

NOTICE OF VIOLATION

Mr. Richard Balcom
Houston Lighting & Power Company
South Texas Project Electric
Electric Generating Station

IA 95-042

Based on an NRC investigation conducted May 1992 to February 1993 and a Department of Labor Administrative Law Judge Recommended Decision and Order in DOL Case Nos. 93-ERA-7 and 93-ERA-8 issued on April 6, 1995, a violation was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Action," (Enforcement Policy) (60 FR 34381, June 30, 1995), the violation is set forth below:

10 CFR 50.5 provides, 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, prohibits discrimination by a Commission licensee against any employee for engaging in certain protected activities. Discrimination includes discharge and other actions that relate to compensation, terms, conditions, and privileges of employment. Protected activities are described in Section 210 (now 211) of the Energy Reorganization Act of 1974, as amended, and in general are related to the administration or enforcement of a requirement imposed under the Atomic Energy Act or Energy Reorganization Act.

Contrary to the above, Richard Balcom, a manager above first-line supervision at the Houston Lighting and Power Company's (HL&P's) Nuclear Security Department (NSD), deliberately discriminated against two employees of HL&P's NSD. Specifically, Mr. Balcom recommended termination of the employment of Messrs. Lamb and Dean as a result of Messrs. Lamb's and Dean's engaging in protected activities. The protected activities included identifying safety concerns to the NRC. Mr. Balcom's actions resulted in HL&P's termination of the employment of these individuals, which caused HL&P to be in violation of 10 CFR 50.7.

This is a Severity Level II Violation (Supplement VII). (01012)

Pursuant to the provisions of 10 CFR 2.201, you are 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 the final decision by the Secretary of the Department of Labor in this matter. This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each alleged 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 to show cause why such other enforcement 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.

Because your response will be placed in the NRC Public Document Room (PDR), to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. If personal privacy or proprietary information that is not already in the public record is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.790(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

Dated at Arlington, Texas
this 17th day of October, 1995