

[CENTRAL FILES



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60131

JAN 11 1979

Docket No. 50-316 *178-33*

American Electric Power Service
Corporation
Indiana and Michigan Power Company
ATTN: Mr. John E. Dolan, Senior
Executive Vice President
Engineering
2 Broadway
New York, NY 10004

Gentlemen:

This refers to the inspection of your Donald C. Cook Nuclear Plant, Unit 2, conducted on November 29-December 1, 1978, by Messrs. A. G. Finley and J. P. Patterson of this office and to the discussion of our findings with Mr. D. V. Shaller, Plant Manager, and other members of your staff at the conclusion of the inspection. Your activities pursuant to Title 10, Code of Federal Regulations, Part 70, "Special Nuclear Materials" as they pertain to License No. DPR-74 were the subject of the inspection.

The enclosed copy of our inspection report identifies areas examined during the inspection. Within these areas, the inspection consisted of a selective examination of procedures and representative records, observations, and interviews with personnel.

During this inspection, certain of your activities appeared to be in noncompliance with NRC requirements, as described in the enclosed Appendix A.

Areas examined during the inspection concern a subject matter which is exempt from disclosure according to Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Consequently, our report of this inspection will not be placed in the Public Document Room.

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American Electric Power
Service Corporation
Indiana and Michigan
Power Company

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This notice is sent to you pursuant to the provisions of Section 2.201 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Section 2.201 requires you to submit to this office within twenty days of your receipt of this notice a written statement or explanation in reply, including for each item of noncompliance: (1) corrective action taken and the results achieved; (2) corrective action to be taken to avoid further non-compliance; and (3) the date when full compliance will be achieved.

We will gladly discuss any questions you have concerning this inspection.

Sincerely,

J. A. Hind, Chief
Safeguards Branch

Enclosures:

1. Appendix A, Notice of Violation
2. IE Inspection Report No. 50-316/78-35 (Part 2.790(d) Information)

cc w/encls:

Mr. D. V. Shaller, Plant
Manager
Central Files
Reproduction Unit NRC 20b

cc w/encl 1 only:

PDR
Local PDR

OFFICE	RIII <i>gsk</i>	RIII <i>gsk</i>	RIII	RIII <i>gsk</i>		
SURNAME	Finley/bk	Patterson	Hind <i>gsk</i>	Baker		
DATE	1/8/79			1-19-79		



Appendix A

NOTICE OF VIOLATION

American Electric Power
Service Corporation
Indiana and Michigan
Power Company

Docket No. 50-316

Based on the inspection conducted on November 29-December 1, 1978, it appears that certain of your activities were not conducted in full compliance with NRC requirements as indicated below. This item is categorized as a deficiency.

10 CFR Part 70.53 requires that each licensee who is authorized to possess at any one time and location special nuclear material in a quantity totaling more than 350 grams of contained uranium 235, uranium 233 or plutonium or any combination thereof, shall complete and submit to the Commission Material Status Report on Form NRC-742, in accordance with printed instructions for completing the form, concerning special nuclear material received, produced, possessed, transferred, consumed, disposed of or lost by the licensee. All such reports shall be made as of March 31 and September 30 of each year.

Contrary to the printed instructions for the completion of Form NRC-742, the subschedule for receipt activity for the period October 1, 1977, to March 31, 1978, did not show correct transfer series numbers in that corrections involving adjustments to receipts were not shown and the quantity reported received on the subschedule was not the same as reflected on line 30 of the Form NRC-742 for the six month period being reported. In addition, 13 corrected Forms NRC-741 dated April 6, 1978 were erroneously included for activity being reported as of March 31, 1978 instead of the report period, April 1, 1978 to September 30, 1978 as required.

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