

August 8, 2001

EA-00-261

Mr. Robert G. Byram
Senior Vice President and
Chief Nuclear Officer
PPL Susquehanna, LLC
Susquehanna Steam Electric Station
2 North Ninth Street
Allentown, Pennsylvania 18101

SUBJECT: NRC OFFICE OF INVESTIGATIONS REPORT 1-1999-025
Susquehanna Steam Electric Station

Dear Mr. Byram:

This letter refers to an investigation conducted by the NRC's Office of Investigations (OI) initiated on September 9, 1999, at the Susquehanna Steam Electric Station (SSES) to determine whether a Radiation Operations Supervisor (ROS) pressured subordinates into changing or falsifying condition reports (CRs). The OI investigation, the results of which were issued in an October 19, 2000 report, found that on two occasions, the ROS directed subordinates to add information to CRs knowing that the additional information would result in the creation of CRs that were inaccurate and misleading. A factual summary of the basis for the findings of the OI investigation was provided to you in a letter dated December 12, 2000.

As noted in our December 12, 2000 letter and its attached factual summary, the NRC identified that on the first occasion, SSES was in apparent violation of 10 CFR 50.9(a), "Completeness and Accuracy of Information." Specifically, OI concluded that after a CR was generated concerning the discovery of a non-posted high radiation area near the gate to the regeneration waste tanks on December 15, 1998, the ROS deliberately directed subordinates to add information to the CR regarding the accuracy of a survey meter. This additional information was considered incomplete and misleading by OI in that it ultimately resulted in an inaccurate conclusion that no violations of technical specifications or 10 CFR 20 had occurred. With respect to the second occasion, OI concluded that the ROS deliberately directed a subordinate to add inaccurate information to a CR that, but for detection and correction by members of your staff, would have caused SSES to be in violation of 10 CFR 50.9(a).

Our letter provided you the opportunity to address the apparent violation by either attending a predecisional enforcement conference or by providing a written response. On February 1, 2001, a predecisional enforcement conference was conducted in the Region I Office to discuss three issues: (1) the apparent violation associated with the first occasion of an inaccurate and incomplete CR, including its apparent deliberate nature, its significance, root causes, and your corrective actions; (2) the circumstances surrounding the second occasion of an incomplete and inaccurate CR, which was not considered an apparent violation since the CR was corrected before it was finalized; and (3) the culture within your Radiation Protection Department at SSES

since the OI investigation also revealed that radiation protection management had created an environment that was not conducive to identifying and correcting problems.

With respect to the first issue, you stated, during the conference, that SSES was not in violation of 10 CFR 50.9(a). In support of your contention, you provided information to support that: (1) a violation of 10 CFR 20 did not occur; (2) the ROS did not direct what was specifically added to the CR; (3) miscommunication between staff members occurred relative to the meter check; and (4) the CR was accurate and complete in all material respects. After additional consideration of this matter, the NRC has determined that there is not sufficient evidence to conclude that a violation of 10 CFR 20 occurred. Therefore, the NRC no longer concludes that the CR was inaccurate, and accordingly, no violation of 10 CFR 50.9(a) occurred.

With respect to the second issue, you contended, during the conference, that although the ROS (who has been reassigned from the Susquehanna facility) directed an employee to add information to the CR, there was insufficient evidence to conclude that the ROS knowingly directed the addition of inaccurate information. You also indicated that there was differing testimony provided by individuals during your internal investigation, and you contended that the differences in the testimony were based on the differences in how the communication was interpreted. You also maintained that the CR in its final form was complete and accurate in all material respects, and the ROS did not have the intent to mislead. The NRC agrees that the CR in its final form was accurate and therefore a violation of 10 CFR 50.9 did not occur. However, OI concluded that the ROS deliberately directed the addition of inaccurate information that, but for detection, would have resulted in a violation of 10 CFR 50.9. Nevertheless, the NRC has decided, after carefully evaluating all the information regarding this matter, that no further action is warranted regarding this issue.

With respect to the third issue, at the enforcement conference, you acknowledged that long term deficiencies existed in your Radiation Protection Department with respect to leadership, management oversight and staff performance. Both of the first two issues were handled poorly by PPL management, as well as by the former ROS. There may have been valid interests in assuring that radiological conditions were not inappropriately classified, and addressing some perceived radiation measurement issues. However, the repeated resurveying of areas initially designated as radiation or high radiation areas, delays in filing condition reports, and failure to communicate effectively with the plant staff regarding management's intent in handling issues, sent signals which strongly countered the idea that management valued the identification and reporting of problems. In these specific cases reviewed by the NRC, management's failure to listen and effectively communicate with the staff created, at a minimum, the clear sense among the staff that too much weight was put on examining the classification of situations, as opposed to getting to the bottom of and dealing with continuing performance issues that were identified through surveys performed by the radiation protection staff. Collectively, it appears that management's actions served to undercut its own stated interest in improving radiological work practices, strengthening station corrective action programs, and fostering a safety conscious work environment at the facility.

At the enforcement conference, you also described actions, taken and planned, to improve the management and performance of the organization, such as strengthening leadership, resolving long-term issues, implementing change management, and monitoring performance and accountability. You also indicated that the corrective action program was now more focused in identifying the priority of CRs. Although the NRC recognizes that progress has been made with respect to identification, reporting, and correction of problems at the facility, including the institution of the safety culture surveys, effective communication of these management issues must remain a priority at Susquehanna, to which the NRC will continue to pay close attention.

No response to this letter is required. In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of the NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Reading Room).

Sincerely,

/RA/

Hubert J. Miller
Regional Administrator

Docket Nos. 05000387 and 05000388
License Nos. NPF-14 and NPF-22

cc w/encl:

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G. T. Jones, Vice President - Nuclear Engineering and Support
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R. Ceravolo, General Manager - SSES Maintenance
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Mr. R. G. Byram

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* OI concurrence from Caputo received by phone via Congel on 8/8.

** Received by phone from Luehman, 8/1. Concurrence in revision received by phone from Congel, 8/8.