the operation of Rosemount transmitters used in safety-related systems at the Millstone plant due to failure of the transmitters as a result of slow, fill-oil loss. Subsequently, Northeast management was notified and thereafter the NRC was notified on March 25, 1988.

This has been characterized as a Severity Level III violation and no fine is proposed.

Northeast Nuclear Energy Company now has 30 days to reply in writing admitting or denying the violations, the reasons for them if admitted, the corrective steps that have been taken and the results achieved, corrective steps that will be taken to avoid further violations and the date when full compliance with NRC requirements will be achieved. The licensee also may ask that the proposed fine be mitigated or withdrawn entirely.

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