



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

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Kawest

MIDLAND - ADMINISTRATIVE BLDG. SETTLEMENT

May 24, 1982

CHAIRMAN

*Please retain in your files*

MEMORANDUM FOR: William J. Dircks, Executive  
for Operations  
FROM: Nunzio J. Palladino *NJP*  
SUBJECT: POSSIBLE ENFORCEMENT ACTION

The information available to the Commission concerning the Midland Plant, Units 1 and 2 indicates that the applicant, Consumers Power Company, knew in 1977 that the Administration Building grade beam had settled. Because the Administration Building is not a safety-related structure, applicants were not required by 10 CFR 50.55(e) to file reports on the building's settlement. In spite of the similarity of this situation to the later discovered settlement of the Diesel Generator Building, Consumers did not discuss the grade beam settlement during 1978 meetings with the NRC on settlement of the Diesel Generator Building. //

The Commission has consistently found that an applicant's failure to provide the Commission with information material to safety constitutes a material false statement in violation of §186a of the Atomic Energy Act of 1954, as amended. Accordingly, if information concerning grade beam settlement were relevant to settlement of the Diesel Generator Building, then Consumers' failure to notify the NRC of settlement of the Administration Building after Consumers learned of settlement of the Diesel Generator Building raises the question of whether the failure was an omission constituting a material false statement under Commission practice which could provide the basis for a Commission enforcement action.

I would like your analysis of the enforcement question and your view about the appropriateness of enforcement action at this time.

- cc: Commissioner Gilinsky
- Commissioner Ahearne
- Commissioner Roberts
- Commissioner Asselstine
- SECY
- OGC
- OPE
- OIA

Rec'd Off. EDO  
Date.. 5/25/82  
Time.. 1:50

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