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FOR IMMEDIATE RELEASE
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NRC STAFF PROPOSES TWO FINES TOTALLING \$130,000 AGAINST ARIZONA PUBLIC SERVICE COMPANY

The Nuclear Regulatory Commission staff is proposing to fine Arizona Public Service Company (APS) \$130,000 for alleged violations of NRC requirements to protect employees who raise safety concerns at the Palo Verde Nuclear Generating Station. NRC Regional Administrator John B. Martin notified the company of the alleged violations by letter on September 30, 1992.

Based on a Recommended Decision and Order issued in each case by a U.S. Department of Labor Administrative Law Judge (ALJ), the NRC staff has found that two violations have occurred.

In the first violation, Ms. Sarah C. Thomas, who was employed by APS as an engineering technician, was unlawfully discriminated against as described in the ALJ Recommended Decision and Order (89-ERA-19) issued April 13, 1989. Specifically, Ms. Thomas was reassigned to another position, was denied a promotion, was treated differently from another employee when being considered for another promotion, was required to complete unnecessary training, and had her certifications for certain procedures suspended, all in retaliation for engaging in protected activities. The protected activities included raising safety concerns to licensee management and the NRC regarding problems with a computer system and the testing of certain valves.

This has been categorized as a Severity Level III violation on a scale of I to V, with Level I representing a problem or violation of very significant regulatory concern and Level V a problem or violation of minor concern. The base civil penalty for Severity Level III is \$50,000.

In the second violation, Ms. Linda E. Mitchell, who was employed by APS as an electrical engineer, was unlawfully discriminated against as described in the ALJ Recommended Decision and Order (91-ERA-9) issued July 2, 1992. Specifically, Ms. Mitchell was subject to a series of actions which comprised a hostile work environment in retaliation for engaging in certain protected activities. The protected activities included raising various safety concerns to licensee management and the NRC, including concerns regarding problems with emergency lighting at Palo Verde.

This second violation has been categorized as Severity Level II, primarily because of actions taken by the former Director of Quality Assurance at Palo Verde, who made inappropriate comments about Ms. Mitchell to other APS managers. Those actions are of particular concern because the Director of Quality Assurance was responsible for the employee concerns program and for protecting those persons who raised safety concerns from harassment and intimidation. The base civil penalty for Severity Level II is \$80,000.

APS has appealed both ALJ decisions to the Secretary of Labor, and will have 30 days from the date of a final decision by the Secretary in each case to submit a written statement to the NRC admitting or denying the alleged violations, explaining the reasons for it if admitted, stating the corrective actions which have been or will be taken and the date when full compliance was or will be achieved.

The company also has 30 days from the Secretary's decision in each case to pay the proposed fine or to protest it, in whole or in part. If either fine is protested and later imposed, APS may request a public hearing.

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