

UNITED STATES OF AMERICA  
 NUCLEAR REGULATORY COMMISSION

In the matter of )  
 Niagara Mohawk Power Corporation ) Docket No. 50-220.  
 (Nine Mile Point Nuclear Station) )

ORDER FOR MODIFICATION OF LICENSE (EFFECTIVE IMMEDIATELY)

AND

ORDER TO SHOW CAUSE

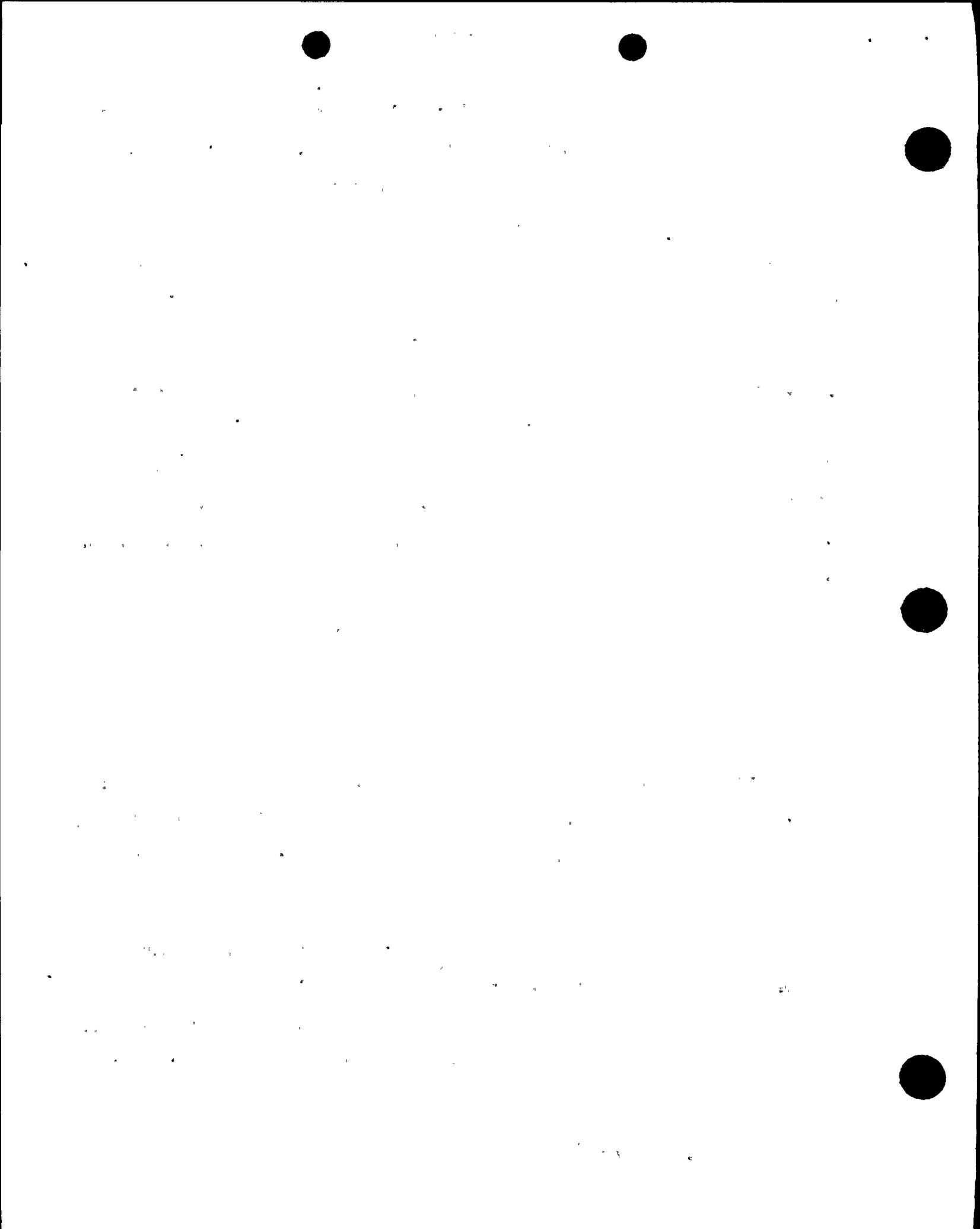
I

The Niagara Mohawk Power Corporation (the Licensee) is the holder of Facility Operating License No. DPR-63 which authorizes the Licensee to operate the Nine Mile Point Nuclear Station at power levels not in excess of 1850 megawatts thermal (rated power). The facility is a boiling water reactor located at the Licensee's site in Oswego County, New York.

II

Following the Three Mile Island Unit 2 (TMI-2) accident on March 28, 1979 a TMI-2 Lessons Learned Task Force of the Nuclear Regulatory Commission (NRC) staff conducted an intensive review of the design and operational aspects of nuclear power plants and the emergency procedures for coping with potential accidents. The task force identified measures to be taken in the short-term to reduce the likelihood of accidents and to improve emergency preparedness in responding to accidents. These measures are set forth in NUREG-0578, "TMI-2 Lessons Learned Task Force Status Report and Short-Term Recommendations." The NRC concluded that prompt implementation of those actions designated as "Category A" requirements at operating nuclear power plants was necessary to provide continued

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assurance of adequate protection of public health and safety. These "Category A" requirements were transmitted to all holders of nuclear power plant operating licenses by letter dated September 13, 1979. Further clarification of these requirements was transmitted to all holders of nuclear power plant operating licenses by letter dated October 30, 1979. With respect to Category A Item 2.1.8.b, licensees were to implement procedures for estimating noble gas release rates if the existing effluent instrumentation goes off scale.

By letters dated October 18, November 26, December 19, 20, and 31, 1979, the Licensee had previously submitted commitments and documentation of actions taken at Nine Mile Point Nuclear Station to implement the requirements resulting from NUREG-0578 and subsequent NRC letters to the Licensee dated September 13 and October 30, 1979. With respect to Category A Item 2.1.8.b, the Licensee stated in its letter dated December 31, 1979 that by January 1, 1980:

"The existing in-line stack monitors are capable of detecting 50 Ci/sec. or approximately 0.55 uCi/cc (Xe-133) with normal ventilation flow of 180,000 ft.<sup>3</sup>/minute. These monitors have readout and alarm capability in the main control room. Quantification of higher level noble gas releases will be provided by means of a portable gamma survey instrument. This instrument will be installed such that it will monitor a portion of the sample line to the existing stack monitors. This line comes from isokinetic probe in the main stack.

"Background radiation will be shielded by means of a lead cave around the detector. The instrument has an upper limit of at least 1,000 R/hr. It will be calibrated with a Xe-133 source such that the reading can be related from R/hr. to uCi/sec. stack release rate. Since all station effluents are



discharged via the stack, the effluents monitored in this line are representative of the stack discharge. Until the Xe-133 calibration can be accomplished, the existing stack monitor calibration dependence data will be utilized to establish a calibration factor.

"Readings on the interim monitor will be taken locally and the results verbally communicated to the main control room. This method would be used only in a case where the existing monitors were off scale (high). Communication will be by means of a headset and will be taken approximately every fifteen minutes, when required.

"The in-line monitors are powered from redundant AC power sources. These monitors are not presently powered from emergency sources. Power to the interim monitors will be from a DC battery source, capable of eight consecutive days of continuous readout."

An immediately effective ORDER TO SHOW CAUSE dated January 2, 1980 which incorporated by reference, the October 30, 1979 letter, required, among other things, the Licensee to do the following:

"By January 31, 1980 implement all "Category A" requirements (except the requirement of 2.1.7.a of NUREG-0578) referred to in Part II of this Order, except those for which necessary equipment is shown by appropriate and timely documentary justification to the Director, Office of NRR, to be unavailable, or in the alternative, place and maintain its facilities in a cold shut down or refueling mode of operation. "Category A" requirements not implemented by January 31, 1980, owing to the unavailability of necessary equipment shall be implemented within 30 days of the date such equipment becomes available but no later than June 1, 1980."



In its Answer TO SHOW CAUSE dated January 22, 1980 the Licensee stated under oath that the action on "Category A" Item 2.1.8.b of NUREG-0578 had been completed on December 31, 1979.

III

Inspection and investigation conducted on October 8-10, 20-31, November 1 and 18, 1980, including interviews of Niagara Mohawk Power Corporation personnel, show that actions required by the Commission's Order dated January 2, 1980 with regard to "Category A" Item 2.1.8.b were not completed by January 31, 1980 as required. Specifically, as of October 8, 1980: (a) a lead cave to provide shielding had not been constructed nor had any action been taken to do so; (b) a portable gamma survey instrument had not been installed nor had a dedicated instrument been identified; (c) there was no evidence that indicated that steps were being taken to perform calibration with a Xe-133 source to relate R/hr to stack release rates; (d) there were no specific procedures to assure that in the event the existing in line stack monitor goes off scale, a portable gamma survey instrument would be properly installed, and readings taken locally approximately every 15 minutes and communicated verbally by means of a headset to the control room; and (e) the facility continued to operate.

In addition, it was found that:

- A. The management control system at the Nine Mile Point Nuclear Station placed reliance on oral information from subordinates without providing for adequate verification that required actions had been taken.
- B. In a sworn statement dated October 31, 1980, the (then) Site Superintendent stated that he knew that the lead cave had not been installed at the time he concurred in the content of the licensee's



letters to NRC dated December 31, 1979 and January 22, 1980. In a sworn statement dated November 18, 1980, he stated that he did not communicate this information to higher management.

- C. In a sworn statement dated November 1, 1980, the Executive Vice President affirmed that he signed the response by the Niagara Mohawk Power Corporation dated January 22, 1980, to the Commission's Order to Show Cause, dated January 2, 1980. He stated that he is familiar with the general process by which the response was prepared but that he did not participate in the preparation of specific information contained therein nor was he aware of the basis on which lower management formulated the implementation schedule for any of the "Category A" items, including 2.1.8.b, "Increased Range of Radiation Monitors."

He stated that he did not recall reviewing the response and did not recall having any management meetings or oral communication with either corporate or site management about the preparation of the response.

He stated that he signed the response to the Order to Show Cause based on his reliance on lower management and that it was his belief that the response reflected accurate information.

- D. The failure of the (then) Site Superintendent to communicate to responsible corporate officers the actual status of actions required by the Commission's Order dated January 2, 1980 and the failure of the Executive Vice President to take steps to verify the completeness and accuracy of the response prepared for his signature under oath

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This ensures transparency and allows for easy verification of the data.

Furthermore, it is noted that the records should be kept in a secure and accessible format. Regular backups are essential to prevent data loss in the event of a system failure or disaster. The document also mentions the need for periodic audits to ensure the integrity and accuracy of the information stored.

In addition, the document highlights the role of technology in streamlining record-keeping processes. Modern accounting software can automate many tasks, reducing the risk of human error and saving valuable time. However, it is crucial to choose a reliable and secure system that meets the specific needs of the organization.

The document also addresses the issue of data privacy and security. With the increasing amount of sensitive information being stored electronically, it is imperative to implement robust security measures. This includes using strong passwords, encrypting data, and restricting access to authorized personnel only.

Finally, the document stresses the importance of training staff on proper record-keeping procedures. Ensuring that everyone involved understands the correct protocols is key to maintaining high standards of accuracy and security throughout the organization.

The second part of the document provides a detailed overview of the current financial performance. It includes a summary of revenue, expenses, and profit for the reporting period. Key trends and areas of concern are identified, along with recommendations for future actions.

The document also includes a breakdown of the budget versus actual performance. It shows where the organization has exceeded expectations and where it has fallen short. This analysis is used to inform strategic decisions and adjust the budget for the following period.

Overall, the document concludes that while there are challenges ahead, the organization is well-positioned to succeed. By continuing to focus on accurate record-keeping, embracing technology, and maintaining strong financial discipline, the company can achieve its long-term goals.

resulted in the execution of a response to the Order which contained a false statement that the actions required by "Category A" Item 2.1.8.b were complete when in fact they were not. This false statement contributed significantly to the failure to comply with the Commission's Order dated January 2, 1980 going undetected until October 8, 1980 when it was discovered during the course of a Health Physics Appraisal inspection.

IV

As noted above, at least one responsible manager in the licensee's organization, the (then) Site Superintendent, knew that the January 22, 1980 sworn statement submitted in response to the January 2, 1980 Order was false. This statement that the requirement of Category A Item 2.1.8.b was completed by December 31, 1980 was not only false but also material since operation of Nine Mile Point Unit 1 was permitted to continue beyond January 31, 1980 in the belief by NRC that the requirements of the Commission's Order dated January 2, 1980 were satisfied. Meeting requirement 2.1.8.b was necessary to mitigate the consequences of postulated accidents by providing reliable information on which to base decisions concerning protective actions, including evacuation. The material false statement is set forth in the Notice of Violation issued this date.

V

Under Section 186 of the Atomic Energy Act of 1954, as amended, and in the Commission's regulations, in 10 CFR 50.100, an operating license may be suspended for a material false statement or a finding which would warrant the Commission to refuse to grant an operating license on initial application.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by proper documentation and that the books should be kept up to date at all times.

In the second section, the author details the various methods used to collect and analyze data. This includes the use of standardized forms, regular audits, and the application of statistical techniques to identify trends and anomalies.

The third section focuses on the internal controls and procedures that are necessary to ensure the integrity of the financial information. It outlines the roles and responsibilities of different departments and the steps taken to prevent errors and fraud.

Finally, the document concludes with a summary of the key findings and recommendations. It stresses the need for continuous improvement and the importance of staying current with the latest accounting practices and technologies.



Based on the foregoing, I have concluded that in addition to the material false statement involved, if it had been known that a false statement of the character found here were going to be made, a license would not have been issued. I have also concluded that the action of management of this licensee demonstrates that there is no longer a basis to rely on its statements and commitments and that there is no longer reasonable assurance that the licensee will comply with Commission requirements. Therefore, I have determined that the public health, safety or interest requires that immediate corrective action be taken, including removal of the (then) Site Superintendent from nuclear activities and that a basis exists for questioning the continued involvement in nuclear activities of the Executive Vice President, in that he signed, under oath, the January 22, 1980 submittal.

VI

Accordingly, pursuant to Section 161(i) and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR Parts 2 and 50, IT IS HEREBY ORDERED THAT:

- A. effective immediately, License DPR-63 is amended by adding thereto the following conditions:
- (1) "Mr. T. J. Perkins, shall not be involved with nuclear matters for Niagara Mohawk Power Corporation";
  - (2) "Procedures shall be implemented by January 5, 1981 to ensure that managers at all levels of the Licensee's organization provide full, accurate and timely information to higher management and to the Nuclear Regulatory Commission, when



such information is provided thereto. On or before January 5, 1981, a written report describing such procedures and steps taken to implement them shall be submitted to the Director, Office of Inspection and Enforcement."

- B. the Licensee Show Cause why Mr. James Bartlett, the Executive Vice President, who signed the January 22, 1980 letter, should not be similarly removed from involvement in nuclear matters.

#### VII

The Licensee may, on or before January 5, 1981 show cause, as required by Section VI B, by filing a written answer under oath or affirmation setting forth the matters of fact and law upon which the licensee relies. Upon failure of the Licensee to file an answer within the time specified, the Director, Office of Inspection and Enforcement, may issue an order taking the actions stated in Section VI B.

#### VIII

The Licensee, or any other person who has an interest affected by this Order, may request a hearing no later than January 5, 1981. Any answer to this Order or any request for a hearing shall be submitted to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555 with a copy to the Executive Legal Director at the same address. If a person other than the Licensee requests a hearing, that person shall set forth with particularity the manner in which the petitioner's interest is affected by this Order and should address the criteria set forth in 10 CFR 2.714(d). If a hearing is requested by the Licensee or any person who has an interest affected by this Order, the Commission will issue an order designating the time and place of any such



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hearing. Any request for a hearing shall not stay the immediate effectiveness of Section VI, A(1) and A(2).

In the event a hearing is held, the issue to be considered at such hearing shall be whether, on the basis of the facts set forth in Parts II, III and IV of this Order, the actions set forth in Section VI should be sustained.

FOR THE NUCLEAR REGULATORY COMMISSION



Victor Stello, Jr., Director  
Office of Inspection and Enforcement

Dated at Bethesda, Maryland  
this 26 day of November, 1980.

