

AUG 09 1982

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Docket No. 50-298  
EA 82-46

Nebraska Public Power District  
ATTN: Mr. H. B. Kasman,  
Chairman of the Board of Directors  
P.O. Box 499  
Columbus, Nebraska 68601

Gentlemen:

During January 1982 the NRC Region IV Emergency Preparedness Analyst had a telephone conversation with two members of the Nebraska Public Power District (NPPD) management organization to obtain information on the status of the prompt public notification system which was required by 10 CFR 50.54(s)(2)(i) and Section IV.D.3 of Appendix E to 10 CFR Part 50 (46 FR 63032, December 30, 1981) to be installed and tested by February 1, 1982. The Region IV Emergency Preparedness Analyst was informed by these individuals that the system was installed and operational. In a letter to the Region IV Regional Administrator dated February 8, 1982, NPPD reiterated in writing that a system was installed and operational. It is our understanding that this letter inadvertently referenced a January 1981 letter rather than a June 1981 letter for the description of the notification system. In any event, neither of the described systems was installed.

On March 9, 1982 the NRC staff had a meeting with members of the NPPD's General Office staff at the plant site to discuss the prompt public notification system. Again, members of the NPPD's staff orally confirmed that the system was installed and operational, and provided an informational handout which also indicated this status. A member of the NPPD's staff offered to demonstrate that the system was complete and operational. Accordingly, an NRC representative and the Station Superintendent visited the Nemaha, Nebraska Volunteer Fire Department to verify the status of the mobile sirens at that location. These mobile siren units (32 individual siren units distributed among 6 area volunteer fire departments) were identified by NPPD as an integral part of the prompt public notification system. During this visit, one mobile siren unit was found still in its shipping carton. In light of this discovery, the NRC Region IV Regional Administrator directed that a special inspection and an investigation be conducted to determine the status of all mobile siren units.

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

On March 11, 1982 two NRC inspectors made contact with representatives of each of the six volunteer fire departments that had received mobile siren units as part of the prompt public notification system. This inspection effort revealed five mobile siren units in their original cartons and one additional unit missing a component. Moreover, our further investigation into this matter found that those departments apparently did not receive training nor instructions as to their role in implementing the required prompt notification system. In addition, there were no written procedures to govern the operation of the mobile siren system. In effect, NPPD failed to comply with the NRC's requirements in the area of prompt public notification. After the March 11, 1982 exit interview conducted to discuss the emergency preparedness exercise, the NRC Region IV Administrator insisted that immediate administrative measures be established to assure that prompt public notification of the population within the 10 mile emergency planning zone would take place. A Confirmatory Action Letter was issued on March 12, 1982 to assure that compensatory action would be taken to provide an acceptable interim level of notification pending the modification of the installed system, the development of effective implementing procedures, and the implementation of a training program, to assure full compliance on a long-term basis with the prompt notification system requirement.

The cause of both this violation and the inaccurate communications with the Commission appears to be inadequate corporate office management attention to and involvement in completion of the prompt notification system. We understand that the plant management duty-stationed at the site was not involved with management responsibility for installation and testing of the system. This responsibility was assigned to and accepted by management personnel duty-stationed in the corporate offices in Columbus, Nebraska. The responsible corporate managers established neither QA audits nor surveillance requirements to monitor implementation of the system. Written procedures were not developed for implementation and operation of the system. The NPPD action tracking system stopped tracking the status of the mobile system in July 1981, notwithstanding that the system was not complete. Information was given to the NRC in January 1982 concerning the status of the system without checking with the project manager or lead engineer. The project manager did not question the February 8, 1982 letter even though he had information indicating the letter was not accurate. The project manager was not supportive of the lead engineer's requests for assistance nor did he seek additional resources from upper management. Management at all levels in the corporate office left implementation of the system to the lead engineer without instructions as to what was required or how to implement the system to meet the Commission's requirements. Although the lead engineer gave erroneous information to the NPPD staff, the Commission does not view his action as the cause of the violation in this case or as the basis of the attached Notice of Violation and Proposed Civil Penalty. There was no indication that management took any steps on its own initiative to determine that the February 1, 1982 deadline for installation and initial testing of the prompt notification system would be met. The failure to assure that the system was installed, operational, and tested by February 1, 1982 and to be aware of the system's status demonstrates unacceptable performance by NPPD management. This matter was discussed in an enforcement conference with Mr. D. W. Hill, two members of the NPPD Board of Directors, and a member of Mr. Hill's staff on April 12, 1982. This unacceptable performance by NPPD management, and not the erroneous information provided to the NPPD staff, constitutes the cause of the violations in this case.

We are extremely concerned with the communications in January, February, and March 1982 in which false information was provided the Commission concerning the status of the prompt notification system. The Commission views these false statements as a direct result of the NPPD management failures described above. Candor between the NRC and its licensees is fundamental to the regulatory process. Anything less than accurate and complete statements to the Commission cannot and will not be tolerated. Accordingly, in order to emphasize the need for direct licensee management involvement in the full spectrum of NRC licensed activities, and to emphasize the need for complete and accurate communications with the Commission, a civil penalty is being proposed for each of the affirmative statements made by your staff which erroneously stated that the prompt notification system was complete. Each of these statements is a material false statement and has been categorized at a Severity Level II in accordance with Supplement VII of the NRC Enforcement Policy, 10 CFR Part 2, Appendix C. In view of the serious breakdown in management controls as demonstrated by management inattention resulting in multiple false statements, the basic civil penalty for a Severity Level II violation of \$64,000 is being increased to \$96,000 for each material false statement. The flagrant misrepresentations here, on an issue so related to public health and safety and so prominent a concern to the Commission, require a substantial penalty to provide clear notice to NPPD and other licensees that similar actions cannot be tolerated. In addition, consistent with the enforcement action contemplated for licensees who had not completed installation and initial testing of the prompt public notification system by March 1, 1982, a civil penalty of \$1000 is being proposed for each day between March 1 and March 12, 1982 during which time NPPD failed to complete the required installation and testing. Similarly, civil penalties are not being proposed for the noncompliance during the month of February. This continuous violation has been categorized as a Severity Level III violation. The civil penalty proposed for this period is \$12,000. The total civil penalty proposed is \$300,000.

You are required to respond to the Notice of Violation and Proposed Imposition of Civil Penalty and, in preparing your response, you should follow the instructions specified in the Notice.

In addition we have enclosed an Order Modifying License (Immediately Effective) which requires NPPD to submit a plan and implement it, after NRC approval, for the purpose of improving management control and oversight of licensed activities.

You are also directed to meet with me within 30 days to explain the cause of the lack of control of licensed activities, to describe what actions have been taken to assure that the underlying causes of this violation are well understood and corrected and to discuss those actions that you have taken or plan to take in response to the enclosed Order to assure that management is properly conducting nuclear related activities. In addition, we will expect you to explain what steps have been taken or will be taken to assure that communications between NPPD and NRC are complete and accurate and that employees at all levels within NPPD understand that nothing less is acceptable. You should bring with you to this meeting the individuals involved in this matter. Please contact James Lieberman, Director of Enforcement, (301) 492-4909, to make arrangements for this meeting.

Your response to the enclosed Notice and the information presented during our forthcoming meeting will be the basis for determining what additional enforcement action, if any, should be taken, including the appropriateness of action against employees involved in this matter. We will also consider whether additional enforcement action should be taken for continuing noncompliance with the prompt notification requirements between March 13, 1982 and the date of compliance.

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 enclosure will be placed in the NRC Public Document Room.

The responses directed by this letter and the enclosed Appendix are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

Sincerely,

Original Signed By

R. C. DeYoung

Richard C. DeYoung, Director  
Office of Inspection and Enforcement

Enclosure:

Notice of Violation and Proposed  
Imposition of Civil Penalty  
Order Modifying License  
(Immediately Effective)

IE:ES  
JHenderson  
8/6/82

RIV

1 / 82

R. Hoefling  
ELD  
by phone  
8/6/82  
JH

ES:D for  
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8/6/82

IE:PD  
JShiezek  
8/9/82

IE:PD  
RDeYoung  
8/9/82

Nebraska Public Power District

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