



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
611 RYAN PLAZA DRIVE, SUITE 1000
ARLINGTON, TEXAS 76011

TIC
DEC 29 PM 1 19
REG. NRC
INFORM SERVICES

Docket No. 50-267/80-17

December 18, 1980

Public Service Company of Colorado
Attn: Mr. C. K. Millen
Senior Vice-President
Post Office Box 840
Denver, Colorado 80201

Gentlemen:

This letter refers to an August 14, 1980 inspection conducted by our Resident Inspector and to a routine inspection conducted by Messrs. J. A. F. Kelly and R. A. Caldwell, of the NRC Region IV Office, on August 18-22, 1980. The letter also refers to the discussion with members of your staff at the conclusion of the inspection on August 22, 1980, and to the enforcement conference held with you and members of your staff in our Region IV offices on October 20, 1980.

The inspection related to your program and activities designed to protect against industrial sabotage and to safeguard special nuclear material. The inspection was based on the applicable provisions of Title 10, Part 50, of the Code of Federal Regulations, entitled, "Licensing of Production and Utilization Facilities," within Part 73, entitled, "Physical Protection of Plants and Materials," and the specific requirements of NRC License No. DPR-34. The inspection consisted of selective examinations of procedures and records, personnel interviews, and observations by the inspectors.

During these inspections it was determined that certain 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. 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 20 days of your receipt of this notice, a written statement or explanation reply including: (1) admission or denial of the alleged item(s) of noncompliance; (2) the reasons for the item(s) of noncompliance if admitted; (3) the corrective steps which have been taken and the results achieved; (4) corrective steps which will be taken to avoid further items of noncompliance; and (5) the date when full compliance will be achieved.

In addition to the items of noncompliance identified in the attached Notice of Violation, we are concerned about the overall management of your physical security program, which lead to these items of noncompliance. Therefore, in addition to the specific response to the Notice of Violation, please identify steps you have taken, or plan to take to improve management control of your physical security program.

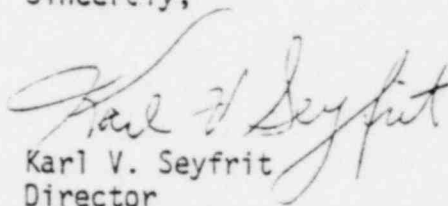
8101 100067

December 18, 1980

In view of several factors, including the status of 10 CFR Part 73 and your approved as amended physical security plan, we have decided to limit enforcement action at the level of this Notice of Violation . . . as opposed to escalated action such as a proposed imposition of a civil penalty. Your response to this notice, as well as continuing inspection of your physical security program activities, will be used to determine any need for additional enforcement action.

The documentation of findings of your control and accounting procedures for safeguarding special nuclear materials and your facility's security procedures are exempt from disclosure. This exemption is covered within Title 10 of CFR Part 2, Section 2.790(d), entitled, "Rules of Practice for Domestic Licensing Proceedings." Therefore, the inspection report will not be placed in the Public Document Room and distribution will be limited. If you have any questions concerning this report, we will be pleased to discuss them with you.

Sincerely,



Karl V. Seyfrit
Director

Enclosures:

1. Appendix A, Notice of Violation
2. Inspection Report No. 50-267/80-17

cc: D. W. Warembourg
Manager, Nuclear Production
P. O. Box 361
Platteville, Colorado 80651
(w/encls.)