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• UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V
1990 N. CALIFORNIA BOULEVARD
SUITE 202, WALNUT CREEK PLAZA
WALNUT CREEK, CALIFORNIA 94596

July 16, 1980

Docket No. 50-312

Sacramento Municipal Utility District
P. O. Box 15380
Sacramento, California 95813

Attention: Mr. John J. Mattimoe
Assistant General Manager
and Chief Engineer

Gentlemen:

Subject: NRC Management Inspection of Rancho Seco

This refers to the management inspection conducted by Messrs. A. T. Gody, D. G. Hinckley, D. R. Hunter, W. D. Shafer and J. D. Woessner of the NRC/OIE Performance Appraisal Branch (PAB) on April 14 through May 8, 1980 of activities at the Rancho Seco Nuclear Generating Station and the Sacramento Municipal Utility District Offices as authorized by Operating License No. DPR-54 and to the discussion of the findings with Mr. J. J. Mattimoe and other members of your staff by Messrs. H. D. Thornburg, W. D. Shafer and others of the PAB on May 8, 1980, at your general offices.

The enclosed inspection report identifies the areas examined during this inspection. Within these areas, the inspection consisted of a comprehensive examination of your management controls over licensed activities which included an examination of procedures and records plus extensive interviews with many of your management and supervisory personnel.

This is one of a series of management appraisal inspections conducted by the NRC Performance Appraisal Branch. The results of this inspection will be used to evaluate the performance of your management control systems from a national perspective. The enclosed inspection report addresses the enforcement findings from this inspection. A supplemental report issued by the Performance Appraisal Branch presents inspection findings (observations) which along with the enforcement findings, will provide the basis for the subsequent performance appraisal. Paragraph 2 of the enclosed report provides additional information regarding the findings and how they will be utilized.

Five unresolved items are identified in the inspection report. These items will be reviewed during subsequent inspections.

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July 16, 1980

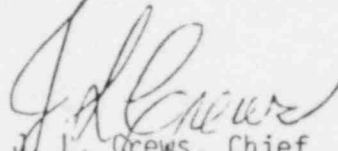
During this inspection, it was found that certain of your activities appeared to be in noncompliance with NRC requirements, as set forth in the Notice of Violation, enclosed herewith as Appendix A. This notice is sent to you pursuant to the provisions of Section 2.201 of the NRC's "Rules of Practice," 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 for each item of non-compliance: (1) corrective action taken and the results achieved; (2) corrective action to be taken to avoid further noncompliance; and (3) the date when full compliance will be achieved.

During this inspection, it was also found that some of your activities appeared to deviate from your commitments as set forth in the Notice of Deviation enclosed herewith as Appendix B. Please submit to this office, within twenty (20) days of your receipt of this notice, a written statement or explanation in reply including the cause of the deviation and the steps you plan to take to assure timely implementation and completion of corrective actions. Your written reply should include the date(s) when your corrective action(s) were or will be completed.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room. If this report contains any information that you or your contractors believe to be proprietary, it is necessary that you make a written application within twenty (20) days to this office to withhold such information from public disclosure. Any such application must include a full statement of the reasons on the basis of which it is claimed that the information is proprietary, and should be prepared so that proprietary information identified in the application is contained in a separate part of the document. If we do not hear from you in this regard within the specified period, the report will be placed in the Public Document Room.

Should you have any questions concerning this inspection, we will be glad to discuss them with you.

Sincerely,


J. L. Crews, Chief
Reactor Operations and Nuclear
Support Branch

Enclosures:

1. APPENDIX A - Notice of Violation
2. APPENDIX B - Notice of Deviation
3. IE Inspection Report No. 50-312/80-15

cc w/o Enclosure 3:
R. J. Rodriguez, SMUD
L. G. Schwieger, SMUD