

UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV

611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

EA 96-123

JUL - 8 1996

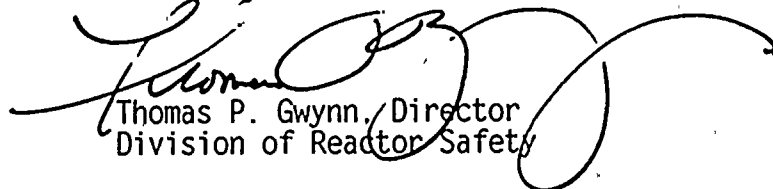
Gregory M. Rueger, Senior Vice President
and General Manager
Nuclear Power Generation Bus. Unit
Pacific Gas and Electric Company
Nuclear Power Generation, B14A
77 Beale Street, Room 1451
P.O. Box 770000
San Francisco, California 94177

SUBJECT: NRC INSPECTION REPORT 50-275/96-01; 50-323/96-01

Dear Mr. Rueger:

Thank you for your letter of May 10, 1996, in response to our Inspection Report 50-275/96-01; 50-323/96-01, dated April 11, 1996. Our subsequent notice of violation dated June 7, 1996, did not require a response. We have reviewed your reply and find it responsive to the concerns raised in our notice of violation. We will review the implementation of your corrective actions during a future inspection to determine that full compliance has been achieved and will be maintained.

Sincerely,



Thomas P. Gwynn, Director
Division of Reactor Safety

Docket Nos.: 50-275
50-323
License Nos.: DPR-80
DPR-82



CC:

Dr. Richard Ferguson
Energy Chair
Sierra Club California
1100 11th Street, Suite 311
Sacramento, California 95814

Ms. Nancy Culver
San Luis Obispo Mothers for Peace
P.O. Box 164
Pismo Beach, California 93448

Ms. Jacquelyn C. Wheeler
P.O. Box 164
Pismo Beach, California 93448

Managing Editor
The County Telegram Tribune
1321 Johnson Avenue
P.O. Box 112
San Luis Obispo, California 93406

Chairman
San Luis Obispo County Board of
Supervisors
Room 370
County Government Center
San Luis Obispo, California 93408

Mr. Truman Burns\Mr. Robert Kinosian
California Public Utilities Commission
505 Van Ness, Rm. 4102
San Francisco, California 94102

Robert R. Wellington, Esq.
Legal Counsel
Diablo Canyon Independent Safety Committee
857 Cass Street, Suite D
Monterey, California 93940

Mr. Steve Hsu
Radiologic Health Branch
State Department of Health Services
P.O. Box 942732
Sacramento, California 94234



Peter H. Kaufman, Deputy Attorney General
State of California
110 West A Street, Suite 700
San Diego, California 92101

Christopher J. Warner, Esq.
Pacific Gas and Electric Company
P.O. Box 7442
San Francisco, California 94120

Warren H. Fujimoto, Vice President
and Plant Manager
Pacific Gas and Electric Company
Diablo Canyon Power Plant
P.O. Box 56
Avila Beach, California 93424



bcc to DMB (IE04)

bcc distrib. by RIV:

L. J. Callan
 G. F. Sanborn, EO
 W. L. Brown, RC
 DRP Director
 OE:EA File, MS:7-H-5
 Diablo Canyon Resident Inspector
 Senior Project Inspector (DRP/E, WCFO)
 Leah Tremper (OC/LFDCB, MS: TWFN 9E10)
 DRS/PSB Security File (Goines)
 RIV Docket File
 RIV Security File
 Elaine Koup (NRR/DRPM/SGB, MS: 9D24)
 MIS System

DRS AI 96-G-0076

DOCUMENT NAME: G:\DRSLTRS\DC601AK.DWS

To receive copy of document, indicate in box: "C" = Copy without enclosures "E" = Copy with enclosures "N" = No copy

SS: PSB	E	C: PSB	EO <i>MS</i>	D: DRS		
DWSchaefer		BMMurray	SFSanborn	TPGwynn		
06/9/96		06/9/96	06/27/96	06/9/96		

OFFICIAL RECORD COPY 01



bcc to DMB (IE04) 1 | 0

bcc distrib. by RIV:

L. J. Callan
 G. F. Sanborn, EO
 W. L. Brown, RC
 DRP Director
 OE:EA File, MS:7-H-5
 Diablo Canyon Resident Inspector
 Senior Project Inspector (DRP/E, WCFO)
 Leah Tremper (OC/LFDCB, MS: TWFN 9E10)
 DRS/PSB Security File (Goines)
 RIV Docket File
 RIV Security File
 Elaine Koup (NRR/DRPM/SGB, MS: 9D24)
 MIS System

DRS AI 96-G-0076

DOCUMENT NAME: G:\DRSLTRS\DC601AK.DWS

To receive copy of document, indicate in box: "C" = Copy without enclosures "E" = Copy with enclosures "N" = No copy

SS: PSB	E	C: PSB	EO <i>W L B</i>	D: DRS	
DWSchaefer		BMMurray	SFSanborn	TPGwynn	
06/19/96		06/20/96	06/27/96	06/9/96	

OFFICIAL RECORD COPY 01

120011



DISTRIBUTION:

PDR
 SECY
 JTaylor, EDO (O-17G21)
 LChandler, OGC (O-15B18)
 WRussell, NRR (O-12G18)
 SBloom, NRR
 Enforcement Coordinators, RI, RII, RIII
 LNorton, OIG (T-5D28)
 EJordan, AEOD (T-4D18)
 OE:RRosano (O-7H5)
 NUDOCS

LPDR
 CA
 JMilhoan, DEDR (O-17G21)
 JGoldberg, OGC (O-15B18)
 RZimmerman, NRR/ADP (O-12G18)
 Central Files
 JGilliland, PA (O-2G4)
 GCaputo, OI (O-3E4)
 LTremper, OC/LFDCB (T-9E10)
 OE:EA (2) (O-7H5)
 Elaine Koup, NRR/DRPM/PSGB(O-9D24)

RIV DISTRIBUTION:

Hard copies:
 RIV files
 GSanborn/EA file
 MIS Coordinator
 DRS Files

E-mail copies:

LJCallan
 RWis
 MHammond
 DKunihiro
 LWilliamson
 AHowell
 KPerkins
 KBrockman
 DSchaefer

SJCollins
 BHenderson
 CHackney
 WBrown
 JDyer
 HWong
 TPGwynn
 BMurray
 MTschiltz, SRI, Diablo Canyon

Document Name: G:\EA\DRAFT\EA96123.DFT

To receive copy of document, indicate in box: "C" = Copy without enclosures "E" = Copy with enclosures "N" = No copy

EO	C:PSB	D:DRS	C:DRP/E	RC
GSanborn	BMurray	TPGwynn	HWong	WLBrown
6/4/96	6/4/96	6/5/96	6/4/96	6/5/96
DRA	RA			
SJCollins	LJCallan			
6/ /96	6/ /96			

OFFICIAL RECORD COPY





UNITED STATES
 NUCLEAR REGULATORY COMMISSION
 REGION IV

611 RYAN PLAZA DRIVE, SUITE 400
 ARLINGTON, TEXAS 76011-8064

June 7, 1996

EA 96-123

Pacific Gas and Electric Company
 Nuclear Power Generation, B14A
 ATTN: Gregory M. Rueger, Senior Vice
 President and General Manager
 Nuclear Power Generation Bus. Unit
 77 Beale Street, Room 1451
 P.O. Box 770000
 San Francisco, California 94177

SUBJECT: NOTICE OF VIOLATION
 (NRC INSPECTION REPORT 50-275/96-01; 50-323/96-01)

Dear Mr. Rueger:

This is in reference to your letter dated May 10, 1996, in which you submitted Pacific Gas & Electric's (PG&E) response to an apparent violation described in the referenced NRC inspection report, issued April 11, 1996. As described in detail in the inspection report, the apparent violation involved a failure on the part of PG&E to consider all pertinent background information before granting a contract employee unescorted access to the Diablo Canyon Nuclear Power Plant (Diablo Canyon). PG&E discovered and reported this incident to the NRC in accordance with 10 CFR 73, Appendix G, paragraph I(b), on October 11, 1995, and in Licensee Event Report 95-S02-00, dated November 9, 1995. The letter transmitting the April 11, 1996 inspection report stated that the NRC was considering escalated enforcement action for this apparent violation and requested a written response from PG&E prior to an enforcement decision being made.¹

PG&E's May 10, 1996, response acknowledged that a violation occurred, but stated that PG&E did not believe the violation should be subject to escalated enforcement action in light of similar violations and NRC actions in other cases. PG&E cited NRC enforcement actions against Philadelphia Electric (Limerick), Georgia Power (Vogtle), and Duke Power (Catawba, McGuire and Oconee) in support of its position. In addition, PG&E stated that the violation at Diablo Canyon was: 1) the result of inadequate communication within the contractor's access control group and between the contractor and PG&E; 2) self-identified, isolated and of low safety significance; and 3) promptly and comprehensively corrected. The corrective actions described by PG&E included suspending the individual's access; directing the contractor (Westinghouse) to review access information for all of its employees with unescorted access to Diablo Canyon; suspending the contractor's access

¹ The NRC's letter gave PG&E the option of responding in writing or requesting a predecisional enforcement conference. PG&E elected to respond in writing.

130029

NRC FILE CENTER COPY

4606120168 5PP

TEO
 1/1

1991

authorization program pending satisfactory resolution of identified discrepancies; auditing the contractor's access authorization program; and revising Diablo Canyon procedures relevant to this incident.

Based on the NRC's review of its inspection findings and the information provided by PG&E in response to the apparent violation, the NRC has determined that a violation of access authorization requirements occurred. The violation is described in the enclosed Notice of Violation. Consistent with past practice, and in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," (Enforcement Policy), NUREG-1600, this violation has been classified at Severity Level III because it resulted in granting unescorted access to an individual who would not have been granted unescorted access at that time had all pertinent background information been considered (Enforcement Policy, Supplement III).

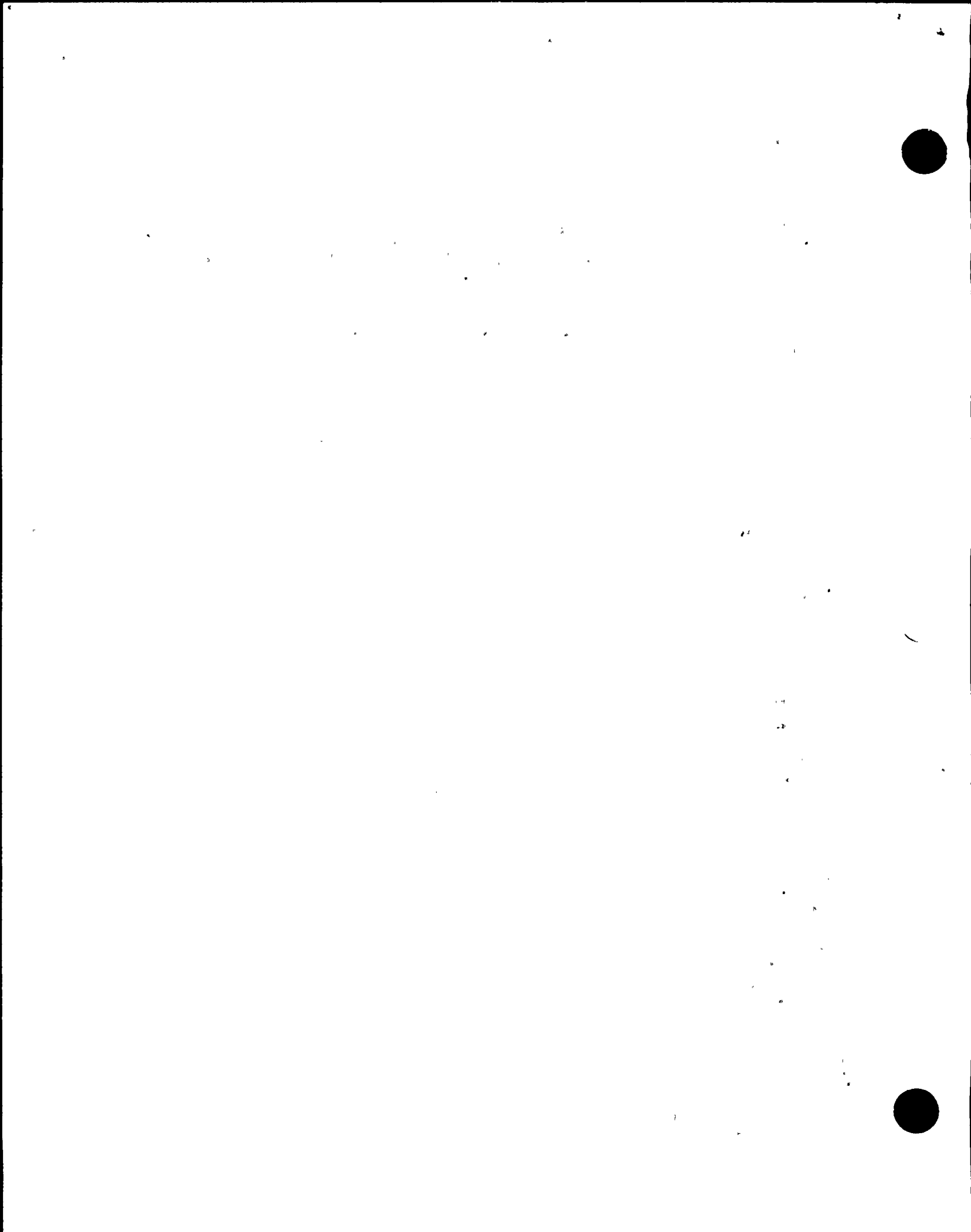
As to your position that the violation should not be subject to escalated enforcement action in light of NRC enforcement actions at other facilities, the NRC has reviewed the specific cases that PG&E cited and has determined that escalated action in the Diablo Canyon case, i.e., the issuance of a Severity Level III violation, is proper. The other actions that PG&E cited all involved violations of access authorization requirements, but lacked a significant factor present in the Diablo Canyon case, i.e., that derogatory information about an individual had been developed and was available, and the individual *would not have been granted unescorted access* had the derogatory information been considered.

In accordance with the Enforcement Policy, a civil penalty (base value, \$50,000) is considered for a Severity Level III violation. Because your facility has been the subject of escalated enforcement within the last 2 years,² the NRC considered whether credit was warranted for *Identification* and *Corrective Action* in accordance with the civil penalty assessment process in Section VI.B.2 of the Enforcement Policy. As discussed in the NRC's inspection report, PG&E's contractor identified this problem, resulting in PG&E taking prompt action to correct it. In addition, the NRC views PG&E's corrective actions, described above, as both prompt and comprehensive.

Therefore, to encourage prompt identification and prompt and comprehensive correction of violations, I have been authorized, after consultation with the Director, Office of Enforcement, not to propose a civil penalty for the Severity Level III violation described in the enclosed Notice of Violation.

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance was achieved, is already adequately addressed on the docket in your letter dated May 10, 1996 (PG&E

² On January 25, 1996, PG&E was fined \$50,000 for a Severity Level III problem related to an October 25, 1995 electrical transformer fire and loss of off-site power supplies to Unit 1.



Letter DCL-96-103). Therefore PG&E is not required to respond to this Notice of Violation unless the description in its May 10, 1996 letter does not accurately reflect its corrective actions or its position. In that case, or if you choose to respond, you should follow the instructions in the enclosed Notice of Violation.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and any response you choose to submit will be placed in the NRC Public Document Room (PDR).

Sincerely,


L. J. Callan
Regional Administrator

Dockets: 50-275; 50-323
Licenses: DPR-80; DPR-82

Enclosure: Notice of Violation

cc w/enclosure:
Sierra Club California
ATTN: Dr. Richard Ferguson
Energy Chair
1100 11th Street, Suite 311
Sacramento, California 95814

San Luis Obispo
Mothers for Peace
ATTN: Ms. Nancy Culver
P.O. Box 164
Pismo Beach, California 93448

Ms. Jacquelyn C. Wheeler
P.O. Box 164
Pismo Beach, California 93448

The County Telegram Tribune
ATTN: Managing Editor
1321 Johnson Avenue
P.O. Box 112
San Luis Obispo, California 93406

San Luis Obispo County Board of Supervisors
ATTN: Chairman
Room 370
County Government Center
San Luis Obispo, California 93408



Pacific Gas and Electric Company -4-

California Public Utilities Commission
ATTN: Mr. Truman Burns\Mr. Robert Kinosian
505 Van Ness, Rm. 4102
San Francisco, California 94102

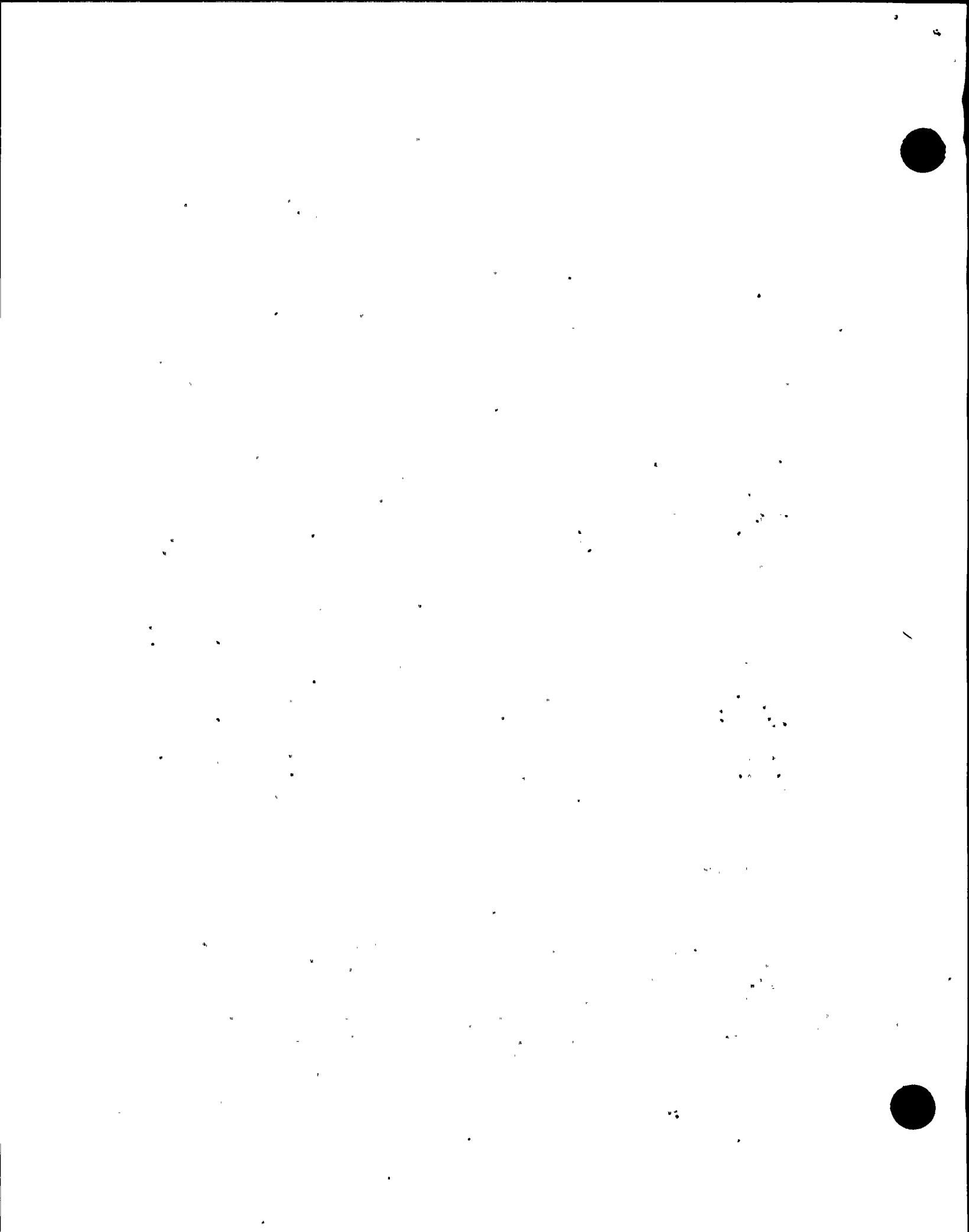
Diablo Canyon Independent Safety Committee
Attn: Robert R. Wellington, Esq.
Legal Counsel
857 Cass Street, Suite D
Monterey, California 93940

Radiologic Health Branch
State Department of Health Services
ATTN: Mr. Steve Hsu
P.O. Box 942732
Sacramento, California 94234

State of California
ATTN: Mr. Peter H. Kaufman
Deputy Attorney General
110 West A Street, Suite 700
San Diego, California 92101

Pacific Gas and Electric Company
ATTN: Christopher J. Warner, Esq.
P.O. Box 7442
San Francisco, California 94120

Pacific Gas and Electric Company
Diablo Canyon Power Plant
ATTN: Warren H. Fujimoto, Vice President
and Plant Manager
P.O. Box 56
Avila Beach, California 93424



.NOTICE OF VIOLATION

Pacific Gas & Electric Company
Diablo Canyon Nuclear Power Plant

Dockets: 50-275; 50-323
Licenses: DPR-80; DPR-82
EA 96-123

During an NRC inspection conducted January 8 through March 29, 1996, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, the violation is listed below:

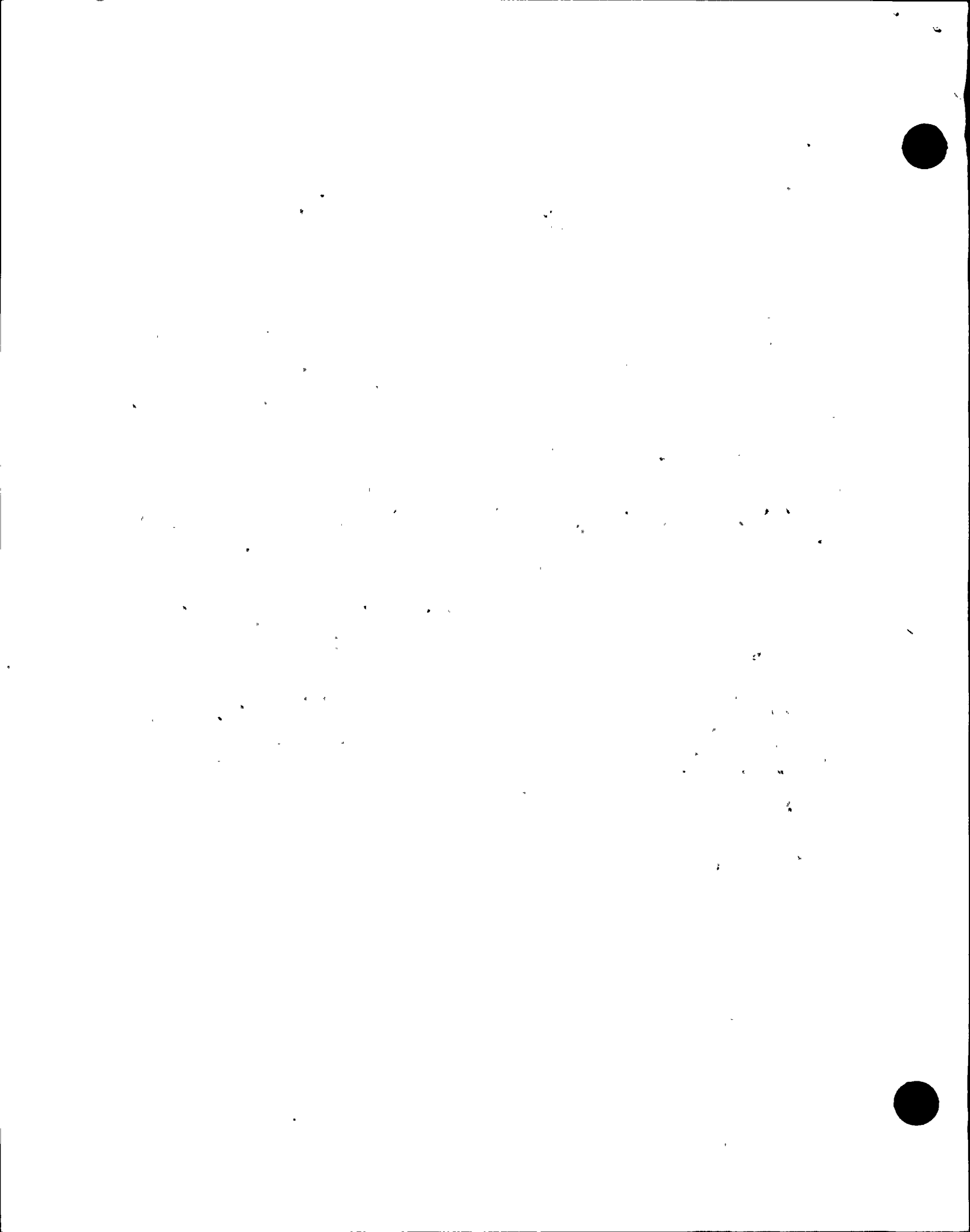
License Condition 2.E of the licensee's facility operating licenses require, in part, that the licensee fully implement and maintain in effect all provisions of the Commission approved Physical Security Plan, including amendments made pursuant to the authority of 10 CFR 50.54(p).

Paragraph 1.4.1 (Personnel Reliability) of the licensee's Physical Security Plan, Revision 18, dated November 2, 1994, states that "Personnel screening for unescorted security access at the Diablo Canyon Power Plant meets the requirements of 10 CFR 73.57, and all elements of Regulatory Guide 5.66 (June 1991), Access Authorization Program for Nuclear Plants, have been implemented to satisfy the requirements of 10 CFR 73.56."

10 CFR 73.56(b) requires in part, that the licensee establish and maintain an access authorization program with the objective of providing high assurance that individuals granted unescorted access authorization are trustworthy and reliable, and do not constitute an unreasonable risk to public health and safety, including the potential to commit radiological sabotage. This program must include a background investigation designed to identify past actions which are indicative of an individual's future reliability within a protected or vital area of a nuclear power reactor, including development of information concerning an individual's employment and credit history. The licensee shall base its decision to grant unescorted access authorization on review and evaluation of all pertinent information developed.

10 CFR 73.56(a)(4) requires in part, that if a licensee accepts an access authorization program used by its contractor, the licensee is responsible for granting, denying, or revoking unescorted site access authorization to employees of that contractor.

Contrary to the above, on October 5, 1995, the licensee granted a contract employee unescorted access to the Diablo Canyon Nuclear Power Plant without evaluating all pertinent background information developed. Specifically, the licensee granted unescorted access to an employee of the Westinghouse Electric Corporation (Westinghouse), a licensee contractor whose access authorization program had been accepted by the licensee, based on an October 2, 1995 request for unescorted access authorization that stated that the individual's background investigation met the requirements of the Westinghouse access authorization program, and that a full 5-year background investigation had been satisfactorily completed. In fact, as of October 2, 1995, Westinghouse had verified



substantial derogatory information about the individual (alcohol use/abuse; previous employment terminations for cause; trustworthiness issues from previous employers; and derogatory credit information) and this derogatory information was not provided to the licensee until October 9, 1995, during a telephone call.

This is a Severity Level III violation (Supplement III).

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance was achieved, is already adequately addressed on the docket in the licensee's letter dated May 10, 1996 (PG&E Letter DCL-96-103). Therefore PG&E is not required to respond to this Notice of Violation.

However, PG&E is required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description in its May 10, 1996 letter does not accurately reflect its corrective actions or its position. In that case, or if you choose to respond, clearly mark your response as "Reply to a Notice of Violation," and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with a copy to the Regional Administrator, Region IV, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas 76011, and a copy to the NRC Resident Inspector at the facility that is the subject of this Notice, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). Under the authority of Section 182 of the Act 42 U.S.C. 2232, any response submitted shall be submitted under oath or affirmation.

Because any response you choose to submit will be placed in the NRC Public Document Room (PDR), to the extent possible it should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

Dated at Arlington, Texas
this 7th day of June 1996

