



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION IV
1600 E. LAMAR BLVD.
ARLINGTON, TX 76011-4511

July 27, 2016

EA-16-076

Mr. Dan A. Tallman, Manager
Rancho Seco Assets
Sacramento Municipal Utility District
MS N493
14440 Twin Cities Road
Herald, CA 95638

**SUBJECT: RANCHO SECO INDEPENDENT SPENT FUEL STORAGE INSTALLATION -
NOTICE OF VIOLATION; INDEPENDENT SPENT FUEL STORAGE
INSTALLATION INSPECTION REPORT 07200011/2016402**

Dear Mr. Tallman:

This refers to the security inspection conducted from February 8 through April 12, 2016, at the Sacramento Municipal Utility District's Rancho Seco facility. The purpose of the inspection was to examine activities conducted under your license as they relate to security and compliance with the Commission's rules and regulations and with the conditions of your license. The preliminary inspection findings were discussed with you at the conclusion of the onsite portion of the inspection and during a telephone call on April 12, 2016. The results of the inspection and details regarding the apparent violation were provided to you in NRC Inspection Report 07200011/2016401.

In the letter transmitting the inspection report, we provided you with the opportunity to address the apparent violation identified in the report by either attending a predecisional enforcement conference or by providing a written response before we made our final enforcement decision. In a letter dated July 6, 2016, you provided a response to the apparent violation.

Based on the information developed during the inspection and the information that you provided in your response to the inspection report, dated May 17, 2016, the NRC has determined that a violation of NRC requirements occurred. The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it are described in detail in NRC Inspection Report 07200011/2016401. Because of the potential consequences associated with this violation, the violation has been categorized as an escalated enforcement action in accordance with the NRC Enforcement Policy.

D. Tallman

- 2 -

In accordance with the NRC Enforcement Policy, a base civil penalty was considered for the escalated enforcement action. However, because your facility has not been the subject of escalated enforcement actions within the last 2 years, the NRC considered whether credit was warranted for *Corrective Action* in accordance with the civil penalty assessment process in Section 2.3.4 of the Enforcement Policy. The NRC has determined that credit is warranted for your prompt and comprehensive actions. Your corrective actions were described in NRC Inspection Report 07200011/2016401 and your letter dated July 6, 2016.

Therefore, to encourage prompt identification and comprehensive correction of violations, and in recognition of the absence of previous escalated enforcement action, I have been authorized, after consultation with the Director, Office of Enforcement, not to propose a civil penalty in this case. However, significant violations in the future could result in a civil penalty. In addition, the violation listed in the Notice constitutes escalated enforcement action that may subject you to increased inspection effort.

The NRC has concluded that information regarding: (1) the reason for the violation; (2) the corrective actions that have been taken and the results achieved; and (3) the date when full compliance was achieved is already adequately addressed on the docket in NRC Inspection Report 07200011/2016401, and your letter dated July 6, 2016. Therefore, you are not required to respond to this letter unless the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 2.390, of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be made available for public inspection in the NRC's Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

However, the material enclosed herewith contains Security-Related Information in accordance with 10 CFR 2.390(d)(1) and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the enclosure will not be made available electronically for public inspection in the NRC's Public Document Room or from the NRC's ADAMS. If you choose to provide a response and Security-Related Information is necessary to provide an acceptable response, please mark your entire response "Security-Related Information" and follow the instructions for withholding in 10 CFR 2.390(b)(1). If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

D. Tallman

- 3 -

If you have any questions concerning this matter, please contact Mr. Mark S. Haire, Chief, Plant Support Branch 1, at 817-200-1527.

Sincerely,

/RA/

Kriss M. Kennedy
Regional Administrator

Docket: 072-00011
License: SNM-2510

Enclosure: Notice of Violation

cc w/o enclosure:
Gonzalo Perez, Chief
California Dept. of Public Health (CDPH)
Radiologic Health Branch
P.O. Box 997414, MS 7610
Sacramento, CA 95899-7414