

JAN 29 1988

Docket No. 50-370
License No. NPF-9
EA 87-192

Duke Power Company
ATTN: Mr. H. B. Tucker, Vice President
Nuclear Production Department
422 South Church Street
Charlotte, NC 28242

Gentlemen:

SUBJECT: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY
(NRC INSPECTION REPORT NOS. 50-369/87-35 AND 50-370/87-35)

This refers to the Nuclear Regulatory Commission (NRC) inspection conducted by W. Orders at the McGuire Nuclear Plant on August 24 - September 4, 1987. The inspection included a review of the circumstances surrounding the inoperability of the Unit 2 missile shield/divider barrier and the degradation of the Unit 1 missile shield. The report documenting this inspection was sent to you by letter dated October 9, 1987. As a result of this inspection, a significant failure to comply with NRC regulatory requirements was identified, and accordingly, NRC concerns relative to the inspection findings were discussed in an Enforcement Conference held on November 6, 1987. The letter, summarizing this Conference was sent to you on December 3, 1987. Since the letter, further evaluations of your analysis of the possible consequences of the missing bolts have been made by the NRC. We do not necessarily agree with your analysis of the event's significance. However, given the fact that you recognize this as a significant issue and corrective actions have been taken, debate about the possible consequences of an event would serve no useful purpose.

The violation described in the enclosed Notice of Violation involved a failure to maintain the operability of the Unit 2 missile shield. The events that resulted in this violation included operation of McGuire Unit 2 in Modes 1-4 with hold-down bolts missing in the control rod drive mechanism missile shield/containment divider barrier. The missile shield was found to be inoperable on August 14, 1987, and had been inoperable since March 1983. The root cause of this event was an inadequate procedure which did not contain sufficient information to ensure proper installation of the missile shield blocks for both Units 1 and 2.

To emphasize the need to have detailed and accurate procedures covering safety-related activities, I have been authorized, after consultation with the Director, Office of Enforcement and the Deputy Executive Director for Regional Operations, to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty in the amount of Twenty Five Thousand Dollars (\$25,000) for the violation described in the enclosed Notice.

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions, 10 CFR Part 2, Appendix C (1987) (Enforcement Policy), the violation has been categorized as a Severity Level III violation. The base civil penalty for a Severity Level III violation is \$50,000. The escalation and mitigation factors in the Enforcement Policy were considered and a 50 percent reduction was deemed appropriate because of the unusually prompt and extensive corrective actions taken. The individual who discovered the problem should be commended for identifying such a significant concern which had been overlooked on other occasions. However, further mitigation is not warranted because of opportunities for identification when the shield barriers were fully accessible for inspection and the duration of the violation prior to discovery.

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 addition to your corrective actions regarding the specific matters identified in the enclosed Notice, we encourage your pursuit of the Unit 1 civil structures study and your plans to perform a similar study on Unit 2 during the next refueling outage. We are interested in following the progress of these studies, with the expectation that any remaining safety-related civil structure deficiencies will be identified and promptly corrected.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, 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, PL No. 96-511.

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

Sincerely,

ORIGINAL SIGNED BY:
J. NELSON GRACE

J. Nelson Grace
Regional Administrator

Enclosure:
Notice of Violation and Proposed
Imposition of Civil Penalty

cc w/encl:
T. L. McConnell, Station Manager

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NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTY

Duke Power Company
McGuire 2

Docket No. 50-370
License No. NPF-17
EA 87-192

During the Nuclear Regulatory Commission (NRC) inspection conducted on August 24 September 4, 1987, 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 (1987), 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, PL 96-295 and 10 CFR 2.205. The particular violation and associated civil penalty are set forth below:

Technical Specification (TS) 3.6.5.5 requires in Modes 1-4 that the equipment hatches between the containment upper and lower compartments be operable and closed. With a personnel access door or equipment hatch inoperable or open except for personnel transit entry, the ACTION requirement of T.S. 3.6.5.5 requires the door or hatch to be returned to operable status or closed (as applicable) within one hour or the unit must be in at least hot standby within the next six hours and cold shutdown within the following 30 hours.

Contrary to the above, the reactor vessel missile shield/divider barrier, an equipment hatch, was inoperable from March 1983 to August 14, 1987. During this period the unit was operated in Modes up to Mode 1 without complying with the ACTION requirement of T.S. 3.6.5.5.

This is a Severity Level III violation (Supplement I) applicable to Unit 2 only.

Civil Penalty - \$25,000.

Pursuant to the provisions of 10 CFR 2.201, Duke Power Company is hereby required to submit a written statement or explanation to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555, with a copy to the Regional Administrator, Region II, and a copy to the NRC Resident Inspector, McGuire Nuclear Station, within 30 days of the date of the letter transmitting this Notice. This reply should be clearly marked as a "Reply to a Notice of Violation" and should include: (1) admission or denial of the violation, (2) the reason for the violation if admitted, (3) the corrective steps which have been taken and the results achieved, (4) the corrective steps which will be taken to avoid further violations, and (5) the date when full compliance will be achieved. Where good cause is shown, consideration will be given to extending the response time. If an adequate reply is not received within the time specified in this Notice, an order 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.

Within the same time as provided for the response required above under 10 CFR 2.201, Duke Power Company may pay the civil penalty by letter addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission with a check, draft, or money order payable to the Treasurer of the United States in the cumulative amount of Twenty-Five Thousand Dollars (\$25,000) or may protest imposition of the civil

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Notice of Violation

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penalty in whole or in part by a written answer addressed to the Director, Office of Enforcement. Should Duke Power Company fail to answer within the time specified, an order will be issued imposing the civil penalty. Should Duke Power Company elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalty, such answer 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 five factors addressed in Section V.B of 10 CFR Part 2, Appendix C (1987) 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. Duke Power Company's attention is directed to the other provisions of 10 CFR 2.205, regarding the procedures for imposing a civil penalty.

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

The responses to the Director, Office of Enforcement, noted above, Reply to a 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, DC 20555 with a copy to Regional Administrator, Region II and a copy to the NRC Resident Inspector at McGuire.

FOR THE NUCLEAR REGULATORY COMMISSION

ORIGINAL SIGNED BY:
J. NELSON GRACE

J. Nelson Grace
Regional Administrator

Dated at Atlanta, Georgia
this 29th day of January 1988