



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION IV

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

January 25, 1996

EA 95-279

Pacific Gas and Electric Company  
Nuclear Power Generation, B14A  
ATTN: Gregory M. Rueger, Senior Vice  
President and General Manager  
Nuclear Power Generation Bus. Unit  
77 Beale Street, Room 1451  
P.O. Box 770000  
San Francisco, California 94177

SUBJECT: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY -  
\$50,000 (NRC INSPECTION REPORT 50-275/95-17; 50-323/95-17)

Dear Mr. Rueger:

This is in reference to the predecisional enforcement conference held in the NRC's Arlington, Texas office on January 12, 1996. The conference was conducted to discuss apparent violations of requirements identified during an NRC inspection conducted on various dates between October 21 and December 8, 1995. This inspection was conducted to review the circumstances surrounding a transformer fire and loss of off-site power to Diablo Canyon Nuclear Power Plant, Unit 1 on October 21, 1995. The NRC's inspection report, issued on December 29, 1995, described this event in detail.

Based on its review of the information developed during the inspection and the information that Pacific Gas and Electric Company (PG&E) provided at the conference, the NRC has determined that violations of NRC requirements did occur. Specifically, PG&E personnel failed to follow multiple procedural requirements related to the installation and removal of "ground buggies," temporary grounding devices that are designed to assure personnel safety during electrical maintenance activities. The failure to remove a ground buggy prior to restoring power to an electrical bus on October 21, 1995, resulted in a loss of off-site power supplies, a temporary loss of Unit 1 shutdown cooling, a loss of spent fuel pool cooling for several hours before being corrected, and the automatic start and loading of all three Unit 1 Emergency Diesel Generators.

Both PG&E and the NRC agree that one of the primary root causes of this event was a lack of effective procedures to assure adequate control of the installation and removal of ground buggies, manifested by the failure of either operations or maintenance departments to assume ownership of the control of these grounding devices. This resulted in a situation where neither organization assumed the responsibility for assuring ground buggies

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were removed. Contributing causes included a failure to follow existing procedures and work instructions, which apparently was not limited to this event, and a failure to take effective steps following an October 1994 ground buggy event to establish positive controls and prevent similar occurrences.<sup>1</sup> In addition, as PG&E representatives discussed at the conference, there had been other instances involving the improper treatment of ground buggies, i.e., installation/removal or documentation. However, since at least one of the procedural barriers had been effective in preventing an event, these instances were apparently not documented or formally recognized as problems requiring corrective actions.

As indicated in the NRC's inspection report, Diablo Canyon personnel and plant systems responded reasonably well to the October 21, 1995 event. Thus, although some safety functions were interrupted, i.e., spent fuel pool and shutdown cooling, and other safety systems were challenged, the event itself did not result in the safety of the facility being compromised. Nonetheless, in accordance with the General Statement of Policy and Procedures for NRC Enforcement Actions (Enforcement Policy), NUREG-1600, the NRC has classified the violations related to electrical configuration control (controlling grounding devices) collectively as a Severity Level III problem. We have done so in recognition of the regulatory and safety significance of violating a series of procedural controls that should have prevented this event from occurring as well as the lack of an effective program to assure adequate control of grounding devices. Thus, the NRC views these violations collectively as a breakdown in the control of licensed activities which in this case resulted in a potentially significant event and an unnecessary challenge to plant safety systems.

In accordance with the Enforcement Policy, a base civil penalty in the amount of \$50,000 is considered for a Severity Level III problem. Because your facility has been the subject of escalated enforcement within the last 2 years,<sup>2</sup> the NRC considered whether credit was warranted for *Identification* and *Corrective Action* in accordance with the civil penalty assessment process described in Section VI.B.2 of the Enforcement Policy. The NRC determined that credit for identification was not warranted because the violations were discovered after an event, and because PG&E had opportunities, both in October

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<sup>1</sup> The 1994 event involved the failure to remove a grounding device from an EDG prior to conducting post-maintenance testing, resulting in an inability to load the EDG and conduct the test until the device was removed.

<sup>2</sup> The NRC issued a Notice of Violation, Severity Level III to PG&E on July 14, 1994, based on a failure to take prompt action to correct conditions adverse to quality associated with the Auxiliary Saltwater System. This action was based on licensee documents submitted on February 15 and March 8, 1994, and an NRC inspection that ended on March 8, 1994.

1994 and on other occasions, to have identified the lack of effective controls and taken corrective action to remedy this problem. The NRC determined that PG&E's actions in response to the event were prompt and comprehensive and that credit for corrective actions was warranted. These actions included: prompt actions to assure the safety of the facility and interim control of grounding devices; revised procedures and training to eliminate ambiguities in existing procedures with regard to the ultimate responsibility of operations personnel to control plant configuration; meetings with all personnel to discuss the event and procedural adherence issues; a review of issues related to the failure of electrical transformers to withstand faults; and a review of the effectiveness of corrective actions for other similar problems.

Based on the outcome of the civil penalty assessment process, and to emphasize the importance of assuring positive control of activities that may affect off-site power supplies and the safety of the facility, 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 base amount of \$50,000 for the Severity Level III problem described above and in the Notice.

In addition to the violations that were assessed a civil penalty, the Notice contains a violation of procedural controls designed to prevent the routine approval of excessive overtime. Although we have not included this violation among those that were assessed a civil penalty, primarily because it does not appear to be a direct cause of the October 21, 1995 event, we note that PG&E identified fatigue as a contributing cause and has taken actions to enhance controls over overtime work during outages.

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. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required 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, 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.

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

Dockets: 50-275  
50-323  
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Enclosure: Notice of Violation and  
Proposed Imposition of Civil Penalty

cc w/Enclosure:  
Sierra Club California  
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Energy Chair  
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Sacramento, California 95814

San Luis Obispo  
Mothers for Peace  
ATTN: Ms. Nancy Culver  
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Ms. Jacquelyn C. Wheeler  
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The County Telegram Tribune  
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San Luis Obispo County Board of  
Supervisors  
ATTN: Chairman  
Room 370  
County Government Center  
San Luis Obispo, California 93408

California Public Utilities Commission  
ATTN: Mr. Truman Burns\Mr. Robert Kinosian  
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San Francisco, California 94102

Diablo Canyon Independent Safety Committee  
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Radiologic Health Branch  
State Department of Health Services  
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Pacific Gas and Electric Company  
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Pacific Gas and Electric Company  
Diablo Canyon Power Plant  
ATTN: Warren H. Fujimoto, Vice President  
and Plant Manager  
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Avila Beach, California 93424

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