

NUREG-0940
Vol. 14, No. 2, Part 2
Reactor Licensees

Enforcement Actions: Significant Actions Resolved Reactor Licensees

Quarterly Progress Report
April - June 1995

U.S. Nuclear Regulatory Commission

Office of Enforcement



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Washington, DC 20555-0001



ABSTRACT

This compilation summarizes significant enforcement actions that have been resolved during one quarterly period (April - June 1995) and includes copies of letters, Notices, and Orders sent by the Nuclear Regulatory Commission to reactor licensees with respect to these enforcement actions. It is anticipated that the information in this publication will be widely disseminated to managers and employees engaged in activities licensed by the NRC, so that actions can be taken to improve safety by avoiding future violations similar to those described in this publication.

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ENFORCEMENT ACTIONS: SIGNIFICANT ACTIONS RESOLVED
REACTOR LICENSEES

April - June 1995

INTRODUCTION

This issue and Part of NUREG-0940 is being published to inform Nuclear Regulatory Commission (NRC) reactor licensees about significant enforcement actions and their resolution for the second quarter of 1995. These enforcement actions are issued in accordance with the NRC's Enforcement Policy, "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C. Enforcement actions are issued by the Deputy Executive Director for Nuclear Reactor Regulation, Regional Operation and Research (DEDR), and the Regional Administrators. The Director, Office of Enforcement, may act for the DEDR in the absence of the DEDR or as directed. The NRC defines significant enforcement actions or escalated enforcement actions as civil penalties, orders, and Notices of Violation for violations categorized at Severity Level I, II, and III (where violations are categorized on a scale of I to IV, with I being the most significant).

The purpose of the NRC Enforcement Program is to support the agency's safety mission in protecting the public and the environment. Consistent with that purpose, the NRC makes this NUREG available to all reactor licensees in the interest of avoiding similar significant noncompliance issues. Therefore, it is anticipated that the information in this publication will be widely disseminated to managers and employees engaged in activities licensed by NRC.

A brief summary of each significant enforcement action that has been resolved in the second quarter of 1995 can be found in the section of this report entitled "Summaries." Each summary provides the enforcement action (EA) number to identify the case for reference purposes. The supplement number refers to the activity area in which the violations are classified in accordance with the Enforcement Policy.

Supplement I	- Reactor Operations
Supplement II	- Facility Construction
Supplement III	- Safeguards
Supplement IV	- Health Physics
Supplement V	- Transportation
Supplement VI	- Fuel Cycle and Materials Operations
Supplement VII	- Miscellaneous Matters
Supplement VIII	- Emergency Preparedness

Section A of this report consists of copies of completed civil penalty or Order actions involving reactor licensees, arranged alphabetically. Section B includes copies of Notices of Violation that were issued to reactor licensees for a Severity Level I, II, or III violation, but for which no civil penalties were assessed. Section C includes a copy of a Notice of Violation that was issued to a non-licensed vendor for a Severity Level III violation, but for which no civil penalty was assessed.

The NRC publishes significant enforcement actions taken against individuals and involving materials licensees as Parts I and III of NUREG-0940, respectively.

SUMMARIES

A. CIVIL PENALTIES AND ORDERS

Commonwealth Edison Company, Downers Grove, Illinois
(Braidwood Nuclear Station), Supplement I, EA 95-041

A Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$100,000 was issued May 2, 1995, to emphasize the need for ensuring a questioning attitude, the proper restoration of systems following ILRTS, and a proper threshold for initiating Problem Identification Forms. The action was based on violations which collectively represented a significant failure to comply with the action statement of the technical specifications. One containment hydrogen monitor was rendered inoperable by maintenance errors and left in a condition that, should the system be actuated as directed by procedure in a post-LOCA scenario, would have provided a containment bypass path into the auxiliary building. The licensee responded and paid the civil penalty on May 30, 1995.

Commonwealth Edison Company, Downers Grove, Illinois
(Dresden Station), Supplement I, EA 95-030

A Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$100,000 was issued April 5, 1995, to emphasize the need for strict adherence to procedures, and implementation of adequate procedures. The action was based on an inspection conducted at the facility and involved several violations associated with violations of the technical specification, inadequate procedures and failure of licensee workers and operators to follow procedures. The licensee responded and paid the civil penalty on May 5, 1995.

Consumers Power Company, Jackson, Michigan
(Big Rock Point Nuclear Plant), Supplement I, EA 95-057

A Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$50,000 was issued May 24, 1995, to emphasize the need for increased management involvement to ensure that important plant systems are fully understood by plant personnel. The action was based on a number of violations that resulted in an extended period of degradation of one water path for ECCS. The violations involved inadequate training and procedures, failure to inspect and test a key strainer, and failure to investigate and correct the cause of numerous differential pressure alarms. The licensee responded and paid the civil penalty on June 22, 1995.

Florida Power Corporation, Crystal River, Florida
(Crystal River), Supplement I, EA 95-016

A Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$25,000 was issued March 24, 1995, to emphasize the importance of ensuring compliance with technical specification (TS) requirements and that the licensee's TS setpoint control program is effectively implemented. The action was based on four violations of TS requirements

which involved failures to ensure that trip setpoints for safety-related instrumentation were conservatively set with respect to the value required by TSS. The affected instrumentation included, in part, setpoints for RCS variable low pressure, high pressure and low pressure injection bypass permissive removal, and shutdown bypass RCS high pressure. The licensee responded and paid the civil penalty on April 21, 1995.

Houston Lighting & Power Company, Wadsworth, Texas
(South Texas Project), Supplement VII, EA 93-056

A Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$100,000 and Demand for Information was issued October 26, 1994, to emphasize the high level of importance that the NRC attaches to establishing and maintaining an environment in which employees feel free to raise concerns without fear of retaliation, and preventing acts of discrimination against employees who raise concerns about licensed activities. The action was based on an investigation and several inspections and consisted of an apparent violation for discrimination by two facility managers who revoked a former contract worker's unescorted access authorization because the worker engaged in protected activities. The licensee responded to the NOV and Demand and the two facility managers responded to the Demands in letters dated December 22, 1994. The licensee and the individuals requested hearings. In response to those requests an enforcement conference was held. Based on information presented at the enforcement conference and in the responses, the NRC staff concluded that, on balance, the current record supports the view that it was not unreasonable for the licensee to reevaluate the former contract worker's unescorted access and that multiple omissions of potentially derogatory information provided a legitimate basis for the licensee to revoke the contract worker's access. Consequently, the Notice of Violation and Proposed Imposition of Civil Penalty was withdrawn on May 5, 1995.

Northeast Nuclear Energy Company, Hartford, Connecticut
(Millstone Nuclear Power Station), Supplement I, EA 95-031

A Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$50,000 was issued May 24, 1995, to emphasize the importance of (1) prompt identification, evaluation, and correction of any indications of conditions adverse to quality at the facility, and (2) the licensee's staff being technically inquisitive and maintaining a questioning attitude regarding potential problems identified by vendors or contractors. The action was based on violations associated with the licensee's failure to identify that the containment sump recirculation valves were susceptible to becoming pressure locked shut in certain accident conditions. In particular, a contractor study had identified the valve vulnerability in an October 1994 report but the licensee took no action until January 1995. The licensee responded and paid the civil penalty on June 27, 1995.

Public Service Electric and Gas Company, Hancocks Bridge, New Jersey
(Salem Nuclear Generating Station), Supplement VII, EA 94-239

A Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$80,000 was issued April 11, 1995, to emphasize the importance of continuously assuring a work environment that is free of any harassment, intimidation, or discrimination against those who raise safety concerns. The action was based on an investigation and involved a violation for the harassment and intimidation against two safety engineers by senior managers at the licensee's facility. The harassment and intimidation of the engineers took place over a two month period after the engineers identified safety concerns to the licensee managers. The licensee responded and paid the civil penalty on May 10, 1995.

Washington Public Power Supply System, Richland, Washington
(Washington Nuclear Project-2), Supplement I, EA 95-036

A Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$50,000 was issued May 18, 1995, to emphasize the significance the NRC places on the control of licensed activities, through the implementation of an effective maintenance and corrective action process, and to identify, correct, and prevent equipment deficiencies that directly affect safety-related system operability and to preclude technical specification violations. The licensee responded and paid the civil penalty on June 20, 1995.

B. SEVERITY LEVEL I, II, AND III VIOLATIONS, NO CIVIL PENALTY

Consolidated Edison Company of New York, Inc., Buchanan, New York
(Indian Point 2), Supplement V, EA 95-119

A Notice of Violation was issued June 23, 1995 based on a violation associated with radiation levels in excess of the regulatory limits on a shipment of radioactive material from the licensee's facility to Oak Ridge, Tennessee. A civil penalty was not proposed because of the licensee's prompt and comprehensive corrective actions, and the licensee's prior good history in the transportation area.

Robert W. Ingle
Supplement I, IA 95-019

A Notice of Violation was issued June 23, 1995 based on a violation involving the licensee's positive test for marijuana. The NRC was informed of the confirmed positive test for marijuana in a letter dated June 12, 1995 from the licensee's employer.

Jeffrey Johnson
Supplement VII, IA 95-023

A Notice of Violation was issued June 29, 1995 based on a violation involving the falsification of the personal qualification statement submitted by the licensee to take the SRO examination. A civil penalty was not proposed because the licensee was terminated by his employer in March 1994, has not worked in the nuclear industry since the termination, and has no plans to return to the nuclear industry.

Maine Yankee Atomic Power Company, Brunswick, Maine
(Maine Yankee Atomic Power Plant), Supplement IV, EA 95-061

A Notice of Violation was issued June 1, 1995 based on violations involving multiple failures to perform radiological surveys that resulted in unplanned exposures. The first event involved the failure to identify, during surveys in the reactor cavity upender pit, a very localized high radiation source with dose rates subsequently measured as high as 400 R/hr. In the second event, the radiation survey performed inside the reactor coolant pump element handling can was not representative of actual dose rates. A civil penalty was not proposed because the licensee identified the violations and took prompt and comprehensive corrective actions once the violations were identified, the licensee's overall good enforcement history during the past two years and a Category I SALP rating during the most recent SALP period.

Pennsylvania Power and Light Company, Allentown, Pennsylvania
(Susquehanna Steam Electric Station), Supplements III and VII, EA 94-212

A Notice of Violation was issued May 9, 1995 based on a violation involving the licensee's records documenting the requalification of members of its security organization. In September 1992 a security shift supervisor was proctoring an examination for his shift as part of the recertification process and deliberately compromised the examination. A civil penalty was not proposed because, subsequent to the identification of the violation, actions were taken to correct the violation and prevent recurrence and in view of the licensee's overall good enforcement history during the past two years, as well as Category I SALP rating.

Calvin Vondra
Supplement VII, IA 95-009

A Notice of Violation was issued April 11, 1995 based on an investigation which concluded that the individual took action that involved harassment and intimidation of two Safety Review Group engineers who were engaged in protected activities at the Salem Nuclear Generating Station. An Order precluding further involvement in nuclear activities was not issued because (1) the licensee took prompt disciplinary action and issued a letter of reprimand, required the individual to give a presentation regarding the events to senior managers, subsequently replaced the individual as General Manager, and assigned the individual to a position not involving NRC-licensed activities, which resulted in a reduction in pay, and (2) the individual was candid and remorseful at the enforcement conference during which the individual acknowledged that he had erred and had exercised poor judgment in the matter.

Darryl R. Zdanavage
Supplement VII, IA 95-011

A Notice of Violation was issued May 9, 1995 based on an investigation which concluded that the individual deliberately and improperly provided

assistance in answering questions to some members of the security shift at the Susquehanna Steam Electric Station, after they had completed a written recertification examination in September 1992. An Order restricting involvement in NRC-licensed activities was not issued because at the enforcement conference the individual acknowledged that he had erred and exercised poor judgment.

C. NON-LICENSED VENDOR (PART 21), NO CIVIL PENALTY

Unistrut Corporation, Wayne, Michigan
Supplement VII, EA 91-020

A Notice of Violation was issued June 16, 1995 based on an investigation that involved Unistrut Corporation procuring commercial-grade fasteners from the General Fastener Company and, without dedicating the commercial-grade fasteners for use as basic components, supplying them to the nuclear industry as safety-related basic components, and issuing certificates of conformance to NRC licensees which certified that the fasteners complied with NRC regulatory requirements.

A. CIVIL PENALTIES AND ORDERS



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION III
801 WARRENVILLE ROAD
LISLE, ILLINOIS 60532-4351

May 2, 1995

EA 95-041

Commonwealth Edison Company
ATTN: Mr. Michael J. Wallace
Vice President,
Chief Nuclear Officer
1400 Opus Place, Suite 300
Downers Grove, Illinois 60515

Dear Mr. Wallace:

SUBJECT: BRAIDWOOD NUCLEAR STATION
NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY -
\$100,000
(NRC Inspection Report Nos. 50-456/457/95005(DRP))

This refers to the inspection conducted during the period of January 24 through March 3, 1995, at Braidwood Nuclear Station to review the circumstances surrounding the Unit 2 containment hydrogen monitor system being inoperable. During the inspection, violations of NRC requirements were identified. The report documenting this inspection was sent to you by letter dated March 14, 1995. You reported this event in a Licensee Event Report dated March 17, 1995. An enforcement conference was held on March 21, 1995, to discuss the violations, their causes, and your corrective actions. The report documenting the conference was sent to you by letter dated March 31, 1995.

Trains A and B of the containment hydrogen monitor system were disconnected for the Integrated Leak Rate Test (ILRT) which was completed on November 9, 1994. This involved disconnecting the inlet and outlet sensing lines inside each monitor cabinet and attaching balloons over the ends of the lines leading to and from containment. An operator was sent to reconnect the lines following the ILRT in preparation for restart on November 9, 1994. However, because of an inadequate ILRT procedure and a lack of questioning attitude on the part of the operator, the operator only looked outside the monitor cabinet and incorrectly concluded that the sensing lines had already been reconnected. Further, the practice of using system engineers to assist operators in restoring systems following an ILRT had been discontinued by the Licensee prior to the ILRT.

On December 11, 1994, instrument maintenance (IM) technicians missed identifying the balloons inside the train A cabinet during a surveillance, although they were working only six inches away from the balloons. At some other time, an IM technician found train B disconnected. After consultation with his supervisor, he reconnected train B but did not identify the deficiency on a Problem Identification Form (PIF). The IM technician and his supervisor failed to recognize the significance of the finding. The NRC had concluded that the train B reconnection occurred on December 20, 1994. After

the inspection, the Licensee provided a record of the train B readings which indicate that train B may have been reconnected sometime earlier. On February 3, 1995, train B was taken out of service to investigate why it was reading higher than train A. On February 15, 1995, with the train B still out of service for troubleshooting, an IM technician found that train A was disconnected.

The enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice) describes two violations involving (1) the train A hydrogen monitor being inoperable from November 15, 1994, until February 3, 1995, and (2) both the train A and B hydrogen monitors being inoperable from February 3 until February 15, 1995.

The safety significance of the occurrence is that for an extended period, the hydrogen monitoring system was configured such that if a loss of coolant accident (LOCA) would have occurred, a leak path from containment would have been created when operators aligned train A to sample containment for hydrogen. Diagnosis and isolation of this leak would have been essential to prevent exceeding Part 20 exposure limits to control room personnel and Part 100 release limits to the public. This diagnosis would potentially have been difficult, given that operators would likely have been focused on mitigating the initial accident, and the disconnected sensing line inside the hydrogen monitor cabinet may not have been apparent.

The violations collectively represent a significant failure to comply with the action statement for a technical specification limiting condition for operation where the appropriate action was not taken. Therefore, in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," (Enforcement Policy) 10 CFR Part 2, Appendix C, the violations have been classified in the aggregate as a Severity Level III problem.

We acknowledge the corrective actions you took or plan to take for the violations. These include but are not limited to: (1) promptly restoring both hydrogen monitors to operable status; (2) initiating an investigation by the Braidwood root cause team; (3) verifying that all other systems in Unit 1 and Unit 2 were properly restored following their respective ILRTs; (4) revising the ILRT line-up and restoration sheets for the hydrogen monitors; (5) reviewing all ILRT line-up and restoration sheets for both units to ensure there are adequate instructions; and (6) reviewing the associated Licensee Event Report with the operations, maintenance, and systems engineering department personnel.

However, at the enforcement conference your presentation failed to address a number of issues. First, you did not address corrective actions for the missed prior opportunities you had to identify and correct this problem. These included: (1) maintenance personnel's failure to properly document plant deficiencies which they observed on problem identification forms (PIFs) although your own safety assessment quality verification personnel had previously identified problems in this area; and (2) the lack of questioning attitude exhibited by the operator who was assigned to restore the monitors

following the ILRT, by the IM technicians who missed identifying the balloons during the December 11, 1994 surveillance, and by the decision to troubleshoot for 11 days on the higher reading train B monitor. Further, you did not discuss your investigation into the circumstances surrounding the reconnection of train B until prompted by the NRC. We also note that subsequent to the enforcement conference your investigation into this matter has been unusually slow.

To emphasize the need for ensuring a questioning attitude, the proper restoration of systems following ILRTs, and a proper threshold for initiating Problem Identification Forms, I have been authorized after consultation with the Director, Office of Enforcement to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice) in the amount of \$100,000 for the Severity Level III problem. The base value of a civil penalty for a Severity Level III problem is \$50,000. The civil penalty adjustment factors in the Enforcement Policy were considered.

The civil penalty was mitigated 50 percent for the identification factor in that you identified the individual violations. The civil penalty was not mitigated for your corrective actions because, while adequate, we had concerns in this area as discussed above. The civil penalty was mitigated 50 percent for your good past performance; 100 percent mitigation for past performance was considered not to be appropriate due to your recent escalated enforcement history. The civil penalty was escalated 100 percent for the prior opportunities you had to identify the Severity Level III problem. The civil penalty was further escalated 100 percent for the 91 day duration of the significant problem. On balance, this resulted in an escalation of the base civil penalty by 100 percent to \$100,000.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

The responses 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, Public Law No. 96-511.

Sincerely,



John B. Martin
Regional Administrator

Docket Nos. 50-456; 50-457
License Nos. NPF-72; NPF-77

Enclosure:
Notice of Violation and Proposed
Imposition of Civil Penalty

cc w/enclosure:
K. Kaup, Site Vice President
J. C. Brons, Vice President,
Nuclear Support
K. Kofron, Station Manager
K. Bartes, Regulatory
Assurance Supervisor
D. Farrar, Nuclear Regulatory
Services Manager
Richard Hubbard
Nathan Schloss, Economist,
Office of the Attorney General
State Liaison Officer
Chairman, Illinois Commerce
Commission

NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTY

Commonwealth Edison Company
Braidwood Nuclear Station
Units 1 and 2

Docket Nos. 50-456; 50-457
License Nos. NPF-72; NPF-77
EA 95-041

During an NRC inspection conducted from January 24 through March 3, 1995, violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the Nuclear Regulatory Commission proposes to impose a civil penalty pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205. The particular violations and associated civil penalty are set forth below:

Technical Specification 3.6.4.1 requires that two independent containment hydrogen monitors shall be operable in Modes 1 and 2.

Technical Specification 3.6.4.1.a requires that with one hydrogen monitor inoperable, the Licensee must restore the inoperable monitor to operable status within 30 days or be in Hot Standby within the next 6 hours.

Technical Specification 3.6.4.1.b requires that with both hydrogen monitors inoperable, the Licensee must restore at least one monitor to operable status within 72 hours or be in at least Hot Standby within the next 6 hours.

1. Contrary to the above, from February 3 until February 15, 1995, while in Mode 1, both hydrogen monitors (trains A and B) were inoperable and action was not taken to restore at least one monitor to operable status within 72 hours or to be in at least Hot Standby within the next 6 hours. (01013)
2. Contrary to the above, from November 15, 1994, until February 3, 1995, while in Modes 1 or 2, the train A hydrogen monitor was inoperable and action was not taken to restore the train A inoperable monitor to operable status within 30 days or be in Hot Standby within the next 6 hours. (01023)

This is a Severity Level III problem (Supplement I).
Civil Penalty - \$100,000.

Pursuant to the provisions of 10 CFR 2.201, Commonwealth Edison Company (Licensee) is hereby required to submit a written statement of explanation to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, within 30 days of the date of this Notice of Violation and Proposed Imposition of Civil Penalty (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each alleged violation: (1) admission or denial of the alleged violation, (2) the reasons for the violation if admitted, and if denied, the reasons why, (3) the corrective steps that have been taken and the results achieved, (4) the corrective steps that will be taken to avoid further violations, and (5) the date when full compliance will be achieved.

If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked or why such other actions as may be proper should not be taken. 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 under 10 CFR 2.201, the Licensee may pay the civil penalty by letter addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, with a check, draft, money order, or electronic transfer payable to the Treasurer of the United States in the amount of the civil penalty proposed above, or may protest imposition of the civil penalty in whole or in part, by a written answer addressed to the Director, Office of Enforcement, U. S. Nuclear Regulatory Commission. Should the Licensee fail to answer within the time specified, an order imposing the civil penalty will be issued. Should the Licensee elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalty, in whole or in part, such answer should be clearly marked as an "Answer to a Notice of Violation" and may: (1) deny the violations 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 factors addressed in Section VI.B.2 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 parts of the 10 CFR 2.201 reply by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. The attention of the Licensee is directed to the other provisions of 10 CFR 2.205, regarding the procedure for imposing a civil penalty.

Upon failure to pay any civil penalty due which subsequently has been 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. 2282c.

The response noted above (Reply to Notice of Violation, letter with payment of civil penalty, and Answer to a Notice of Violation) should be addressed to: James Lieberman, Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike, Rockville MD 20852-2738, with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region III, 801 Warrenville Road, Lisle, Illinois 60532-4351, and a copy to the NRC Resident Inspector at the Braidwood Station.

Dated at Lisle, Illinois
this 2nd day of May 1995



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION III
801 WARRENVILLE ROAD
LISLE, ILLINOIS 60532-4351

April 5, 1995

EA 95-030

Commonwealth Edison Company
ATTN: Mr. Michael J. Wallace
Vice President,
Chief Nuclear Officer
Executive Towers West III
1400 Opus Place, Suite 300
Downers Grove, Illinois 60515

Dear Mr. Wallace:

SUBJECT: DRESDEN STATION - UNITS 2 AND 3
NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY -
\$100,000
(NRC Inspection Report Nos. 50-237/249/95004(DRP))

This refers to the inspection conducted during the period of January 25 through February 10, 1995, at Dresden Station, Units 2 and 3. The purpose of the inspection was to review the circumstances surrounding starting an idle recirculation pump on January 10, 1995, with the indicated temperature differential between the reactor vessel steam space and the bottom head drain line greater than 145°F, and the failure to maintain primary containment between January 6 and February 3, 1995. Both events were reported to the NRC. During the inspection, violations of NRC requirements were identified.

The report documenting the inspection was sent to you by letter dated February 27, 1995. An enforcement conference was held on March 9, 1995, to discuss the violations, the causes, and your corrective actions. The report documenting the conference was sent to you by letter dated March 15, 1995.

The first event occurred on January 10, 1995. While preparing to start the 2B recirculation pump, the Unit 2 Nuclear Station Operator (NSO) recognized that the requirements of the pump startup procedure could not be met. The procedure required the reactor bottom head thermocouple temperature to be within 145°F of the steam space temperature while the actual indicated temperature difference was approximately 158°F. The operating crew reviewed the applicable technical specification (TS), which had been revised July 19, 1994, which specified a different requirement than the procedure; specifically, that the bottom head drain line coolant temperature as measured by a thermocouple be within 145°F of the steam space temperature. However, your control room staff was aware that the bottom head drain line had been blocked for some time and, therefore, would not be an accurate indication of the thermal conditions at the reactor bottom head.

After some deliberation, the operating crew decided that an alternate temperature indication could be substituted to satisfy the technical basis for the limiting temperature differential. The alternate indication selected was

the active recirculation loop discharge temperature, and the control room staff concluded that using this temperature indication (with a margin of 8°F inserted for conservatism) would meet the TS and procedure intent. The control room staff did not consult with any licensee management concerning what effectively constituted an independent interpretation of the TS, despite the event occurring during normal working hours when senior licensee management was available onsite. An Independent Safety Engineering Group (ISEG) engineer present in the control room advised the operating crew to stop and consult with engineering about the procedure problem before proceeding. Shift management considered the ISEG engineer's advice and explained to him what they believed to be the correct technical rationale for proceeding with the recirculation pump start. The operating crew subsequently started the recirculation pump, but violated the applicable TS in doing so. Although a later evaluation determined that the actual temperatures were within the required 145°F difference, we are particularly concerned about the operating crew's actions in attempting to work around an inadequate procedure.

The second event was initiated on January 6, 1995, when an operator was performing a quarterly surveillance on suppression chamber to reactor building vacuum breakers 3-1601-31(A&B). The operator, who had experience performing the surveillance in the past under an earlier procedure, was assigned the surveillance although the Inservice Testing (IST) Engineer had been performing the surveillance since October 1992. The operator was not aware that the surveillance procedure had been revised. The old method required the opening of an access which was part of the containment boundary; therefore, a satisfactory local leak rate test (LLRT) would be required to establish containment integrity following the surveillance. The new method required the opening of an access outside the containment boundary eliminating the need for an LLRT following the surveillance.

Through the combination of a weak procedure revision and the operator not being aware of some parts of the new method, the operator completed the surveillance using the old method and the required LLRTs were not performed. On February 3, 1995, the IST Engineer questioned how the surveillance was performed because there had been no engineering involvement. He determined that the wrong method had been used and LLRTs were subsequently performed. Both breaker valve flanges failed their LLRTs and were repaired. Therefore, primary containment integrity was not maintained between January 6 and February 3, 1995.

The enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice) describes several violations. The violations involve (1) the failure to maintain primary containment; (2) starting an idle recirculation pump without assurance that the temperature differential between the reactor vessel steam space and the bottom head drain line was less than or equal to 145°F; and (3) three violations involving inadequate procedures and a failure to follow a procedure.

The NRC acknowledges that the actual consequence to safety was not high for these events. For the recirculation pump event, there was an absence of conditions necessary to create thermal stratification in the reactor bottom

head region prior to the restart of the pump. The significance of the loss of primary containment integrity event was mitigated by the integrity of secondary containment and the function of the standby gas treatment system. The small consequence to safety notwithstanding, the potential for significant safety issues was high, given that station personnel failed to follow procedures and their acceptance and use of poor and inadequate procedures.

The control and use of procedures at Dresden is a programmatic problem. A lack of teamwork and a non-conservative decision-making process were evident from the operating crew's willingness to work around hardware and procedural deficiencies during the recirculation pump start event. The requirements for adherence to procedures were not well defined or clearly understood. Procedures were also not kept consistent with the TS or updated in a timely manner. Training for revisions to procedures was inadequate. In addition to these cited, specific instances, over the past year numerous procedural problems have been identified. We are concerned that the procedural violations are not isolated instances but are examples of a much broader problem. These violations, therefore, represent a breakdown in control of licensee activities associated with procedural adherence and adequacy. This breakdown in fundamental controls of safety activities warrants your immediate attention. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), 10 CFR Part 2, Appendix C, these violations are classified in the aggregate as a Severity Level III problem.

We acknowledge the corrective actions you took for both events as detailed in your Licensee Event Reports. At the Enforcement Conference, you presented a number of generic corrective actions associated with the broader procedural adherence and adequacy problem. These included, for example, conducting all station meetings on February 8, 1995, clarifying management's expectations concerning strict procedural adherence; establishing a Procedure Adherence Project Team; setting and communicating higher standards regarding procedural adherence; providing employees adequate time for procedure review prior to performing work activities; streamlining the procedure change process; emphasizing conservative decision-making; formalizing the TS change process; and overhauling training on procedural changes.

To emphasize the need for strict adherence to procedures, and implementation of adequate procedures, I have been authorized after consultation with the Director, Office of Enforcement, to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice) in the amount of \$100,000 for the Severity Level III problem. The base value of a civil penalty for a Severity Level III problem is \$50,000. The civil penalty adjustment factors in the Enforcement Policy were considered.

The base civil penalty was mitigated 50 percent for the identification factor in that you identified most of the individual violations. The base civil penalty was mitigated 50 percent for your comprehensive corrective actions as discussed above. The base civil penalty was escalated 100 percent for your poor past performance based on two escalated enforcement actions being issued to Dresden last year, and in the most recent SALP 12 report, issued

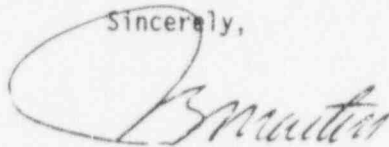
September 30, 1993, Operations and Engineering were rated Category 3. The base civil penalty was further escalated 100 percent for prior opportunities to identify the Severity Level III problem in that numerous non-escalated enforcement actions concerning procedural violations were identified during NRC inspections conducted last year. The other adjustment factors in the Enforcement Policy were considered, and no further adjustment to the base civil penalty was appropriate. Therefore, the base civil penalty has been increased by 100 percent.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without reduction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

The responses 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, Public Law No. 96-511.

Sincerely,



John B. Martin
Regional Administrator

Docket Nos. 50-237; 50-249
License Nos. DPR-19; DPR-25

Enclosure:
Notice of Violation and Proposed
Imposition of Civil Penalty

cc w/enclosure:

J. S. Perry, Vice President, BWR Operations

T. Joyce, Site Vice President

J. C. Brons, Vice President,
Nuclear Support

T. Nauman, Station Manager Unit 1

E. D. Eenigenburg, Station Manager Unit 3

R. Bax, Station Manager Unit 2

P. Holland, Regulatory Assurance
Supervisor

D. Farrar, Nuclear Regulatory
Services Manager

Richard Hubbard

Nathan Schloss, Economist,
Office of the Attorney General

State Liaison Officer

Chairman, Illinois Commerce Commission

NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTY

Commonwealth Edison Company
Dresden Station
Units 2 and 3

Docket Nos. 50-237; 50-249
License Nos. DPR-19; DPR-25
EA 95-030

During an NRC inspection conducted in the period from January 25 through February 10, 1995, violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the Nuclear Regulatory Commission proposes to impose a civil penalty pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205. The particular violations and associated civil penalty are set forth below:

1. Technical Specification (TS) 3.7.A.2 requires that primary containment be maintained at all times when the reactor is critical. TS 3.7.A.2.b(2)(a) requires that when primary containment integrity is required, primary containment leakage rates be limited to a combined leakage rate of less than or equal to 60 percent of L₁ for all testable penetrations and isolation valves subject to Type B and C tests.

Contrary to the above, between January 6 and February 3, 1995, with the Unit 3 reactor critical, primary containment integrity was not maintained. The primary containment boundaries on valves 3-1601-31A & B were broken for surveillance testing on January 6 and local leak rate testing was not performed. When the boundaries were tested on February 3, the licensee determined that the combined leakage rate exceeded 60 percent of L₁ for all testable penetrations and isolation valves subject to Type B and C tests. (01013)

2. TS 3.6.H.5 requires that an idle recirculation pump shall not be started unless the temperature differential between the reactor vessel steam space coolant and the bottom head drain line coolant is less than or equal to 145°F. TS 4.6.H.5 requires that this differential be determined to be within the limits within 15 minutes prior to startup of an idle recirculation loop.

Contrary to the above, on January 10, 1995, the 2B recirculation pump was started in an idle loop without determining within 15 minutes prior to startup that the temperature differential between the reactor vessel steam space coolant and the bottom head drain line coolant was less than or equal to 145°F. (01023)

3. 10 CFR 50, Appendix B, Criterion V, "Instructions, Procedures, and Drawings," requires that activities affecting quality shall be prescribed by documented instructions, procedures, or drawings, of a type appropriate to the circumstances and shall be accomplished in accordance with these instructions, procedures, or drawings.
 - a. Contrary to the above, as of January 6, 1995, Dresden Operating Surveillance (DOS) 1600-13, "Suppression Chamber to Reactor Building Vacuum Breaker Full Stroke Exercise Test," Revision 7,

approved September 24, 1992, an activity affecting quality, was not appropriate to the circumstances. Specifically, Steps I.2.b and I.2.d were not sufficient for an operator to locate and remove the access plate outside the primary containment boundary prior to cycling check valves 3-1601-31A & B. (01033)

- b. Dresden Operating Abnormal (DOA) 0202-01, "Recirculation Pump Trip - One or Both Pumps," Revision 10, approved December 20, 1994, Step D.12 states: "If idle loop starts are not planned within one hour, then isolate seal purge flow to the idle loop per DOP 0202-11." This is an activity affecting quality.

Contrary to the above, on January 10, 1995, the 2B recirculation pump tripped and was restarted 2 hours and 22 minutes later without isolating seal purge flow to the idle loop. The start of the idle loop was not planned within one hour of the 2B recirculation pump trip. (01043)

- c. Contrary to the above, as of January 10, 1995, Dresden Operating Procedure (DOP) 0202-01, "Unit 2 Reactor Recirculation System Startup," Revision 14, approved December 22, 1994, Step G.10, an activity affecting quality, was not appropriate to the circumstances in that it did not accurately reflect the requirements of TS 3.6.H.5 and 4.6.H.5. TSs 3.6.H.5 and 4.6.H.5 require a determination within 15 minutes prior to starting a second recirculation pump that the temperature differential between the reactor vessel steam space coolant and the bottom head drain line coolant is less than or equal to 145°F. However, Step G.10 of DOP 0202-01 required, in part, that if starting a second recirculation pump, then within 15 minutes of starting the pump verify that the bottom head thermocouple temperature is within 145 degrees of the steam space temperature. (01053)

This is a Severity Level III problem (Supplement I).
Civil Penalty - \$100,000.

Pursuant to the provisions of 10 CFR 2.201, Commonwealth Edison Company (Licensee) is hereby required to submit a written statement of explanation to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, within 30 days of the date of this Notice of Violation and Proposed Imposition of Civil Penalty (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each alleged violation: (1) admission or denial of the alleged violation, (2) the reasons for the violation if admitted, and if denied, the reasons why, (3) the corrective steps that have been taken and the results achieved, (4) the corrective steps that will be taken to avoid further violations, and (5) the date when full compliance will be achieved.

If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked or why such other actions as may be proper should not be taken. 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 under 10 CFR 2.201, the Licensee may pay the civil penalty by letter addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, with a check, draft, money order, or electronic transfer payable to the Treasurer of the United States in the amount of the civil penalty proposed above, or may protest imposition of the civil penalty in whole or in part, by a written answer addressed to the Director, Office of Enforcement, U. S. Nuclear Regulatory Commission. Should the Licensee fail to answer within the time specified, an order imposing the civil penalty will be issued. Should the Licensee elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalty, in whole or in part, such answer should be clearly marked as an "Answer to a Notice of Violation" and may: (1) deny the violations 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 factors addressed in Section V.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 parts of the 10 CFR 2.201 reply by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. The attention of the Licensee is directed to the other provisions of 10 CFR 2.205, regarding the procedure for imposing a civil penalty.

Upon failure to pay any civil penalty due which subsequently has been 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. 2282c.

The response noted above (Reply to Notice of Violation, letter with payment of civil penalty, and Answer to a Notice of Violation) should be addressed to: James Lieberman, Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike, Rockville MD 20852-2738, with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region III, 801 Warrenville Road, Lisle, Illinois 60532-4351, and a copy to the NRC Resident Inspector at the Dresden Station.

Dated at Lisle, Illinois
this 5th day of April 1995



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION III
801 WARRENVILLE ROAD
LISLE, ILLINOIS 60532-4351

May 24, 1995

EA 95-057

Consumers Power Company
ATTN: Mr. Robert A. Fenech
Vice President - Nuclear
Operations
1945 West Parnall Road
Jackson, Michigan 49201

SUBJECT: BIG ROCK POINT NUCLEAR PLANT
NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL
PENALTY - \$50,000
(NRC INSPECTION REPORT NO. 50-155/95006(DRP))

Dear Mr. Fenech:

This refers to the inspection conducted during the period of February 16 through March 27, 1995, at Big Rock Point Nuclear Plant to review the circumstances surrounding (1) fire system dual-basket strainer BS-5761 being inoperable; and (2) two of three nuclear power instrumentation Wide Range Monitors (WRMs) being out-of-calibration during power escalation. During the inspection, violations of NRC requirements were identified. The report documenting this inspection was sent to you by letter dated April 14, 1995.

You reported these events on February 16 and 24, 1995, respectively, and submitted Licensee Event Reports dated March 17 and 22, 1995, for the separate events. An enforcement conference was held on April 21, 1995, to discuss the violations, their causes, and your corrective actions. The report documenting the conference was sent to you by letter dated April 24, 1995.

The first event involved two work orders that were performed in October 1994 during the refueling outage to repair fire system dual-basket strainer BS-5761. During the maintenance the strainer's valve plug was installed 180° out-of-position, significantly blocking flow through the strainer and rendering it inoperable. The plant was returned to power on November 26, 1994, and after numerous differential pressure alarms, troubleshooting and testing, you determined on February 16, 1995, that the strainer was inoperable rendering both core spray systems inoperable. An Unusual Event was declared and the plant was shut down.

The first problem, set forth in Section I of the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice), involves a number of violations including failure to maintain the piping system to the core spray system tie-ins operable, inadequate training, inappropriate procedures for maintenance and operation of the strainer, failure to perform inspections of the strainer during maintenance, failure to test for proper flow through the strainer following maintenance, and failure to take timely corrective action following numerous strainer differential pressure alarms.

The violations resulted from a failure on the part of plant staff and management to recognize the fire system as safety-related. This system is the only means of supplying emergency water to the reactor vessel in the event of a loss of coolant accident. Although the work orders were marked "Q-listed," key quality assurance barriers (training, procedures, inspection, and testing) were not in place to ensure that the work was performed correctly. This is a significant regulatory concern.

Following the event you concluded that, with the strainer in the as-found condition concurrent with a loss of coolant accident in a non-core spray line, adequate core spray was available. Notwithstanding, the violations in Section I of the Notice collectively represent a significant failure to comply with the action statement for a technical specification limiting condition for operation where the appropriate action was not taken. Therefore, in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," (Enforcement Policy) 10 CFR Part 2, Appendix C, the violations have been classified in the aggregate as a Severity Level III problem.

The second event began at 3:15 p.m. on February 22, 1995. During power escalation from a maintenance outage, at approximately 66 percent power, control room operators observed high readings on WRM channels 1 and 3 due to the control rod pattern at the time. The B-shift supervisor decided to recalibrate the WRMs to 66 percent based on a heat balance which is not normal practice during power escalation. The oncoming C-shift supervisor was aware of the need to adjust the WRMs upward later on but he did not share this information with the C-shift crew. Operators continued to raise power and by 11:00 p.m., channels 1 and 3 were reading 10 percent low. The need to adjust the WRMs was not communicated to the oncoming A-shift, and by 7:00 a.m., at 98 percent power on February 23, 1995, channels 1 and 3 were reading 13-15 percent low. The WRMs were recalibrated at 7:30 a.m. The divergent condition would have caused a delay in reaching the Technical Specification high neutron flux scram setpoint.

The second problem, set forth in Section II of the Notice, involves a number of violations including the failure of two of three WRMs to have a high neutron flux scram setting and tolerance of 120 ± 5 percent, failure of control room operators to adequately communicate and turn over information, and inadequate training.

In this case, control room operators re-calibrated the WRMs while escalating power without adequately communicating the details of the recalibration to oncoming crews. Also, communication within oncoming crews was inadequate. Compounding the problem was the failure of operators to understand the relationship between WRM readings and core power throughout the power escalation, and the lack of adequate guidance in procedures to address WRM recalibrations during power escalation. Despite two of the WRM readings continuing to diverge low from actual power levels, operators continued to raise power without adequately understanding the meaning of the divergence, and the need to keep the WRMs reading at a level greater than or equal to actual power. The operators failed to recognize that an important safety

system setpoint was out-of-calibration. Further, plant management initially failed to recognize the significance of the event when it was brought to their attention. This is a significant regulatory concern.

Following the event, you concluded that while the WRMs were out-of-calibration the plant would still have been within the bounds of the Final Hazards Summary Report transient accident analysis. No fuel damage would have occurred because the fuel cladding performance would have remained within design limits. Notwithstanding, the violations in Section II of the Notice collectively represent a significant failure to comply with the action statement for a technical specification limiting condition for operation where the appropriate action was not taken. Therefore, in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," (Enforcement Policy) 10 CFR Part 2, Appendix C, the violations have been classified in the aggregate as a Severity Level III problem.

We acknowledge your comprehensive corrective actions for the two problems. At the enforcement conference, you and Mr. Joos, the Executive Vice President and Chief Operating Officer, fully recognized and demonstrated a broad understanding of the root causes underlying the events. You outlined a plan to actively foster site-wide changes and improvements in performance at Big Rock Point. Specific corrective actions for the violations included, but are not limited to, numerous plant briefings, retaining outside technical assistance to perform independent evaluations of the WRM event, procedure changes, providing human error reduction training, developing a graded approach to planning and executing work orders, pre-screening work requests to identify jobs requiring a comprehensive plan, providing training to planners and supervisors to enhance recognition of safety-related equipment, and organizing resources into a work control center.

To emphasize the need for increased management involvement to ensure that important plant systems are fully understood by plant personnel, I have been authorized after consultation with the Director, Office of Enforcement to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice) in the amount of \$50,000 for the first Severity Level III problem outlined in Section I of the Notice. The base value of a civil penalty for a Severity Level III problem is \$50,000. The civil penalty adjustment factors in Section VI.B.2 of the Enforcement Policy were considered.

The base civil penalty for the first problem was mitigated 50 percent in that you identified the problem. The base civil penalty was also mitigated 50 percent for your comprehensive corrective actions as discussed above. The base civil penalty was increased 100 percent for the duration of the inoperable strainer (over 80 days) and the numerous prior opportunities you had to identify the problem while the strainer was inoperable. The other adjustment factors in the Enforcement Policy were considered, and no further adjustment to the base civil penalty was appropriate.

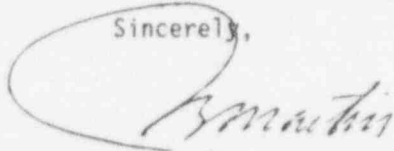
For the second problem, application of the Enforcement Policy civil penalty adjustment factors resulted in full mitigation of the civil penalty based on your identification of the problem and your comprehensive corrective actions. The other adjustment factors in the Enforcement Policy were considered, and were determined not to be applicable.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

The responses 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, Public Law No. 96-511.

Sincerely,



John B. Martin
Regional Administrator

Docket No. 50-155
License No. DPR-6

Enclosure:
Notice of Violation and Proposed
Imposition of Civil Penalty

cc w/enclosure:
P. M. Donnelly, Plant Manager
James R. Padgett, Michigan Public
Service Commission
Michigan Department of Public Health
Department of Attorney General (MI)

NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTY

Consumers Power Company
Big Rock Point Nuclear Plant

Docket No. 50-155
License No. DPR-6
EA 95-057

During an NRC inspection conducted from February 16 through March 27, 1995, violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the Nuclear Regulatory Commission proposes to impose a civil penalty pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205. The particular violations and the associated civil penalty are set forth below:

I. Violations Associated with the Inoperable Fire System Dual-Basket Strainer

- A. Technical Specification 11.3.1.4.D requires both fire pumps (electric and diesel) and the piping system to the core spray system tie-ins to be operable whenever the plant is in power operation condition and refueling. Technical Specification 11.3.1.4.E requires that if Specification D is not met, a normal orderly shutdown be initiated within 24 hours.

Contrary to the above, from November 26, 1994, until February 16, 1995, while in power operation condition, the piping system to the core spray system tie-ins was not operable due to inoperable dual-basket strainer BS-5761 and a normal orderly shutdown was not initiated within 24 hours. (01013)

- B. 10 CFR 50 Appendix B, Criterion II, "Quality Assurance Program," requires, in part, that the quality assurance program provide for indoctrination and training of personnel performing activities affecting quality as necessary to assure that suitable proficiency is achieved and maintained.

Contrary to the above, as of February 16, 1995, due to insufficient indoctrination and training, suitable proficiency had not been maintained in that management, planners, operators, and mechanics did not fully recognize dual-basket strainer BS-5761 as a quality-list item, nor its relationship to the Technical Specification operability of the piping system to the core spray system tie-ins, while performing activities affecting quality including (1) maintenance on the strainer in October 1994, and (2) subsequent strainer troubleshooting. (01023)

- C. 10 CFR 50, Appendix B, Criterion V, "Instructions, Procedures, and Drawings," requires, in part, that activities affecting quality shall be prescribed by documented instructions, procedures, or drawings, of a type appropriate to the circumstances, and shall be accomplished in accordance with these procedures, instructions, or drawings.

1. Contrary to the above, as of November 3, 1994, the documented instructions, procedures, or drawings associated with Work Orders 12410711 and 12410907 to repair dual-basket strainer BS-5761, an activity affecting quality, were not appropriate to the circumstances. For example, the Work Orders did not include the applicable manufacturer's drawing, inspection holdpoints, or provisions for post-maintenance testing. This led to the strainer's valve plug being installed 180° out-of-position. (01033)
 2. Contrary to the above, as of February 15, 1995, the licensee had no operating procedures for dual-basket strainer BS-5761, an activity affecting quality. For example, during performance of a Temporary Operating Instruction (TOI) on February 15, 1995, prior to operating the selector valve, operators backed-off the strainer's valve yoke 7 turns instead of the proper 1-1/2 turns, wedging the valve plug against the valve cover. (01043)
- D. 10 CFR 50, Appendix B, Criterion X, "Inspection," requires, in part, inspection of activities affecting quality shall be performed to verify conformance with the documented instructions, procedures and drawings for accomplishing the activity.
- Contrary to the above, as of November 3, 1994, when dual-basket strainer BS-5761 was declared operable following disassembly, repair, and reassembly, an activity affecting quality, no inspections had been performed to verify the strainer's valve plug and valve cover were installed in accordance with the applicable manufacturer's drawings. (01053)
- E. 10 CFR 50, Appendix B, Criterion XI, "Test Control," requires, in part, that testing to demonstrate that systems and components will perform satisfactorily in service be identified and performed in accordance with written test procedures.
- Contrary to the above, as of November 3, 1994, when dual-basket strainer BS-5761 was declared operable following disassembly, repair, and reassembly, no testing was identified or performed in accordance with written test procedures to ensure proper flow through the strainer. (01063)
- F. 10 CFR 50, Appendix B, Criterion XVI, "Corrective Action," requires, in part, that measures be established to assure that conditions adverse to quality are promptly identified and corrected. In the case of significant conditions adverse to quality, the measures shall assure that the cause of the condition is determined and corrective action taken to preclude repetition.

The identification of the significant condition adverse to quality, the cause of the condition, and the corrective action shall be documented and reported to the appropriate levels of management.

Contrary to the above, from November 3, 1994, until February 16, 1995, the licensee failed to promptly identify and correct a significant condition adverse to quality. Specifically, numerous differential pressure alarms on dual-basket strainer BS-5761 were received following 41 starts of the fire pumps. The licensee failed to promptly identify that the strainer was inoperable in that its valve plug was installed 180° out-of-position. (01073)

This is a Severity Level III problem (Supplement I).
Civil Penalty - \$50,000.

II. Violations Associated with the Wide Range Monitors (WRMs) Being Out-of-Calibration

- A. Technical Specification 6.1.2 requires that each of the three Power Range Monitors (Wide Range Monitors) have a high neutron flux scram setting and tolerance of 120 ± 5 percent.

Contrary to the above, from approximately 2300 on February 22, 1995, until 0758 on February 23, 1995, two of the three Power Range Monitors high neutron flux scram settings exceeded 125 percent. (02013)

- B. 10 CFR 50, Appendix B, Criterion V, "Instructions, Procedures, and Drawings," requires, in part, that activities affecting quality shall be prescribed by documented instructions, procedures, or drawings, of a type appropriate to the circumstances, and shall be accomplished in accordance with these procedures, instructions, or drawings.

Big Rock Point Administrative Procedure 2.1.1, Revision 7, Section 5.8, "Shift Turnover Procedure," requires, in part, that all members of the shift need to turn over correct current data and conditions to the oncoming shift. Section 5.9.a, "Communications," requires, in part, that during normal and off-normal/emergency conditions, each shift member must share all available pertinent information with each other in a timely fashion.

1. Contrary to the above, on February 22, 1995, between 1600 and 2400, the C-shift supervisor did not share with other C-shift members the pertinent information that the Wide Range Monitors had been recalibrated during the B-shift when the reactor was at about 66 percent power. (02023)

2. Contrary to the above, on February 22, 1995, at approximately 2330, the off-going C-shift did not turn over to the A-shift the pertinent information that the Wide Range Monitors had been recalibrated during the B-shift when the reactor was at about 66 percent power. (02033)

- C. 10 CFR 50 Appendix B, Criterion II, "Quality Assurance Program," requires, in part, that the quality assurance program provide for indoctrination and training of personnel performing activities affecting quality as necessary to assure that suitable proficiency is achieved and maintained.

Contrary to the above, as of February 22, 1995, due to insufficient indoctrination and training, suitable proficiency had not been maintained by control room operators performing recalibration of the Wide Range Monitors (WRMs), an activity affecting quality, in that they were not sensitive to (1) the need to maintain the WRM indicated power equal to or greater than actual core power and (2) the impact recalibration had on the high neutron flux scram setting. In addition, licensee management was not proficient in that management took over 24 hours to determine the impact the recalibration had on the operability of the WRMs once it was brought to their attention. (02043)

This is a Severity Level III problem (Supplement I).

Pursuant to the provisions of 10 CFR 2.201, Consumers Power Company (Licensee) is hereby required to submit a written statement of explanation to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, within 30 days of the date of this Notice of Violation and Proposed Imposition of Civil Penalty (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each alleged violation: (1) admission or denial of the alleged violation, (2) the reasons for the violation if admitted, and if denied, the reasons why, (3) the corrective steps that have been taken and the results achieved, (4) the corrective steps that will be taken to avoid further violations, and (5) the date when full compliance will be achieved.

If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked or why such other actions as may be proper should not be taken. 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 under 10 CFR 2.201, the Licensee may pay the civil penalty by letter addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, with a check, draft, money order, or electronic transfer payable to the Treasurer of the

United States in the amount of the civil penalty proposed above, or may protest imposition of the civil penalty in whole or in part, by a written answer addressed to the Director, Office of Enforcement, U. S. Nuclear Regulatory Commission. Should the Licensee fail to answer within the time specified, an order imposing the civil penalty will be issued. Should the Licensee elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalty, in whole or in part, such answer should be clearly marked as an "Answer to a Notice of Violation" and may: (1) deny the violations 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 factors addressed in Section VI.B.2 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 parts of the 10 CFR 2.201 reply by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. The attention of the Licensee is directed to the other provisions of 10 CFR 2.205, regarding the procedure for imposing a civil penalty.

Upon failure to pay any civil penalty due which subsequently has been 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 234(c) of the Act, 42 U.S.C. 2282c.

The response noted above (Reply to Notice of Violation, letter with payment of civil penalty, and Answer to a Notice of Violation) should be addressed to: James Lieberman, Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike, Rockville MD 20852-2738, with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region III, 801 Warrenville Road, Lisle, Illinois 60532-4351, and a copy to the NRC Resident Inspector at the Big Rock Point Nuclear Plant.

Dated at Lisle, Illinois
this 24th day of May 1995



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
101 MARIETTA STREET, N.W., SUITE 2900
ATLANTA, GEORGIA 30323-0199

March 24, 1995

EA 95-016

Florida Power Corporation
Mr. P. M. Beard, Jr. (NA2I)
Sr. VP, Nuclear Operations
ATTN: Mgr., Nuclear Licensing
15760 West Power Line Street
Crystal River, FL 34428-6708

SUBJECT: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL
PENALTY - \$25,000 (NRC INSPECTION REPORT NOS. 50-302/94-22,
94-25 and 95-02)

Dear Mr. Beard:

This refers to inspections conducted by Mr. R. Butcher of this office on September 10, 1994 through February 4, 1995 at your Crystal River facility. The inspections included a review of reactor protection system, emergency feedwater initiation and control, and engineered safeguards actuation system instrumentation setpoints which were set non-conservatively with respect to the Technical Specification (TS) allowable values. These deficiencies were reported in Licensee Event Reports 94-006 and 94-006, Rev. 1, dated November 7, 1994 and December 22, 1994, respectively. As a result of the NRC inspections, violations of NRC regulatory requirements were identified. The reports documenting the NRC inspections were sent to you by letters dated November 4, 1994, December 20, 1994 and February 22, 1995. A closed enforcement conference was conducted in the NRC Region II office on March 3, 1995, to discuss the violations, their causes, and your corrective actions to preclude recurrence. A summary of this conference was sent to you by letter dated March 21, 1995.

The four violations described in the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice) involved failures to ensure that trip setpoints for safety-related instrumentation were conservatively set with respect to the values required by TSs. The affected instrumentation included the reactor coolant system (RCS) variable low pressure setpoint for channels B and D, three shutdown bypass RCS high pressure setpoints, eight emergency feedwater Vector Valve Control - once through steam generator differential pressure high inputs to the vector valve logic channels, and three high pressure injection and three low pressure injection bypass permissive removal setpoints. The setpoints were outside of TS allowable values by approximately 0.1 to 2.3 percent. The affected instruments were set non-conservatively because your procedures failed to provide appropriate margins between the setpoint as-left values and the setpoint values required by TSs.

The NRC is concerned that your process for implementing TS instrumentation setpoint limits was not effective. The actual safety significance of the individual violations is low because the actual individual settings were not

significantly different from the required value. However, a number of trip setpoints were affected and the deficiencies existed for an extended period of time. If other instrumentation had been set at the maximum limits of the allowable tolerances specified by your procedures, other non-conservative setpoints could have resulted. The pervasive problems identified indicated a programmatic deficiency in the implementation of the TS setpoint control program. Therefore, in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," (Enforcement Policy) 10 CFR Part 2, Appendix C, these violations are classified in the aggregate as a Severity Level III problem.

It should be noted that an NRC inspection documented in Inspection Report 50-302/95-06, dated March 1, 1995, identified two additional examples of failure to consider appropriate instrumentation errors when setting TS required instruments. The Engineered Safeguards RCS Pressure Low and RCS Pressure Low Low setpoints were set outside the TS allowable values. Since these were further examples of the Severity Level III problem and were not discussed during the enforcement conference, the examples are not included in the Notice of Violation. However, your proposed corrective actions should identify the root causes of these examples and provide appropriate corrective actions. We understand that the calculations were subsequently revised to reduce overly conservative margins reducing the overall instrument errors such that as-left settings were adequate. Inspection Reports 50-302/95-02 and 95-06 also documented weaknesses in the calculation of instrument setpoints and operating limits. The calculation errors were found in a calculation performed as part of your corrective action for the Severity Level III problem identified above. These findings further support the conclusion that programmatic problems exist in the setpoint program.

The NRC recognizes that corrective actions were taken in response to the violation as discussed during the enforcement conference. Those actions included: (1) the known non-conservative trip setpoints were reset to conservative setpoint values with respect to those allowed by TSs; (2) new calculations are being performed for selected setpoints to provide as-left, as-found and setpoint values which provide a conservative margin from TS setpoint allowable values; and (3) a corrective action plan for the evaluation of other TS allowable setpoints was developed which will require verification that setpoints are conservatively set, surveillance procedures are updated, and certain calculations are revalidated. In addition, you plan to (1) submit a TS change to clarify any ambiguity on TS allowable value setpoints in relation to field instrumentation settings; (2) transfer the responsibility for conversion of calculated setpoint values into instrument process parameters to engineering; and (3) revise instrument and control surveillance procedures to ensure installed setpoints in instrumentation are conservative with respect to TS allowable values and in accordance with the setpoint calculations.

To emphasize the importance of ensuring compliance with TS requirements and that your TS setpoint control program is effectively implemented, I have been authorized, after consultation with the Director, Office of Enforcement, to issue the enclosed Notice of Violation and Proposed Imposition of Civil

Penalty (Notice) in the amount of \$25,000 for the Severity Level III problem. The base value of a civil penalty for a Severity Level III problem is \$50,000. The escalation and mitigation factors in the Enforcement Policy were considered as discussed in the following paragraphs.

The base civil penalty was mitigated 50 percent because although you did not identify all the examples of this problem, you did identify the programmatic issues. In regard to the factor of corrective action, short-term corrective actions were taken for the known deficiencies, but reviews for similar deficiencies in other Technical Specification setpoints were initially limited in scope. Timely reviews were prompted in some cases by the NRC staff. In addition, an NRC inspection (Inspection Report No. 50-302/95-06) conducted after your initial corrective actions were completed indicated further errors in a setpoint calculation and instrument field settings. Review of your final corrective action plan indicated that the plan was comprehensive and included reasonable timeframes for completion of the review process. Therefore, on balance, neither mitigation nor escalation was warranted for the factor of corrective action.

Although your current SALP ratings in engineering and operations would normally warrant mitigation for the factor of licensee performance, recent events at Crystal River have resulted in two management meetings with the NRC to discuss areas of concern at the site. Issues discussed during a November 22, 1994 management meeting included three specific events at the site and concerns with management oversight. On March 1, 1995, a management meeting was held to discuss areas of concern related to Crystal River Unit 3 performance. Based on these concerns and the performance problems that are reflected in the need for these management meetings, mitigation was not appropriate under the licensee performance factor.

The NRC staff considered your corrective action for LER 93-003, dated May 10, 1993, to determine whether the event documented in the LER provided a prior opportunity to identify the Severity Level III problem. The staff concluded that escalation under this factor was not warranted because there was no clear correlation between your failure to include sufficient instrument error for a core flood tank operating limit and the errors in as-left setpoints in surveillance procedures due to misinterpretation of the definition of the TS allowable setpoint values. The other adjustment factors in the Enforcement Policy, multiple occurrence and duration, were considered and no further adjustments to the civil penalty were deemed appropriate. Therefore, the base civil penalty has been decreased by 50 percent.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence as well as your schedule with completion dates. In particular, your response should address corrective actions for the root causes that led to the deficiencies in the overall design control process for TS required setpoints and operating limits. In addition, your corrective actions should ensure that TS required setpoints and operating limits include appropriate margins of error and are addressed in emergency,

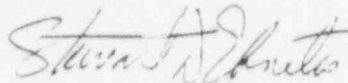
operating and surveillance procedures in a clear manner. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be placed in the NRC Public Document Room (PDR). Accordingly, your response should not to the extent possible, include any personal privacy, proprietary, or safeguards information so that it can be released to the public and placed in the PDR without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you believe should not be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

The responses 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, Pub. L. No. 96-511.

Should you have any questions concerning this letter, please contact us.

Sincerely,



Stewart D. Ebnetter
Regional Administrator

Docket No. 50-302
License No. DPR-72
EA 95-016

Enclosure: Notice of Violation and Proposed
Imposition of Civil Penalty

cc w/encl: (See next page)

cc w/encl:

Gary L. Boldt, Vice President
Nuclear Production (SA2C)
Florida Power Corporation
15760 West Power Line Street
Crystal River, FL 34428-6708

B. J. Hickle, Director
Nuclear Plant Operations (NA2C)
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Robert B. Borsum
B&W Nuclear Technologies
1700 Rockville Pike, Suite 525
Rockville, MD 20852-1631

NOTICE OF VIOLATION AND PROPOSED
IMPOSITION OF CIVIL PENALTY

Florida Power Corporation
Crystal River Unit 3

Docket No. 50-302
License No. DPR-72
EA 95-016

During the Nuclear Regulatory Commission (NRC) inspections conducted from September 10, 1994 through February 4, 1995, violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the Nuclear Regulatory Commission proposes to impose a civil penalty pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205. The particular violations and associated civil penalty are set forth below:

- A. Technical Specification 3.3.11, Emergency Feedwater Initiation and Control (EFIC) System Instrumentation, requires four channels of the Emergency Feedwater Vector Valve Control - Once Through Steam Generator (OTSG) Differential Pressure High to be OPERABLE (less than or equal to 125 psid) in Modes 1, 2, and 3 when OTSG pressure is greater than or equal to 750 psig. If one channel is inoperable, Condition C requires the channel to be restored to OPERABLE status within 72 hours or the OTSG pressure reduced below 750 psig within 12 hours.

Contrary to the above, while in Mode 1, between September 19, 1994 and November 23, 1994, eight of the eight emergency feedwater vector valve Control - OTSG differential pressure high inputs to the four Vector Valve logic channels were set above the Technical Specification allowed setpoint of less than or equal to 125 psid. Specifically, the inputs were set, in accordance with an approved procedure, between 125.9 psid and 126.3 psid. Additionally, none of the four channels were restored to operable status within 72 hours nor was the OTSG pressure reduced below 750 psig within 12 hours. (01013)

- B. Technical Specification 3.3.1, Reactor Protection System (RPS) Instrumentation, requires that the four channels of the Reactor Coolant System Variable Low Pressure setpoint be set at a value of greater than or equal to $((11.59 \times T_{HOT}) - 5037.8)$ psig, in Modes 1 or 2. If one channel of RPS input is inoperable, that channel is to be placed in either bypass or trip within one hour. If two channels of RPS input are inoperable, one of those channels is to be placed in trip and the other is to be placed in bypass within one hour. If the required actions are not met, the unit is to be in Mode 3 within six hours and all control rod drive (CRD) trip breakers are to be opened within six hours.

Contrary to the above, while in Mode 1, between March 15, 1994 and September 30, 1994, the Reactor Coolant System Variable Low Pressure Setpoint for channels B and D were adjusted, in accordance with an approved procedure, at approximately five to six psig below the allowed Technical Specification value of greater than or equal to

Enclosure

$[(11.59 \times T_{HOT}) - 5037.8]$ psig. With the two channels inoperable and neither placed in trip or bypass within one hour, the unit was not placed in Mode 3 within 6 hours and all CRD trip breakers were not opened within six hours. (01023)

- C. Technical Specification 3.3.1, Reactor Protection System (RPS) Instrumentation, requires that four channels of the Shutdown Bypass RCS High Pressure setpoint be set less than or equal to 1720 psig. This function is applicable in Modes 2, 3, 4, and 5 during shutdown bypass operation with any CRD trip breakers in the closed position and the CRD control system capable of rod withdrawal. If one channel of RPS input is inoperable, that channel is to be placed in either bypass or trip within one hour. If two channels of RPS input are inoperable, one of those channels is to be placed in trip and the other is to be placed in bypass within one hour. If the required actions are not met, all CRD trip breakers are to be opened within six hours.

Contrary to the above, while in Modes 2 and 3, between June 16 - 18, 1994, the Shutdown Bypass RCS High Pressure setpoints were set above the Technical Specification limit of less than or equal to 1720 psig. Specifically, three channels were set, per approved plant procedure, between 1720.1 psig and 1720.5 psig. With all channels not operable and not placed in the either bypass or trip within one hour, all CRD trip breakers were not opened within six hours. (01033)

- D. Technical Specification 3.3.5, Engineered Safeguards Actuation System (ESAS) Instrumentation, requires three channels of ESAS reactor coolant system (RCS) pressure instrumentation to be operable in accordance with TS Table 3.3.5-1. TS Table 3.3.5-1 requires low RCS pressure and low-low RCS pressure ESAS to be operable at greater than or equal to 1700 psig and greater than or equal to 900 psig, respectively. The basis for TS 3.3.5 states that the low RCS pressure bypass removal bistable must be set at an allowable value of less than or equal to 1700 psig and the low-low RCS pressure bypass removal bistable with an allowable value of less than or equal to 900 psig.

Contrary to the above, while operating at greater than 1700 and/or 900 psig, between April 30, 1994 and January 18, 1995 for one channel and September 13, 1994 and January 18, 1995 for two other channels, the low and low low RCS pressure bypass removal bistables were set above the TS required setpoints. Specifically, the low RCS pressure bypass removal bistables were set between 1713.5 psig and 1727.6 psig and the low low RCS pressure bypass removal bistables were set between 907.2 psig and 921.1 psig. These settings resulted in the low RCS pressure and the low-low RCS pressure ESAS not being available as required by TS Table 3.3.5-1, at 1700 psig and 900 psig respectively. (01043)

These violations represent a Severity Level III problem (Supplement I).
Civil Penalty - \$25,000

Notice of Violation and Proposed 3
Imposition of Civil Penalty

Pursuant to the provisions of 10 CFR 2.201, Florida Power Corporation (Licensee) is hereby required to submit a written statement or explanation to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, within 30 days of the date of this Notice of Violation and Proposed Imposition of Civil Penalty (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each alleged violation: (1) admission or denial of the alleged violation, (2) the reasons for the violation if admitted, and if denied, the reasons why, (3) the corrective steps that have been taken and the results achieved, (4) the corrective steps that will be taken to avoid further violations, and (5) the date when full compliance will be achieved.

If an adequate reply is not received within the time specified in this Notice, an Order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked or why such other action as may be proper should not be taken. 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, the Licensee may pay the civil penalty by letter addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, with a check, draft, money order, or electronic transfer payable to the Treasurer of the United States in the amount of the civil penalty proposed above, or the cumulative amount of the civil penalties if more than one civil penalty is proposed, or may protest imposition of the civil penalty in whole or in part, by a written answer addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission. Should the Licensee fail to answer within the time specified, an order imposing the civil penalty will be issued. Should the Licensee elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalty, in whole or in part, such answer should be clearly marked as an "Answer to a Notice of Violation" and may: (1) deny the violations 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 factors addressed in Section VI.B.2 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 parts of the 10 CFR 2.201 reply by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. The attention of the Licensee is directed to the other provisions of 10 CFR 2.205, regarding the procedure for imposing a civil penalty.

Notice of Violation and Proposed 4
Imposition of Civil Penalty

Upon failure to pay any civil penalty due which subsequently has been 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. 2282c.

The response noted above (Reply to Notice of Violation, letter with payment of civil penalty, and Answer to a Notice of Violation) should be addressed to: Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region II, Atlanta, Georgia and a copy to the NRC Resident Inspector at Crystal River Unit 3.

Dated at Atlanta, Georgia
this 24th day of March 1995



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D. C. 20565-0001

October 26, 1994

EA 93-056

Houston Lighting & Power Company
ATTN: William T. Cottle, Group
Vice President, Nuclear
Post Office Box 289
Wadsworth, Texas 77483

SUBJECT: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY -
\$100,000 AND DEMAND FOR INFORMATION
(NRC Investigation Report No. 4-92-003)

This refers to the investigation conducted by the NRC's Office of Investigations (OI) to determine whether Houston Lighting & Power Company (HL&P) violated 10 CFR 50.7 when it revoked a contract employee's access to the South Texas Project (STP) facility on February 21, 1992. A copy of the synopsis of OI's investigation is enclosed. As indicated in the enclosed Notice of Violation (Notice), the NRC has concluded on the basis of its investigation and review of available information that HL&P terminated this individual's employment at STP as a result of his engaging in activities protected by statute.

The individual: a former employee of Sun Technical Services who was hired as an instrumentation and control technician at STP on January 13, 1992, engaged in protected activities when he alleged violations of various NRC requirements in documents mailed to the NRC in February 1992. Specifically, in a petition dated February 10, 1992, and filed in accordance with 10 CFR 2.206, the individual requested NRC action in response to alleged violations of STP security and work process procedures. HL&P officials were provided a copy of the 10 CFR 2.206 petition and, therefore, were aware of the protected activity.

On February 21, 1992, approximately 10 days after HL&P became aware of this individual's having made allegations to the NRC, HL&P revoked his access to STP allegedly based on HL&P's conclusion that he had omitted material information from his access authorization request. On March 11, 1992, the U.S. Department of Labor's Wage and Hour Division in Houston, Texas received a complaint from this individual alleging that his access to STP had been revoked because of his contacts with the NRC. On June 30, 1992, the District Director of the Wage and Hour Division found that the individual had engaged in a protected activity and that the action against him constituted a violation of Section 210 (now Section 211) of the Energy Reorganization Act of 1974, as amended. HL&P has appealed this decision and a hearing is currently scheduled to begin before a Department of Labor (DOL) administrative law judge (ALJ) on March 14, 1995.

On August 4, 1992, the NRC requested by letter that HL&P provide its basis for the action against this individual and describe actions taken or planned to

ensure that this action did not have a chilling effect on the willingness of other licensee or contractor employees to raise perceived safety concerns. HL&P responded on August 21, 1992, and stated that it disagreed with DOL's decision. HL&P's letter indicated that the individual had omitted information about previous jobs and termination from previous jobs on his access authorization request. HL&P said "The number and adverse nature of the omissions resulted in the HL&P Access Program Director's determination that the omissions were willful and, therefore, raised serious questions regarding the individual's reliability and trustworthiness." HL&P also said, "A recent review by HL&P confirms that the decision in this case is consistent with prior HL&P access authorization/denial decisions in similar circumstances."

At the outset, it should be made clear that we do not intend to penalize HL&P for reconsidering an access authorization decision it had previously made. Indeed, under NRC's regulatory requirements, licensees have an obligation to reevaluate earlier decisions to authorize unescorted access whenever they obtain information that casts serious doubt on the trustworthiness of an employee and employees are not shielded from such reconsideration simply because they engaged in protected activities. However, while the willful omission of material information on a request for unescorted access is a consideration in determining whether to deny or revoke unescorted access, we are unconvinced, based on the information contained in the OI report and the apparently reasonable explanation that this individual gave for his omissions, that the omissions in this case were the reason for the revocation of the individual's unescorted access. Rather, based on the circumstances of this case and OI's findings, we believe that the individual's unescorted access was revoked because he engaged in protected activities.

This conclusion is strengthened when we consider the inconsistencies in the manner that you had treated previous cases associated with the revocation or denial of unescorted access because of the omission of previous employment information. Based on the OI report's statistical information covering a period from January 1, 1991 to March 19, 1992, your Access Program adjudicated 11 cases that considered revoking or denying an individual's unescorted access based on the omission of previous employment information. Of these 11 cases, no individual's access was revoked following an earlier grant of access, although 7 individuals were denied access during the initial access decision process and 4 were granted access despite the omission of previous employment information. A closer examination of this information revealed that the unescorted access denials were for omission of previous misconduct (1), previous fitness-for-duty problems (2), previous denial of unescorted access at another nuclear facility (2), omission of previous employment (1), and falsification of educational information (1). In addition, a review of the four adjudications that resulted in an individual's unescorted access being granted revealed that two of these cases involved individuals that had unfavorable employment histories, with one individual failing to disclose that he was discharged for cause three times from previous employers and a second individual failing to disclose that he was discharged twice. We do not consider that the discriminate individual's omission of previous employment

information was significantly different from the omissions of the individuals whose unescorted access was granted.

HL&P had earlier considered information supplied by the individual to the effect that his employment had been terminated by another NRC licensee and determined that the individual could properly be granted unescorted access. It was only upon learning that the individual had filed a 10 CFR 2.206 petition directed to activities at STP, that HL&P decided to review its earlier access authorization decision for this individual. From the information available, it appears that this additional review and HL&P's subsequent prompt revocation of the individual's unescorted access were a direct result of the individual's having engaged in a protected activity. We have therefore concluded that the decision to revoke this individual's unescorted access was motivated by his identifying safety concerns to the NRC and not because of the omission of previous employment information; but for his having engaged in such protected activities, the individual's access would not have been revoked. Thus, the NRC has concluded that HL&P violated the provisions of 10 CFR 50.7 which prohibits discrimination against employees who engage in activities of this type.

The NRC considers all violations of this regulation significant, particularly when, as was the case here, management employees above first-line supervisors take discriminatory action against an individual who engaged in activities protected by statute. To reflect the seriousness with which NRC views such infractions and the unacceptability of these actions, the violation in the enclosed Notice has been classified at Severity Level II, in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," (Enforcement Policy) 10 CFR Part 2, Appendix C. In addition, in order to determine whether separate enforcement action should be taken against the managers who were most directly involved in making the decision to revoke the individual's access, the NRC is issuing Demands for Information to two HL&P employees, who at the time of the violation were the STP Licensing General Manager and the STP Nuclear Security Department Manager.

The NRC recognizes that HL&P has recently taken a number of steps to improve its nuclear-safety related employee concerns program, now called the Nuclear Safety & Quality Concerns Program (NSQP), and to better ensure that STP employees will feel free to raise concerns without fear of retaliation from supervisors or managers. These steps, which have been discussed in public meetings and described in correspondence between HL&P and the NRC, include: the conduct of an independent assessment of the employee concerns program; actions to assess and improve the climate for raising concerns; sensitivity training for current and new supervisors; the hiring of a new manager of the NSQP who reports directly to the Group Vice President, Nuclear; the establishment of an employee advocate or ombudsman position as part of the NSQP; training of concern evaluators in relating to persons raising concerns and investigative techniques; the establishment of an oversight panel to review the adequacy of concern evaluations and response to concerns; and several additional administrative and procedural steps to enhance employee confidence in the program. As you indicated in your February 11, 1994 letter

to the NRC describing these enhancements, the overall effectiveness of these changes cannot be measured immediately.

To emphasize the high level of importance that the NRC attaches to establishing and maintaining an environment in which employees feel free to raise concerns without fear of retaliation, and preventing acts of discrimination against employees who raise concerns about licensed activities, I have been authorized after consultation with the Commission, to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$100,000 for the Severity Level II violation discussed above and in the Notice.

The base value of a civil penalty for a Severity Level II violation is \$80,000. The civil penalty adjustment factors in the Enforcement Policy were considered. Although we considered mitigating the penalty on the basis of your recent efforts to improve the employee concerns program, these actions were not taken in a timely manner with respect to the violation that is the subject of this enforcement action nor have you taken corrective actions in this case. Consequently, no adjustment was made for corrective actions. Your prior performance, overall and in the discrimination area has not been good. Relative to the issue of overall performance, the NRC has issued four escalated enforcement actions in the last two years. The most recent SALP, issued on October 21, 1994, did not address your performance in the area of your employee concerns program; however, a diagnostic evaluation and Region IV special inspections at SIP found weaknesses and performance problems in that program. In view of these indications of poor performance, escalation of 50% of the base civil penalty is warranted. The other adjustment factors in the Policy were considered and no further adjustments to the base civil penalty were considered appropriate. Application of the adjustment factors, therefore, would result in an adjusted civil penalty of \$120,000. However, this Severity Level II violation is a single violation. The statutory maximum civil penalty for a single violation is \$100,000; consequently, the civil penalty for this violation will be limited to \$100,000.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. Since the NRC enforcement action in this case is being proposed prior to a decision on this matter by the DOL's administrative law judge or a final decision by the Secretary of Labor (SOL), you may delay submission of the response as described in the enclosed Notice until 30 days after the decision of the DOL's administrative law judge. In addition, you may delay payment of, or response to, the proposed civil penalty until 30 days after the SOL's final decision at which time you may also supplement your earlier response. Notwithstanding the information and corrective actions you previously submitted in regard to this matter, in that portion of your response which describes corrective steps you have taken, you are required to describe any additional actions that you plan to take to minimize any chilling effect arising from this incident.

In addition, pursuant to sections 161c, 161o, 182, and 186 of the Atomic Energy Act of 1954, as amended, 10 CFR 2.204 and 50.54(f), in order for the

Commission to determine whether your license should be modified or other actions taken; you are required to submit to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, within 30 days of the date of this Demand for Information, in writing and under oath or affirmation --

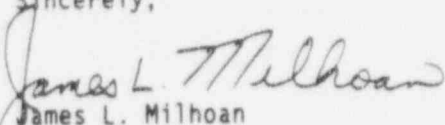
1. A description of the current employment duties and responsibilities of Richard L. Balcom and William J. Jump. Is Mr. Balcom involved in NRC licensed or regulated activities in his current position? Is Mr. Jump involved in NRC licensed or regulated activities in his current position?
2. An explanation as to why the NRC can have confidence that the licensee will ensure an environment that is free from harassment, intimidation, and discrimination, both in general throughout its organization, and in particular with Mr. Balcom and/or Mr. Jump involved in NRC licensed or regulated activities in the future at HL&P.
3. An explanation as to why the NRC can have confidence that Mr. Balcom and/or Mr. Jump will comply with NRC requirements should they be involved in NRC licensed or regulated activities in the future at HL&P.

Copies of the response to this Demand for Information should also be sent to the Assistant General Counsel for Hearings and Enforcement at the same address and to the Regional Administrator, NRC Region IV, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas 76011.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be placed in the NRC Public Document Room.

The responses 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, Pub. L. No. 96-511.

Sincerely,


James L. Milhoan
Deputy Executive Director
for Nuclear Reactor Regulation,
Regional Operations and Research

Docket Nos. 50-498, 50-499
License Nos. NPF-76, NPF-80

Enclosures:

- (1) Notice of Violation and Proposed Imposition of Civil Penalty
- (2) Synopsis of the OI Investigation

Houston Lighting and
Power Company

6

cc w/enclosures:
Houston Lighting & Power Company
ATTN: James J. Sheppard, General Manager
Nuclear Licensing
P.O. Box 289
Wadsworth, Texas 77483

City of Austin
Electric Utility Department
ATTN: J. C. Lanier/M. B. Lee
721 Barton Springs Road
Austin, Texas 78704

City Public Service Board
ATTN: K. J. Fiedler/M. T. Hardt
P.O. Box 1771
San Antonio, Texas 78296

Newman, Bouknight & Edgar, P.C.
ATTN: Jack R. Newman, Esq.
1615 L Street, NW Suite 1000
Washington, D.C. 20036

Central Power and Light Company
ATTN: G. E. Vaughn/T. M. Puckett
P.O. Box 2121
Corpus Christi, Texas 78403

INPO
Records Center
700 Galleria Parkway
Atlanta, Georgia 30339-5957

Mr. Joseph M. Hendrie
50 Bellport Lane
Bellport, New York 11713

Bureau of Radiation Control
State of Texas
1100 West 49th Street
Austin, Texas 78756

Office of the Governor
ATTN: Susan Rieff, Director
Environmental Policy
P.O. Box 12428
Austin, Texas 78711

cc w/encls: See Next Page

Houston Lighting and
Power Company

7

cc w/encls: (Con't)
Judge, Matagorda County
Matagorda County Courthouse
1700 Seventh Street
Bay City, Texas 77414

Licensing Representative
Houston Lighting & Power Company
Suite 610
Three Metro Center
Bethesda, Maryland 20814

Houston Lighting & Power Company
ATTN: Rufus S. Scott, Associate
General Counsel
P.O. Box 61867
Houston, Texas 77208

Shaw, Pittman, Potts & Trowbridge
ATTN: Joseph R. Egan, Esq.
2200 N Street, N.W.
Washington, D.C. 20037

NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTY

Houston Lighting & Power Company
South Texas Project Electric
Electric Generating Station

License Nos. NPF-76; NPF-80
Docket Nos. 50-498; 50-499
EA 93-056

During an NRC investigation conducted between March 1992 and March 1993, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the Nuclear Regulatory Commission proposes to impose a civil penalty pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205. The particular violation and associated civil penalty are set forth below:

10 CFR 50.7, Employee Protection, states, in part, that discrimination by a licensee against an employee for engaging in certain protected activities is prohibited. Discrimination includes discharge and other actions that relate to compensation, terms, conditions and privileges of employment. The protected activities include but are not limited to: providing the Commission information about possible violations of requirements; and requesting the Commission to institute action against his or her employer for the administration or enforcement of these requirements.

Contrary to the above, on February 21, 1992, the licensee discriminated against an employee of Sun Technical Services when it terminated the individual's unescorted access to the licensee's facility, thus ending his employment at STP, as a result of the individual providing the Commission information about possible violations of requirements and requesting the Commission to institute action against HL&P to enforce these requirements.

This is a Severity Level II violation (Supplement VII). (01012)
Civil Penalty - \$100,000.

Pursuant to the provisions of 10 CFR 2.201, Houston Lighting & Power Company (Licensee) is hereby required to submit a written statement or explanation within 30 days of the decision of the Department of Labor administrative law judge in this case and should include for the alleged violation: (1) admission or denial of the alleged violation, (2) the reasons for the violation if admitted, and if denied, the reasons why. In addition, and also pursuant to the provisions of 10 CFR 2.201, Houston Lighting & Power Company is hereby required to submit a written statement or explanation within 30 days of the decision of the Department of Labor administrative law judge in this case and should include for each alleged violation: (1) the corrective steps that have been taken and the results achieved, (2) the corrective steps that will be taken to avoid further violations, and (3) the date when full compliance will be achieved. If a reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked or why such other action as may be proper should not be taken. 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 30 days of the final decision of the Secretary of the Department of Labor in this case, the Licensee may pay the civil penalty by letter addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, with a check, draft, money order, or electronic transfer payable to the Treasurer of the United States in the amount of the civil penalty proposed above, or the cumulative amount of the civil penalties if more than one civil penalty is proposed, or may protest imposition of the civil penalty in whole or in part, by a written answer addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission. Should the Licensee fail to answer within the time specified, an order imposing the civil penalty will be issued. Should the Licensee elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalty, in whole or in part, such answer should be clearly marked as an "Answer to a Notice of Violation" and may: (1) deny the violation(s) 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 factors addressed in Section VI.B.2 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 parts of the 10 CFR 2.201 reply by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. The attention of the Licensee is directed to the other provisions of 10 CFR 2.205, regarding the procedure for imposing a civil penalty.

Upon failure to pay any civil penalty due which subsequently has been 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(c).

The response noted above (Reply to Notice of Violation, letter with payment of civil penalty, and Answer to a Notice of Violation) should be addressed to: Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region IV, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas, 76011 and a copy to the NRC Resident Inspector at the STP facility.

Dated at Rockville, Maryland
this 10th day of October 1994

SYNOPSIS

This investigation was initiated to determine the events and circumstances surrounding an employee's revocation of unescorted site access at Houston Power and Light Company (HL&P), South Texas Project (STP), and if this revocation was in violation of 10 CFR 50.7. The alleged, a former contract Instrumentation and Control (I&C) Technician at STP, stated that his unescorted access was revoked solely as a result of his having identified concerns to the Nuclear Regulatory Commission (NRC). STP officials stated that his access was revoked because he omitted information regarding former employment on his employment application at STP.

Based on the evidence developed during this investigation, it is concluded that HL&P discriminated against the alleged by revoking the alleged's unescorted access as a result of his having engaged in activities protected under Section 210 of the Energy Reorganization Act and 10 CFR 50.7.



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D. C. 20555-0001

May 5, 1995

EA 93-056

Houston Lighting & Power Company
ATTN: William T. Cottle, Group
Vice President, Nuclear
Post Office Box 289
Wadsworth, Texas 77483

SUBJECT: ENFORCEMENT CONFERENCE - NOTICE OF VIOLATION AND PROPOSED
IMPOSITION OF CIVIL PENALTY (EA 93-056)

Dear Mr. Cottle:

This refers to an enforcement conference conducted among the Houston Lighting & Power (HL&P) Company, Messrs. Richard L. Balcom and William J. Jump, and the NRC on February 22, 1995, at the NRC Headquarters Office in Rockville, Maryland. On October 26, 1994, the NRC had issued a Notice of Violation and Proposed Imposition of Civil Penalty (NOV/Proposed CP) and Demand for Information (DFI) to HL&P. The NOV/Proposed CP identified what the NRC staff viewed as a Severity Level II violation of the requirements of 10 CFR 50.7, "Employee Protection," and proposed a civil penalty of \$100,000. The NOV/Proposed CP addressed an instance where HL&P managers appeared to have discriminated against a former contract instrumentation and controls (I&C) technician by revoking his unescorted access to HL&P's South Texas Project (STP). The decision to revoke the individual's access to STP appeared to have been taken because the individual identified safety concerns to the NRC. In addition to the NOV/Proposed CP, a DFI was issued to HL&P to request, in part, further information relative to Messrs. Balcom and Jump, the HL&P managers who were involved in the actions that led to the NOV/Proposed CP. DFIs also were issued to Messrs. Balcom and Jump, to request further information concerning their involvement in the alleged discrimination against the former contract I&C technician.

In a December 22, 1994 response to the NOV/Proposed CP and the DFI, HL&P denied the violation and indicated that in its view, neither Mr. Balcom nor Mr. Jump had discriminated against any individual engaged in protected activities at STP and further requested that the NRC provide an immediate hearing in order to permit HL&P and Messrs. Balcom and Jump to present additional information that it considered relevant to this matter. Because the NOV/Proposed CP and DFI presented only preliminary conclusions and did not impose a sanction, they did not provide a right to a hearing, and the NRC denied HL&P's request. However, in view of some of the information provided in the responses, NRC decided to provide an enforcement conference for HL&P and Messrs. Balcom and Jump, to elicit any additional information and to provide an opportunity for HL&P and the individuals to be heard on the matter. In a February 6, 1995 letter, the NRC invited HL&P and Messrs. Balcom and Jump to an enforcement conference. In addition, the letter furnished HL&P and Messrs. Balcom and Jump specific questions, relative to the matter of the

NOV/Proposed CP, that the NRC staff considered pertinent and expected HL&P to address during the conference. The transcribed conference was subsequently held on February 22, 1995.

During the enforcement conference, HL&P and Messrs. Balcom and Jump addressed the NRC staff's questions, in addition to presenting further clarification concerning the issue of the alleged discrimination against the former I&C technician. Based on the clarification of previously submitted information and additional information provided during the enforcement conference, it now appears to the NRC staff that, on balance, the current record before the NRC supports the view that HL&P's action in revoking the access of the former contract worker was consistent with prior HL&P decisions and actions in the unescorted access authorization area. The additional information provided included a closer examination of the consistency of HL&P's practice of revoking unescorted access as a result of the willful omission of information on previous employment and prior criminal history. Based on this additional information and the information in the responses to the proposed civil penalty and demands for information, the NRC staff has concluded that on balance the current record before the NRC supports the view that it was not unreasonable for HL&P to reevaluate the former technician's unescorted access, and that the multiple omissions of potentially derogatory information by the former technician, did, in this case, provide a legitimate basis for HL&P to revoke his unescorted access.

As a result, based upon all the information available to the staff at this time, the NRC staff now does not consider that it has a sufficient basis to conclude that a violation of 10 CFR 50.7 by HL&P occurred, or that either Mr. Balcom or Mr. Jump engaged in any deliberate misconduct in their action toward the former contract worker. Accordingly, the NRC withdraws the NOV/Proposed CP that was issued on October 26, 1994.


This decision to withdraw the NOV/Proposed CP is, however, without prejudice to the possibility of further action upon evaluation of the evidence that is presented and any decision that is issued in the related case before the Department of Labor. The NRC will continue to monitor this case as it progresses through the Department of Labor (DOL) proceedings. If significant new, pertinent information arises in those DOL proceedings, NRC will consider the need for further action on its part.

Houston Lighting &
Power Company

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No response to this letter is required. In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter will be placed in the NRC Public Document Room.

Sincerely,


James L. Milhoan
Deputy Executive Director
for Nuclear Reactor Regulation,
Regional Operations and Research

Docket Nos. 50-498, 50-499
License Nos. NPF-76, NPF-80

cc:
Houston Lighting & Power Company
ATTN: James J. Sheppard, General Manager
Nuclear Licensing
P.O. Box 289
Wadsworth, Texas 77483

City of Austin
Electric Utility Department
ATTN: J. C. Lanier/M. B. Lee
721 Barton Springs Road
Austin, Texas 78704

City Public Service Board
ATTN: K. J. Fiedler/M. T. Hardt
P.O. Box 1771
San Antonio, Texas 78296

Central Power and Light Company
ATTN: G. E. Vaughn/T. M. Puckett
P.O. Box 2121
Corpus Christi, Texas 78403

INPO
Records Center
700 Galleria Parkway
Atlanta, Georgia 30339-5957

Mr. Joseph M. Hendrix
50 Bellport Lane
Bellport, New York 11713

cc: See Next Page

Houston Lighting &
Power Company

- 4 -

cc: (Con't)
Bureau of Radiation Control
State of Texas
1100 West 49th Street
Austin, Texas 78756

Office of the Governor
ATTN: Susan Rieff, Director
Environmental Policy
P.O. Box 12428
Austin, Texas 78711

Judge, Matagorda County
Matagorda County Courthouse
1700 Seventh Street
Bay City, Texas 77414

Licensing Representative
Houston Lighting & Power Company
Suite 610
Three Metro Center
Bethesda, Maryland 20814

Houston Lighting & Power Company
ATTN: Rufus S. Scott, Associate
General Counsel
P.O. Box 61867
Houston, Texas 77208

Egan and Associates
ATTN: Joseph R. Egan, Esq.
2300 N Street, N.W.
Washington, D.C. 20037



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406 1415

May 24, 1995

EA 95-031

Mr. John F. Opeka, Executive Vice
President - Nuclear
Northeast Nuclear Energy Company
Post Office Box 270
Hartford, Connecticut 06141-0270

SUBJECT: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL
PENALTY - \$50,000
(NRC Inspection Report No. 95-08)

Dear Mr. Opeka:

This letter refers to the NRC special inspection conducted on February 6 through March 15, 1995, at the Millstone Nuclear Power Station, Unit 2, in Waterford, Connecticut. The inspection report was sent to you on March 23, 1995. The inspection was conducted to focus on the cause and safety implications of your report to the NRC on January 26, 1995, regarding potential pressure locking of certain motor operated valves (MOVs) (specifically, containment sump recirculation valves). If these valves failed during an accident after depletion of the Refueling Water Storage Tank (RWST) inventory, a complete loss of the safety injection and containment spray cooling systems would occur. As a result of the inspection, apparent violations of NRC requirements were identified and described in the inspection report. On April 18, 1995, an enforcement conference was conducted with Mr. E. DeBarba and other members of your staff to discuss the apparent violations, their causes and your corrective actions. Based on our subsequent review of the information provided at the enforcement conference, two violations of NRC requirements are being cited.

The first violation is described in Section I of the enclosed Notice of Violation and Proposed Imposition of Civil Penalty and involves the failure to promptly identify and correct a significant condition adverse to quality that existed at the facility. The adverse condition consisted of the potential degradation of the specific MOVs whose operation is required to transfer flow from the RWST to the sump during an accident condition once the RWST inventory has been depleted. The potential degradation of these valves (which are parallel double disc gate valves) results from water entering the bonnet of these valves (in part, due to leakage past a check valve on the pump side of the sump recirculation MOV) resulting in a pressure buildup within the bonnet during accident conditions (due to the heated water in the sump). Forces created by pressure buildup within the bonnet of a valve potentially could cause the valve to pressure lock, thereby precluding it from opening when needed in an accident condition.

The NRC is particularly concerned that you had opportunities to identify this condition since 1990, as a result of reports issued by contractors in September 1990 and October 1994. However, the safety-related evaluations made by those contractors were not adequately reviewed by you in a timely manner. In 1990, Stone & Webster issued a report indicating erroneously that the valves were not subject to pressure locking. However, the evaluations were not reviewed adequately, and it was not until the NRC raised questions regarding the adequacy of this review during an inspection in March 1994, that you tasked another group with reviewing this matter. This failure to review adequately procured engineering services constitutes a violation of 10 CFR Part 50, Appendix B, Criterion VII. In addition, although the other group (Raytheon) concluded, in an October 1994 report, that the potential existed for these valves to be susceptible to pressure locking, you did not adopt that conclusion until January 1995 at which time you informed the NRC. Given the very high potential safety significance of the October 1994 vendor conclusions, your delay until January 1995 in completing reviews of this matter were unacceptable. As noted in your Licensee Event Report, dated February 24, 1995, you concluded that an engineering evaluation confirmed that assumptions made for the original design basis analysis for these valves were not conservative with respect to the maximum calculated forces that would be required to open these valves. This failure to identify and appropriately correct the degradation of these MOVs sooner constitutes a violation of 10 CFR Part 50, Appendix B, Criterion XVI. These violations are described in detail in the enclosed Notice.

At the enforcement conference on April 18, 1995, you informed the NRC of your conclusion that the MOVs were found to be operable, and that pressure locking would not have occurred. In support of this position, you noted that a test facility was set up to measure the bonnet pressurization for a parallel double disc gate valve, and the test results indicated that even with the bonnet essentially full with water, the valves would not pressure lock. The test conclusion was based on the determination that there would be an insufficient rise in pressure because the bonnet fluid experiences a low temperature rise, and a small volume of entrapped air in the bonnet mitigates a pressure increase.

Nonetheless, as you acknowledged at the enforcement conference, your actions between 1990 and 1995 demonstrated deficiencies in your control of procured engineering services, as well as identification of potential safety issues. These deficiencies contributed to your failure to identify this condition adverse to quality sooner. Since the consequences in an accident would be severe if the valves would not open once the RWST inventory was depleted (specifically, core and containment cooling would be lost after the inventory in the RWST was depleted), the violations have been categorized as a Severity Level III problem in accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (Enforcement Policy).

The NRC recognizes that at the time of the enforcement conference, prompt and comprehensive actions had been taken to correct the violation and related condition, and preclude recurrence. These actions, which were described at the time of the enforcement conference, included (1) development of a program instruction for independently and comprehensively assessing MOVs to ensure they are not susceptible to pressure locking phenomena; (2) addition of pressure locking criteria to the MOV program manual; (3) review of the Unit 2 MOVs without any additional problems being identified; (4) modification of the actual containment sump recirculation valves by drilling a 1/8 inch hole through the center of the containment side disc to provide for pressure relief; (5) initiation of a task group to perform generic review of the use and control of service vendors; and (6) development of the Adverse Condition Report (ACR) process to recognize potential problems; lower the threshold for initiation of a report; emphasize prompt conservative reporting; and provide for system engineer evaluations.

Notwithstanding those corrective actions, to emphasize the importance of (1) prompt identification, evaluation, and correction of any indications of conditions adverse to quality at the facility, and (2) your staff being technically inquisitive and maintaining a questioning attitude regarding work performed by vendors or contractors, I have been authorized, after consultation with the Director, Office of Enforcement, and the Deputy Executive Director for Nuclear Reactor Regulation, Regional Operations, and Research, to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice) in the amount of \$50,000 for the two violations set forth in Section I of the enclosed Notice.

The base civil penalty amount for a Severity Level III problem is \$50,000. The escalation and mitigation factors set forth in the enforcement policy were considered, and on balance, no adjustment to the penalty was warranted. With respect to the identification factor, although you reported to the NRC in January 1995 that the valves might be susceptible to pressure locking, no adjustment on this factor is warranted because it was not identified until after the NRC performed a MOV review in 1994 and recommended evaluation of this phenomenon. Further, the actual violations (inadequate identification and correction of a condition adverse to quality; and failure to adequately review procured engineering services) were identified by the NRC. Since your corrective actions were considered prompt and comprehensive, 50% mitigation on this factor is warranted. With respect to the past performance factor, 50% escalation is warranted because your enforcement history has not been good (as evidenced by numerous civil penalties being issued to Northeast Nuclear Energy Company in the past two years), as well as SALP 3 ratings in the operations and maintenance areas during the last SALP which also noted that weaknesses still existed in the timely resolution of engineering issues (full 100% escalation on this factor is not warranted because of the relatively good performance in the follow-up of MOV problems, as well as Generic Letter 89-10 program management at all three Millstone units. The other factors were considered and no further adjustment was warranted since those factors were a consideration in the decision to classify the violations in the aggregate at Severity Level III.

An additional violation is also described in Section II of the enclosed Notice.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure(s), and your response will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. However, if you find it necessary to include such information, you should indicate clearly the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

The responses 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, Pub. L. No. 96.511.

Sincerely,



Thomas T. Martin
Regional Administrator

Docket No. 50-336
License No. DPR-65

Enclosure: Notice of Violation and Proposed Imposition of Civil Penalty

cc w/encl:

M. Brothers, Nuclear Unit Director

G. Bouchard, Nuclear Unit Director

L. Cuoco, Esquire

F. Dacimo, Vice President, Haddam Neck Station

R. Kacich, Director, Nuclear Planning, Licensing and Budgeting

J. LaPlatney, Haddam Neck Unit Director

D. Miller, Senior Vice President, Millstone Station

N. Reynolds, Esquire

S. Scace, Vice President, Nuclear Operations Services

J. Solymosy, Director, Nuclear Quality and Assessment Services

State of Connecticut SLO Designee

ENCLOSURE

NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTY

Northeast Nuclear Energy Company
Millstone, Unit 2
Waterford, Connecticut

Docket No. 50-336
License No. DPR-65
EA 95-031

During an NRC inspection conducted on February 6 through March 15, 1995, violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the Nuclear Regulatory Commission proposes to impose a civil penalty pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205. The particular violations and associated civil penalty are set forth below:

I. Violations Assessed a Civil Penalty

- A. 10 CFR Part 50, Appendix B, Criterion XVI, Corrective Action, requires that measures shall be established to assure that conditions adverse to quality, such as failures, malfunctions, deficiencies, deviations, defective material and equipment, and nonconformances are promptly identified and corrected. In the case of significant conditions adverse to quality, the measures shall assure that the cause of the condition is determined and corrective action is taken to preclude repetition. The identification of the significant condition adverse to quality, the cause of the condition, and the corrective action taken, shall be documented and reported to appropriate levels of management.

Contrary to the above, a significant condition adverse to quality existed at the facility; namely, a deficiency in the licensee's analysis of whether the containment sump recirculation Motor Operated Valves (MOVs) 2-CS-16.1A and 2-CS-16.1B were susceptible to pressure locking such that the valves would not open if called upon to initiate the recirculation phase of containment and core cooling, and the significant condition was not recognized until January 25, 1995. Specifically, in a Raytheon technical report on "Review of Pressure Locking/ Thermal Binding in Motor Operated Gate Valves for Northeast Utilities - Millstone Unit 2", dated October 18, 1994, Raytheon concluded that the sump recirculation valves had been identified by its engineering study as susceptible to pressure locking that, as a common mode failure, could prevent both of these valves from opening. However, it was not until January 25, 1995, that the licensee's engineering evaluation confirmed that the assumptions made for the original design basis for these valves were nonconservative with respect to the maximum calculated forces that would be required to open the valves. (01013)

- B. 10 CFR Part 50, Appendix B, Criterion VII, control of purchased material, equipment, and services, requires, in part, that measures shall be established to assure that purchased services conform to procurement documents. Documentary evidence that material conforms to the procurement requirements shall be available at the nuclear power plant site prior to the use of such material. This documentary evidence shall be retained at the nuclear power plant site and shall be sufficient to identify the specific requirements, such as codes, standards, or specifications, met by the purchased material.

The Northeast Utilities Quality Assurance Program (NUQAP) requires, in part, that engineering services be accepted in accordance with methods defined in Northeast Utilities procedures.

Nuclear Engineering and Operations Procedure (NEO) 6.05, "Processing and Control of Purchased Material, Equipment, Parts, and Services," was developed, in part, to comply with the NUQAP commitment to Nuclear Regulatory Commission (NRC) Regulatory Guide 1.123, Revision No. 1, dated July 1977, "Quality Assurance Requirements for Control of Procurement of Items and Services for Nuclear Power Plants" and American Nuclear Standards Institute (ANSI) N45.2.13, 1976, "Quality Assurance Requirements for Control of Procurement of Items and Services for Nuclear Power Plant."

Nuclear Engineering and Operations Procedure (NEO) 6.05, "Processing and Control of Purchased Material, Equipment, Parts, and Services," Revision 2, dated August 1990, (and subsequent revisions) specify that procured services be accepted by any one or combination of the following methods:

- (1) Technical Verification of the data produced;
- (2) Surveillance/audit of the activity;
- (3) Review of objective evidence for conformance to the procurement document requirements; and
- (4) Technical review and acceptance of the completed work.

Further, the procedure specifies that documented evidence of the acceptance of services shall be included in the final documentation package for the activity.

Contrary to the above, as of March 10, 1995, no documented evidence existed that procured engineering services were reviewed and accepted in accordance with the NU procedures for the Stone and Webster Engineering Company report on "Thermal Binding and Hydraulic Lock of Gate Valves for Millstone Unit 2 Nuclear Power Station," dated September 29, 1990. Specifically, the report concluded that the sump recirculation MOVs were not susceptible to pressure locking, but the licensee did not initiate an evaluation of the validity of this conclusion, consistent with their engineering assurance program, until 1994, after the NRC raised concerns during an inspection in March 1994 regarding the licensee's evaluation of the Stone & Webster Report and its related calculations. (01023)

This is a Severity Level III problem (Supplement 1).
Civil Penalty - \$50,000

II. Violation Not Assessed a Civil Penalty

10 CFR Part 50, Appendix B, Criterion XVI, Corrective Action, requires that measures shall be established to assure that conditions adverse to quality, such as failures, malfunctions, deficiencies, deviations, defective material and equipment, and nonconformances are promptly identified and corrected. In the case of significant conditions adverse to quality, the measures shall assure that the cause of the condition is determined and corrective action is taken to preclude repetition. The identification of the significant condition adverse to quality, the cause of the condition, and the corrective action taken, shall be documented and reported to appropriate levels of management.

Contrary to the above, from December 8, 1993, to March 10, 1995, the licensee failed to repair or evaluate the significance of leakage past containment sump recirculation suction check valve 2-CS-15A. This condition allowed the bonnet of the sump recirculation suction valve (2-CS-MOV-16.1A) to be filled with water, and the potential for pressurization and failure of the containment sump recirculation suction valve 2-CS-MOV-16.1A to perform its safety function. The leakage from check valve 2-CS-15A also allowed water to enter the containment sump suction piping during surveillance testing. The leakage resulted in filling the loop "A" containment sump recirculation suction piping with water, a condition not analyzed or described in the Millstone 2 Final Safety Analysis Report. (02013)

This is a Severity Level IV violation (Supplement 1).

Pursuant to the provisions of 10 CFR 2.201, Northeast Nuclear Energy Company (Licensee) is hereby required to submit a written statement or explanation to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, within 30 days of the date of this Notice of Violation and Proposed Imposition of Civil Penalty (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each alleged violation: (1) admission or denial of the alleged violation, (2) the reasons for the violation if admitted, and if denied, the reasons why, (3) the corrective steps that have been taken and the results achieved, (4) the corrective steps that will be taken to avoid further violations, and (5) the date when full compliance will be achieved. If an adequate reply is not received within the time specified in this Notice, an Order or a Demand For Information may be issued to show cause why the license should not be modified, suspended, or revoked or why such other action as may be proper should not be taken. 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, the Licensee may pay the civil penalty by letter addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, with a check, draft, money order, or electronic transfer payable to the Treasurer of the United States in the amount of the civil penalty proposed above, or may protest imposition of the civil penalty in whole or in part, by a written answer

addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission. Should the Licensee fail to answer within the time specified, an order imposing the civil penalty will be issued. Should the Licensee elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalty, in whole or in part, such answer should be clearly marked as an "Answer to a Notice of Violation" and may: (1) deny the violations 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 factors addressed in Section VI.B.2 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 parts of the 10 CFR 2.201 reply by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. The attention of the Licensee is directed to the other provisions of 10 CFR 2.205, regarding the procedure for imposing a civil penalty.

Upon failure to pay any civil penalty due which subsequently has been 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(c).

The response noted above (Reply to Notice of Violation, letter with payment of civil penalty, and Answer to a Notice of Violation) should be addressed to: Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region I, 475 Allendale Road, King of Prussia, Pennsylvania 19406 and a copy to the Senior Resident Inspector, Millstone Station.

Dated at King of Prussia, Pennsylvania
this 24th day of May 1995



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

April 11, 1995

EA 94-239

Mr. Leon R. Eliason
Chief Nuclear Officer and President
Nuclear Business Unit
Public Service Electric and Gas Company
Post Office Box 236
Hancocks Bridge, New Jersey 08038

SUBJECT: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL
PENALTY - \$80,000
(Office of Investigations (OI) Report 1-93-021R)

Dear Mr. Eliason:

This letter refers to the NRC investigation conducted at the Salem Nuclear Generating Station concerning harassment and intimidation (H&I) of two Safety Review Group (SRG) engineers (a Senior Staff Engineer and a Safety Review Engineer) after they attempted to file an incident report (IR) at the facility on December 3, 1992. You conducted an internal investigation of this matter, and found, in part, that certain nuclear department managers engaged in actions of H&I or failed to respond to such actions effectively, as noted in the Executive Summary of your Task Force Report of Investigation, dated April 2, 1993. In addition to your internal investigation, the NRC's Office of Investigations (OI) performed an investigation into this matter. On February 8, 1995, an enforcement conference was conducted with you and members of your staff to discuss the H&I activities, its causes, and your corrective actions. In addition, separate enforcement conferences were held with Messrs. Reiter and Polizzi on February 8, 1995, and with Mr. Vondra on February 24, 1995.

Based on the NRC OI investigation (the investigation synopsis was sent to you on January 11, 1995), as well as a review of your internal investigation and the results of enforcement conferences with you and individuals mentioned in the previous paragraph, the NRC determined that H&I did occur relative to the two SRG engineers. More specifically, the NRC concludes that the former General Manager-Salem Operations (GM-SO), Mr. Calvin Vondra, and the former Operations Manager (OM), Mr. Vincent Polizzi, engaged in a number of discrete acts, that, taken together, created a hostile work environment for the two SRG engineers. These actions by the OM and GM-SO against the two SRG engineers constitute a violation of the employee protection provisions set forth in 10 CFR 50.7.

Our investigation also initially implicated the former General Manager-Quality Assurance and Nuclear Safety Review (GM-QA/NSR). However, subsequent review of this individual's performance and the clarification he presented at an enforcement conference on February 8, 1995, indicates he did not violate, or cause you, the licensee, to violate, any regulatory requirement relating to employee protection. Consequently, we do not intend to take further actions relative to this individual.

The specific events which led to the creation of the hostile work environment began on December 3, 1992, when the two SRG engineers attempted to process a safety issue in accordance with station procedures, via an IR. The IR questioned whether the commercial grade air supply pressure setpoint regulators, which control service water flow to the safety-related containment fan cooling units, were qualified seismically, configured properly, and classified properly as safety-related components. After the engineers raised the issue to the OM, the OM angrily attempted to convince the SRG engineers that either the IR should not be issued, or should include information that the OM believed existed, that would support operability of the components. When it was evident to the OM that the SRG engineers would not agree to this approach, the OM escalated the matter to the GM-SO.

After the OM and GM-SO met privately for approximately 15 minutes, the two SRG engineers were called into the meeting. During the meeting, the GM-SO became frustrated as he was unable to convince the SRG engineers to modify, amend, or otherwise revise their proposed IR. When matters reached an impasse, one of the engineers indicated that he (the engineer) could document the matter as a safety concern. The GM-SO took this statement as a threat, became more angry, ordered the two SRG engineers to get out of his office, and threatened to have site security officers remove them.

The next day, December 4, 1992, the GM-SO signed a memorandum, that he previously requested the OM to prepare, to the GM-QA/NSR (within whose organization the two SRG engineers reported). The memorandum requested that the two individuals be removed from any direct or indirect involvement with the Salem Station. While the GM-SO signed the memorandum and intended that it be issued immediately, the OM held the memorandum until the GM-SO returned from vacation on December 14, 1992. Although the GM-SO sought the advice of a peer manager (the General Manager-Hope Creek Operations), who advised against sending the memorandum, and had an opportunity to reconsider his actions in this matter, he did not change his mind. Accordingly, the GM-SO sent the memorandum, dated December 4, 1992, when he returned from vacation on December 14, 1992, and he did not retract it until February 8, 1993, after the Senior Vice President-Electric became aware of the issue and initiated an investigation.

These discrete actions by the former GM-SO and OM created a hostile work environment for the two SRG engineers, as more fully described in the enclosed Notice, and constitute a violation of the employee protection provisions in 10 CFR 50.7. At the enforcement conference, your Vice President-Nuclear Operations, admitted that a violation of 10 CFR 50.7 occurred. The OM and GM-SO made similar admissions during the enforcement conferences held with them, although they both denied that they deliberately took any action to violate this requirement. A hostile work environment is not conducive to the raising of safety concerns by individuals, and can potentially have an adverse impact on the safe operation of the facilities. As such, a hostile work environment at a licensee facility cannot be tolerated.

As a NRC licensee, your organization has the responsibility to ensure all safety concerns raised by staff are addressed in a manner that does not create a hostile work environment for those individuals who bring forth such concerns. The actions of the former GM-SO and the former OM in late 1992 and early 1993 did not adhere to these standards, and could not provide an appropriate example for management, supervisors, or staff within their line organization, nor for the other Public Service Electric and Gas (PSE&G) organizations with which they interfaced. Given the senior level of plant management involved in the creation of this hostile work environment, the related violation is classified at Severity Level II in accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, (Enforcement Policy).

In addition to the violation, the NRC is concerned that senior management did not resolve these issues promptly and effectively after becoming aware of them in late December 1992 and early January 1993. As noted in your internal investigation report, the former Vice President and Chief Nuclear Officer initially failed to recognize the significance of the issues and to monitor resolution, and the former Vice President-Nuclear Operations exercised poor judgement by abstaining from any involvement in the resolution of the issues.

The NRC recognizes that this violation initially was identified by PSE&G during an investigation initiated at the direction of senior corporate management, after they became aware of the events. The NRC also recognizes that subsequent to the identification of the violation, actions were taken to correct the violation and prevent recurrence, including disciplinary action against the responsible individuals and subsequent removal of the GM-SO and OM from any involvement at the Salem Station. These corrective actions, which were described at the enforcement conference, included, but were not limited to: (1) prompt initiation of an investigation in early 1993 after the Senior Vice President-Electric became aware of the events; (2) the then Chief Nuclear Officer meeting with the SRG engineers in February and April 1993, and sending them a letter to assure them that their actions were appropriate; (3) issuance of letters of apology to the SRG engineers from the GM-SO and OM; (4) review of the event with Salem managers; (5) issuance of a letter to all nuclear department personnel regarding raising safety concerns; (6) revision of General Employee Training (GET) regarding employee rights and responsibilities; and (7) revision of appropriate procedures.

However, notwithstanding your investigative efforts and corrective actions, a significant NRC action is warranted, given the senior levels of plant management involved in this case, so as to emphasize the importance of continuously assuring a work environment that is free of any harassment, intimidation, or discrimination against those who raise safety concerns. Accordingly, I have been authorized, after consultation with the Director, Office of Enforcement, to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice) in the amount of \$80,000 for the Severity Level II violation set forth in the Notice.

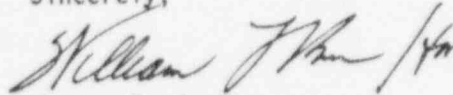
The base civil penalty amount for a Severity Level II violation is \$80,000. Application of the escalation and mitigation factors in Section VI.B.2 of the Enforcement Policy was considered, and on balance, no adjustment to the penalty is warranted. NRC determined that there is a basis for 50% mitigation of the civil penalty based on your identification of the violation and an additional 50% mitigation of the civil penalty as a result of your prompt and comprehensive corrective actions taken after the violation was identified. However, 100% escalation of the civil penalty is warranted based on the fact that you had a prior opportunity to preclude continuance of the hostile work environment which existed over a two month duration. This prior opportunity existed because the then Vice President and Chief Nuclear Officer, as well as the then Vice President, Nuclear Operations, were aware, soon after the December 3, 1992 event, that a confrontation had developed between the two SRG engineers and senior members of your management staff, yet failed to take action to prevent the violation from continuing. The other escalation/mitigation factors were considered and no further adjustment was warranted.

You are required to respond to this letter and the enclosed Notice and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure(s), and your response will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

The responses 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, Pub. L. No. 96-511.

Sincerely,



Thomas T. Martin
Regional Administrator

Docket Nos. 50-272; 50-311
License Nos. DPR-70; DPR-75

Enclosure: Notice of Violation and Proposed Imposition of Civil Penalty

cc w/encl:

J. Hagan, Vice President - Operations
S. LaBruna, Vice President - Engineering and Plant Betterment
C. Schaefer, External Operations - Nuclear, Delmarva Power & Light Co.
R. Burricelli, General Manager - Informations Systems & External Affairs
J. Summers, General Manager - Salem Operations
J. Benjamin, Director - Quality Assurance & Safety Review
F. Thomson, Manager, Licensing and Regulation
R. Kankus, Joint Owner Affairs
A. Tapert, Program Administrator
R. Fryling, Jr., Esquire
M. Wetterhahn, Esquire
P. Curham, Manager, Joint Generation Department, Atlantic Electric Company
Consumer Advocate, Office of Consumer Advocate
W. Conklin, Public Safety Consultant, Lower Alloways Creek Township
Public Service Commission of Maryland
State of New Jersey
State of Delaware
Nuclear Safety Information Center (NSIC)
D. Screnci, PAO-RI (2)
NRC Resident Inspector

ENCLOSURE

NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTY

Public Service Electric and Gas Company
Salem Nuclear Generating Station
Units 1 and 2

Docket Nos. 50-272; 50-311
License Nos. DPR-70; DPR-75
EA 94-239

As a result of an NRC OI investigation at Salem, the report of which was issued on November 4, 1994, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the Nuclear Regulatory Commission proposes to impose a civil penalty pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205. The particular violation and associated civil penalty are set forth below:

10 CFR 50.7, Employee Protection, subsection (a), prohibits discrimination by a Commission licensee against an employee for engaging in certain protected activities. Discrimination includes actions that relate to compensation, terms, conditions, or privileges of employment. Protected activities include, but are not limited to, providing information to an employer on potential violations or other matters within the NRC's regulatory responsibilities.

Contrary to the above, the licensee discriminated against two employees for engaging in protected activities. The employees, Mr. Bert Williams, and Mr. Paul Craig, who were Safety Review Group (SRG) engineers, were engaged in a protected activity in that they raised safety concerns by attempting to file an incident report (IR) at Salem concerning whether commercial grade air supply pressure setpoint regulators, which control service water flow to the containment fan cooling units, were qualified seismically, properly classified in an information system as safety-related, and properly configured. Beginning on December 3, 1992, the licensee through the then General Manager-Salem Operations (GM-SO), Mr. Calvin Vondra, and the then Operations Manager (OM), Mr. Vincent Polizzi, subjected Mr. Williams and Mr. Craig to discrete actions which created a hostile work environment affecting the conditions of employment, as evidenced by the following:

1. The OM, during his initial meetings with the two SRG engineers on December 3, 1992, angrily attempted to convince the SRG engineers that either the IR should not be issued, or should include information, that the OM believed existed, that would support operability of the components. The actions of the OM contributed to a hostile work environment directed to the two SRG engineers because his actions could have had a chilling effect on those employees (or other employees who may have become aware of or witnessed this event) raising safety concerns;

2. The GM-SO, during his meeting with the SRG engineers on December 3, 1992, was unsuccessful in convincing the SRG engineers to modify, amend or otherwise revise the IR. The GM-SO angrily told the SRG engineers to get out of his office after one of them indicated to the GM-SO that he would consider filing a safety concern report if an IR was not processed. The actions of the GM-SO contributed to a hostile work environment directed to the two SRG engineers because his actions could have had a chilling effect on those employees (or other employees who may have become aware of or witnessed this event) raising safety concerns;
3. The OM prepared a memorandum to the former General Manager-Quality Assurance and Nuclear Safety Review (GM-QA/NSR) at the direction, and for the signature, of the GM-SO requesting that the SRG engineers be removed from any further involvement at the site, and their aberrant behavior evaluated. The GM-SO signed the memorandum to the GM-QA/NSR on December 4, 1992, prior to taking vacation leave, and mailed the memorandum on December 14, 1992 upon return from vacation, even though, in the interim,
 - a. The then General Manager-Hope Creek, cautioned him about the sending of the memorandum; and
 - b. The OM did not mail the memorandum after the GM-SO signed it on December 4, 1992, but held it until the GM-SO returned on December 14, 1992, which provided an opportunity for reconsideration of the matter.

The memorandum contributed to the hostile work environment because it had the potential to inhibit the SRG engineers, and any other employees who may have become aware of the memorandum, from raising safety concerns; and

4. The memorandum was not withdrawn until February 8, 1993, after the Senior Vice President-Electric became aware of the issue and initiated an investigation, even though the GM-QA/NSR had a number of meetings or telephone calls with the GM-SO during December 1992 and January 1993, in an effort to resolve the issue. (01012)

This is a Severity Level II Violation (Supplement VII).
Civil Penalty - \$80,000.

Pursuant to the provisions of 10 CFR 2.201, Public Service Electric and Gas Company (Licensee) is hereby required to submit a written statement or explanation to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, within 30 days of the date of this Notice of Violation and Proposed Imposition of Civil Penalty (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each alleged violation: (1) admission or denial of the alleged violation, (2) the reasons for the violation if admitted, and if denied, the reasons why, (3) the corrective steps that have been taken and the results achieved, (4) the corrective steps that will

be taken to avoid further violations, and (5) the date when full compliance will be achieved. If an adequate reply is not received within the time specified in this Notice, an Order or a Demand For Information may be issued to show cause why the license should not be modified, suspended, or revoked or why such other action as may be proper should not be taken. 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, the Licensee may pay the civil penalty by letter addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, with a check, draft, money order, or electronic transfer payable to the Treasurer of the United States in the amount of the civil penalty proposed above, or may protest imposition of the civil penalty in whole or in part, by a written answer addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission. Should the Licensee fail to answer within the time specified, an order imposing the civil penalty will be issued. Should the Licensee elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalty, in whole or in part, such answer should be clearly marked as an "Answer to a Notice of Violation" and 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 factors addressed in Section V.B of 10 CFR Part 2, Appendix C (1992), 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 parts of the 10 CFR 2.201 reply by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. The attention of the Licensee is directed to the other provisions of 10 CFR 2.205, regarding the procedure for imposing a civil penalty.

Upon failure to pay any civil penalty due which subsequently has been 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(c).

The response noted above (Reply to Notice of Violation, letter with payment of civil penalty, and Answer to a Notice of Violation) should be addressed to: Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region I, 475 Allendale Road, King of Prussia, Pennsylvania 19406 and a copy to the Senior Resident Inspector, Salem Generating Station.

Dated at King of Prussia, Pennsylvania
this 11th day of April, 1995



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV

611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

May 18, 1995

EA 95-036

Washington Public Power Supply System
ATTN: J. V. Parrish, Vice President
Nuclear Operations
3000 George Washington Way
P.O. Box 968, MD 1023
Richland, Washington 99352

SUBJECT: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY -
\$50,000
(NRC Inspection Report No. 50-397/94-34)

Dear Mr. Parrish:

This refers to the special inspection conducted on January 23 through February 15, 1995 at the Washington Nuclear Project-2 facility. This inspection involved a review of the failure to maintain the control room emergency filtration system operable during Operating Conditions 1-5 and refueling as required by the Technical Specifications. These deficiencies were reported in Licensee Event Reports 50-397/94-12, 50-397/94-19 and 50-397/94-21 in accordance with 10 CFR 50.73 (a)(2)(i) and (v). As a result of the NRC inspection, violations of NRC regulatory requirements were identified. You were informed of the inspection findings during the exit meeting on February 15, 1995 and in the report documenting the NRC inspection which was sent to you by letter dated March 20, 1995. An open enforcement conference was conducted in the Region IV office on April 7, 1995, to discuss the violations, their cause, and your corrective actions to preclude recurrence. A summary of this conference was sent to you by letter dated May 8, 1995.

The violations described in the Notice of Violation and Proposed Imposition of Civil Penalty (Notice) individually constitute a failure to comply with the action statements for Technical Specification Limiting Conditions for Operation. Collectively, these violations involve a breakdown in the control of licensed activities involving a number of violations that are related. In considering the violations, the NRC noted that inadequate maintenance practices and problems with implementation of the corrective action process were major contributors to the breakdown.

The consequences of the breakdown in control of licensed activities contributed to violations of three control room emergency filtration operability Technical Specifications (TS). Specifically, these involved a failure to comply with the requirements of: (1) TS 3.7.2.b.1 when one emergency filtration system train was inoperable because a filter unit was not able to efficiently remove iodine as a result of the inadvertent wetting of the charcoal inside a filter unit; (2) TS 3.7.2.a. when one emergency filtration system train was inoperable because of a missing gasket on the air

handling unit access door; and (3) TS 3.0.3 when both trains of emergency ventilation systems were inoperable because of holes opened in the control room boundary.

Although your staff identified and reported the specific conditions which rendered the emergency filtration system trains inoperable, the NRC is concerned with the implementation problems with your corrective action process for identifying, evaluating and correcting safety-related equipment deficiencies. Both the NRC's assessment and your staff's assessment presented at the enforcement conference identified significant personnel performance issues including the lack of a questioning attitude demonstrated by operations, maintenance and engineering personnel. The circumstances associated with events demonstrated ineffective operational support activities, a lack of teamwork, and an inability to implement the corrective action process to adequately identify, evaluate and resolve safety-related equipment deficiencies. This conclusion is supported by a review of the individual factors which contributed to the inoperable emergency filtration trains. These factors included: failure by non-licensed operators to initiate problem evaluation reports or appropriately question the effect of system interfaces; failure to perform adequate post maintenance tests; failure to document each equipment deficiency using the work control process; failure to implement an adequate plant modification installation process; and a lack of a questioning attitude by the senior reactor operators screening work activities.

The NRC views the TS violations as a problem of both regulatory and safety significance. The regulatory significance was readily identified by your staff and reported as the TS violations in the three licensee event reports. However, it was noted that you did not consider the violations to be safety significant based on an extensive engineering evaluation which showed that the radiological consequences to the operators during a design basis accident with the control room emergency filtration system inoperable were within licensed analysis limits. Although the NRC does not specifically disagree with your staff's engineering evaluation, we do not agree that the violations were of minimal safety significance. The violations were found to be safety significant because they represent a breakdown in the control of licensed activities associated with the control room emergency filtration system.

In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," (Enforcement Policy) 10 CFR Part 2, Appendix C, these violations have been classified in the aggregate as a Severity Level III problem. The decision to classify the violations as a Severity Level III problem also reflects, in part, the NRC's regulatory concern raised by the fact that you had ample opportunities to identify and correct the problems in each event before they resulted in TS violations. Additionally, similar corrective action implementation problems were previously identified for the control room chillers and the SCRAM solenoid pilot valves. These findings are documented in NRC Inspection Reports 50-397/94-12 and 50-397/94-15. In addition, the NRC had also identified other personnel performance issues

similar to those identified for this enforcement action (reference NRC Inspection Report 50-397/94-34). These issues were: (1) your staff's failure to adhere to procedures requiring the performance of prompt operability assessments when physical evidence of degraded equipment was identified; (2) inadequate management oversight; and (3) poor communications between organizations.

The NRC recognizes that specific corrective actions were taken and are being taken in response to the violations discussed during the enforcement conference. Some of the actions identified include actions to: (1) provide upgraded training on control room pressurization envelope for all operators; (2) conduct training for maintenance personnel to upgrade understanding of Class 1 and Class 2 systems; (3) implement a preliminary on-shift senior reactor operator screening of work requests prior to routing to work control and enhance the work request review process to provide a multi-disciplinary team to assess and prioritize resolution of plant problems; (4) increase the troubleshooting procedure formality and reinforce the expectation that control room permission is to be obtained before performing work; and (5) bring in a contractor to perform a root cause analysis of the control room emergency filtration system inoperability events.

To emphasize the significance the NRC places on the control of licensed activities, through the implementation of an effective maintenance and corrective action process, to prevent, identify, and correct equipment deficiencies that directly affect safety-related system operability and to preclude TS violations, I have been authorized after consultation with the Director, Office of Enforcement, to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice) in the amount of \$50,000 for the Severity Level III problem.

The base value of a civil penalty for a Severity Level III problem is \$50,000. The adjustment factors in Section VI.B.2 of the Enforcement Policy were considered. The Enforcement Policy generally provides for mitigation in instances where licensees identify the violations; however, the NRC found that mitigation for identification was not appropriate in this case because your staff had not realized the overall significance of the events until identified by the NRC during the special inspection.

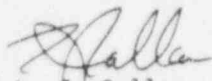
With regard to corrective action, the NRC found that your immediate corrective actions were appropriate; however, your staff did not adequately evaluate the significance of identified process weaknesses and take broader corrective actions and this later resulted in additional problems. One example discussed during the enforcement conference involved the failure to retroactively implement improvements to the 10 CFR 50.59 plant modification installation process. This contributed to an additional modification being installed (fire dampers) which adversely affected the control room pressurization boundary. Consequently, we find that mitigation for corrective action is not appropriate in this case. The other adjustment factors were also considered and no adjustments to the base civil penalty were considered appropriate.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. This should include your actions to ensure that the corrective action process is effectively integrated into all aspects of plant operations and implemented. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

The responses 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, Pub. L. No. 96.511.

Sincerely,



L. J. Callan
Regional Administrator

Docket No. 50-397
License No. NPF-21

Enclosure:
Notice of Violation and
Proposed Imposition of Civil Penalty

cc w/Enclosure:
Washington Public Power Supply System
ATTN: J. H. Swailes, WNP-2 Plant Manager
P.O. Box 968, MD 927M
Richland, Washington 99352-0968

Washington Public Power Supply System
ATTN: G. E. C. Doupe, Esq.
3000 George Washington Way
P.O. Box 968, MD 396
Richland, Washington 99352-0968

Washington Public Power Supply -5-
System

Energy Facility Site Evaluation Council
ATTN: Frederick S. Adair, Chairman
P.O. Box 43172
Olympia, Washington 98504-3172

Washington Public Power Supply System
ATTN: D. A. Swank, WNP-2 Licensing Manager
P.O. Box 968 (Mail Drop PE20)
Richland, Washington 99352-0968

Washington Public Power Supply System
ATTN: P. R. Bemis, Director
Regulatory and Industry Affairs
P.O. Box 968 (Mail Drop PE20)
Richland, Washington 99352-0968

Benton County Board of Commissioners
ATTN: Chairman
P.O. Box 190
Prosser, Washington 99350-0190

Winston & Strawn
ATTN: M. H. Philips, Esq.
1400 L Street, N.W.
Washington, D.C. 20005-3502

NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTY

Washington Public Power Supply System
Washington Nuclear Project-2

Docket: 50-397
License: NPF-21
EA 95-036

During an NRC inspection conducted January 23 through February 15, 1995, violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the Nuclear Regulatory Commission proposes to impose a civil penalty pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205. The particular violations and associated civil penalty are set forth below:

- A. Technical Specification 3.7.2.b.1. states that while in Operational Conditions 4, 5, or while handling irradiated fuel in the secondary containment, with one control room emergency filtration system inoperable, restore the inoperable train to operable status within 7 days or initiate and maintain operation of the operable train in the pressurization mode of operation.

Contrary to the above, after March 31, 1994, and before May 31, 1994, with the plant in Operational Condition 5 and while handling irradiated fuel in the secondary containment, a leaking deluge isolation valve wetted a charcoal filter located inside an emergency filter unit which caused the emergency filtration system to be inoperable. The control room emergency filtration system remained inoperable for more than 7 days; and the operable control room emergency filtration system, Train A, was not placed in the pressurization mode of operation. (01013)

- B. Technical Specification 3.7.2.a. states that in Operational Condition 1, 2, or 3 with one control room emergency filtration train inoperable, restore the inoperable train to operable status within 7 days or be in at least hot shutdown within the next 12 hours and in cold shutdown within the following 24 hours.

Contrary to the above, on October 26, 1994, with the plant in Operational Condition 1, Train B of the control room emergency filtration system became inoperable when maintenance craftsmen removed a door gasket from an access door on an air handling unit. The inoperable train was not returned to operable status within 7 days nor was the plant placed in hot shutdown within the next 12 hours and in cold shutdown within the following 24 hours. The plant continued to operate in Operational Condition 1 from November 2 through November 22, 1994, with Train B of the control room emergency filtration system inoperable. (01023)

- C. Technical Specification 3.7.2.a. states that in Operational Condition 1, 2, or 3 with one control room emergency filtration train inoperable, restore the inoperable train to operable status within 7 days or be in at least hot shutdown within the next 12 hours and in cold shutdown within the following 24 hours.

Technical Specification 3.0.3 states, in part, that when a Limiting Condition for Operation is not met, except as provided in the associated action requirements, within 1 hour action shall be initiated to place the unit in an operational condition in which the condition does not apply by placing it, as applicable, in:

- (1) At least startup within the next 6 hours,
- (2) At least hot shutdown within the following 6 hours, and
- (3) At least cold shutdown within the subsequent 24 hours.

Contrary to the above, with the plant in Operational Condition 1 and both trains of the control room emergency filtration system inoperable, the plant was not placed in an operational condition in which the condition did not apply. From approximately 1:16 p.m. on November 22, 1994, through 10:45 a.m. on November 23, 1994, (21 hours) the control room emergency filtration system was rendered inoperable because of open holes through the control room ventilation boundary. (01033)

These violations represent a Severity III problem (Supplement I).

Civil Penalty - \$50,000

Pursuant to the provisions of 10 CFR 2.201, Washington Public Power Supply System (Licensee) is hereby required to submit a written statement or explanation to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, within 30 days of the date of this Notice of Violation and Proposed Imposition of Civil Penalty (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each alleged violation: (1) admission or denial of the alleged violation, (2) the reasons for the violation if admitted, and if denied, the reasons why, (3) the corrective steps that have been taken and the results achieved, (4) the corrective steps that will be taken to avoid further violations, and (5) the date when full compliance will be achieved.

If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as why the license should not be modified, suspended, or revoked or why such other action as may be proper should not be taken. 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, the Licensee may pay the civil penalty by letter addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, with a check, draft, money order, or electronic transfer payable to the Treasurer of the United States in the amount of the civil penalty proposed above, or the cumulative amount of the civil penalties if more than one civil penalty is proposed, or may protest imposition of the civil penalty in whole or in part,

by a written answer addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission. Should the Licensee fail to answer within the time specified, an order imposing the civil penalty will be issued. Should the Licensee elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalty, in whole or in part, such answer should be clearly marked as an "Answer to a Notice of Violation" and may: (1) deny the violation(s) 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 factors addressed in Section VI.B.2 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 parts of the 10 CFR 2.201 reply by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. The attention of the licensee is directed to the other provisions of 10 CFR 2.205, regarding the procedure for imposing a civil penalty.

Upon failure to pay any civil penalty due which subsequently has been 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. 2282c.

The response noted above (Reply to Notice of Violation, letter with payment of civil penalty, and Answer to a Notice of Violation) should be addressed to: Mr. James Lieberman, Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike, Rockville, MD 20852-2738, with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region IV and a copy to the NRC Resident Inspector at the facility that is the subject of this Notice.

Dated at Arlington, Texas,
this 18th day of May 1995

B. SEVERITY LEVEL I, II, III VIOLATIONS,
NO CIVIL PENALTY



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA PENNSYLVANIA 19406 1415

June 23, 1995

EA No. 95-119

Mr. S. E. Quinn
Vice President - Nuclear Power
Consolidated Edison Company of
New York, Inc.
Indian Point 2 Station
Broadway and Bleakley Avenue
Buchanan, New York 10511

Subject: Notice of Violation
(NRC Inspection Report No. 50-247/95-16)

Dear Mr. Quinn:

This letter refers to the NRC radwaste/transportation inspection conducted on June 5-9, 1995, at the Indian Point 2 facility. During the inspection, the inspector reviewed the circumstances associated with a shipment of radioactive material from your facility in March 1995 to the Scientific Ecology Group (SEG) facility in Oak Ridge, Tennessee. Radiation levels in excess of the regulatory limits were identified by SEG upon receipt of the shipment. This violation, which was cited by the State of Tennessee in a Notice of Noncompliance sent to you on March 30, 1995, is described in the enclosed Notice of Violation and inspection report.

The specific shipment was sent to SEG, a waste processor, as an exclusive use shipment of radioactive material in the form of bulk dry active waste. Although the radiation levels apparently were within limits prior to the shipment leaving the Indian Point site, the radiation levels were above the limits when surveyed after arrival at the SEG facility. Specifically, the package arrived at SEG with radiation levels of 375 mrem/hr on contact with the outer surface of the vehicle (versus the 200 mrem/hr limit), as well as with radiation levels of 12 mrem/hr at a point 2 meters from the outer lateral surface of the vehicle (versus the limit of 10 mrem/hr).

The NRC is concerned that the effects of component shifting during transit were not considered by your staff appropriately prior to packaging and shipment of the materials. As a result, the material apparently shifted in transit, resulting in radiation levels in excess of limits. Your subsequent investigation revealed that one 3'x4' plastic bag was the cause and source of the elevated dose rate. Although the bag, which had one spot reading 2000 mrem/hr, was in the center of the container, settling and shifting of the bag during transport likely caused the excessive contact radiation level, and the violation of the package dose rate requirement. In addition, general settling and concentrating of other shipment bags resulted in violation of the two-meter radiation limit. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," (Enforcement Policy) 10 CFR Part 2, Appendix C, this violation has been categorized at Severity Level III.

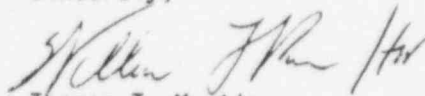
The NRC recognizes that subsequent to SEG's identification of this violation, prompt and comprehensive actions were taken to correct the violation and prevent recurrence. Those actions included: (1) providing a sorting table in the waste packaging area with radiation detectors and appropriate setpoints to alarm at ≥ 160 mrem/hr, so that no packages in excess of the administrative limits were placed in the shipment without management approval; (2) labelling all bags with dose rate, date, and technician's initials; (3) implementing a system for tracking each bag loaded into the shipping container; (4) providing daily shipping container dose rate surveillance by the health physics staff; (5) prior to loading the shipping container, slitting all bags, and then compressing the contents of the shipping container after loading to prevent shifting during transport; (6) revising appropriate procedures to reflect the process changes; and (7) communicating to the staff, in safety talks and retraining classes, a description of the event and new procedural requirements.

Notwithstanding your corrective actions, I considered issuance of a civil penalty to emphasize the importance of proper control of packaging activities prior to transport of radioactive materials to assure that changes during transport, due to shifting or settling of material, do not result in regulatory limits being exceeded. However, I have been authorized, after consultation with the Deputy Director, Office of Enforcement, to issue the enclosed Notice of Violation without a civil penalty for the Severity Level III violation set forth in the Notice. The base civil penalty has been mitigated in its entirety based on your prompt and comprehensive corrective actions, and your prior good history in the transportation area, as evidenced by no violations in this area in the past several years, as well as your overall good performance as reflected in the SALP report issued on May 11, 1994. However, you should be aware that any similar violations in the future could result in more significant enforcement action.

The NRC has concluded that information regarding the reason for the violation and the corrective actions taken and planned to correct the violation and prevent recurrence is already addressed on the docket in NRC Inspection Report Nos. 50-03/95-01 and 50-247/95-16. Therefore, you are not required to respond to this letter. However, if that correspondence does not accurately reflect these matters and your position, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room (PDR).

Sincerely,


Thomas T. Martin
Regional Administrator

ENCLOSURE 1

NOTICE OF VIOLATION

Consolidated Edison Company
Indian Point 2

Docket No. 50-247
License No. DPR-26
EA No. 95-119

As a result of an NRC inspection conducted on June 5-9, 1995, a violation of NRC requirements has been identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the violation is set forth below:

10 CFR 71.5 (a) requires that a licensee who transports licensed material outside of the confines of its plant or other place of use, or who delivers licensed material to a carrier for transport, comply with the applicable requirements of the regulations appropriate to the mode of transport of the Department of Transportation (DOT) in 49 CFR Parts 170 through 189.

49 CFR 173.441(a), (b)(2), and (b)(3) require in part, that each package of radioactive materials offered for transportation by an exclusive use shipment must be designed and prepared for shipment so that, under conditions normally incident to transportation, the radiation level does not exceed 200 millirem per hour on the outer surfaces of the vehicle and does not exceed 10 millirem per hour at any point 2 meters from the outer lateral surfaces of the vehicle.

Contrary to the above, on March 27, 1995, the licensee delivered licensed material to a carrier for exclusive use transport in a package that arrived at its destination (Scientific Ecology Group, Incorporated, in Oak Ridge, Tennessee, on March 28, 1995) with radiation levels of 375 millirem per hour on contact with the outer surface of the vehicle, and 12 millirem per hour at a point 2 meters from the outer lateral surfaces of the vehicle.

This is a Severity Level III Violation (Supplement V).

The NRC has concluded that information regarding the reason for the violation and the corrective actions taken and planned to correct the violation and prevent recurrence is already addressed on the docket in NRC Inspection Report Nos. 50-03/95-01 and 50-247/95-16. Therefore, you are not required to respond to the provisions of 10 CFR 2.201. However, if you choose to respond, clearly mark your response as a "Reply to Notice of Violation", and sent it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, with a copy to the Regional Administrator, Region I, 475 Allendale Road, King of Prussia, Pennsylvania 19406, and a copy to the NRC Resident Inspector at the facility that is the subject of this Notice of Violation (Notice), within 30 days of the date of the letter transmitting this Notice.

Dated at King of Prussia, Pennsylvania
this 23rd day of June 1995



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
101 MARIETTA STREET, N.W., SUITE 2900
ATLANTA, GEORGIA 30323-0196

June 23, 1995

IA 95-019

Mr. Robert W. Ingle
[HOME ADDRESS DELETED
UNDER 10 CFR 2.790]

Dear Mr. Ingle:

The Nuclear Regulatory Commission (NRC) has received a letter dated June 12, 1995, (copy enclosed) from Tennessee Valley Authority, Watts Bar Nuclear Plant, informing us of your confirmed positive test for marijuana. We plan to place this letter in your 10 CFR Part 55 docket file.

This confirmed positive test identified a violation of 10 CFR 55.53(j). The purpose of the Commission's Fitness-for-Duty requirements is to provide reasonable assurance that nuclear power plant personnel work in an environment that is free of drugs and alcohol and the effects of the use of these substances. The use of illegal drugs is a serious matter which undermines the special trust and confidence placed in you as a licensed operator. The violation is categorized as a Severity Level III violation in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions", 10 CFR Part 2, Appendix C, because the use of illegal drugs by licensed operators is a significant regulatory concern. This violation is described in the enclosed Notice of Violation. Please note that, in accordance with 10 CFR 26.27(b), future similar violations will substantially affect your authorization for unescorted access to the protected area of a licensed facility.

The purpose of this letter is to make clear to you the consequences of your violation of NRC requirements governing fitness-for-duty as a licensed operator. You are required to respond to this letter and should follow the instructions specified in the enclosed Notice of Violation (Notice) when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence in order to ensure your ability and willingness to carry out the special trust and confidence placed in you as a licensed operator of a nuclear power facility. After reviewing your response to this Notice, including your proposed corrective actions, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, enforcement actions are placed in the NRC Public Document Room (PDR). A copy of this letter and the enclosed Notice of Violation with your address removed will be placed in the PDR unless you provide a sufficient basis to withdraw this violation within the 30 days specified for a response in the enclosed Notice of Violation.

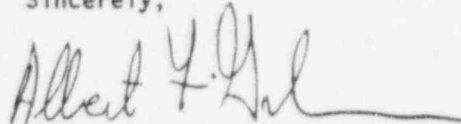
Mr. Robert W. Ingle

2

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, Pub. L. No. 96-511.

Should you have any questions concerning this action, please contact Mr. Thomas A. Peebles, Chief, Operations Branch. Mr. Peebles can be reached at either the address listed above or telephone number (404) 331-5541.

Sincerely,



Albert F. Gibson, Director
Division of Reactor Safety

Docket No. 55-20326
License No. OP-20199-1

Enclosures:

1. Letter from Facility Licensee
2. Notice of Violation

cc w/encls (address deleted):
J. A. Scalice, Vice President,
Watts Bar Nuclear Plant
Part 55 Docket File

NOTICE OF VIOLATION

Mr. Robert W. Ingle
[HOME ADDRESS DELETED
UNDER 10 CFR 2.790]

Docket No. 55-20326
License No. OP-20199-1
IA 95-019

The Nuclear Regulatory Commission received initial notification from Tennessee Valley Authority's Watts Bar Nuclear Plant on May 8, 1995, which was followed up with written correspondence dated June 12, 1995, and as a result, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the violation is listed below:

10 CFR 55.53(j) prohibits the use of illegal drugs by licensed operators.

Contrary to the above, the licensee violated 10 CFR 55.53(j) in that the licensee used an illegal drug as evidenced by a confirmed positive test for marijuana resulting from a urine sample submitted on May 1, 1995.

This is a Severity Level III violation (Supplement I).

Pursuant to the provisions of 10 CFR 2.201, Mr. Robert W. Ingle is hereby required to submit a written statement of explanation to the U. S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D. C. 20555, with a copy to the Regional Administrator, Region II, and a copy to the NRC Resident Inspector at Watts Bar Nuclear Plant within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued to show cause why your license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time. Under the authority of Section 182 of the Act, 42 U.S.C. 2232, this response shall be submitted under oath or affirmation.

Dated at Atlanta, Georgia,
this 23rd day of June 1995

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415



IA 95-023

June 30, 1995

Mr. W. Jeffrey Johnson
HOME ADDRESS DELETED
UNDER 2.790

SUBJECT: NOTICE OF VIOLATION
(NRC OI INVESTIGATION 1-94-016)

Dear Mr. Johnson:

In a conversation on March 21, 1995, as well as in a Licensee Event Report issued on April 14, 1995, your former employer, PSE&G, informed the NRC that you, as a former Senior Reactor Operator (SRO) at the Hope Creek Nuclear Generating System, had served on shift in the dual role capacity as Nuclear Shift Supervisor/Shift Technical Advisor (NSS/STA), without meeting the educational requirements for that position. Specifically, you did not have either a Professional Engineer's license or a Bachelor of Science (B.S.) Degree when serving in that function, as required by the Hope Creek Technical Specifications.

In your initial application for a SRO License in 1985, you falsified the NRC Form 398, Personal Qualifications Statement, which was signed by you on July 31, 1985, and which was submitted by you as an application to take the SRO examination. The Form 398 was received by the NRC on August 15, 1985. The form was false in that it indicated that you had obtained a B.S. Degree in Mechanical Engineering when, in fact, you had not received a degree. Based on the findings of an investigation initiated by the NRC Office of Investigations (OI) in March 1994, the NRC has found that you deliberately submitted the false information to the NRC. A copy of the synopsis of the OI investigation is enclosed. As such, you deliberately caused PSE&G to violate the requirements set forth in its Technical Specifications since you served in the dual role of NSS/STA between 1986 and January 1991. By doing so, you violated the terms of your SRO license that existed at the time. The violation is described in the enclosed Notice of Violation (Notice), and is classified at Severity Level III, in accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, (Enforcement Policy), since the violation was deliberate.

As a result of these findings, you were contacted by Mr. Don Florek, of the NRC Region I office on May 28, 1995 and offered an opportunity to meet with the NRC staff at an enforcement conference to discuss this violation, and its causes. During that telephone conversation, you indicated that you were no longer in the nuclear industry, had provided all the information to OI as part of the investigation, and were not interested in attending an enforcement conference.

As an SRO, NSS, and STA at the Hope Creek facility, you were in positions that conferred upon you the trust and confidence of the American people in operating the nuclear power plant safely and in accordance with all regulatory requirements. Your actions in submitting the false information to the NRC in 1985 on the Form 398 (which became the basis for issuance of your SRO license), and continuing to operate as the dual NSS/STA without correcting the erroneous information, did not adhere to these standards, and did not provide an appropriate example for those individuals under your supervision. Your failure to correct the false information, by informing either the NRC or the facility licensee management, is particularly egregious since the NRC informed you, in the December 16, 1985 letter issuing your license, that the issuance of the license was based, in part, on the representations and information contained in your application for the license.

PSE&G contended, in a Licensee Event Report sent to the NRC on April 14, 1994, that although you did not possess a degree, you did complete significant course work in mechanical engineering and successfully trained for and received an SRO license. Nonetheless, your submittal of false information to the NRC constitutes a significant regulatory concern.

Given the significance of your actions, I have decided, after consultation with the Director, Office of Enforcement, and the Deputy Executive Director for Nuclear Reactor Regulation, Regional Operations and Research, to issue to you the enclosed Notice. I gave serious consideration to the issuance of even more significant action. However, I have decided that this Notice is sufficient since (1) PSE&G took prompt disciplinary action, after identifying and investigating this matter, including termination of your employment with PSE&G in March 1994; (2) you have not worked in the nuclear industry since that time; and (3) you indicated to Mr. Florek that you have no plans to return to the nuclear industry.

In view of the actions already taken with regard to your performance, and because you no longer possess a license, you are not required to respond to the Notice at this time unless you contest the violation. Should you contest the violation, a response is required within 30 days of the date of this letter addressing the specific basis for disputing the violation. This response, that is required to be submitted under oath or affirmation in accordance with the authority of Section 182 of the Act, 42 U.S.C. 2232, should be sent to the Regional Administrator, NRC Region I, 475 Allendale Road, King of Prussia, Pennsylvania 19446.

In addition, if you were to reapply for an operating license, you will need to satisfy not only the requirements of 10 CFR 55.31, but also those of 10 CFR 2.201, by addressing the reasons for the violation and the actions you have taken to prevent recurrence in order to ensure your ability and willingness to carry out the special trust and confidence placed in you as a licensed operator and to abide by all license requirements and conditions. You are required to provide a response to the NRC regarding this Notice at that time to include your reasons as to why the NRC should have confidence that you would not engage in deliberate violations of licensed requirements in the future. Any similar conduct on your part in the future could result in significant enforcement action against you.

Mr. W. Jeffrey Johnson

3

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," enforcement actions are placed in the NRC Public Document Room (PDR). A copy of this letter with its enclosures but with your address removed will be placed in the PDR.

The enclosed Notice is not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, Pub. L. No. 96-511.

Should you have any questions concerning this action, please contact Mr. Glenn Meyer of my staff. Mr. Meyer can be reached at either the address listed above or telephone number (610) 337-5211.

Sincerely,



Thomas T. Martin
Regional Administrator

Enclosures:

1. Notice of Violation
2. Synopsis of OI Investigation 1-94-016

ENCLOSURE 1

NOTICE OF VIOLATION

Mr. W. Jeffrey Johnson

Docket No. 55-60685
License No. SOP-10420-1
IA 95-023

As a result of a review of the findings of an NRC investigation conducted by the NRC Office of Investigations, a violation of the Senior Reactor Operator license you possessed between 1985 and 1991 was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the violation is set forth below:

Senior Reactor Operator License No. SOP-10420-1 requires, in part, that when manipulating, or directing manipulation of, the controls of the Hope Creek Generating Station, you shall observe the operating procedures and other conditions specified in the facility license which authorizes operation of the facility.

Hope Creek Technical Specification Table 6.2.2-1, a condition of its operating license, states, in part, in the (*) footnote section, that an individual may serve in a dual role of NSS/STA if the individual has a Senior Reactor Operator's license on the unit, is a qualified STA, and has a Professional Engineers License or a bachelor's degree in a scientific, engineering, or engineering technology discipline.

Contrary to the above, on various shifts for an extended and indeterminate period of time between 1986 and January 1991, you served in a dual role of NSS/STA and did not have either a Professional Engineers License or a bachelor's degree in a scientific, engineering, or engineering technology discipline, as required.

This is a Severity Level III Violation (Supplement VII). (01013)

No response is required. However, if the description given in the letter transmitting this Notice does not reflect your position accurately, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation", and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, with a copy to the Regional Administrator, Region I, 475 Allendale Road, King of Prussia, Pennsylvania 19406, and a copy to the NRC Resident Inspector at the facility that is the subject of this Notice, within 30 days of the date of the letter transmitting this Notice.

Additionally, if you were to reapply for an operating license, you will need to satisfy the requirements of 10 CFR 2.201, by addressing the reasons for the violation and the actions you have taken to prevent recurrence in order to ensure your ability and willingness to carry out the special trust and confidence placed in you as a licensed operator and to abide by all license requirements and conditions. To satisfy the requirements of 10 CFR 2.201, you are required to provide a response to the NRC regarding this Notice at that time to include your reasons as to why the NRC should have confidence that you would not engage in deliberate violations of licensed requirements in the future. The response to the NRC satisfying the requirements of 10 CFR 2.201 should be directed to the addresses as specified above.

Dated at King of Prussia, Pennsylvania
this 24th day of June 1995

SYNOPSIS

On March 22, 1994, the Office of Investigations (OI), U.S. Nuclear Regulatory Commission (NRC), Region I, King of Prussia, Pennsylvania, initiated an investigation to determine if a former Senior Reactor Operator (SRO), Hope Creek Generating Station (HC), Public Service Electric and Gas Company (PSE&G), deliberately falsified his application for a SRO license.

Based on the evidence developed during the OI investigation, and a review of the evidence contained in the investigation report provided by the licensee, it is concluded that the former SRO deliberately falsified his SRO license application.



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406 1415

June 1, 1995

EA 95-061

Mr. Charles D. Frizzle, President
Maine Yankee Atomic Power Company
329 Bath Road
Brunswick, Maine 04011

SUBJECT: NOTICE OF VIOLATION
(NRC Inspection Report No. 95-06)

Dear Mr. Frizzle:

This letter refers to the NRC special inspection conducted on March 22 through March 24, 1995, and continued on March 28 through March 31, 1995, at the Maine Yankee Atomic Power Plant, in Wiscasset, Maine, as well as the exit discussion held on April 11, 1995, by telephone with Mr. Graham Leitch. The inspection report was sent to you on April 21, 1995. During the inspection, we reviewed the circumstances surrounding the unplanned exposures that occurred on February 11 and 12, 1995 and March 24, 1995, evaluated similarities between these events, and evaluated the radiation protection program at Maine Yankee. As a result of the inspection, apparent violations of NRC requirements were identified and described in the inspection report. On May 5, 1995, an enforcement conference was conducted with Mr. Leitch and other members of your staff to discuss the apparent violations, their causes and your corrective actions. Based on our subsequent review of the information provided at the enforcement conference, relative to two unresolved items identified in the subject NRC inspection report, we have determined that another violation of technical specification 5.11 occurred. Therefore, four violations of NRC requirements are being cited and are described in the enclosed Notice.

The NRC is particularly concerned with the first problem described in the enclosed Notice of Violation, involving multiple failures to perform radiological surveys that resulted in unplanned exposures. These failures created the potential for even higher exposures during both events. The first event involved the failure to identify, during surveys in the reactor cavity upender pit, a very localized high radiation source with dose rates subsequently measured as high as 400 R/hour. In the second event, the radiation survey performed inside the reactor coolant pump element handling can was not representative of actual dose rates.

The NRC is concerned also that you had an opportunity to identify the conditions sooner, in that programmatic weaknesses were identified by your staff prior to the events, but corrective actions were not implemented fully prior to commencement of the current outage, during which the events occurred. Although we agree with your dose assessment calculations submitted during the conference, which indicate that no exposures in excess of regulatory limits occurred, these failures to identify and appropriately correct and prevent the unplanned exposures constitute a significant regulatory concern. At the enforcement conference on May 5, 1995, you informed the NRC of the causal factors for both events, which consist of: (1) failure to perform an adequate pre-job/post-shielding survey; (2) failure to maintain a questioning attitude; (3) failure to document and maintain adequate records; and (4) failure to follow procedures.

While your Event Review Board Report of these events concluded that the Maine Yankee Radiation Control (RC) Program appears comprehensive and generally well implemented, it noted a need to keep focused on implementation, maintain control of contractors, keep knowledgeable of the workload capability, and maintain supervisory presence in the field. Further, as you acknowledged at the enforcement conference, implementation of corrective actions based on the self-assessment performed prior to the outage would have minimized the likelihood of the two events. The failure to aggressively implement the corrective actions to ensure appropriate surveys on a number of occasions is significant, and therefore, the problem has been categorized at Severity Level III in accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (Enforcement Policy).

The NRC recognizes that, at the time of the enforcement conference, prompt and comprehensive actions had been taken to correct the violations, and preclude recurrence. These actions, which were described at the time of the enforcement conference, included, but are not limited to: (1) briefing plant personnel on such things as the events, corrective actions, response to alarming dosimeters, stop work authority, surveys, accountability for all radiological infractions, and radiation worker responsibilities; (2) revising procedures, including job coverage for technicians attending briefings on maintaining radiation exposures as low as reasonably achievable (ALARA), expectations for radiological surveys, alarming dosimeter use and set points, and requirements for control of unscheduled work; and (3) improving control and oversight of contracted technicians to include more direct Maine Yankee oversight, pre-screening criteria, and on-going performance evaluations.

In accordance with the "General Statements of Policy and Procedure for NRC Enforcement Actions," (Enforcement Policy) 10 CFR Part 2, Appendix C, a civil penalty is considered for a Severity Level III problem. However, I have been authorized, after consultation with the Director, Office of Enforcement, not to propose a civil penalty in this case based on the application of the escalation and mitigation factors contained in the Enforcement Policy. Escalation was applied because the self-assessment performed prior to the outage provided prior opportunity to identify and prevent potential violations, but you failed to complete all necessary actions in order to prevent the occurrence of the violations during the outage. However, mitigation was appropriate based on your identification of the violations, your prompt and comprehensive corrective actions once the violations were identified, and your overall good enforcement history during the past two years, as well as the Category I SALP rating in the Plant Support Area during the most recent SALP period. The other factors in the Enforcement Policy were considered and no further adjustment to the base civil penalty was considered appropriate. On balance, the penalty has been mitigated in its entirety by the application of these adjustment factors.

Three other violations identified during the inspection, or based on review of information provided during the conference, are being cited and have been classified at Severity Level IV and V.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure(s), and your response will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

The responses 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, Pub. L. No. 96.511.

Sincerely,



Thomas T. Martin
Regional Administrator

Docket No. 50-309
License No. DPR-36

Enclosure: Notice of Violation

cc w/encl:

G. Leitch, Vice President, Operations
P. Anderson, Project Manager (Yankee Atomic Electric Company)
R. Blackmore, Plant Manager
L. Diehl, Manager of Public and Governmental Affairs
J. Ritsher, Attorney (Ropes and Gray)
P. Dostie, State Nuclear Safety Inspector
P. Brann, Assistant Attorney General
U. Vanags, Maine State Planning Office
C. Brinkman, Combustion Engineering, Inc.
First Selectmen of Wiscasset
Maine State Planning Officer
State of Maine, SLO Designee

ENCLOSURE

NOTICE OF VIOLATION

Maine Yankee Atomic Power Company
Maine Yankee Atomic Power Plant

Docket No. 50-309
License No. DPR-36
EA 95-061

During an NRC inspection conducted on March 22 through March 24, 1995, and March 28 through March 31, 1995, violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the violations are set forth below:

- A. 10 CFR 20.1501 requires that each licensee make or cause to be made surveys that may be necessary for the licensee to comply with the regulations in Part 20 and that are reasonable under the circumstances to evaluate the extent of radiation levels, concentrations, or quantities of radioactive materials, and the potential radiological hazards that could be present.

Pursuant to 10 CFR 20.1003, survey means an evaluation of the radiological conditions and potential hazards incident to the production, use, transfer, release, disposal, or presence of radioactive material or other sources of radiation.

Contrary to the above, the licensee did not make or cause to be made surveys that may be necessary for the licensee to comply with the regulations in Part 20 in that

1. On February 10, 1995, radiation surveys performed at 8:30 p.m. and 11:30 p.m. failed to identify a very localized, high radiation source within a work area (upender pit) with contact dose rates as high as 400 R/hr.
2. On March 24, 1995, at about 2:30 p.m., a radiation survey was performed inside a reactor coolant pump element handling can that was not representative of actual dose rates, in that a general area dose rate of 1 R/hr at "waist" level was used to characterize and document radiation levels inside the can, even though dose rates as high of 3 to 5 R/hr at waist level existed inside the can, and dose rates as high as 20 R/hr on contact with shielding existed in the bottom of the can.
3. On March 24, 1995, at about 7:15 p.m., a "pre-job" or "verification" survey was not performed to confirm that conditions had not changed prior to the start of work inside a reactor coolant pump element handling can.

4. On March 24, 1995, during work in the reactor coolant pump element handling can, air samples were obtained at the top of the can and not between the source of contamination and the individual's breathing zone, such that the collected air samples were not representative of the air being breathed by workers. (01013)

This is a Severity Level III problem (Supplement IV).

- B. Technical Specification 5.11, "Radiation Protection Program", Section 5.11.1, states that "procedures for personnel radiation protection shall be prepared consistent with the requirements of 10 CFR Part 20 and shall be approved, maintained and adhered to for all operations involving personnel radiation exposure".

1. Licensee Procedure No. 9-301-3, entitled, "Response to Unexpected Radiological Conditions", Section 5.3, "Unusual High Radiation Area", and Procedure 9-302-2, entitled, "Job Coverage", Section 6.12, "Stop Work Authority", require personnel to stop work and evacuate the area if personnel dosimetry alarms or unexpectedly high dose rates are encountered.

Contrary to the above, on March 24, 1995, at about 7:15 p.m., the licensee did not adhere to Technical Specification 5.11 during all operations involving personnel radiation exposure. Specifically, during work in the reactor coolant pump element handling can, work was not stopped when personnel dosimetry alarmed or when unexpectedly high dose rates were encountered. (02014)

This is a Severity Level IV violation (Supplement IV).

2. Procedure No. 9-2-100, "Access Control and Radiation Work Permit System", Section 2.0, states that "No deviation from RWP requirements shall be allowed" and Section 4.12.2 states that workers shall "read, understand, sign and comply with RWP instructions".

RWP 95-00242, "Inspect Spare Rotating Element" states that "Dosimetry (TLD/SRD) shall be relocated to the whole body region of highest exposure while working with the rotating element".

Contrary to the above, on March 24, 1995, at approximately 7:15 p.m., during work with the rotating element on RWP 95-00242, whole body dosimetry was not relocated to the knees, which was determined to be the whole body region of highest exposure. (03014)

This is a Severity Level IV violation (Supplement IV).

- C. 10 CFR 20.2103(a) requires, in part, that each licensee maintain records of the results of surveys and calibrations required by 10 CFR 20.1501. The licensee shall retain these records for three years after the record is made.

Contrary to the above, as of February 13, 1995, the licensee did not maintain records of results of surveys as required by 10 CFR 20.1501 in that the licensee could not locate a copy of the radiation survey that was performed at about 4:50 p.m. on February 13, 1995, when elevated radiation levels on the hydrolaser wand tip were identified in the reactor cavity upender pit. (04015)

This is a Severity Level V violation (Supplement IV).

Pursuant to the provisions of 10 CFR 2.201, Maine Yankee Atomic Power Company (Licensee) is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with a copy to the Regional Administrator, Region I, and a copy to the NRC Resident Inspector at the facility that is the subject of the Notice, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reasons for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence if the correspondence adequately addresses the required responses. If an adequate reply is not received within the time specified in this Notice, an Order or a Demand for Information may be issued to show cause why the license should not be modified, suspended, or revoked or why such other action as may be proper should not be taken. Where good cause is shown, consideration may be given to extending the response time.

Under the authority of Section 182 of the Act, 42 U.S.C. 2232, this response shall be submitted under oath or affirmation.

Dated at King of Prussia, Pennsylvania
this 1st day of June 1995



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406 1415

May 9, 1995

EA 94-212

Mr. Robert G. Byram
Senior Vice President - Nuclear
Pennsylvania Power and Light Company
2 North Ninth Street
Allentown, Pennsylvania 18101

SUBJECT: NOTICE OF VIOLATION
(NRC Investigation Report No. 1-92-052R)

Dear Mr. Byram:

This letter refers to the investigation conducted by the NRC Office of Investigations (OI) at the Susquehanna Steam Electric Station (SSES) between October 1, 1992 and August 22, 1994 to determine whether certain activities authorized by the license were conducted in accordance with NRC requirements. A copy of the synopsis of the investigation was forwarded to you on December 2, 1994. Based on the findings of the investigation, an apparent violation of NRC requirements was identified.

The violation involved the failure to comply with 10 CFR 73.55(b)(4)(i) and (ii) and 10 CFR 50.9(a) which require, in part, that you establish, maintain, and follow an NRC-approved training and qualification plan outlining the processes by which guards, watchmen, armed response persons, and other members of the security organization will be qualified, that they be requalified at least every 12 months, that records be retained for three years after requalification, and that the information be complete and accurate in all material respects. The violation occurred because a written recertification examination was not properly conducted and caused the examination results to be inaccurate. The written examination was chosen by you as permitted by your training and qualification plan as the method to demonstrate security force effectiveness in a given task area. On February 23, 1995, an enforcement conference was conducted with you and members of your staff to discuss the apparent violation, its causes, and your corrective actions. In addition, a separate conference also was conducted on that same date with the former security shift supervisor (SSS) who proctored the examination.

The specific violation occurred on September 3, 1992 when the former SSS was proctoring an examination for his shift as part of the recertification process and deliberately compromised that examination. Specifically, after noting that a number of individuals answered a particular question incorrectly, the former SSS again taught the information pertinent to that question in front of the class, returned the answer sheets to the individuals who had the incorrect answer, provided an opportunity for the individuals to change the answer, and then submitted the examinations as original answers for grading. This deliberate action compromised the recertification examination and consequently caused the examination results to inaccurately reflect the true knowledge of some of the individuals taking the examination or their effectiveness for requalification. Therefore, this violation is classified at Severity Level III in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, (Enforcement Policy).

The NRC recognizes that you initially commenced an internal investigation, but suspended it when the NRC initiated its investigation. You subsequently reopened your investigation after the NRC concluded its investigation and determined that the incident was isolated and that plant safety was not compromised. You also contended that although the former SSS' behavior had not met PP&L management's expectations, his actions were not deliberate, but rather an error in judgement. The NRC has concluded, however, that the violation was deliberate, because: (1) your policy of individuals not receiving assistance with examinations was made clear on the answer sheets; (2) the former SSS was aware of the policy; (3) the former SSS was aware of the correct procedure for remedial training; (4) after providing further instruction, the former SSS returned the answer sheets only to the individuals who answered the question incorrectly; (5) the former SSS submitted revised test answers to you that did not reflect the original, unassisted test results; and (6) several shift members informed OI during its investigation that the former SSS told the individuals who answered the question incorrectly that they should change their answer.

The NRC also recognizes that subsequent to the identification of the violation, actions were taken to correct the violation and prevent recurrence. These actions, which were described at the enforcement conference, included, but were not limited to: (1) all future security examinations being proctored by members of the training staff; (2) efforts being made to reschedule training if possible to minimize the need for security shift supervisors to conduct classes, and if a security supervisor has to provide training, the supervisor will be trained prior to conducting any security training; (3) examination sheets being redesigned, and the Academic Honesty Policy statement now being located at the bottom of the form; (4) an external independent assessment of the Security Training Program being conducted; (5) meetings being held with security personnel and a briefing being conducted with the Nuclear Department Managers to review the event and corrective actions. In addition, an investigation into the circumstances of this matter was conducted.

In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," (Enforcement Policy) 10 CFR Part 2, Appendix C, a civil penalty is considered for a Severity Level III violation. However, I have been authorized, after consultation with the Director, Office of Enforcement, not to propose a civil penalty in this case. In applying the escalation/mitigation factors, the penalty was: (1) escalated by 50% because the violation was identified by the NRC; (2) mitigated by 50% in view of your prompt and comprehensive corrective actions once the violation was identified; and (3) mitigated an additional 100% in view of your overall good enforcement history during the past two NRC inspections, as well as the Category I SALP rating in the Plant Support Area during the last SALP issued on April 12, 1994. The other factors in the Policy were considered and no further adjustment to the base civil penalty was considered appropriate. Therefore, on balance, the penalty has been mitigated in its entirety. In addition to this action, a Notice of Violation for a Severity Level III violation of 10 CFR 50.5(a)(2) is being issued to the former SSS.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice of Violation (Notice) when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. In your response, you also should describe the corrective actions that you have taken or planned to ensure management expectations with respect to training are communicated to, understood by, and consistently carried out by, your staff and how you will measure the effectiveness of those corrective actions. You may reference previous correspondence as appropriate in your response. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures, and your response, will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

The responses 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, Pub. L. No. 96-511.

Sincerely,



Thomas T. Martin
Regional Administrator

Docket Nos. 50-387; 50-388
License Nos. NPF-14; NPF-22

Enclosure: Notice of Violation

Pennsylvania Power and Light Company 4

cc w/encl:

H. Stanley, Vice President - Nuclear Operations
J. Kenny, Nuclear Licensing
G. Jones, Vice President - Nuclear Engineering
M. Urioste, Nuclear Services Manager - General Electric
C. Lopes, Manager - Nuclear Security
W. Burchill, Manager - Nuclear Quality Assurance
J. Finnegan, Supervisor - Nuclear Compliance
H. Woodeshick, Special Office of the President
R. Wehry, Nuclear Licensing
J. Tilton, III, Allegheny Electric Cooperative, Inc.
D. Zdanavage, Security System Specialist - Nuclear Security
Commonwealth of Pennsylvania

ENCLOSURE

NOTICE OF VIOLATION

Pennsylvania Power and Light Company
Susquehanna Steam Electric Station
Units 1 & 2

Docket Nos. 50-387;50-388
License Nos. NPF-14; NPF-22
EA 94-212

During an NRC investigation conducted between October 1, 1992, and August 22, 1994, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the violation is listed below:

10 CFR 50.9(a) states, in part, that information required by statute or by the Commission's regulations, orders, or license conditions to be maintained by the licensee shall be complete and accurate in all material respects.

10 CFR 73.55(b)(4)(i) states, in part, that each guard, watchman, armed response person, and other member of the security organization shall requalify in accordance with Appendix B to this part at least every 12 months. This requalification must be documented. The licensee shall retain the documentation of each requalification as a record for three years after the requalification.

10 CFR 73.55(b)(4)(ii) states, in part, that each licensee shall establish, maintain, and follow an NRC-approved training and qualification plan outlining the processes by which guards, watchmen, armed response persons, and other members of the security organization will be trained, tested, and qualified to ensure that these individuals meet the requirements of this paragraph.

Section 2.1 of the NRC-approved Susquehanna Steam Electric Station Guard Training and Qualification Plan requires, in part, that annual recertification to ensure security force effectiveness shall be accomplished by one or more activities including class-room training involving lectures, group discussions, text review or written examination.

Section 14.0 of the NRC-approved Susquehanna Steam Electric Station Guard Training and Qualification Plan requires, in part, that security records be available for review to NRC inspectors in accordance with applicable state and federal regulations and in sufficient detail to enable them to determine that the program meets applicable regulatory standards.

Contrary to the above, as of September 3, 1992, the licensee's records documenting the requalification of members of its security organization were not complete and accurate in all material respects. Specifically, a written examination given to members of its security organization on September 3, 1992, which was chosen by the licensee as a method under its Guard Training and Qualification Plan to demonstrate security force effectiveness for recertification in a given task area, did not accurately and completely reflect the true knowledge of some individuals taking the examination, or their effectiveness for requalification. This occurred

because, after noting that a number of individuals answered a particular question incorrectly, the former security shift supervisor proctoring the examination retaught the information pertinent to that question, provided an opportunity to change the answers by returning the answer sheets to the individuals who had the incorrect answer, and then submitted the changed or corrected examination results as original answers for grading. The test results were material to the NRC in that the NRC relies on these test results for the demonstration of security force effectiveness under the licensee's implementation of the approved Guard Training and Qualification Plan. (01013)

This is a Severity Level III violation. (Supplements III and VII)

Pursuant to the provisions of 10 CFR 2.201, Pennsylvania Power and Light Company is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with a copy to the Regional Administrator, Region I, and a copy to the NRC Resident Inspector at the facility that is the subject of this Notice, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an Order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

Under the authority of Section 182 of the Act, 42 U.S.C. 2232, this response shall be submitted under oath or affirmation.

Dated at King of Prussia, Pennsylvania
this 9th day of May 1995



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

April 11, 1995

IA 95-009

Mr. Calvin Vondra
HOME ADDRESS DELETED
UNDER 2.790

SUBJECT: NOTICE OF VIOLATION
(ENFORCEMENT CONFERENCE (NRC OI INVESTIGATION 1-93-021R))

Dear Mr. Vondra:

On February 24, 1995, the NRC conducted an enforcement conference with you in the Region I office in King of Prussia, Pennsylvania, to discuss the circumstances associated with your alleged harassment and intimidation (H&I) of two Public Service Electric and Gas (PSE&G) Safety-Review Group (SRG) engineers. The conference was based on the finding of an NRC investigation by the Office of Investigations (OI) which concluded that you took action that involved H&I of two Safety Review Group (SRG) engineers who were engaged in protected activities on December 3, 1992. A similar finding was made by PSE&G in April 1993. A copy of the OI synopsis of the investigation was forwarded to you on January 11, 1995.

On December 3, 1992, the two SRG engineers attempted to process a safety issue, in accordance with station procedures, by submitting an incident report (IR) at the Salem Station. The IR questioned whether the commercial grade air supply pressure setpoint regulators, which control service water flow to the safety-related containment fan cooling units, were qualified seismically, configured properly, and classified properly as safety-related components. A heated discussion on this issue subsequently developed during a meeting in your office. During this meeting, you attempted to persuade the engineers that either an incident report was not warranted, or information which would demonstrate operability of the components, and which you believed existed, should be included on the incident report. In addition, you discouraged the submittal of the incident report by strongly recommending the submittal of a Deficiency Evaluation Form. After one of the engineers indicated that he would consider filing a Quality/Safety concern on the matter, you became angry and told the individuals to get out of your office and threatened to have security officers remove the two SRG engineers.

In addition, upon deliberation, you directed that a memorandum be written to the General Manager-Quality Assurance and Nuclear Safety Review (GM-QA/NSR), within whose organization the SRG engineers reported. In this memorandum, which you signed on December 4, 1992, you indicated that the two SRG engineers had a lack of professional understanding and displayed aberrant behavior, and you requested that they be removed from any direct or indirect involvement with Salem Station. At the enforcement conference, you admitted that you harassed and intimidated these two individuals by your actions, which caused PSE&G to violate 10 CFR 50.7, although you contended that you did not do so deliberately. Notwithstanding your contention that you did not harass and intimidate the SRG engineers deliberately, you nevertheless sent the December 4, 1992 memorandum to the GM-QA/NSR even though (1) you consulted with the then General Manager-Hope Creek, who cautioned

you regarding the implications of sending the memorandum, and (2) although you signed the memorandum prior to going on vacation on December 4, 1992, your Operations Manager (OM) did not mail the memorandum but returned it to you following your vacation on December 14, 1992, which provided you another opportunity to reconsider the appropriateness of your action. Despite these opportunities to reconsider the implications, you persisted in your decision to send the memorandum to the GM-QA/NSR on December 14, 1992. Further, you took no action to resolve or retract the memorandum until February 8, 1993, after the Senior Vice President-Electric became aware of these events. The NRC believes that these actions were deliberate on your part and caused the licensee to violate 10 CFR 50.7 and, therefore, constitute a violation of 10 CFR 50.5. Since you were the senior person onsite at the time and several supervisory levels senior to the SRG engineers, the violation is classified at Severity Level II.

As the then General Manager of a nuclear facility, you were in a position that conferred upon you trust and confidence in your ability to effectively manage and promote the safe operation of that facility. In that position, you were responsible for the appropriate resolution of all potential safety concerns, as well as professional treatment of all individuals who bring forward those concerns. Your actions did not adhere to these standards, and did not provide an appropriate example for those individuals under your supervision, or individuals of PSE&G's organization with which you interfaced. Rather, your actions in this matter contributed to the creation of a hostile work environment for these two individuals at the Salem Station, and a potential chilling effect towards other station personnel identifying safety-concerns.

Given the significance of your actions, I have decided, after consultation with the Director, Office of Enforcement, and the Deputy Executive Director for Nuclear Reactor Regulation, Regional Operations and Research, to issue to you the enclosed Notice of Violation. I also gave serious consideration as to whether an Order should be issued that would preclude you from any further involvement in NRC licensed activities for a certain period of time. However, I have decided, after consultation with the Director, Office of Enforcement, and the Deputy Executive Director for Nuclear Reactor Regulation, Regional Operations and Research, that this Notice of Violation is sufficient since (1) PSE&G took prompt disciplinary action, after its own internal investigation at the time, including issuance of a reprimand letter to you, requiring you to give a presentation regarding the events to the senior managers, subsequently replacing you as the General Manager-Salem Operations, and assigning you to a position not involving NRC licensed activities, which resulted in a reduction in your pay grade, and (2) you were candid and remorseful at the enforcement conference during which you acknowledged that you had erred and had exercised poor judgement in this matter.

Based on the results of the transcribed enforcement conference, and in view of the actions already taken in regard to your performance, no response to this letter and the enclosed Notice is required. However, should you become involved in NRC licensed activities in the future, you should provide a response to the NRC regarding this Notice at that time to include your reasons as to why the NRC should have confidence that you would not engage in such activities in the future. Any similar conduct on your part in the future could result in further enforcement action against you.

Mr. Calvin Vondra

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In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter will be placed in the NRC Public Document Room with your address deleted. A copy is also being provided to the President and Chief Executive Officer of PSE&G.

The enclosed Notice is not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, Pub. L. No. 96-511.

Sincerely,

A handwritten signature in cursive script, appearing to read "Thomas T. Martin".

Thomas T. Martin
Regional Administrator

Enclosure: Notice of Violation

ENCLOSURE

NOTICE OF VIOLATION

Mr. Calvin Vondra
Public Service Electric and Gas
Company

IA 95-009

During an NRC investigation conducted by the NRC Office of Investigations, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the violation is set forth below:

10 CFR 50.5 requires, in part, that any employee of a licensee may not engage in deliberate misconduct that causes a licensee to be in violation of any regulation.

10 CFR 50.7, Employee Protection, subsection (a), prohibits discrimination by a Commission licensee against an employee for engaging in certain protected activities. Discrimination includes actions that relate to compensation, terms, conditions, and privileges of employment. Protected activities include, but are not limited to, providing information to an employer on potential violations or other matters within the NRC's regulatory responsibilities.

Contrary to the above, you deliberately caused Public Service Electric and Gas Company (PSE&G) to violate 10 CFR 50.7 by discriminating against two employees for engaging in protected activities. The employees, Mr. Bert Williams, and Mr. Paul Craig, who were Safety Review Group (SRG) engineers, were engaged in a protected activity in that they attempted to file an incident report at Salem concerning whether commercial grade air supply pressure setpoint regulators, which control service water flow to the containment fan cooling units, were qualified seismically, properly classified in an information system as safety-related, and properly configured. Beginning on December 3, 1992, as the then General Manager-Salem Operations, you subjected Mr. Williams and Mr. Craig to discrete actions which created a hostile work environment affecting the conditions of their employment, as evidenced by the following:

1. During your meeting with the SRG engineers on December 3, 1992, you were unsuccessful in convincing the SRG engineers to modify, amend or otherwise revise the IR. You angrily told the SRG engineers to get out of your office after one of them indicated to you that he would consider filing a safety concern if an incident report was not processed. Your actions contributed to a hostile work environment directed to the two SRG engineers because your actions could have had a chilling effect on those employees (or other employees who may have become aware of or witnessed this event) raising safety concerns;

2. You directed the OM to prepare a memorandum to the GM-QA/NSR for your signature, requesting that the SRGs be removed from any involvement in Salem licensed activities, and their aberrant behavior evaluated. Your actions contributed to a hostile work environment involving the two SRG engineers because your intention to submit such a memorandum could have had a chilling effect on those employees (or other employees who may have become aware of, or witnessed this event) raising safety concerns;
3. You signed the memorandum to the GM-QA/NSR on December 4, 1992, and mailed it on December 14, 1992 upon return from vacation, even though in the interim,
 - a. The then General Manager, Hope Creek, cautioned you about the sending of the memorandum; and
 - b. The OM did not mail the memorandum on December 4, 1992, but held it until you returned from vacation on December 14, 1992, which provided you an opportunity to reconsider the action.

The memorandum contributed to the hostile work environment because it had the potential to inhibit the SRG engineers, and any other employees who may have become aware of the memorandum, from raising safety concerns; and

4. You did not retract the memorandum until February 8, 1993, after the Senior Vice President-Electric became aware of the issue and initiated an investigation, even though the GM-QA/NSR had a number of meetings or telephone calls with you to resolve the issue.

This is a Severity Level II Violation (Supplement VII).

No response is required unless you become involved in NRC licensed activities. If you become involved in such activities, you must provide a response which includes your reasons as to why the NRC should have confidence that you would not engage in activities that would create a hostile work environment or result in violation of NRC requirements in the future.

Dated at King of Prussia, Pennsylvania
this 11th day of April, 1995



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406 1415

May 9, 1995

IA 95-011

Mr. Darryl R. Zdanavage
HOME ADDRESS WITHHELD
UNDER 2.790

SUBJECT: NOTICE OF VIOLATION
(ENFORCEMENT CONFERENCE (NRC OI INVESTIGATION 1-92-052R))

Dear Mr. Zdanavage:

This letter refers to the investigation conducted by the NRC Office of Investigations (OI) at the Susquehanna Steam Electric Station (SSES) between October 1, 1992, and August 22, 1994. A copy of the OI synopsis of the investigation was forwarded to you on December 2, 1994. OI concluded that you deliberately and improperly provided assistance in answering questions to some members of your shift, after they had completed a written recertification examination on September 3, 1992, and submitted the examinations as original answers for grading. By your actions, you violated 10 CFR 50.5(a)(2) because you deliberately submitted to Pennsylvania Power and Light (PP&L) Company information that you knew to be incomplete or inaccurate. The NRC conducted an enforcement conference with you on February 23, 1995, in the Region I office in King of Prussia, Pennsylvania, to discuss OI's findings.

Specifically, on September 3, 1992, a written examination that was given as part of the recertification process was compromised by you when you provided additional instruction and an opportunity to members of your shift to change their answers by returning the examination to the individuals who had the incorrect answer, and then submitted the examinations to PP&L as original answers. At the enforcement conference, you noted that since a number of individuals answered a particular question incorrectly, you again taught the material pertinent to that question and returned the answer sheets to those individuals who had the incorrect answers to give them an opportunity to change the answer rather than immediately sending the answer sheets for grading. You also indicated you did that because you felt that you did not cover the material adequately.

10 CFR 50.5(a)(2) prohibits any employee from deliberately submitting to a licensee information that the person submitting the information knows to be incomplete or inaccurate in some respect material to the NRC. Your actions constitute a violation of 10 CFR 50.5(a)(2) because you deliberately submitted to PP&L information material to the NRC (the test results) that you knew to be incomplete or inaccurate in some respect. The NRC maintains that your actions were deliberate because: (1) the licensee's policy of individuals not receiving assistance with examinations was made clear on the answer sheets; (2) you were aware of the policy; (3) you were aware of the correct procedure for remedial training; (4) after providing further instruction, you returned the answer sheets only to the individuals who answered the question incorrectly; (5) you submitted revised test results to the licensee that you knew did not reflect the original unassisted test results; and (6) several shift members informed OI during its

investigation that you told those individuals (who answered the question incorrectly) that they should change their answer. These actions are particularly significant since at the time of the test you were a security shift supervisor.

This violation is classified at Severity Level III in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, (Enforcement Policy). While I considered issuing an order restricting your participation in NRC-licensed activities, I have decided that a Notice of Violation is sufficient. This decision is based on the enforcement conference proceedings and your acknowledgement that you had erred and had exercised poor judgement. However, any similar conduct on your part in the future could result in more significant enforcement action against you.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice of Violation (Notice) when preparing your response. In your response, you should document the specific corrective actions you have taken and any additional actions you plan to prevent recurrence. In your response, you also should describe the corrective actions that you have taken or planned to ensure management expectations with respect to training are understood by, and consistently carried out by you and by staff you may supervise, and how you will measure the effectiveness of those corrective actions. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures, and your response will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. However, if you find it necessary to include such information, you should indicate clearly the specific information that you desire not to be placed in the PDR, and provide the legal basis (per 10 CFR Part 2.790) to support your request for withholding the information from the public. A copy of 10 CFR Part 2 is enclosed for your convenience.

The responses 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, Pub. L. No. 96-511.

Sincerely,



Thomas T. Martin
Regional Administrator

Docket Nos. 50-387; 50-388

Enclosures:

1. Notice of Violation
2. 10 CFR Part 2

ENCLOSURE 1

NOTICE OF VIOLATION

Mr. Darryl R. Zdanavage
Susquehanna Steam Electric Station

IA 95-011

During an NRC investigation conducted by the NRC Office of Investigations between October 1, 1992, and August 22, 1994, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the violation is set forth below:

10 CFR 50.5(a)(2) states, in part, that any employee of a licensee may not deliberately submit to a licensee information that the person submitting the information knows to be incomplete or inaccurate in some respect material to the NRC.

10 CFR 73.55(b)(4)(ii) states, in part, that each licensee shall establish, maintain, and follow an NRC-approved training and qualifications plan outlining the processes by which guards, watchmen, armed response persons, and other members of the security organization will be trained, tested, and qualified to ensure that these individuals meet the requirements of this paragraph.

Section 2.1 of the NRC-approved Susquehanna Steam Electric Station Guard Training and Qualification Plan requires, in part, that annual recertification to ensure security force effectiveness shall be accomplished by one or more activities including class-room training involving lectures, group discussions, text review or written examination.

Contrary to the above, on September 3, 1992, Mr. Darryl Zdanavage, security shift supervisor, deliberately submitted to Pennsylvania Power and Light (PP&L) Company information (test results) which he knew to be incomplete or inaccurate. On September 3, 1992, PP&L chose to demonstrate security force effectiveness in a given task area through a written examination as part of its recertification. Mr. Zdanavage, while proctoring this examination for his shift, provided additional training after noting that some individuals had answered a question incorrectly. Subsequently, Mr. Zdanavage provided an opportunity for the individuals to change their answers by returning the examination only to the individuals who had the incorrect answer, and then submitted the examination results as the original answers to PP&L. The test results were material to the NRC in that the NRC relies on these test results for the demonstration of security force effectiveness under the licensee's implementation of the approved Guard Training and Qualification Plan. (01013)

This is a Severity Level III violation. (Supplement VII)

Pursuant to the provisions of 10 CFR 2.201, Mr. Darryl R. Zdanavage is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with a copy to the Regional Administrator, Region I, and a copy to the NRC Resident Inspector at the facility that is the subject of this Notice, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an Order or a Demand for Information may be issued as to why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

Under the authority of Section 182 of the Act, 42 U.S.C. 2232, this response shall be submitted under oath or affirmation.

Dated at King of Prussia, Pennsylvania
this 9th day of May 1995

C. NON-LICENSED VENDOR (PART 21)
NO CIVIL PENALTY



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555-0001

June 16, 1995

Mr. Kris Weger
Senior Vice President
and General Manager
Unistrut Corporation
35680 Clinton Street
Wayne, Michigan 48184

Dear Mr. Weger:

SUBJECT: NOTICE OF VIOLATION AND DEMAND FOR INFORMATION:
NRC INSPECTION REPORT 99900362/90-01 AND
REPORT OF INVESTIGATION CASE NO. 4-89-016

This letter transmits a Notice of Violation based on the results of the U.S. Nuclear Regulatory Commission (NRC) inspection of Unistrut Corporation (UC), conducted at your facility in Wayne, Michigan, on December 10-14, 1990, the inspection report, and the synopsis of an investigation conducted from approximately November 1989 until August 1992. The NRC, as part of an ongoing scrutiny of fasteners being supplied to the nuclear industry, received information that raised concerns pertaining to safety-related basic components that UC supplied to the nuclear industry. Therefore, the NRC conducted the subject inspection and investigation.

During the inspection, the NRC staff determined that UC failed to perform the required evaluation of deviations or to inform NRC licensees or purchasers so that they could perform or cause an evaluation to be performed pursuant to the provisions of Part 21 of Title 10 of the Code of Federal Regulations (10 CFR Part 21). This failure to comply constitutes a violation of NRC regulatory requirements and, therefore, we are issuing a Notice of Violation (Enclosure 1). The team also identified several nonconformances related to the implementation of the UC quality program; these are discussed later in this letter. The inspection report (Enclosure 2) contains a detailed discussion of the areas examined during the inspection and our findings.

The Office of Investigations (OI) also examined those concerns, as described in the enclosed synopsis taken from OI's Report of Investigation Case No. 4-89-016 (Enclosure 3). The OI investigation and other reviews associated with UC actions have recently been completed; the enclosed inspection report and Notice of Violation are being issued herewith.

On the basis of an OI interview on June 13, 1990, with UC management (Vice President and General Manager, Production Engineering Manager, and Quality Assurance Manager), the NRC staff advised UC that certificates of conformance, issued with fasteners supplied to the nuclear industry as safety-related basic components, contained invalid certification statements. The fasteners were supplied by UC as safety-related basic components certified to comply with NRC regulatory requirements when, in fact, the fasteners were commercial-grade because UC had not dedicated them for use as basic components. As a result of

this NRC action, on June 21, 1990, UC advised all of its authorized service centers that on June 15, 1990, UC had suspended certification of products as complying with 10 CFR Part 50, Appendix B and 10 CFR Part 21. According to UC, changes were made to its quality program and on September 26, 1990, UC advised all of its nuclear customers that its quality program (which UC asserted complied with Appendix B to 10 CFR Part 50) for safety-related metal framing products was "back on line."

Subsequently, in December 1990, an NRC inspection team, led by Steven M. Matthews and comprising the other inspectors named in the report, conducted the subject inspection to determine whether the products supplied to the U.S. nuclear industry actually complied with the regulatory requirements for basic components. The products were supplied with UC certificates of conformance that certified compliance with the requirements of 10 CFR Part 50, Appendix B and 10 CFR Part 21. During this inspection, the team also reviewed other areas related to UC's manufacturing and quality assurance process.

The most significant inspection finding, as described in the enclosed Notice of Violation, was the failure of UC to perform the required evaluation of deviations or to inform licensees or purchasers so they could perform or cause an evaluation to be performed pursuant to the provisions of 10 CFR Part 21. The team reviewed a number of purchase orders (POs) for fasteners, issued to UC from licensees, which imposed on UC the requirements of 10 CFR Part 50, Appendix B and 10 CFR Part 21. UC supplied those customers with fasteners which bore certificates of conformance that certified compliance with the licensees PO requirements.

UC advised the team during the inspection that in October 1990, UC met several times with its sole fastener supplier, General Fastener Company (GF) of Livonia, Michigan, to discuss the capability of GF to supply UC safety-related fasteners that comply with NRC requirements. On October 26, 1990, GF decided that it could not supply fasteners to UC certified as safety related because, according to GF, it did not have, nor had it ever had, a quality program that complied with 10 CFR Part 50, Appendix B. UC subsequently decided it could not continue to supply fasteners to the nuclear industry that would be certified to comply with NRC requirements for safety-related basic components.

Although UC stated during the inspection that it had not supplied fasteners certified as safety related to the nuclear industry since October 26, 1990, UC had also neither informed licensees of this decision nor rescinded its letter of September 26, 1990. Moreover, as of December 14, 1990, UC had neither evaluated its departure from the technical requirements of the licensee POs for the fasteners supplied before October 26, 1990, nor had UC informed licensees or purchasers of the deviations. This situation constituted a violation of NRC requirements and, furthermore, demonstrated UC's apparent lack of regard for NRC requirements.

You should be aware that the NRC considers a willful violation to be a significant regulatory concern. Following the events described above, the NRC issued the regulation in 10 CFR 50.5 that provides for enforcement actions

against any individual who, through deliberate misconduct, places or could have placed an NRC licensee in violation of NRC requirements. You should be aware that, should you engage in deliberate misconduct in the future, you may be subject to individual enforcement action pursuant to 10 CFR 50.5.

We have since observed that, even though you stated during the inspection that UC had not supplied fasteners certified as safety related to the nuclear industry since October 26, 1990, UC was listed under the headings "Products and Services" (including the categories of bolts, cable tray hangers and supports, fasteners, fittings, nuts, pipe hangers, and studs) and "Suppliers," in addition, a full-page advertisement on page 18 in the October 1991 issue of Nuclear Plant Journal, Volume 9, No. 6, and under the same headings and categories, UC continues to be listed in the November 1994 issue, Volume 12, No. 6. Therefore, further information is needed to enable us to determine if there is reasonable assurance that UC is conducting these activities under NRC jurisdiction in accordance with NRC requirements. Accordingly, pursuant to Sections 161c and 161o of the Atomic Energy Act of 1954, as amended; Section 206(d) of the Energy Reorganization Act of 1974, as amended; and 10 CFR 2.204, you are required to

- (1) Inform the NRC whether or not UC has reentered the business of supplying basic components as defined in 10 CFR Part 21 for any period of time since October 26, 1990, and if it has, give the extent and nature of such business activity, including the dates of such activity.
- (2) If UC has supplied basic components as defined in 10 CFR Part 21 since October 26, 1990, submit a detailed explanation of the actions taken to ensure that the basic components comply with NRC requirements; include an explanation of UC compensatory actions taken to correct the invalid certificates of conformance issued before October 26, 1990, as described above.
- (3) If UC has not supplied basic components pursuant to 10 CFR Part 21 since October 26, 1990, submit a one-time, written notice at least 30 days before it resumes such activities to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555-0001 with a copy to the Chief, Special Inspection Branch, Division of Technical Support, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555-0001.
- (4) If UC does not agree to submit the notice specified in (3) above, it should so state and provide the basis for not submitting the notice.

You are required to respond to this Demand for Information in accordance with 10 CFR 2.204 within 30 days of the date of this letter.

In accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1990), Violation 90-01-01 described in the enclosed Notice of Violation has been classified as a Severity Level III violation (Supplement VII, Subsection C.5) because UC

failed to evaluate its departure from the technical requirements of the licensee POs, such that, if an appropriate evaluation had been made as required, a 10 CFR Part 21 report would have been made.

Even though other violations related to 10 CFR Part 21 were noted by the team in Report 99900362/90-01, only violation 90-01-01 is cited in the Notice of Violation for the following reasons:

- (1) The NRC has adequately addressed the safety issues through its issuance, on April 1, 1991, of Information Notice 91-25, "Commercial-Grade Structural Framing Components Supplied As Nuclear Safety-Related Equipment."
- (2) The actions of UC preceded the NRC issuing guidance on commercial-grade dedication in Generic Letter 91-05, "Licensee Commercial-Grade Procurement and Dedication Programs," on April 9, 1991.
- (3) Neither the OI investigation nor the NRC inspection of UC documented in Report 99900362/90-01 identified any substandard fasteners.
- (4) Compared to the safety significance of the violation cited in the Notice of Violation, the other violations had relatively lower safety significance, and we believe, little purpose would be served in this case by citing the less significant violations.

During this inspection, the team also found that other elements of your quality program did not meet NRC requirements and resulted in the identification of several nonconformances described in Report 99900362/90-01. The inspection identified that, contrary to the requirements of 10 CFR Part 50, Appendix B, UC had not established adequate measures to control the dedication of commercial-grade material. As a result, commercial-grade products were supplied to the nuclear industry as safety-related basic components and were certified by UC as complying with 10 CFR Part 50, Appendix B and 10 CFR Part 21. The specific findings and references to the pertinent requirements for all nonconformances are described in the enclosed inspection report.

A notice of nonconformance for the findings is not being issued for the same reasons described above for issuing only Violation 90-01-01. Additionally, the staff recognizes that at the time of this inspection neither NRC licensees nor their suppliers had a clear understanding of commercial-grade dedication. However, if UC has resumed business with the nuclear industry pursuant to 10 CFR Part 21, the staff expects UC to carefully review the information in the enclosed inspection report and take actions, as appropriate, to correct the nonconformances identified and to prevent recurrence and, as part of the response required below, provide a summary of your corrective actions taken.

You are required to respond to this Notice of Violation within 30 days of the date of this letter by filing a written response under oath and affirmation. You should follow the instructions specified in the enclosed Notice of

K. Weger

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Violation when preparing your response. In addition to the instructions specified in the enclosed Notice of Violation, send copies of your response, at the same address, to the Director, Office of Enforcement, and to the Assistant General Counsel for Hearings and Enforcement.

After reviewing your responses to the Demand for Information and Notice of Violation, including your proposed corrective actions, the staff will determine whether further action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with 10 CFR 2.790(a) of the NRC "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room. The responses directed by this letter and its enclosures are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, Public Law No. 96-511.

Should you have any questions concerning this action, we will be pleased to discuss them with you.

Sincerely,

RS
R. Lee Spessard, Director
Division of Technical Support
Office of Nuclear Reactor Regulation

Docket No. 99900362
EA-91-020

Enclosures:

1. Notice of Violation
2. Report No. 99900362/90-01
3. Synopsis: Report of Investigation Case No. 4-89-016

NOTICE OF VIOLATION

Unistrut Corporation
Wayne, Michigan

Docket No. 99900362
Report No. 90-01
EA-91-020

During an NRC inspection conducted on December 10-14, 1990, violations of NRC requirements were identified. In accordance with the "General Statements of Policy and Procedures for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1990), the most significant violation is listed below:

Section 21.21, "Notification of failure to comply or existence of a defect," of 10 CFR Part 21 (in effect at the time of this inspection), Subsection (a)(1) required, in part, that each individual, corporation or other entity subject to the regulations adopt appropriate procedures for either evaluating deviations or informing the licensee or purchaser of the deviation.

Contrary to the above, two examples were identified in which Unistrut Corporation (UC), an entity subject to 10 CFR Part 21, failed to perform an evaluation of a deviation (i.e., a departure from the technical requirements included in a procurement document), or inform licensees or purchasers so they could cause an evaluation to be performed.

Specifically, in the following instances, UC procured commercial-grade fasteners from the General Fastener Company (GF) of Livonia, Michigan and, without dedicating the commercial-grade fasteners for use as basic components, supplied them to the nuclear industry as safety-related basic components, issuing certificates of conformance to NRC licensees which certified that the fasteners complied with NRC regulatory requirements.
(90-01-01)

- (1) For Gulf States Utilities Company, River Bend Station purchase order (PO) 89-4-77172, dated August 25, 1989, issued to UC for safety-related ASTM A307, Grade A, galvanized, hex head bolts, 3/8-inch-16 x 2-1/2 inch that imposed on UC the requirements of 10 CFR Part 50, Appendix B and 10 CFR Part 21; UC supplied River Bend Station with commercial-grade hex head bolts (since UC did not dedicate the fasteners) and a certificate of conformance dated October 5, 1989, which certified that the fasteners met the requirements of the licensee PO, 10 CFR Part 50, Appendix B and 10 CFR Part 21.
- (2) For Consumers Power Company, Palisades Plant, Bechtel Constructors Corporation issued PO 20557-F1020-Q to UC for safety-related ASTM A307, grade A, hex head cap screws, 3/8-inch-16 x 3/4-inch that imposed on UC the requirements of 10 CFR Part 50, Appendix B and 10 CFR Part 21; UC supplied Bechtel Constructors Corporation--Palisades Plant with commercial-grade hex head cap screws (since UC did not dedicate the fasteners) and a certificate of conformance dated October 4, 1990, which certified that the fasteners met the requirements of the licensee PO, 10 CFR Part 50, Appendix B and 10 CFR Part 21.

These instances have been classified as a Severity Level III Violation (Supplement VII).

Pursuant to the provisions of 10 CFR 2.201, UC is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555-0001 with a copy to the Chief, Special Inspection Branch, Division of Technical Support, Office of Nuclear Reactor Regulation, within 30 days of the date of the letter transmitting this Notice of Violation. This reply should be clearly marked as a "Reply to Notice of Violation" and should include for the violation (a) the reason for the violation, or, if contested, the basis for disputing the violation; (b) the corrective steps that have been taken and the results achieved; (c) the corrective steps that will be taken to avoid further violations; and (d) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence if the correspondence adequately addresses the required response. Where good cause is shown, consideration will be given to extending the response time. Under the authority of Section 182 of the Act, 42 U.S.C. 2232, this response shall be submitted under oath or affirmation.

Dated at Rockville, Maryland
this 16th day of June, 1995

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(See instructions on the reverse)

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*(Assigned by NRC. Add Vol., Supp., Rev.,
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11. ABSTRACT *(200 words or less)*

This compilation summarizes significant enforcement actions that have been resolved during one quarterly period (April - June 1995) and includes copies of letters, Notices, and Orders sent by the Nuclear Regulatory Commission to reactor licensees with respect to these enforcement actions. It is anticipated that the information in this publication will be widely disseminated to managers and employees engaged in activities licensed by the NRC, so that actions can be taken to improve safety by avoiding future violations similar to those described in this publication.

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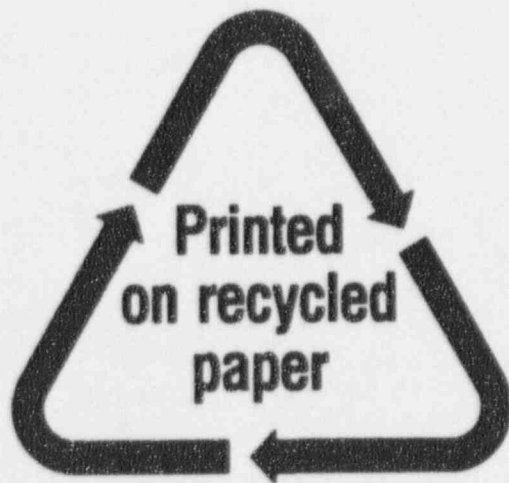
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