

ENCLOSURE

**NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTY**

Public Service Electric and Gas Company
Salem Nuclear Generating Station
Units 1 and 2

Docket Nos. 50-272; 50-311
License Nos. DPR-70; DPR-75
EA 94-239

As a result of an NRC OI investigation at Salem, the report of which was issued on November 4, 1994, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the Nuclear Regulatory Commission proposes to impose a civil penalty pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205. The particular violation and associated civil penalty are set forth below:

10 CFR 50.7, Employee Protection, subsection (a), prohibits discrimination by a Commission licensee against an employee for engaging in certain protected activities. Discrimination includes actions that relate to compensation, terms, conditions, or privileges of employment. Protected activities include, but are not limited to, providing information to an employer on potential violations or other matters within the NRC's regulatory responsibilities.

Contrary to the above, the licensee discriminated against two employees for engaging in protected activities. The employees, Mr. Bert Williams, and Mr. Paul Craig, who were Safety Review Group (SRG) engineers, were engaged in a protected activity in that they raised safety concerns by attempting to file an incident report (IR) at Salem concerning whether commercial grade air supply pressure setpoint regulators, which control service water flow to the containment fan cooling units, were qualified seismically, properly classified in an information system as safety-related, and properly configured. Beginning on December 3, 1992, the licensee through the then General Manager-Salem Operations (GM-SO), Mr. Calvin Vondra, and the then Operations Manager (OM), Mr. Vincent Polizzi, subjected Mr. Williams and Mr. Craig to discrete actions which created a hostile work environment affecting the conditions of employment, as evidenced by the following:

1. The OM, during his initial meetings with the two SRG engineers on December 3, 1992, angrily attempted to convince the SRG engineers that either the IR should not be issued, or should include information, that the OM believed existed, that would support operability of the components. The actions of the OM contributed to a hostile work environment directed to the two SRG engineers because his actions could have had a chilling effect on those employees (or other employees who may have become aware of or witnessed this event) raising safety concerns;

2. The GM-SO, during his meeting with the SRG engineers on December 3, 1992, was unsuccessful in convincing the SRG engineers to modify, amend or otherwise revise the IR. The GM-SO angrily told the SRG engineers to get out of his office after one of them indicated to the GM-SO that he would consider filing a safety concern report if an IR was not processed. The actions of the GM-SO contributed to a hostile work environment directed to the two SRG engineers because his actions could have had a chilling effect on those employees (or other employees who may have become aware of or witnessed this event) raising safety concerns;
3. The OM prepared a memorandum to the former General Manager-Quality Assurance and Nuclear Safety Review (GM-QA/NSR) at the direction, and for the signature, of the GM-SO requesting that the SRG engineers be removed from any further involvement at the site, and their aberrant behavior evaluated. The GM-SO signed the memorandum to the GM-QA/NSR on December 4, 1992, prior to taking vacation leave, and mailed the memorandum on December 14, 1992 upon return from vacation, even though, in the interim,
 - a. The then General Manager-Hope Creek, cautioned him about the sending of the memorandum; and
 - b. The OM did not mail the memorandum after the GM-SO signed it on December 4, 1992, but held it until the GM-SO returned on December 14, 1992, which provided an opportunity for reconsideration of the matter.The memorandum contributed to the hostile work environment because it had the potential to inhibit the SRG engineers, and any other employees who may have become aware of the memorandum, from raising safety concerns; and
4. The memorandum was not withdrawn until February 8, 1993, after the Senior Vice President-Electric became aware of the issue and initiated an investigation, even though the GM-QA/NSR had a number of meetings or telephone calls with the GM-SO during December 1992 and January 1993, in an effort to resolve the issue. (01012)

This is a Severity Level II Violation (Supplement VII).
Civil Penalty - \$80,000.

Pursuant to the provisions of 10 CFR 2.201, Public Service Electric and Gas Company (Licensee) is hereby required to submit a written statement or explanation to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, within 30 days of the date of this Notice of Violation and Proposed Imposition of Civil Penalty (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each alleged violation: (1) admission or denial of the alleged violation, (2) the reasons for the violation if admitted, and if denied, the reasons why, (3) the corrective steps that have been taken and the results achieved, (4) the corrective steps that will

be taken to avoid further violations, and (5) the date when full compliance will be achieved. If an adequate reply is not received within the time specified in this Notice, an Order or a Demand For Information may be issued to show cause why the license should not be modified, suspended, or revoked or why such other action as may be proper should not be taken. Consideration may be given to extending the response time for good cause shown. Under the authority of Section 182 of the Act, 42 U.S.C. 2232, this response shall be submitted under oath or affirmation.

Within the same time as provided for the response required above under 10 CFR 2.201, the Licensee may pay the civil penalty by letter addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, with a check, draft, money order, or electronic transfer payable to the Treasurer of the United States in the amount of the civil penalty proposed above, or may protest imposition of the civil penalty in whole or in part, by a written answer addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission. Should the Licensee fail to answer within the time specified, an order imposing the civil penalty will be issued. Should the Licensee elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalty, in whole or in part, such answer should be clearly marked as an "Answer to a Notice of Violation" and may: (1) deny the violation listed in this Notice, in whole or in part, (2) demonstrate extenuating circumstances, (3) show error in this Notice, or (4) show other reasons why the penalty should not be imposed. In addition to protesting the civil penalty in whole or in part, such answer may request remission or mitigation of the penalty.

In requesting mitigation of the proposed penalty, the factors addressed in Section V.B of 10 CFR Part 2, Appendix C (1992), should be addressed. Any written answer in accordance with 10 CFR 2.205 should be set forth separately from the statement or explanation in reply pursuant to 10 CFR 2.201, but may incorporate parts of the 10 CFR 2.201 reply by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. The attention of the Licensee is directed to the other provisions of 10 CFR 2.205, regarding the procedure for imposing a civil penalty.

Upon failure to pay any civil penalty due which subsequently has been determined in accordance with the applicable provisions of 10 CFR 2.205, this matter may be referred to the Attorney General, and the penalty, unless compromised, remitted, or mitigated, may be collected by civil action pursuant to Section 234c of the Act, 42 U.S.C. 2282(c).

The response noted above (Reply to Notice of Violation, letter with payment of civil penalty, and Answer to a Notice of Violation) should be addressed to: Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region I, 475 Allendale Road, King of Prussia, Pennsylvania 19406 and a copy to the Senior Resident Inspector, Salem Generating Station.

Dated at King of Prussia, Pennsylvania
this 11th day of April, 1995

Public Service Electric
and Gas Company

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