



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
101 MARIETTA STREET, N.W.
ATLANTA, GEORGIA 30323

JAN 20 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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PDR ADOCK 05000370
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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.

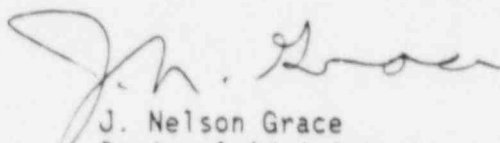
You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this 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,



J. Nelson Grace
Regional Administrator

Enclosure:
Notice of Violation and Proposed
Imposition of Civil Penalty

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