

DMB

Docket No. 50-461
EA 82-93

Illinois Power Company
ATTN: Mr. W. C. Gerstner
Executive Vice President
500 South 27th Street
Decatur, IL 62525

Gentlemen:

This refers to the investigation conducted by Region III during the period January 5 to March 3, 1982, of electrical construction activities at the Clinton Nuclear Power Station. The investigation was initiated as a result of allegations made to the NRC senior resident inspector at the Clinton site. The allegations were made by several electrical quality control (QC) inspectors who are employed by Baldwin Associates, your principal contractor.

The findings of the investigation reveal a breakdown of your quality assurance (QA) program, as related to electrical construction. This is evidenced by numerous examples of noncompliance with eleven of the eighteen criteria for a quality assurance program as set forth in Appendix B of 10 CFR Part 50. As a result of preliminary investigation findings, Illinois Power Company issued a Stop Work Order for specified electrical construction activities. On January 27, 1982, the Region III Office issued a Confirmatory Action Letter addressing the Stop Work Order and describing programmatic changes that would be necessary prior to the resumption of such work. The principal cause of the breakdown, in our view, was Illinois Power Company's failure to exercise adequate oversight and control over its principal contractor to whom the work of establishing and executing quality assurance programs had been delegated.

Another finding of significant concern to us relates to the intimidation of quality control inspectors by Baldwin Associates management personnel. This is clearly a barrier to effective implementation of a quality assurance program and results in the loss of the organizational independence

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described in Criterion I of Appendix B to 10 CFR Part 50. The importance of this matter is reflected in the recent amendment (Public Law 96-295, June 30, 1980) to the Atomic Energy Act of 1954, which added Section 235 relating to protection of nuclear inspectors such as your contractor's quality control inspectors. The safety significance of the above matters was initially discussed during a management meeting on January 29, 1982, attended by you and members of your staff and by NRC representatives from the Office of Nuclear Reactor Regulation and the Region III Office. We acknowledge that you initiated corrective action immediately following the January 29 meeting. These matters were further discussed on April 8, 1982, during an enforcement conference in the Region III Office between members of your staff and the Region III staff.

In order to emphasize the need for licensees to maintain a work atmosphere where quality assurance personnel are not intimidated, and to assure implementation of an effective quality assurance program that identifies and corrects construction deficiencies, we propose to impose civil penalties for the items set forth in the Appendix to this letter. The violations in the Appendix have been categorized at the severity levels described in the NRC Enforcement Policy published in the Federal Register, 47 FR 9987 (March 9, 1982). The base value for each of the two Severity Level III violations is \$40,000. However, after considering the circumstances of the violations, and the multiple occurrences, we are increasing the amount of the civil penalty for Violation B to \$50,000. After consultation with the Director of the Office of Inspection and Enforcement, I have been authorized to issue the enclosed Notice of Violation and Proposed Imposition of a Civil Penalty in the cumulative amount of Ninety Thousand Dollars. I am particularly concerned by the number of instances where Baldwin Associates electrical QC supervisors took disposition actions which were not consistent with established QC program procedures, and the instances where Baldwin electrical construction staff apparently ignored QC stop work actions. Instances such as these raise questions on the effectiveness of the Baldwin project administration, and the Illinois Power Company quality assurance program.

You are required to respond to this letter and should follow the instructions in the Appendix when preparing your response. Your reply to this letter and the results of future inspections will be considered in determining whether further enforcement action is appropriate.

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.