

UNITED STATES
NUCLEAR REGULATORY COMMISSION

In the Matter of

Sacramento Municipal Utility District
Rancho Seco Nuclear Generating Station

)
)
)
)

Docket No. 50-312
License No. DPR-54
EA 82-50

ORDER IMPOSING CIVIL MONETARY PENALTIES

I

Sacramento Municipal Utility District, 6201 S. Street, P. O. Box 15830, Sacramento, California 95813 (the "licensee") is the holder of License No. DPR-54 (the "license") issued by the Nuclear Regulatory Commission (the "Commission") which authorizes the licensee to operate the Rancho Seco Nuclear Generating Station in Sacramento County, California, in accordance with conditions specified therein. The license was issued on August 16, 1974.

II

A special inspection of the licensee's activities under the license was conducted on February 11 through April 28, 1982 at the Rancho Seco Nuclear Generating Station in Sacramento County, California. As a result of this inspection, it appears that the licensee had not conducted its activities in full compliance with the conditions of its license. A written Notice of Violation and Proposed Imposition of Civil Penalties was served upon the licensee by letter dated June 24, 1982. The Notice states the nature of the violations, and the license conditions which the licensee had violated, and the amount of civil penalty proposed for each violation. An answer dated August 31, 1982 to the Notice of Violation and Proposed Imposition of Civil Penalties was received from the licensee.

III

Upon consideration of the answers received and the statements of fact, explanation, and argument for mitigation of the proposed civil penalties contained therein, as set forth in the Appendix to this Order, the Director of the Office of Inspection and Enforcement has determined that the penalties proposed for the violations designated in the Notice of Violation and Proposed Imposition of Civil Penalties should be imposed.

IV

In view of the foregoing 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, IT IS HEREBY ORDERED THAT:

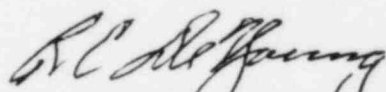
The licensee pay civil penalties in the amount of One Hundred Twenty Thousand Dollars (\$120,000) within thirty days of the date of this Order, by check, draft, or money order, payable to the Treasurer of the United States and mailed to the Director of the Office of Inspection and Enforcement, USNRC, Washington, D.C. 20555.

V

The licensee may within thirty days of the date of this Order request a hearing. A request for a hearing shall be addressed to the Director, Office of Inspection and Enforcement. A copy of the hearing request shall also be sent to the Executive Legal Director, USNRC, Washington, D.C. 20555. If a hearing is requested, the Commission will issue an Order designating the time and place of hearing. If the licensee fails to request a hearing within thirty days of the date of this Order, the provisions of this Order shall be effective without further proceedings; if payment has not been made by that time, the matter may be referred to the Attorney General for collection. In the event the licensee requests a hearing as provided above, the issues to be considered at such hearing shall be:

- (a) whether the licensee violated NRC license conditions as set forth in the Notice of Violation and Proposed Imposition of Civil Penalties; and
- (b) whether, on the basis of such violations, this Order should be sustained.

FOR THE NUCLEAR REGULATORY COMMISSION



Richard C. DeYoung, Director
Office of Inspection and Enforcement

Dated at Bethesda, Maryland
this 26 day of October 1982

APPENDIX

EVALUATION AND CONCLUSION

The licensee admits all of the violations as set forth in the Notice of Violation dated June 24, 1982. In the licensee's response dated August 31, 1982, reasons given for the cited violations included inadequate equipment design, inadequate training, inadequate procedures and failure to follow established procedures. Nonetheless, the licensee included in the response a request for mitigation of the proposed civil penalties pursuant to the provision of 10 CFR 2.205(b) on the following bases:

1. Although the circumstances regarding the inoperability of the "B" diesel generator were similar to those reported in LER-81-33, the licensee contends that appropriate corrective action had been initiated to move the open relay condition from the "Diesel Trouble" alarm to the "Diesel Not Ready for Auto Start" alarm, and, further to investigate better relay marking techniques to insure that disabling conditions would be identified and therefore contends that an increased penalty for inadequate corrective action is improper and unnecessary.
2. With respect to the violation involving the inoperability of the "B" HPI pump, the licensee contends that the events associated with LER 79-11 and reportable occurrences which led to the 1980 enforcement action are not similar and, therefore, penalties beyond the base penalty should not be imposed. As defined in the NRC Enforcement Policy "similar" refers to "those violations which could have been reasonably expected to have been prevented by the licensee's corrective action for previous violations."
3. The fact that the violations were discovered by the licensee, promptly reported to NRC, and comprehensive corrective action initiated prior to the NRC issuing the Notice of Violation along with the contention that neither violation represented multiple examples of a particular violation during the inspection period, is contended by the licensee to warrant consideration of a reduction in the civil penalty.

The licensee's first contention fails to fully recognize that the event described in LER 81-33 occurred on June 11, 1981, some eight months prior to the occurrence which resulted in the current civil penalty action. At that time the licensee stated that to preclude a recurrence more effective relay marking techniques would be developed to assist the operators in detecting open relays during their shift checks. In the licensee's current response to the notice of violation the licensee states that once again an open breaker was not discovered by the routine shift checks nor during investigation of the trouble alarm. Since then, white indicating boxes have been added to each relay cover where trip flag indicators are located to assist operators in locating and checking the status of all relay targets.

In addition, evidently, subsequent to the event reported in LER 81-33, the licensee failed to review the circuitry and assure that all identified fault relays that would prevent the diesel from operating were properly put on the diesel generator "Auto Start Inoperable" alarms.

The Commission requires licensee's to perform prompt competent evaluations of events that impact on the safety of facility operations as well as to initiate and complete appropriate corrective action in a timely manner. Nothing less is acceptable. Therefore, the licensee's contention that they had identified the problem and initiated action, some eight months previous is without merit in view of the recurrence of the events and the simplicity of the changes made to reduce the likelihood of operator error subsequent to the subject violation. The Commission also expects the licensee to assure that all personnel operating equipment in a nuclear power plant be appropriately qualified to perform assigned duties. Again, nothing less is acceptable. Therefore, the reasons set forth by the licensee as the cause of the violation relating to inadequate training are inexcusable and without merit.

The licensee's second contention is also without merit. The corrective action for the mispositioned switch reported in LER 79-11 was to institute a log sheet and verify the switch position every eight hours. A similar procedural provision was required for the breaker charging spring status for the HPI pump. In addition, the 1980 NRC Order specifies:

(1) "Administrative procedures shall be adopted and implemented to require independent verification of valving line-ups and equipment operability (Emphasis added) whenever safety related equipment is removed from or placed in service." and (2) "Existing administrative procedures and controls shall be reviewed and revised as necessary to assure that operating procedures are readily updated and maintained to reflect changes in safety related plant systems or their operation."

The licensee's response focused on the operations personnel's misunderstanding of the meaning of the diesel generator alarm indicator light. The response ignored the cause of the violation. Had the equipment been properly returned to service and had the fault flag been recorded as required, this violation could have been prevented. However, the licensee contends that due to operations personnel's misunderstanding, this violation is not similar to previous items. As used in the NRC enforcement policy previously stated above, the term "similar" means those violations which could have been reasonably expected to have been prevented by licensee's corrective action for previous violations. For the case in point, the events associated with the previous LER and the Order clearly demonstrate the need to assure that any and all switches, breakers and other safety related equipment are routinely verified to be correctly positioned. Failure on the part of procedures or implementation of the procedures to accomplish special or routine verifications are by definition similar. It can be reasonably expected that the corrective action should prevent future similar type violations. The policy does not require that the equipment or system be the same as implied in the licensee's response. Consequently, the staff disagrees with the licensee's assertion that the 1980 Order is irrelevant to the cited violations.

The licensee's final contention is also without merit. The "Diesel Trouble" alarm could not be cleared after the suspected cause had been corrected. The inoperability of the HPI was discovered when an attempt to start the pump resulted in its failure to start. Also, the licensee's procedures required the operations personnel to check the status of the equipment every eight hours. The inoperability of the equipment should have been discovered earlier had the procedures been properly implemented. Concerning the factor of multiple examples of a violation, the civil penalty amount was not increased based upon the existence of multiple examples. Additionally, the enforcement policy does not provide for mitigation on the basis of the absence of multiple examples of a particular violation. In view of the circumstances associated with these violations and information available to the licensee concerning the existence of a problem, the staff concludes that credit for self identification is not appropriate.

Based on the foregoing the staff believes a reduction of the penalty would be contrary to the stated enforcement policy and therefore unwarranted. Further, the staff finds no basis set forth by the licensee in his request for mitigation to grant a reduction of the penalty for these violations and that the penalty is proper and necessary to provide the licensee an incentive to conduct the licensed activities not only to the letter, but also, to the intent of the regulatory requirements.