



NRC NEWS

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NRC STAFF PROPOSES \$60,000 FINE AGAINST NUCLEAR MANAGEMENT CO. FOR FAILING TO PROVIDE COMPLETE AND ACCURATE INFORMATION

The Nuclear Regulatory Commission staff has proposed a \$60,000 fine against Nuclear Management Company for failing to provide the agency with complete and accurate information in April 2001 on a problem involving the emergency diesel generators at the Prairie Island Nuclear Power Station. The two-reactor facility is located at Red Wing, Minnesota.

In April of last year the company discovered a problem with one of two Unit 2 diesel generators during testing. The diesel generator would be needed to supply power to plant safety systems in the event of a loss of offsite electrical power to the plant.

The company's NRC license requires that the unit be shut down if an inoperable diesel generator cannot be returned to service within seven days. Plant management requested that the NRC permit operation for several additional days which were needed to complete the repair and testing of the diesel generator. The NRC issued a Notice of Enforcement Discretion (NOED) to permit the continued operation.

A subsequent investigation by the NRC Office of Investigations found that the company had not provided complete and accurate information to the NRC in support of the request for the NOED. The company had information from several sources that an incompatibility between the fuel oil and the lubricating oil used in the diesel generator could have caused the problem but did not provide this information to the NRC. NMC later determined that the diesel generator could have performed its safety function.

The oil incompatibility was subsequently found to be the cause of the diesel generator damage. The incompatibility issue also affected a second, identical diesel generator at the plant.

In notifying the company of the proposed fine, NRC Regional Administrator Jim Dyer said, "Your failure to provide complete and accurate information affected the NRC's ability to perform its regulatory function in that the NRC granted the NOED with an incomplete understanding of the potential safety impact to the plant."

He said that if the agency had received complete information on the oil compatibility issue, it might have required additional compensatory actions by the company or might have decided not to issue the NOED, which would then have required the plant to shut down.

The fine was proposed because of the company's poor performance leading up to and during the diesel generator degradation, during the request for an NOED, and during the time period the NOED was in effect.

The company subsequently shut down both units of the Prairie Island plant the following month to correct the oil incompatibility problem and make necessary repairs.

In a related matter, during an NRC inspection of the diesel generator issue in May of last year, a document was removed from a group of documents about to be given to the NRC inspectors. The company discovered that the document was being withheld and supplied it to the inspectors within the requested time.

While this withholding of information was not found to constitute a violation by the company, the NRC determined that it was a deliberate violation of NRC regulations by the individual. The agency issued a Notice of Violation to the individual. There was no fine associated with this violation.

Nuclear Management Company has until January 13 of next year to pay the fine or to protest it. If the fine is protested and subsequently imposed by the NRC staff, the company may request a hearing. The individual involved is not required to reply to the notice of violation unless the individual chooses to contest it.

The letter notifying the company of the proposed fine, the associated Notice of Violation, and the Notice of Violation to the individual will be available on the NRC's web site at: <http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions/materials> and from the NRC's Region III Office of Public Affairs. It will also be available in the agency's ADAMS electronic reading room at: <http://www.nrc.gov/reading-rm/adams.html>.

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