

NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTY

Niagara Mohawk Power Corporation
Nine Mile Point Nuclear Station
Unit 2

Docket No. 50-410
Construction Permit No. CPPR-112
EA 83-16

During an NRC inspection conducted from August 30 through September 30, 1982, a violation of NRC requirements was identified involving improper implementation of the quality assurance program by Stone & Webster, the principal contractor for Niagara Mohawk Power Corporation. An NRC investigation was conducted on November 1-4, 1982, to determine the level of management's awareness of the violation.

Between June 1 and September 17, 1982, several inspections of safety-related electrical installations were performed by Stone & Webster Quality Control Inspector trainees possessing less than the required three months experience. The trainees were not accompanied by Level II inspectors as required. Based on the trainees' inspection, Level II inspectors accepted work without re-inspecting it. Additionally, Level II inspectors signed inspection reports indicating that they had performed the inspections when, in fact, the only inspections performed were done by trainees. Stone & Webster's first line supervisor was aware of this practice of falsifying inspection reports, and the preponderance of evidence indicates that the second line supervisor was also aware of this practice, although he denied such awareness in an interview with an NRC investigator. However, neither supervisor took actions to discontinue this practice.

Falsification of quality control records is a serious offense which will not be tolerated by the NRC. Therefore, the Nuclear Regulatory Commission proposes to impose a civil penalty in the amount of One Hundred Thousand Dollars (\$100,000) for the violation set forth in this Notice. The amount of the proposed civil penalty was determined to emphasize the seriousness of this violation and the need to prevent similar violations in the future. In accordance with the NRC Enforcement Policy, 47 FR 9987 (March 9, 1982), and pursuant to Section 234 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2282, PL 96-295 and 10 CFR 2.205, this particular violation and its associated civil penalty is set forth below:

10 CFR 50, Appendix B requires that each licensee implement a quality assurance program to be applied to the design, fabrication, construction and testing of the structures, systems and components of the facility.

Contrary to the above, the licensee did not comply with the provisions of Appendix B for the period June 1 through September 17, 1982 as evidenced below:

OFFICIAL RECORD COPY

8306220154 830426
PDR ADOCK 03000410
Q PDR

- A. Criterion I of Appendix B requires the establishment and execution of a quality assurance program which assures that activities affecting safety-related functions have been correctly performed. Niagara

Mohawk Power Corporation's application for a Construction Permit for Unit 2 commits to adherence to ANSI N 45.2.6-1978. This standard requires that each person who verifies the conformance of work activities to quality requirements shall be certified by his employer as being qualified to perform his assigned work, and the period of certification shall be established. ANSI N 45.2.6-1978 also requires a Level I rating classification as a prerequisite for inspecting and accepting safety-related installations. Stone & Webster Engineering Corporation Quality Assurance Directive (QAD) 2.5, Revision F, allows trainees possessing Associates Degrees to be certified as Level I inspectors after a three month training period provided the trainees work under the direct supervision of higher level personnel capable of performing assigned tasks.

However, numerous safety-related electrical installations (involving studwelding, embedments, supplemental steel, cable, raceways, welding, and raceway supports) were inspected by Stone & Webster personnel classified as trainees with Associate Degrees. Installations inspected by these trainees were accepted by Stone & Webster even though the trainees were not certified because they did not possess the required three months inspection experience.

- B. Criterion XVII of Appendix B requires, in part, that sufficient records be maintained to furnish evidence of activities affecting quality.

However, Stone & Webster Level II quality assurance inspectors signed several inspection reports indicating they had performed the inspection when, in fact, the inspections were performed by a trainee. Stone & Webster's first and second line supervision was aware of this practice, but did not take action to discontinue it.

This is a Severity Level III violation (Supplement II)
Civil Penalty - \$100,000

Pursuant to 10 CFR 2.201, the Niagara Mohawk Power Corporation is hereby required to submit to the Director, Office of Inspection and Enforcement, USNRC, Washington, D. C. 20555, with a copy to this office, within 30 days of the date of this Notice, a written statement or explanation, including: (1) admission or denial of the alleged violation; (2) the reasons for the violation if admitted; (3) the corrective steps which have been taken and the results achieved; (4) the corrective steps which will be taken to avoid further violations; and (5) the date when full compliance will be achieved. 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, Niagara Mohawk Power Corporation may pay the civil penalty in the amount of One Hundred Thousand Dollars (\$100,000) for the violation, or may protest imposition of the civil penalty in whole or in part by a written answer. Should Niagara Mohawk Power Corporation fail to answer within the time specified, the Director, Office of Inspection and Enforcement will issue an order imposing the civil penalty in the amount proposed above. Should Niagara Mohawk Power Corporation elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalty, such answer 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 five factors contained in Section IV.B of 10 CFR Part 2, Appendix C, 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 by specific reference (e.g. giving page and paragraph numbers) to avoid repetition. Niagara Mohawk Power Corporation's attention is directed to the other provisions of 10 CFR 2.205, regarding the procedure for imposing a civil penalty.

Upon failure to pay the civil penalty due, which has been subsequently 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.

FOR THE NUCLEAR REGULATORY COMMISSION

ORIGINAL SIGNED BY:

JAMES M. ALLAN

James M. Allan
Acting Regional Administrator

Dated at King of Prussia, Pennsylvania
this 26 day of April 1983.

OFFICIAL RECORD COPY