

December 10, 2002  
EN 02-058

OFFICE OF ENFORCEMENT  
NOTIFICATION OF SIGNIFICANT ENFORCEMENT ACTION

Licensee: Nuclear Management Company, LLC (EA-02-068)  
Prairie Island Nuclear Generating Plant  
Docket No. 050-00306

Subject: PROPOSED IMPOSITION OF CIVIL PENALTY - \$60,000

This is to inform the Commission that a Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$60,000 will be issued on or about December 13, 2002 to Nuclear Management Company, LLC, as a result of an investigation at the Prairie Island Nuclear Generating Plant. This action is based on a Severity Level III violation involving the failure to provide the NRC with complete and accurate information during NOED telephone conferences on April 13 and 16, 2001, and in letters to the NRC dated April 13 and 16, 2001, regarding the potential for oil incompatibility to be the cause for a problem with the D6 emergency diesel generator and for the D5 emergency diesel generator to be similarly susceptible.

In accordance with the Enforcement Policy, a base civil penalty in the amount of \$60,000 is considered for a Severity Level III violation. Because Prairie Island has not been the subject of escalated enforcement actions within the last two years, the NRC considered whether credit was warranted for *Corrective Action* in accordance with the civil penalty assessment process in Section VI.C.2 of the Enforcement Policy. Credit for corrective action was warranted for the corrective actions taken including: (1) developing an improved process for reviewing external operating events; (2) formalizing the NOED request process, including management involvement; (3) informing the Prairie Island staff to provide the NRC all requested documents and not attempt to determine the documents' relevance or accuracy; and (4) improving the engineering organization's training, the responsible engineer turnover process, and communication standards.

Although the staff recognizes that application of the civil penalty assessment process described in Section VI.C.2 of the Enforcement Policy would fully mitigate the civil penalty in this case, the staff is exercising discretion in accordance with Section VII.A.1.(c) of the Enforcement Policy and is proposing a civil penalty. This exercise of discretion reflects the staff's added concern in this case due to Prairie Island's particularly poor performance leading up to and during the EDG degradation, during the request for an NOED, and during the time period the NOED was in effect. Therefore, the staff is proposing the imposition of a civil penalty in the amount of \$60,000.

In addition, the licensee identified an individual's attempt to withhold a material document from a collection of documents being compiled for the review of the NRC special inspection team investigating the circumstances behind the diesel oil incompatibility. The licensee promptly provided the document and made the NRC team aware of the circumstances, thereby preventing a violation of 10 CFR 50.9. However, a Notice of Violation is being issued to the individual who deliberately removed the document.

It should be noted that the licensee has not been specifically informed of the enforcement action. The schedule of issuance and notification is:

Mailing of Notice  
Telephone Notification of Licensee

December 13, 2002  
December 13, 2002

The State of Minnesota will be notified.

The licensee has thirty days from the date of the Notice in which to respond. Following NRC evaluation of the response, the civil penalty may be remitted, mitigated, or imposed by Order.

Contacts: Jennifer Dixon-Herrity, OE, 415-1980; James Luehman, OE, 415-2741

Distribution

OWFN _____	OWFN _____	TWFN _____	Regional Offices
Chairman _____	EDO	OCFO	RI _____ RIV _____
Comm. _____	DEDR	OP CTR	RII _____
Comm. _____	DEDMRS	NMSS	RIII _____
Comm. _____	OE	OCIO	
Comm. _____	OGC	OIG	<b><u>MAIL</u></b>
SECY	NRR	RES	<b>PUBLIC</b>
OCA	OI	ACRS	
PA	STP		
IP			

ADAMS ACCESSION NO. ML023440340

**G:\OECASES\en-02-0XX.PrairieIsland.wpd**

OE:ES	OE:DD
JDixon-Herrity	JLuehman
12/10/2002	12/10/2002

**PRELIMINARY INFORMATION - NOT FOR PUBLIC DISCLOSURE UNTIL  
VERIFICATION THAT LICENSEE HAS RECEIVED ACTION**