



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

DCD/DCB
(RIDS)

APR 20 1988

Docket No. 50-440
License No. NPF-58
EA 87-206

The Cleveland Electric Illuminating Company
ATTN: Mr. Alvin Kaplan, Vice President
Nuclear Group
10 Center Road
Perry, Ohio 44081

Gentlemen:

This will acknowledge receipt of your letter dated March 11, 1988 and your check for \$25,000 in payment for the civil penalty proposed by NRC in its letter to you dated February 11, 1988.

In your letter, you paid the proposed civil penalty in full and stated you were in agreement with many of the identified examples of violations described in the Notice of Violation and Proposed Imposition of Civil Penalty. However, you also requested re-classification of the violations from a Severity Level III to a Severity Level IV problem and stated that full rather than partial mitigation of the civil penalty was warranted.

We have carefully considered your response and have concluded that persuasive arguments have not been presented which would cause us either to reduce the severity level classification or fully mitigate the civil penalty. As we indicated in our February 11, 1988 letter to you, we recognize that the EQ deficiencies individually may not have been so extensive that system function could not have been achieved. However, the EQ deficiencies were of a programmatic nature and reflected weaknesses in the areas of the original qualification of equipment, installation activities, and equipment maintenance, and so was considered a significant regulatory concern. Therefore, the NRC continues to consider these violation as a Severity Level III problem.

The NRC still considers it appropriate to mitigate the base civil penalty by 50 percent based on your unusually prompt and extensive corrective actions. However, you stated that full mitigation is warranted based on your past performance in the EQ area. Because this inspection was the first EQ inspection done by the Region III office and because the previous NRR site audit was a review of your overall programmatic controls for the EQ program rather than a detailed review of the implementation of the program as conducted by Region III, there was not a sufficient basis to judge your past performance in this area. Therefore, neither mitigation nor escalation was considered appropriate based on your past performance.

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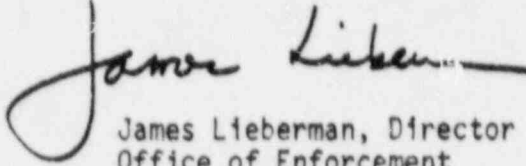
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The Cleveland Electric
Illuminating Company

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The corrective actions described in your letter will be examined during future inspections.

Sincerely,



James Lieberman, Director
Office of Enforcement

cc: A. Bert Davis, RIII
F. R. Stead, Manager Perry
Plant Technical Department
M. D. Lyster, Manager, Perry
Plant Operations Department
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