

April 23, 2002

EA-02-068

Mr. Mano Nazar  
Site Vice-President  
Prairie Island Nuclear Generating Plant  
Nuclear Management Company, LLC  
1717 Wakonade Drive East  
Welch, MN 55089

SUBJECT: PREDECISIONAL ENFORCEMENT CONFERENCE  
(NRC OFFICE OF INVESTIGATIONS CASE NO. 3-2001-017)

Dear Mr. Nazar:

This letter refers to the investigation conducted at Prairie Island Nuclear Generating Plant by the NRC Office of Investigations (OI) into the completeness and accuracy of information provided by your staff to the NRC during and after discussions on April 13 and 16, 2001, regarding Prairie Island's request for a Notice of Enforcement Discretion (NOED). The NOED was granted on April 16 and extended the allowed outage time for the repair and testing of the Unit 2 D6 emergency diesel generator (EDG). The investigation also reviewed the removal of a document from a group of documents that had been requested by the NRC special inspection team on May 14-15, 2001. The team was onsite to review the circumstances surrounding the decision on May 9 to declare both the D5 and D6 Unit 2 EDGs inoperable because of possible lubricating oil and fuel oil incompatibility. The results of the investigation are documented in OI Report No. 3-2001-017, issued on February 28, 2002 (see Enclosure 1 for Summary).

Based on our review of the OI report, two apparent violations of 10 CFR 50.9, the NRC's rule requiring complete and accurate information be provided to the NRC, are being considered for escalated enforcement. The first apparent violation was the failure to provide the NRC, during or after the April 13 and 16, 2001, NOED telephone conferences, information regarding the potential for oil incompatibility to be a cause for the problem with the D6 EDG and for the D5 EDG to be similarly susceptible. This information appears to have been available to your staff. An industry notification and an NRC Information Notice were issued in 1996 based on an event similar to that at Prairie Island having occurred at Calvert Cliffs. Additionally, the EDG vendor provided information on the oil incompatibility issue on several occasions, including a meeting held at their office that a member of your staff attended. The second apparent violation was the removal of a document from a group of documents about to be given to the NRC special inspection team on or around May 17, 2001.

A transcribed predecisional enforcement conference to discuss the apparent violations will be scheduled with you at a later date. This conference will be closed to public observation.

We believe it is important for certain members of your staff who were involved with these issues to attend the conference as well. The decision to hold a predecisional enforcement conference does not mean that the NRC has determined that violations have occurred or that enforcement action will be taken. The conference is being held to obtain information to enable the NRC to make an enforcement decision, such as a common understanding of the facts, root causes, missed opportunities to identify any apparent violations sooner, corrective actions, significance of the issues, and the need for lasting and effective corrective action. We are also corresponding with the two Prairie Island staff members involved in the apparent violations.

In addition, this is an opportunity for you to point out any errors in our Summary of OI Report No. 3-2001-017 and for you to provide any information concerning your perspectives on: (1) the severity of violations; (2) the application of the factors that the NRC considers when it determines the amount of a civil penalty that may be assessed in accordance with Section VI.C.2 of the Enforcement Policy; and (3) any other application of the Enforcement Policy to this case, including the exercise of discretion in accordance with Section VII.

You will be advised by separate correspondence of the results of our deliberations on this matter. No response regarding these apparent violations is required at this time.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/reading-rm/ADAMS.html> (the Public Electronic Reading Room).

Sincerely,

**/RA/**

Geoffrey E. Grant, Director  
Division of Reactor Projects

Docket Nos. 50-282; 50-306  
License Nos. DPR-42; DPR-60

Enclosure: Summary, OI Report No. 3-2001-017

See Attached Distribution

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**\*Via e-mail to Lambert**

M. Nazar

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cc w/encl: Plant Manager, Prairie Island  
R. Anderson, Executive Vice President  
and Chief Nuclear Officer  
Site Licensing Manager  
Nuclear Asset Manager  
Commissioner, Minnesota  
Department of Health  
State Liaison Officer, State of Wisconsin  
Tribal Council, Prairie Island Indian Community  
J. Silberg, Esquire  
Shawn, Pittman, Potts, and Trowbridge  
A. Neblett, Assistant Attorney General  
Office of the Attorney General  
Administrator, Goodhue County Courthouse  
Commissioner, Minnesota Department  
of Commerce

M. Nazar

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and Chief Nuclear Officer  
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Department of Health  
State Liaison Officer, State of Wisconsin  
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**ENCLOSURE**  
**Summary of OI Report No. 3-2001-017**

On April 9, 2001, the Prairie Island Unit 2 D6 emergency diesel generator (EDG) experienced high crankcase pressure and lube oil leaking from the main crankcase seal during a surveillance test. The test was prematurely terminated and subsequent troubleshooting identified piston scuffing during a borescope examination on the following day. On April 13 and 16, the licensee discussed a Notice of Enforcement Discretion (NOED) request with the NRC to provide additional time for evaluation, repairs, and testing of D6. The NRC orally granted the NOED request on April 16, and issued it in writing on April 18. On May 9, the licensee advised the NRC that the root cause investigation determined that the high pressure and oil leak problems resulted from incompatibility between the lubricating oil and low sulfur fuel oil.

The OI investigation was initiated on May 11, 2001, to determine whether Prairie Island personnel had deliberately failed to provide the NRC with complete and accurate information during the April 13-18 time period regarding the potential for oil incompatibility to be a root cause for the problem with the D6 EDG and for the D5 EDG to be similarly susceptible.

On May 17, 2001, the licensee informed the NRC that an engineering supervisor had intentionally removed a document from a group of documents about to be given to the NRC special inspection team that was reviewing the circumstances of the oil incompatibility issue. This withholding of a document from the NRC was incorporated into the ongoing OI investigation.

Based on the evidence developed, the investigation substantiated that between the inclusive dates of April 13-18, 2001, two Prairie Island employees deliberately failed to provide the NRC with complete and accurate information. The information related to the employees' knowledge of a potential root cause for the April 9<sup>th</sup> high crankcase pressure and oil leak event involving the D6 EDG and of the potential for the redundant D5 EDG to be susceptible to the same root cause. The investigation also substantiated that on or around May 17, the engineering supervisor, who was one of the two employees involved with the failure to provide complete information regarding the oil incompatibility issue, deliberately withheld a material document from the NRC special inspection team.