



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

MAR 29 1977

Duke Power Company
Attn: Mr. Carl Horn, Jr.
President
P.O. Box 2178
Charlotte, North Carolina 28242

License Nos.: DPR 38
DPR 47
DPR 55
Docket Nos.: 50-269
50-270
50-287

Gentlemen:

This refers to the inspection conducted on December 20-23, 1976 by Mr. A. L. Cunningham; January 18-21, 1977 by Messrs. T. Epps, P. Burnett and C. Alderson; and January 25-28, 1977 by Mr. A. Kowalczyk of our Region II office in Atlanta, Georgia, of activities authorized by NRC License Nos. DPR-38, DPR-47 and DPR-55; and to the meetings held on December 23, 1976, January 21, 1977, and January 28, 1977, with Mr. J. E. Smith and members of the Oconee staff to discuss the inspection findings. This also refers to the meeting held at the Region II office on February 11, 1977, attended by Mr. W. O. Parker, Jr. and other members of your staff with Mr. N. C. Moseley and other members of the Region II office.

This inspection concentrated on events associated with the release of more than three curies of radioactivity resulting from radioactive secondary system water leaking into a turbine building sump beginning January 17, 1977. Other activities including plant operations and testing, nonradiological environmental controls and followup on previously identified items of noncompliance and unresolved items were also examined.

Based on the results of this inspection, it appears that several of your activities were not conducted in full compliance with NRC requirements as set forth in the Notice of Violation, enclosed herewith as Appendix A.

Our concern for inadequate control systems related to the identified problem areas was expressed in the Region II meeting with Duke Power Company representatives on February 11, 1977. Concern was expressed that timely, effective corrective action had not been implemented to prevent recurrence and to minimize the consequences of identified problems. The need for immediate corrective action was emphasized in a letter from the Region II office to Duke Power Company dated February 1, 1977, confirming corrective actions to be taken regarding the leakage of

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radioactive water that began on January 17, 1977. Certain of the items in Appendix A illustrate that several days passed before a coordinated management effort to minimize, control and adequately monitor radioactive effluents was developed to prevent additional noncompliance with regulatory requirements, even though license conditions require prior planning to cope with such occurrences. In addition, Region II personnel met with senior Duke Power Company representatives on April 16, 1974, August 29, 1974, and June 9, 1976, to discuss our concerns regarding your implementation of radiological requirements and the need for improved management controls to correct identified problems.

The enforcement history of the Oconee Nuclear Station related to radiological controls, enclosed herewith as Appendix C, shows numerous as well as repetitive or similar items of noncompliance. Specifically, Appendix C shows 41 items of noncompliance involving 30 basic requirements over the past three years. Of the 30 basic requirements, it was found that in seven instances the items were repetitive or similar to items found during other inspections. Further, Item Nos. 1, 5 and 6 in Appendix A to this letter are repetitive or similar in nature to items found during previous inspections.

Based on our review of the enforcement history related to the Oconee Nuclear Station it appears that the history of repetitive and chronic noncompliance, when considered in conjunction with failure to institute effective corrective action and management controls, demonstrates that management is apparently not conducting licensed activities with adequate concern for the health, safety or interest of its employees or the public. Consequently, in your reply, you should describe those actions taken or planned to improve the effectiveness of your management systems to control plant effluents, effluent monitoring, radiation safety and to improve communications and performance among operating, health physics, chemistry and maintenance organizations involved with such activities.

As you are aware from the "Criteria for Determining Enforcement Action," which was provided to you by letter dated December 31, 1974, the enforcement actions available to the Commission in the exercise of its regulatory responsibilities include administrative actions in the form of written notices of violation, civil monetary penalties, and orders pertaining to the modification, suspension or revocation of a license. After careful evaluation of the items of noncompliance identified in Appendix A and the results of our inspection, this office proposes to impose civil penalties, pursuant to Section 234 of the Atomic Energy Act of 1954, as

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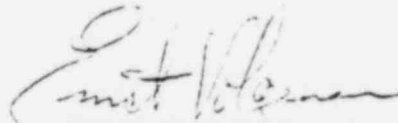
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amended, (42 USC 2282) and 10 CFR 2.205, in the cumulative amount of Twenty One Thousand Five Hundred Dollars (\$21,500) as set forth in the "Notice of Proposed Imposition of Civil Penalties," enclosed herewith as Appendix B.

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 (20) days of your receipt of this notice a written statement or explanation in reply including: (1) corrective steps which have been taken by you and results achieved; (2) corrective steps which will be taken to avoid further items of noncompliance; and (3) the date when full compliance will be achieved.

Your written reply to this letter, combined with our findings from our continuing inspection program, will be considered in determining whether any further enforcement action such as license modification, suspension or revocation is appropriate.

Sincerely,



Ernst Volgenau,
Director
Office of Inspection and
Enforcement

Enclosures:

1. Appendix A, Notice of Violation
2. Appendix B, Notice of Proposed Imposition of Civil Penalties
3. Appendix C, Enforcement History Related to Radiation Safety

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