

U.S. NUCLEAR REGULATORY COMMISSION

REGION I

Report No. 50-220/89-16
License No. DPR-63
Licensee: Niagara Mohawk Power Corporation
301 Plainfield Road
Syracuse, New York 13212
Facility: Nine Mile Point Unit 1
Location: Scriba, New York
Dates: May 22 - 26, 1989
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INSPECTION SUMMARY

Areas Inspected: An announced Special Team Inspection reviewed additional allegations from a former Unit 1 I&C technician concerning the reliability of HPCI pumps, a 1986 drywell fire, 1986 Monthly Operating Reports, and 1986 illegal drug use. The inspection involved 124 hours.

Results: The team concluded that while specific facts in the allegations on HPCI, a drywell fire, and Monthly Operating Reports were in part substantiated, those facts did not constitute violations of NRC requirements. The team concluded that NMPC investigations of illegal drug use by NMPC personnel and the resultant actions appeared consistent with the NMPC revised Fitness for Duty Program. One non-cited violation was identified regarding the lack of proper administrative paperwork to document pressure switch calibrations performed on August 19, 1985. An Executive Summary is provided as Section 1.



1. EXECUTIVE SUMMARY

Background:

Allegations were made to NRC personnel in 1988 by an individual previously employed as an I&C technician at Nine Mile Point Unit 1. These allegations were in addition to numerous concerns expressed by the same individual in 1986 that were the subject of a 1986 NRC special team inspection documented in Inspection Report 50-220/86-17. Additionally, the allexer had previously discussed some of the new allegations directly with Niagara Mohawk Power Corporation (NMPC) investigators in 1988.

Review of Allegations:

A concern was expressed about the calibration of oil pressure switches on HPCI pumps and the resultant unreliability of the HPCI pumps to properly start. The team concluded that the allegation of HPCI unreliability was unsubstantiated based primarily on the numerous examples of acceptable HPCI initiations. Further, a current I&C technician who had originally raised the concern was interviewed and stated that his concern had been acceptably resolved by NMPC; the team independently reviewed and agreed with the NMPC resolution. The team noted during its review that a Work Request covering the questioned calibration in August 1985 was lacking and concluded that this represented a non-cited violation of NRC requirements.

A concern was expressed that a fire occurred in the drywell in April 1986, which was not reported to the NRC. The team concluded that although three fires occurred during the referenced period, they were not reported because there was no NRC requirement to report them. The fires did not affect safety-related equipment and were extinguished within ten minutes, the limit in NMPC emergency planning procedures after which an Unusual Event must be declared and reported. Accordingly, the allegation that an April 1986 drywell fire should have been reported was unsubstantiated. This allegation had also been brought to NMPC by the allexer in July 1988.

A concern was expressed that Monthly Operating Reports for the period of April 1986 to July 1986 were inaccurate in that they did not report some Local Power Range Monitor (LPRM) maintenance. The team concluded that there was no regulatory requirement to provide such information and that information regarding procedure violations during LPRM maintenance was already known to NRC inspectors, and thus the omitted information did not represent a safety concern. Regarding the intentional omission of the information from the monthly report, the team did not substantiate this allegation. Therefore, the allegation that LPRM maintenance was intentionally omitted from Monthly Operating Reports because NMPC knew the LPRM work was in violation of procedures was unsubstantiated.



A concern was expressed regarding illegal drug use in 1986. In response to this issue, the NRC turned over to NMPC management the specific information on six individuals who had allegedly used drugs and two individuals who had allegedly been aware of drug use. The licensee had previously conducted an investigation in this area as a result of an anonymous allegation received in 1988. The team reviewed the 1988 NMPC investigation, which had covered five of the six individuals alleged to be using drugs. Four individuals had previously taken drug tests; three had tested positive and one of these three had been fired for drug possession. Of the two individuals alleged to be aware of drug use, one denied any such knowledge and the other died in 1985. The results of the NMPC investigation substantiated, in part, the concern that drugs were likely used and that the Fitness for Duty Program in effect at that time did not detect their use. The concern regarding NMPC not carrying out their drug testing program due to lack of random or periodic drug tests was based on the false premise that such testing was required. In fact, NMPC did not have such a program in place at that time and was not required to do such testing. The team concluded that the NMPC investigation and the personnel actions resulting from it appeared consistent with the revised (April 1987) NMPC Fitness for Duty Program. The team noted that the NMPC Fitness for Duty Program, revised in April 1987, is currently being upgraded to meet the newly imposed requirements of 10 CFR Part 26.

Conclusions:

The team concluded that while specific facts in the allegation on HPCI, a drywell fire, and Monthly Operating Reports were in part substantiated, and with one exception did not constitute violations of NRC requirements. The NRC concludes that weaknesses in work control associated with HPCI switch calibration and welding in the drywell are additional examples of the failure of NMPC in 1986 to aggressively identify and correct problems.

The NRC is concerned that the NMPC Fitness for Duty Program, implemented pursuant to the NRC's policy statement, has not been effective in detecting or determining illegal drug use. The team found that three of six individuals alleged to have used illegal drugs in 1986 subsequently tested positive during NMPC's 1988 investigation, substantiating in part the allegation that illegal drugs were likely used and that NMPC's Fitness for Duty Program in effect at the time did not detect their use. The team concluded that NMPC's investigations in 1988 of illegal drug use by NMPC personnel and the resultant actions appeared consistent with the NMPC Fitness for Duty Program as revised in April 1987. The Fitness for Duty Program is currently being upgraded to meet NRC's new rule on Fitness for Duty (10 CFR Part 26) and will be the subject of subsequent inspections.



2. BACKGROUND

On July 11, 1986, an instrument & controls (I&C) technician ("the alleged") at Nine Mile Point Unit 1 (NMP-1) approached the NRC resident inspector with numerous allegations. On July 15, 1986, the alleged related the allegations directly to Niagara Mohawk Power Corporation (NMPC) management and subsequently provided transcribed testimony to NRC Region I on the allegations on July 22, 1986.

The allegations were reviewed during a special team inspection during August 25-29, 1986, which documented the events prior to the inspection and its findings in Inspection Report 50-220/86-17; 50-410/86-61. That team concluded that "most of the allegations were factually correct, however their safety implications were subsequently determined to be minor." The findings of the special team inspection were included in the basis for a \$50,000 Civil Penalty issued on April 27, 1987.

Subsequently, in conversations with NRC personnel in 1988, the alleged, who no longer works at NMP-1, presented additional allegations based on his review of records and recalled conversations with fellow workers at the Nine Mile Point facility. The allegations were transmitted to Region I on April 25, 1989 and a Special Team Inspection (STI) was planned to address the concerns. On May 16, 1989, the STI team leader reviewed NRC records of the 1988 discussions and reviewed the specific allegations with the applicable NRC personnel to better understand the issues and to confirm that no additional technical concerns existed. These issues subsequently formed the scope of the reviews conducted by this Special Team Inspection.

In addition to the NRC efforts, the alleged had contacted NMPC in 1988 regarding safety concerns. An NMPC Security Department investigator traveled to Florida in July 1988 to discuss these concerns with the alleged and to review taped conversations the alleged possessed. At this point NMPC became aware of some of the four additional allegations, which were expressed to the NRC later in 1988, and subsequently evaluated them to determine whether there was any adverse safety impact.

3. REVIEW OF ALLEGATIONS

All of the additional allegations involve issues at Nine Mile Point Unit 1. The team's review of these allegations is documented below, including the allegation, the NMPC evaluation (if applicable), the NRC STI review and findings, and a conclusion for each allegation.

3.1 HPCI Pump Switch Calibration

Allegation:

The High Pressure Coolant Injection (HPCI) pump oil switches are not adequately calibrated for cold starting conditions; therefore, the pumps cannot be relied upon to start during an emergency.



During the June-July 1986 startup, the second HPCI pump failed to start on several occasions, and the reactor had to be scrammed. The I&C supervisor ordered an I&C technician to go down and quickly recalibrate the HPCI pump oil switch without using a procedure, so the reactor could be restarted.

This problem still remains and recommendations to fix the problem have been ignored.

NMPC Evaluation:

NMPC was not aware of this allegation, although a related issue was identified and resolved by NMPC.

Review and Findings:

At NMP-1 there is not a separate HPCI system as exists at later designs of boiling water reactors, the HPCI represents a mode of operation of the two motor-driven feedwater pumps, one of which is normally operating to provide feedwater. The third feedwater pump with the largest capacity is powered off of the turbine-generator shaft.

The inspector interviewed an I&C technician (identified by the allegor) who originally had identified the HPCI pump lube oil switch concern. The technician was unaware of any HPCI problems in June-July 1986. His concern stemmed from an August 19, 1985 trip of the No. 11 Reactor Feedwater Pump (RFP) from low lube oil pressure following a HPCI initiation signal after a reactor scram. After the RFP trip, he was instructed to calibrate two lube oil switches, the HPCI auxiliary oil pump switch (63Q-1) and the HPCI feedwater pump start permissive switch (63Q-2). (The auxiliary oil pump switch protects the oil pump from damaging itself, while the feedwater pump permissive switch prevents the feedwater pump from starting and running unless there is sufficient oil pressure to properly lubricate the feedwater pump.) He found the setpoints within tolerance for the auxiliary oil pump switch (63Q-1) but out of tolerance for the feedwater pump start permissive switch (63Q-2). He adjusted the setpoints for 63Q-2 and tightened a loose terminal screw on a switch terminal block. The calibrations were documented on an Instrument Calibration Report; however, at that time a procedure for this calibration did not exist since the calibration was considered within the skills of a journeyman technician.

The technician stated that he subsequently talked with the I&C supervisor concerning whether it was acceptable to calibrate the switches when the lube oil was hot (normal operating temperature) and whether a previous hot calibration might have caused the out-of-calibration setpoints. The supervisor explained that it was preferable for the lube oil to be cold during the switch calibration, but that oil temperature would not affect the acceptability of the calibration. Further, the feedwater pump ran less than fifteen seconds before it tripped; therefore, the increase in lube oil temperature was insignificant. At the conclusion of that discussion, the I&C technician was satisfied that his concern had been properly addressed.



The inspector evaluated whether the calibration temperature could have affected the operability of the Mercoild pressure switch. The switch utilizes a coiled tube which deflects in response to pressure. This switch type responds properly to various fluids, e.g., oil, water, air, etc., and the temperature has a negligible effect on the tube's response. Further, the temperature range that the switch would have experienced (60 deg F to 160 deg F) was within the acceptable range for the switch. Accordingly, the inspector concluded that the I&C supervisor's previous explanation that calibration temperature would not have affected the operability of the pressure switch had been technically correct.

The inspector reviewed Licensee Event Report (LER) 85-14, the post-trip review of the August 19, 1985 reactor scram, and the applicable Instrument Calibration Reports and found them to be consistent with the above. LER 85-14 states that the No. 11 RFP "tripped on low oil pressure due to either a loose wire on the oil pressure switch or the switch being out-of-calibration".

The inspector reviewed all LERs from 1985 and 1986 and found that there were no failures of either HPCI feedwater pump in 1986 and that there were two other HPCI failures in 1985, unrelated to oil switches. Specifically, on November 1, 1985, No. 12 RFP started on a HPCI initiation signal, then was manually tripped by operators due to failure of No. 12 Flow Control Valve. When operators subsequently attempted to restart No. 12 RFP, it would not start due to failure of a timer associated with the HPCI start permissive. There were no occurrences of HPCI feedwater pump failures in June-July 1986. The inspector reviewed the control room logs from June and July 1986 and found no HPCI failures.

Numerous successful HPCI feedwater pump starts from cold conditions occurred in 1985 and 1986, including August 12, 1985, March 8, 1986, June 15, 1986, twice on June 18, 1986, and August 3, 1986. A records review of both motor-driven feedwater pumps from 1985 to the present indicated that no lube oil switches have been replaced and when recalibrated, the switches were found to be within proper tolerances.

The inspector noted that administrative procedures in 1985 required the use of a Work Request to control maintenance activities. Neither the inspector nor NMPC could find any record of a Work Request issued to administratively control the August 19, 1985 switch calibrations. This instance of a lack of a Work Request represented a violation of administrative procedures. Based on the minimal safety significance and the intervening time period, this violation is not being cited in accordance with the criteria specified in Section V.G. of the NRC Enforcement Policy. (NCV 50-220/89-16-01)

The inspector concluded that the 1985 calibrations performed without a specific calibration procedure had been acceptable, in that it was within the skills of a journeyman technician. The inspector noted that NMPC currently has procedure N1-ICP-R-029-002, Feedwater Pump #11 Instrument Calibration of RFW Pump Oil Pressure Instrumentation, to calibrate the



HPCI pump lube oil switches. The inspector found that both the 1985 calibration method (hand operated pump) and the current method (bottled gas) are acceptable and would not be affected by changes in lube oil temperature.

Conclusions:

The team concluded that the allegation was unsubstantiated, in that there were no HPCI problems in June or July 1986. The team found that an issue had been raised by an I&C technician concerning the calibration of HPCI oil switches on August 19, 1985. The technician's concern was subsequently resolved, the switches function properly regardless of the calibration temperature, and the HPCI pumps have repeatedly demonstrated the ability to start when cold. The team concluded that the failure to use a Work Request to control the August 1985 calibrations represented a non-cited violation.

3.2 Drywell Fire

Allegation:

There was a fire in the drywell on or about April 27, 1986, that should have been reported to the NRC but was not. The fire was witnessed by another I&C technician and was documented in the I&C log. The fire involved welding in the drywell and was not immediately extinguished, because neither a fire watch nor a fire extinguisher were at the welding location.

NMPC Evaluation:

In July 1988 the allegor informed an NMPC investigator of his concern regarding an April 27, 1986 fire in the drywell. Based on this information, the Security Department requested that the NMPC Fire Department investigate any possible fires in the drywell during the 1986 outage. The results of that review were documented in an internal memo dated August 5, 1988, from the Unit 1 fire protection supervisor to the NMPC investigator. NMPC determined that there had been the following three fires in the drywell during the 1986 outage.

- April 17 - Smoke and burning rags were found in the drywell and extinguished.
- April 26 - Weld slag dropped between the reactor vessel and the shield wall and ignited gloves, protective clothing and rags. This fire was extinguished by NMPC Fire Department personnel.
- April 27 - Weld slag dropped onto insulation and nylon strapping, which caught on fire and was extinguished by NMPC Fire Department personnel.



NMPC evaluation of these fires concluded that they were not reportable since they did not exceed the ten minute duration specified in emergency planning procedures that would have required the declaration of an Unusual Event and the resultant reporting to the NRC.

NMPC Security had subsequently informed the Nine Mile Point resident inspectors of this allegation after they had talked to the alleged. (A team member who was a resident inspector at Nine Mile Point in 1988 recalled being informed that NMPC Security was reviewing this allegation.)

Review and Findings:

The inspector interviewed the I&C technician (identified by the alleged) who completed the I&C log entry which documented the April 27 "Time out due to drywell fire". The technician said that he was outside the drywell when a contractor came out looking for an extinguisher. The technician notified the control room and within several minutes personnel responded to the event.

The inspector reviewed the NMPC investigation, which concluded that the three fires were properly handled in accordance with Fire Department Procedure 4 and Emergency Planning Procedure 2, which specifies that fires that exceed ten minutes be declared as Unusual Events. At the time of the fires the unit was in cold shutdown. Further, no safety-related equipment was involved in any of the fires. The inspector verified that each fire was documented in Senior Shift Supervisor (SSS)/Chief Shift Operator (CSO) and Fire Department logs and that no fire was documented as having exceeded the ten minute limit. Neither NMPC nor NRC identified any record of a formal NRC notification or report. However, the inspector could not identify any NRC or NMPC requirement that formal notification or reporting to the NRC should have occurred for the above fires. Also, the inspector judged that the technical significance of the fires was minimal based on the lack of any safety-related equipment being involved.

The inspector found that contractors generally provide their own fire watches. In the case of the April 27 fire, it appeared that the fire watch in the drywell had to leave the drywell to obtain a fire extinguisher or that the weld slag had dropped down beyond the view of the fire watch. The inspector concluded, based upon the I&C technician's statements, that a fire extinguisher was not available as required by NMPC administrative procedures regarding fire watches. However, this procedure violation by itself was not reportable to NRC. In a discussion with the inspector, the SSS who had been on duty noted that he had discussed this issue with the Fire Department and contractor personnel and stressed the need for better control over welding operations.

Conclusions:

The team concluded that there were fires in the drywell in April 1986. The team concluded that the fact that the fires were not reported is also true, however, there is no regulatory requirement that required such a report in these instances. The team concluded that the safety significance



of the drywell fires was minimal in that no safety related equipment was involved and the fires were promptly put out. Accordingly, the team concluded the allegation that an April 1986 drywell fire should have been reported to the NRC was unsubstantiated. However, the staff concludes that three fires in ten days in the drywell indicates a need for better attention to detail and formality in control of work which has the potential to cause fires. The SSS informal discussion with the Fire Department and contractor personnel to better control welding appears to have been effective in this instance.

3.3 Monthly Operating Report

Allegation:

Monthly Operating Reports sent to NRC for Nine Mile Point Unit 1 have been inaccurate in that NMPC intentionally omitted Local Power Range Monitor (LPRM) connector maintenance from the NMP-1 Monthly Operating Reports for April 1986 through July 1986 because NMPC knew that the LPRM work was in violation of procedures.

NMPC Evaluation:

NMPC was not aware of this allegation.

Review and Findings:

To establish the facts associated with the allegation, the inspector reviewed a listing of work requests generated by the work tracking system and the Monthly Operating Reports for the subject period. The listing showed that 18 work requests had involved LPRM connectors; 9 were classified as safety-related and 9 were classified as nonsafety-related. One of the two work requests completed in May was included in the monthly report, and two of the seven work requests completed in July were included in the monthly report. The inspector noted that the July report was issued on August 1, 1986, which was after the time when the alleger's LPRM connector concerns were generally known to NMPC management and NRC (the alleger had detailed his concerns on July 15, 1986 and July 22, 1986, respectively). Accordingly, there appeared to be no incentive to omit LPRM work requests at that point. None of the nonsafety-related LPRM work requests were included in the monthly reports.

In discussions with the inspector the I&C supervisor during this period stated that the list of completed safety-related work requests included in the monthly reports was prepared by the clerical staff in the maintenance organization from the data base information available in the computer. The supervisor noted that nonsafety-related work requests were not listed in the monthly reports and that some LPRM connectors had been classified as nonsafety-related. The staff member who prepared the subject monthly reports was questioned but could not recall why certain completed maintenance work was not listed. The inspector concluded that the work requests listed in monthly reports were determined by clerical personnel with little supervisory guidance or review and that the omissions were most likely unintentional oversights. The inspector concluded that there was no evidence to suggest that NMPC intentionally omitted the work requests.



The inspector reviewed NMP-1 Technical Specification 6.9.1.c., which specifies that "operating statistics and shutdown experience" be reported monthly, and noted that it does not specifically mention maintenance. The inspector could not identify any regulatory requirement or NMPC commitment which necessitated monthly reporting of completed maintenance work. Further, the inspector concluded that the listing of work requests currently included in the monthly reports served little purpose as the full records of completed maintenance are routinely available to NRC inspectors.

In discussions with the inspector, NMPC personnel were uncertain why maintenance records have been included in the monthly reports. Based on the negligible benefit and the lack of any requirement to report completed maintenance, NMPC stated that it would evaluate discontinuing this listing in future monthly reports.

The allegation that LPRM connector work during this period was performed in violation of procedures was previously substantiated in Inspection Report 50-220/86-17.

Conclusions:

Although the team concluded that certain completed 1986 LPRM maintenance work was not reported in the Monthly Operating Reports, the team did not identify any regulatory requirement or NMPC commitment for such monthly maintenance reporting. The team concluded because NRC had knowledge of the improper LPRM work before the July 1986 monthly report was submitted that the work requests missing from the monthly report did not represent a safety concern and that the alleged intentional omission could not be substantiated.

3.4 Illegal Drug Use

Background on Allegations:

The allegor provided specific information on eight individuals (labeled A through H in this report) and two general statements regarding alleged illegal drug usage. The allegor also claimed that the NMPC drug testing program had not been properly implemented based upon his knowledge that he and others were never tested. Due to the nature of the allegations, the issues were provided to NMPC and the team's inspection largely consisted of a review of the NMPC investigations.

The team determined that based on an anonymous allegation received in April 1988, the NMPC Security Department had previously investigated illegal drug use by Unit 2 I&C technicians (some of which worked at Unit 1), including extended visual surveillance and the use of drug sensitive dogs. During this investigation, several people were questioned and were requested to submit to drug testing. Three individuals (Mr. A, Mr. E and Mr. G) tested positive for the presence of cannabinoids (which indicates use



of marijuana). NMPC reviewed the work performed by these three individuals and concluded that it had been acceptable. Additionally, Mr. G was apprehended in the parking lot with marijuana in his vehicle and was subsequently fired. Site access for Mr. A and Mr. E was initially revoked, until they enrolled in NMPC's employee assistance program (EAP). This program allows the employees to return to work following counseling and negative results from subsequent drug testing. After returning to work, these individuals are subjected to random drug testing at intervals not to exceed three months for a period of two years. Also, Mr. F was interviewed due to his association with Mr. G, but no conclusive findings resulted.

On May 12, 1988, the allegor again contacted NMPC regarding a tape recording of discussions between Mr. D and the allegor, in which use of drugs by Mr. D, Mr. F, and Mr. G at a party at Mr. G's house in 1986 was discussed. Subsequently, in July 1988 NMPC obtained a copy of the tape. At that time Mr. G had been fired and Mr. F had been interviewed. NMPC decided not to interview Mr. D based on the two year old information provided.

Additional NMPC evaluations occurred during the inspection, including security investigator interviews of Mr. B, Mr. C, and Mr. D.

The allegations received by the NRC are discussed separately below, and an overall conclusion is presented at the end of the section.

Background on NMPC Fitness for Duty Program:

The NMPC Fitness for Duty Program in effect in 1986, the period of the alleged drug activities, was revised on April 1, 1987 to the current program. This program is attached, including a comparison of drug testing under the previous program and the current program. It should be noted that the proposed new annual drug testing for "all employees at the nuclear site, who are required to have physical examinations" was never implemented due to legal challenges. Although there were no NRC requirements for fitness for duty programs, the revised program was reviewed by the NRC staff in July 1987 as part of the issuance of the full power license for Nine Mile Point Unit 2 and was found to be adequate.

The NMPC Fitness for Duty Program was under revision during the inspection due to recently issued NRC regulations. Specifically, on April 27, 1989, the NRC approved 10 CFR Part 26, Fitness for Duty Programs, to be effective on July 7, 1989. The new regulations include random, unannounced drug testing requirements, for which licensee programs are to be implemented within 180 days. Accordingly, NMPC was proceeding with the contracts and union negotiations necessary to meet the new requirements.



3.4.1 Allegation:

Drugs were used by I&C technicians A and B at a party at Mr. A's home during March or April of 1986. Mr. C, a supervisor, saw Mr. A and B smoking marijuana, but did not say anything.

NMPC Evaluation:

NMPC was not aware of this allegation. However, Mr. A had been investigated in 1988. At that time he had a positive test for drugs and enrolled in the NMPC EAP.

Mr. B was interviewed by NMPC Security on May 24, 1989 in relation to this allegation. Mr. B denied any knowledge of this event and denied ever having used marijuana. Additionally, Mr. B had been subjected to a pre-promotion drug test in January 1989 and the results were acceptable.

NMPC discussed this allegation with Mr. C on May 25, 1989. Mr. C recalled an incident in which he and the alleger were at Mr. A's house one morning after work; however, he stated that he never saw any individuals using drugs nor was he aware of any drug use by I&C technicians (see allegation 3.4.6 below). NMPC Security noted that Mr. C had been a very credible witness during previous investigations.

Facts Established by Team:

Mr. A had a positive drug test in 1988, and Mr. B had a negative drug test in January 1989.

3.4.2 Allegation:

After a long, offsite lunch break in March or April 1985, the alleger observed Mr. D and E to be glassy eyed, and Mr. D told the alleger they had smoked dope.

NMPC Evaluation:

NMPC was not aware of this allegation.

NMPC Security questioned Mr. D on May 25, 1989. Mr. D denied ever having used marijuana during lunch breaks and stated that he no longer used marijuana, although he admitted to using it while he was in college in the late 1970s.

During the drug investigation performed in April 1988, Mr. E had a positive test for drugs, enrolled in the EAP, and continues to perform duties on site.



Review and Findings:

An inspector observed Mr. E's performance during several surveillance tests and found it to be adequate.

Facts Established by Team:

Mr. E had a positive drug test in 1988.

3.4.3 Allegation:

In a taped conversation between the alleged and Mr. D, Mr. D stated that Mr. D, Mr. F and Mr. G had been involved in drug use.

NMPC Evaluation:

NMPC had received a copy of the tape in July 1988. Mr. G had already been fired when the alleged provided the tape. Mr. F had not previously been tested due to insufficient cause; however, he had been questioned during NMPC's drug investigation in April 1988 with no conclusive results. NMPC did not test Mr. D on the basis that the information was dated (greater than two years old) and on counsel from their Employee Relations personnel. When questioned on May 25, 1989, Mr. D had no recollection of making the statements recorded on the tape and denied that he or the others used drugs.

Review and Findings:

The inspectors reviewed a copy of the transcript of the tape.

Facts Established by Team:

The team confirmed that the tape recording existed and that in it Mr. D discussed drug use. Also, Mr. G had a positive drug test in 1988 and had been fired for drug possession on NMPC property.

3.4.4 Allegation:

In 1984 Mr. H, the I&C superintendent (since deceased), told the alleged that cocaine use by NMPC management was widespread.

NMPC Evaluation:

NMPC was not aware of this allegation.

Security personnel revealed that they have never received any other allegations related to cocaine use by NMPC personnel. Additionally,



Security questioned an I&C supervisor and several I&C technicians during the inspection, and none of them had any knowledge of cocaine use by NMPC managers nor of any rumors of cocaine use. Based on the death of the superintendent and the lack of specifics, NMPC did not plan to evaluate this allegation further.

Facts Established by Team:

Mr. H died in 1985 of cancer.

3.4.5 Allegation:

The NMPC drug testing program was not carried out in that the alleged should have been drug tested while employed at Nine Mile Point from October 1984 to July 1986 and was not, and he was not aware of any Operations or I&C personnel who were drug tested.

NMPC Evaluation:

NMPC was not aware of this allegation.

The alleged was pre-employment drug tested on September 10, 1984. During the employment of the alleged, a random/periodic drug testing program had not been implemented at Nine Mile Point, although various proposals had been discussed between management and union representatives. During this period all nuclear employees were drug tested prior to employment and were subject to drug tests if appearing unfit for duty. Accordingly, Operations and I&C personnel would have been tested only if the above conditions applied.

Facts Established by Team:

The team confirmed that no random or periodic drug testing was performed on the alleged. NMPC policy did not require random or periodic testing (outside of EAP) of any employees during the alleged's employment and was not required by NRC regulations to do so. A pre-employment drug test of the alleged was performed in accordance with NMPC's program at the time.

3.4.6 Allegation:

I&C employees routinely attended parties where drugs were used.

NMPC Evaluation:

NMPC was not aware of this allegation.



During the interviews discussed above, NMPC investigators questioned several I&C technicians regarding drug use, and they reported no knowledge of drug use by other I&C technicians. NMPC did not plan to pursue this allegation further based on its general nature, the lack of specifics, and drug testing to be implemented in response to recent NRC fitness for duty rulemaking.

Facts Established by Team:

The previous investigations did find three I&C technicians who tested positive for drugs.

Overall Conclusion on Illegal Drug Use:

NMPC had investigated illegal drug use based on an anonymous allegation in April 1988 and the taped conversation received from the alleged in July 1988. The following conclusions could be made relative to the eight individuals referenced in the current allegations, based on the NMPC investigations in 1988 and during the inspection:

- One individual (G) tested positive for drugs and was later fired for drug possession on NMPC property.
- Two individuals (A&E) tested positive for drugs and entered the employee assistance program. They have returned to work onsite and have passed continuing random drug tests.
- Three (B, D and F) individuals were not drug tested during the investigation. However, only one individual (D) was implicated at that time and NMPC concluded that there was insufficient cause to require a drug test. One (B) of these individuals was subsequently drug tested in 1989 prior to a promotion and passed the test. All three individuals have been interviewed and denied using drugs.
- Two supervisors (C and H) were alleged to be aware of drug use. One (C) denied any such knowledge, and the other (H) died in 1985 of cancer.

The team did not attempt to directly investigate the drug allegations. In its investigations NMPC was unable to directly substantiate any of the alleged's specific drug allegations; however, as noted above, three I&C technicians had positive drug tests as a result of followup to the anonymous allegation of April 1988. The performance of these three technicians was reviewed by NMPC and found to be acceptable.

The team concluded that three of the six individuals alleged to have used drugs in 1986 subsequently tested positive during the 1988 investigation,



substantiating, in part, that drugs were likely used and that the Fitness for Duty Program in effect at that time did not detect their use. Further, the team concluded that NMPC had addressed the drug allegations consistent with the NMPC Fitness for Duty Program, which met existing NRC policy. However, this program will be upgraded to conform to the new 10 CFR Part 26, including random drug testing, and will be the subject of future inspections.

The allegation regarding NMPC not carrying out their drug testing program, due to lack of random or periodic drug tests, was apparently based on the false premise that such testing was required. In fact, NMPC did not have such a program and was not required to do such testing.

Regarding the general allegations of NMPC managers using cocaine and I&C technicians at parties using drugs, the team concluded that the lack of specific information and the death of the I&C superintendent prevented a meaningful investigation by NMPC and that drug testing to be implemented as part of the recent rule on fitness for duty would be the best method for determining if these allegations have merit.

The team concluded that NMPC had performed an adequate investigation of the drug allegations received in 1988 and those recently provided by the NRC.

4. CONCLUSIONS

The team concluded that while specific facts in the allegation on HPCI, a drywell fire, and Monthly Operating Reports were in part substantiated, and with one exception did not constitute violations of NRC requirements. The NRC concludes that weaknesses in work control associated with HPCI switch calibration and welding in the drywell are additional examples of the failure of NMPC in 1986 to aggressively identify and correct problems.

The NRC is concerned that the NMPC Fitness for Duty Program, implemented pursuant to the NRC's policy statement, has not been effective in detecting or determining illegal drug use. The team found that three of six individuals alleged to have used illegal drugs in 1986 subsequently tested positive during NMPC's 1988 investigation, substantiating in part the allegation that illegal drugs were likely used and that NMPC's Fitness for Duty Program in effect at the time did not detect their use. The team concluded that NMPC's investigations in 1988 of illegal drug use by NMPC personnel and the resultant actions appeared consistent with the NMPC Fitness for Duty Program as revised in April 1987. The Fitness for Duty Program is currently being upgraded to meet NRC's new rule on Fitness for Duty (10 CFR Part 26) and will be the subject of subsequent inspections.

These conclusions were provided to NMPC management during the inspection and at an exit meeting conducted on May 25, 1989.



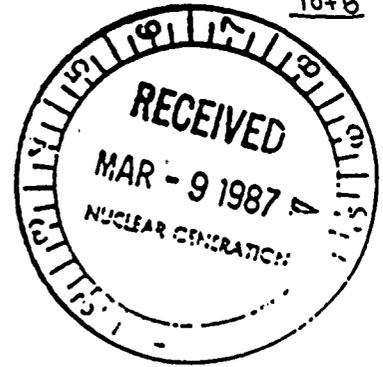
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NIAGARA MOHAWK POWER CORPORATION

NIAGARA MOHAWK

300 ERIE BOULEVARD WEST
SYRACUSE, N.Y. 13202

WILLIAM J. DONLON
PRESIDENT



March, 1987

To: All Employees

Niagara Mohawk has a continuing concern and responsibility to provide a safe and healthy work place and an obligation to ensure that no employee endangers the safety of others. In today's society with the notoriety surrounding widespread use of illegal drugs, it is imperative that we maintain a drug-free environment within our work force. A drug-free environment is in the best interest of all of us as employees and assures our co-workers, families, customers and the general public that we are addressing this problem in a positive light.

To this end, we have revised our Alcohol and Drug Abuse Policies including our Fitness for Duty Program. Effective April 1, 1987, it will be the responsibility of every employee to notify the Company of any suspected instances of use, possession or being under the influence of alcoholic beverages or illegal drugs on Company property. In addition, employees with nuclear responsibility will not be allowed to continue employment in any nuclear-related area pending full investigation of any illegal drug-related occurrence.

Along with these revisions to the policies and, again, effective April 1, 1987, employees will be subject to alcohol/drug screening/testing under the following situations:

- o Any employee involved in an occupational accident causing personal injury and/or damage to equipment where human error appears to be the cause;
- o Any employee subject to management pre-promotional physical examination will be screened for drugs;
- o All employees at the nuclear site who are required to have physical examinations will be screened for drugs on an annual basis.

The above is in addition to our present procedure of alcohol/drug screening/testing, whichever is applicable, for all prospective applicants and any employee deemed to be unfit in the performance of duties as a result of alcohol/drugs.

In addition, the current Fitness for Duty Program has been revised to include a procedure that provides for rehabilitation in instances where there appears to be an alcohol and/or drug abuse problem. We feel that this is a positive direction which will provide our employees continuing support in dealing with these problems.



NIAGARA MOHAWK POWER CORPORATION

COMPANY POLICY

DRUG ABUSE

Generally speaking, employees of the Company are visible and active members of the communities in which they live and work. They are quite naturally identified with the Company and are expected to represent the Company in a responsible manner. The use of illegal drugs by employees is inconsistent with the objectives of operating the Company in a safe and efficient manner.

Therefore, the use, possession, sale or purchase of illegal drugs (defined as any drug or drug-like substance whose sale, use, purchase or possession is unlawful) while on the job or on Company property is prohibited. Any illegal substances will be turned over to the appropriate law enforcement agency and may result in criminal prosecution. Additionally, no employee shall report to work while under the influence of illegal drugs.

Off-the-job illegal drug use which adversely affects an employee's job performance or which jeopardizes the safety of other employees or Company equipment will be addressed.

In addition, every employee has the responsibility of immediately notifying their supervisor of any suspected instances of use, possession or being under the influence of such substances which occur on Company property.

Employees who are arrested for off-the-job drug involvement will be considered to be in violation of Company policy. In deciding what action to take, the Company will consider the nature of the charges, the employee's present job assignment, the employee's record with the Company and other factors pertinent to the impact of the employee's arrest upon the conduct of the Company business. In any instance, employees with nuclear responsibilities will not be allowed to continue employment in any nuclear-related area pending full investigation of the incident.

Abrogation of this Policy may result in disciplinary action up to and including discharge.

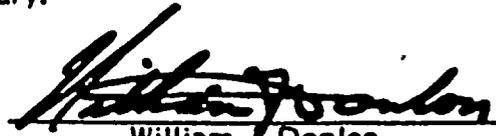
Assistance in dealing with drug-related problems is available through the Employee Assistance Program. Employees who voluntarily request assistance in dealing with drug problems may participate in the EAP without jeopardizing their continued employment with the Company, providing they follow the prescribed course of treatment and refrain from further involvement with drugs.

Prescribed medical treatment with a controlled substance should be reported to the supervisor when an employee's ability to perform the job assignment in a safe manner is affected. The use of controlled substances as part of a prescribed medical treatment program is naturally not grounds for disciplinary action. However, it is important for the Company to know such use is occurring as a temporary job reassignment may be necessary.



John G. Haehl, Jr.

Chairman of the Board/Chief Executive Officer



William J. Donlon
President

ISSUED: December 15, 1978
REVISED: January 1984
April 1, 1987

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NIAGARA MOHAWK POWER CORPORATIONCOMPANY POLICYALCOHOL ABUSE

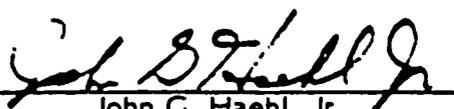
Generally speaking, employees of the Company are visible and active members of the communities in which they live and work. They are quite naturally identified with the Company and are expected to represent the Company in a responsible fashion. The abuse of alcoholic beverages by employees is inconsistent with the objectives of operating the Company in a safe and efficient manner.

Therefore, no employee shall consume alcoholic beverages during working hours (regular or overtime) and during meal hours (noon, overtime or emergency call-out). Additionally, no employee shall report to work under the influence of alcoholic beverages or possess alcoholic beverages on Company property. When the use of alcohol adversely affects an employee's job performance, it is imperative that the Company address the situation.

In addition, every employee has the responsibility of immediately notifying their supervisor of any suspected instances of use, possession or being under the influence of alcoholic beverages which occur on Company property.

Abrogation of this Policy may result in disciplinary action up to and including discharge.

Assistance in handling alcohol-related problems is available through the Employee Assistance Program. Employees who voluntarily request assistance in dealing with alcohol problems may participate in the EAP without jeopardizing their continued employment with the Company, providing they follow the prescribed course of treatment and their work performance is acceptable.



John C. Haehl, Jr.
Chairman of the Board/Chief Executive
Officer



William J. Donlon
President

ISSUED: October 15, 1975
REVISED: April 1, 1987



NIAGARA MOHAWK POWER CORPORATION**EMPLOYEE ASSISTANCE PROGRAM**

The Employee Assistance Program (EAP) provides confidential professional guidance and counseling to help employees resolve personal problems which adversely affect job performance. It is designed to provide assistance to employees and their families in handling a wide range of personal problems including alcohol and/or drug dependency or abuse. It is the Company's intent that each employee has the opportunity to achieve full job potential and where personal problems interfere with this goal, the EAP can be of valuable assistance.

Employees may obtain professional assistance through the Employee Assistance Program in the following ways - self referral (including family referral), supervisory referral, union referral, or medical referral. In addition, employees should be aware that the EAP Coordinator will be available for assistance and guidance in obtaining help for a co-worker who may be having personal or job performance problems.

Through the EAP, employees receive confidential help in assessing their problems and where appropriate, referrals to outside resources for treatment and assistance. If employees are referred to outside resources such as doctors, psychologists, hospitals or clinics, the employees will be responsible for charges in excess of those covered under the Company's Medical Plan.

Employees are strongly urged to contact the EAP Coordinator before alcohol, drug or personal problems lead to disciplinary action. Participation in the EAP will not prevent or lessen disciplinary action for poor job performance or violation of Company policy. However, employees who voluntarily request assistance in dealing with alcohol and/or drug problems may participate in the EAP without jeopardizing their continued employment with the Company, providing they follow the prescribed course of treatment and refrain from further involvement with alcohol and/or drugs.

This confidential Employee Assistance Program is available through the Company EAP Coordinator. Referrals may be made by calling the EAP Coordinator at (315) 428-5901. If the EAP Coordinator is out of the office, your confidential call will be recorded and a response provided as soon as possible. The EAP Coordinator's office is located at Niagara Mohawk Power Corporation, 300 Erie Boulevard West, Syracuse, New York 13202.

Consultation with the EAP Coordinator is not intended to preclude the present advice and counseling provided by staff members of the Employee Relations Department.

ISSUED: January 1984
REVISED: April 1, 1987



EMPLOYEE GUIDELINES
REGARDING
COMPANY ALCOHOL/DRUG ABUSE POLICY -
FITNESS FOR DUTY PROGRAM

These guidelines are for use by all employees to help make Niagara Mohawk a "drug-free" work place and to ensure added confidence that Niagara Mohawk employees comply with the Company's Alcohol/Drug Abuse Policy.

1. Every employee has a responsibility to help keep Niagara Mohawk a "drug-free" Company.
2. Employees who are arrested for an alcohol or drug related offense off Company property should report the incident to their supervisor immediately. The matter will be reviewed with the Employee Relations Department prior to the employee reporting to work.
3. Employees who have a drug and/or alcohol problem are urged to voluntarily obtain professional assistance through the Employee Assistance Program.
4. Employees who have an alcohol/drug problem and who ask for help should be referred immediately to the Company's Employee Assistance Program. This request for assistance may not be used by an employee as a means of avoiding disciplinary action if such employee has violated the Company's Alcohol/Drug Abuse Policy, any other policy or safety rule.
5. Every employee has the responsibility for taking action whenever a co-worker appears to be having problems and seems to be impaired by the possible use of alcohol and/or drugs. Every employee has the responsibility of immediately notifying their supervisor of any suspected instances of use, possession or being under the influence of such substances which occur on Company property. In addition, employees should be aware that the EAP Coordinator will be available for assistance and guidance in obtaining help for a co-worker who may be having personal or job performance problems.
6. Whenever an employee's demonstrated judgment or performance seems to be impaired by the possible use of alcohol and/or drugs and the supervisor suspects the employee is "unfit for duty" the following action should be taken:
 - a) At the request of the supervisor, the employee should explain why it appears that he/she may be unfit for duty. A bargaining unit employee may request a steward present.
 - b) If the employee fails to explain his/her impaired condition to the supervisor's satisfaction, and it is still the supervisor's determination that alcohol and/or drugs may be involved, the employee will be taken by the supervisor or another management employee to the designated medical facility for alcohol and drug testing.
 - c) The employee will be required to sign a Consent and Authorization Form prior to such alcohol and drug tests.
 - d) Any employee who refuses to sign a Consent and Authorization Form will be considered in violation of the Fitness for Duty Program and will be disciplined accordingly.
7. Employees who find drugs or drug paraphernalia on Company property should report the incident to the Security Department, your supervisor and the Employee Relations Department. The Security Department will then advise as to the specific course of action to be followed.



ALCOHOL/DRUG SCREENING/TESTING -
FITNESS FOR DUTY PROGRAM

I. ALCOHOL/DRUG SCREENING/TESTING

Continuing

- (1) All applicants, prior to employment, will be screened for drugs.
- (2) Any employee who appears to be unfit for duty will be subject to alcohol/drug screening/testing.

B. New

- (1) Any employee involved in an occupational accident causing personal injury and/or damage to equipment where human error appears to be a cause will be subject to post accident alcohol/drug screening/testing.
- (2) Management pre-promotional physical examinations will include drug screening.
- (3) All employees at the nuclear site, who are required to have physical examinations, will be required to be screened for drugs on an annual basis.

II. PROGRAM TEST RESULT CRITERIA

A. Alcohol

The "cutoff" for positive/negative presence of alcohol in the body will be .08% and over, of one per centum by weight of alcohol, in blood alcohol content level.

B. Marijuana

The "cutoff" for the positive/negative presence of marijuana in the body will be 50 nanograms/milliliter. If positive, such result will be further analyzed.

C. Other Illegal Drugs

Any positive screening of illegal drugs shall be further analyzed.

III. CONSENT AND AUTHORIZATION FORM/LETTER

- (1) Any employee who is subject to a fitness for duty or post accident alcohol/drug screening/testing will be required to sign a Consent and Authorization Form prior to such screening/testing.
- (2) Any employee at the nuclear site who is required to have a physical examination will also be required to be screened for drugs on an annual basis and sign an Employee Consent and Authorization Letter prior to such drug screening including documentation of any prescription drugs which may be in the system.
- (3) Any employee refusing to sign a Consent and Authorization Form/Letter will be considered in violation of the Fitness for Duty Program and will be disciplined accordingly.

NEW REHABILITATION PROCEDURE

A. Fitness for Duty/Post Accident

- (1) Any employee suspected to be positive for either alcohol or drugs will be immediately suspended without pay.
- (2) If the employee is found to be negative without alcohol/drugs in the system, the employee will be returned to work without loss of pay.
- (3) An investigatory proceeding will be held in an expeditious manner. Where applicable, an Article XVI proceeding will take place as soon as possible.
- (4) If the Company, in its determination, is satisfied that the employee was positive with drugs in the system, the employee will continue to be suspended, however, without pay in accordance with the provisions of Paragraph C below. Further, the employee will be required to make contact with the Employee Assistance Program Coordinator or other source acceptable to the Company.

B. Drug Screening/Testing-Nuclear

- (1) Any employee found to be confirmed positive with drugs in the system will be immediately suspended without pay.
- (2) An investigatory proceeding will be held in an expeditious manner. Where applicable, an Article XVI proceeding will take place as soon as possible.
- (3) If the Company, in its determination, is satisfied that the employee was positive with drugs in the system, the employee will continue to be suspended, without pay in accordance with the provisions of Paragraph C below. Further, the employee will be required to make contact with the Employee Assistance Program Coordinator or other source acceptable to the Company.

C. General

- (1) In the case of a positive confirmation, the employee will be suspended without pay for a minimum period of 14 calendar days and a maximum of 28 calendar days.
- (2) If it is indicated that there is an abuse problem, the employee must follow the prescribed course of rehabilitation and will be required to furnish evidence of such course of rehabilitation to the Company.
- (3) If the employee, upon re-examination by the Company on the 12th, 19th or 26th calendar day and is found to be completely negative of any alcohol/drugs in the system, such employee will be permitted to return to work on either the 15th, 22nd or 29th calendar day after initial completion of said suspension. However, return to work will only be made with assurances the employee is following the prescribed course of rehabilitation. No employee will be returned to the payroll until test result is negative.
- (4) Any employee who does not test negative on alcohol/drugs in the system within 28 calendar days will be terminated.
- (5) Any employee who once has been tested positive and has gone through a prescribed course of rehabilitation will be subject to spot check alcohol/drug screenings/testings for a two-year period and will be required to sign a letter acknowledging such understanding.
- (6) Any employee found positive during the two-year period following rehabilitation will be terminated.

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