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August 24, 1984

ØCANØ88415

Mr. Richard C. DeYoung
Office of Inspection and Enforcement
U. S. Nuclear Regulatory Commission
Washington, DC 20555

SUBJECT: Arkansas Nuclear One - Units 1 & 2
Docket Nos. 50-313 and 50-368
License Nos. DPR-51 and NPF-6
Response to Notice of Violation and
Proposed Imposition of Civil Penalty
in EA 84-66

Gentlemen:

On July 25, 1984, the NRC Staff (Region IV) issued a Notice of Violation and Proposed Imposition of Civil Penalty to Arkansas Power & Light (AP&L) for alleged violations of 10CFR Part 50, Appendix B, Criterion VII. Pursuant to 10CFR §§2.201 and 2.205 AP&L responds to the Notice of Violation and Proposed Imposition of Civil Penalty in the attachments hereto.

As set forth in the attached responses, AP&L admits the alleged violation. However, it respectfully requests that the proposed civil penalty be withdrawn. Alternatively, AP&L submits that the proposed civil penalty should be mitigated in its entirety.

AP&L believes that this enforcement action is a matter of significant concern, not just because of the allegations made by NRC, but also, because of the adverse and unfair impact the enforcement action has already had on the public perception of AP&L's commitment to quality. This is particularly troublesome because of the extensive and prompt corrective actions initiated prior to the enforcement action. These actions include commissioning an independent review of its overall procurement and receipt inspection program; initiating an independent testing program on randomly selected warehouse stock; increasing source surveillance activities and vendor site surveys; augmenting its Quality Assurance ("QA") staff; retraining its Quality Control ("QC") staff and certain other personnel involved in purchasing; and expanding the scope of information included in its Qualified Vendor List ("QVL"). These programmatic actions are in addition to specific actions taken to correct the specific violations upon which this enforcement action is based. Those specific actions included auditing certain suppliers; placing procurement restrictions on certain suppliers; and requalifying or testing materials that had the potential of not satisfying all applicable procurement requirements.

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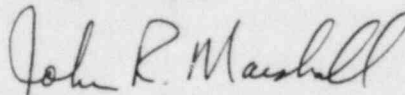
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AP&L either initiated or committed to these actions well before the Notice of Violation and Proposed Imposition of Civil Penalty was issued in this proceeding. NRC was advised of these actions during a March 9, 1984, Enforcement Conference, and followed up with a letter on March 16 (ØCANØ484Ø3) documenting such actions. Nevertheless, the NRC decided to propose a civil penalty. AP&L submits that the failure of the Staff to consider on the record not proposing a civil penalty in light of the prompt and extensive corrective actions taken was arbitrary and capricious and that, as a result, the proposed civil penalty should be withdrawn in full. Alternatively, AP&L submits that in view of its prompt corrective actions such penalty should be mitigated in full.

AP&L also finds the Notice of Violation and Proposed Imposition of Civil Penalty troublesome because it was not issued in a timely manner consistent with NRC policy. The underlying rationale for taking prompt enforcement action, as the Commission itself recognizes, is to assure that it will have the desired effects on both the licensee against which it is taken and on the industry as a whole. It took the staff approximately twelve weeks to hold an Enforcement Conference after the inspection on which this enforcement action is based and nineteen additional weeks to provide AP&L with the report documenting that inspection. The enforcement action in this proceeding was taken one week after that report was transmitted to AP&L. In sum, about thirty-three weeks elapsed from the date of the inspection of AP&L's facilities until the enforcement action was taken. The staff has represented that such period should normally be about ten weeks. Accordingly, NRC must question whether the enforcement action, for which responsive actions were developed over four months ago, will have any salutary effect.

In spite of AP&L's disagreement with the staff concerning the Notice of Violation and Proposed Imposition of Civil Penalty, AP&L remains firmly committed to the highest possible quality of operations. AP&L believes that its corrective actions evidence that commitment.

Very truly yours,



John R. Marshall
Manager Licensing

JRM/DH/ac

Attachments (1) Licensee's Response to Notice of Violation
(2) Licensee's Answer Protesting Civil Penalty

cc: Mr. John T. Collins
Regional Administrator
U. S. Nuclear Regulatory Commission
Region IV
611 Ryan Plaza Drive, Suite 1000
Arlington, TX 76011

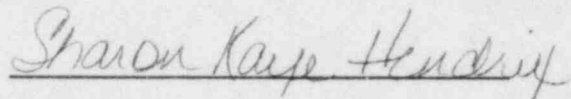
STATE OF ARKANSAS)
)
COUNTY OF PULASKI) SS

I, John R. Marshall, being duly sworn, subscribe to and say that I am Manager, Licensing for Arkansas Power & Light Company; that I have full authority to execute this oath; that I have read the document numbered ØCANØ88415 and know the contents thereof; and that to the best of my knowledge, information and belief the statements in it are true.



JOHN R. MARSHALL

SUBSCRIBED AND SWORN TO before me, a Notary Public in and for the County and State above named, this 24 day of August, 1984.



Notary Public

My Commission Expires:

9/19/89