

DMB. file

~~SAFEGUARDS INFORMATION~~

AUG 24 1983

Docket No. 50-255
EA 83-71

Consumers Power Company
ATTN: Mr. R. B. DeWitt
Vice President
Nuclear Operations
212 West Michigan Avenue
Jackson, MI 49201

Gentlemen:

This refers to the special safeguards inspection conducted by Messrs. B. W. Stapleton and T. J. Madeda of the Region III staff on May 26, 1983, of activities at the Palisades Nuclear Plant authorized by NRC Operating License No. DPR-20. The results of this inspection were discussed on June 23, 1983 during an Enforcement Conference held at the NRC Region III office between you and members of your staff and Mr. A. B. Davis and other members of the Region III staff.

This inspection revealed that you did not adequately control access into the protected area of your facility. We are concerned that the access control system in place at the time of the incident did not provide the level of protection described in your security plan.

To emphasize the need to ensure that the approved security plan and implementing procedures are followed and to be cognizant of the potentially serious consequences of an unauthorized entry, we propose to impose a civil penalty for the violation set forth in the Notice of Violation and Proposed Imposition of Civil Penalty that is enclosed with this letter.

The violation in the enclosed Notice has been categorized at the appropriate severity level as described in the General Policy and Procedure for NRC Enforcement Actions (Appendix C to 10 CFR Part 2). The base value for a Severity Level III violation is \$40,000. However, in accordance with the NRC Enforcement Policy, we are reducing the amount of the civil penalty by 50 percent because of your prompt and extensive corrective action, including immediate disciplinary action and retraining for the individuals involved and increases in the licensee audit and surveillance program, contract agency performance objectives, and security incentive program. 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 Civil Penalty in the amount of Twenty Thousand Dollars.

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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PDR ADOCK 05000255
G PDR

Enclosure Contains
SAFEGUARDS INFORMATION
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In your response to this letter, please follow the instructions in the Notice. Your response should specifically address corrective actions you have taken or plan to take for ensuring that personnel access control requirements are met.

Your written reply to this letter and Notice of Violation and the findings of our continuing inspection of your activities will be considered in determining whether further enforcement action is appropriate.

Areas examined during this inspection concern a subject matter which is exempt from disclosure according to Section 73.21(c)(2) of Title 10, Code of Federal Regulations. This information must be handled and protected in accordance with the provisions of 10 CFR 73.21. Consequently, our report of this inspection will not be placed in the Public Document Room. In your reply to the Notice of Violation and Proposed Imposition of Civil Penalty, you should place all safeguards information, as defined in 10 CFR 73.21, only in enclosures so as to allow your letter to be placed in the Public Document Room.

The response directed by this letter and the enclosed Notice 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
James G. Keppler

James G. Keppler
Regional Administrator

Enclosures:

1. Notice of Violation and
Proposed Imposition of Civil Penalty
2. Inspection Report No. 50-255/83-14(DRMSP)
(UNCLASSIFIED SAFEGUARDS INFORMATION)

cc w/encls:

D. J. VandeWalle, Nuclear
Licensing Administrator
R. W. Montross, Manager

RIII

Miller/jb
8/19/83

RIII

Hand
8/23/83

RIII

Lewis

RIII

WBS
Schultz
8-24-83

RIII

Davis
8/24

RIII

Keppler
8/24/83

AUG 24 1983

Distribution (w/o Safeguards Information)

PDR

NSIC

LPDR

ACRS

SECY

CA

RCDeYoung, IE

JA Axelrad, IE

JLieberman, ELD

VStello, DED/ROGR

FIngram, PA

* JKeppler, RIII

Enforcement Coordinator

RI, RII, RIII, RIV, RV

JCummings, OIA

BHayes, OI

HDenton, NRR

MWilliams, NRR

JCrooks, AEOD

EJordan, IE

JTaylor, IE

CThayer, IE

* RRosano

RBurnett, NMSS

ES File

EA File

EDO Rdg File

DCS

Frank J. Kelley, Atty. Gen.

Law Bldg., 7th Fl.

Lansing, MI 48913

Daniel J. Demlow, Chmn.

Public Service Commission

Dept. of Commerce

6545 Mercantile Way

Lansing, MI 48909

* w/Safeguards Information