

Log 7566

EDWARD J. MARKEY MASSACHUSETTS CHAIRMAN

AL SWIFT WASHINGTON
JOHN BRYANT TEXAS
MICKEY LELAND TEXAS
RICHARD C. SHELBY ALABAMA
RON WYDEN OREGON
RALPH M. HALL TEXAS
DENNIS E. ECKART OHIO
GERRY SKORSKI MINNESOTA
JOHN D. DINGELL MICHIGAN
EX OFFICIO

CARLOS J. MOORHE CALIFORNIA
MICHAEL G. ORLEY UTAH
HOWARD C. NELSON FLORIDA
MICHAEL B. BARRIS FLORIDA
FRED J. ECKERT NEW YORK
JAMES T. BRADYHILL NORTH CAROLINA
EX OFFICIO

U.S. HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON ENERGY CONSERVATION
AND POWER
OF THE
COMMITTEE ON ENERGY AND COMMERCE
WASHINGTON, DC 20515

LAWRENCE R. BIDMAN
CHIEF COUNSEL AND STAFF DIRECTOR

August 13, 1985

The Honorable Nunzio J. Palladino
Chairman
Nuclear Regulatory Commission
1717 H Street, NW
Washington, D. C. 20555

Dear Chairman Palladino:

Thank you for your August 9, 1985 letter regarding two questions that I raised regarding possible regulatory misconduct by the NRC's Region II office.

Your letter includes a request for continued confidentiality of our correspondence on this matter. The Subcommittee has treated this matter confidentially for over one year because of your ongoing investigation. Now that the Office of Inspector and Auditor, the Office of General Counsel and the Commission itself have investigated this matter and reached conclusions, I see no reason for not making this information publicly available.

Should the Commission have any reason why the public interest would be served by continuing to maintain the confidentiality of these documents, please immediately provide such a reason to the Subcommittee.

Sincerely,

Ed Markey
Edward J. Markey
Chairman

EJM:mw

8611030324 861029
PDR FOIA
JORDAN 85-661 PDR

B/2



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

June 4, 1985

*... JVE
PR
Miss. Power*

The Honorable Edward J. Markey, Chairman
Subcommittee on Energy Conservation and Power
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Enclosed for your information is an announcement that the Nuclear Regulatory Commission staff has proposed to fine Mississippi Power and Light Company \$500,000 for alleged material false statements made to the NRC in regard to operator qualifications and training at the Grand Gulf nuclear power plant, located near Port Gibson, Mississippi.

This announcement will be mailed to the news media today.

Sincerely,

Carlton Kammerer, Director
Office of Congressional Affairs

Enclosure:
As stated

cc: Rep. Carlos Moorhead

IDENTICAL LETTER SENT TO:
Rep. Udall/cc: Rep. Lujan
Sen. Simpson/cc: Sen. Hart
Sen. Cochran
Sen. Stennis
Rep. Dowdy

~~8510230000~~ 1p.

B/2

Congress of the United States
House of Representatives
Committee on Energy and Commerce
Room 2125, Rayburn House Office Building
Washington, D.C. 20515

March 8, 1985

The Honorable Nunzio J. Palladino
Chairman
Nuclear Regulatory Commission
1717 H Street, N.W.
Washington, D.C. 20555

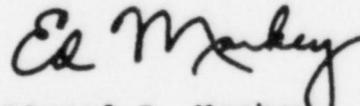
Dear Chairman Palladino:

I have received the Commission's January 8, 1985 response to my July 2, 1984 and August 24, 1984 letters regarding apparent material false statements by the Mississippi Power and Light Company about the Grand Gulf nuclear power plant.

As Chairman of the Subcommittee on Energy Conservation and Power of the Committee on Energy and Commerce, I continue to have great interest in this matter. Consequently, I would request to be informed as soon as the Commission has decided on a final enforcement action and prior to the actual issuance of any enforcement action to the licensee. As you suggested in your response to my August 24, 1984 letter, I believe that our correspondence on this matter should be made publicly available at that time.

I am greatly disappointed that it took the Commission so long to respond to my inquiries and that information responsive to my request was not provided sooner. I expect to be kept fully and currently informed on this matter in the future.

Sincerely,



Edward J. Markey
Chairman
Subcommittee on Energy
Conservation and Power

EJM:mb

~~8504100600~~ (1p)

JOHN D. DINGELL, MICHIGAN, CHAIRMAN

JAMES H. SCHEUER, NEW YORK
 HENRY A. WAXMAN, CALIFORNIA
 TIMOTHY E. WIRTH, COLORADO
 PHILIP R. SHARP, INDIANA
 JAMES J. FLORIO, NEW JERSEY
 EDWARD J. MARKEY, MASSACHUSETTS
 THOMAS A. LUKEN, OHIO
 DOUG WALGREN, PENNSYLVANIA
 BARBARA A. MIKULSKI, MARYLAND
 AL SWIFT, WASHINGTON
 MICKEY LELAND, TEXAS
 RICHARD C. SHELBY, ALABAMA
 CARLIS COLLINS, ILLINOIS
 MIKE SYNAR, OKLAHOMA
 W.J. "BILLY" TAUZIN, LOUISIANA
 RON WYDEN, OREGON
 RALPH M. HALL, TEXAS
 DENNIS E. ECKART, OHIO
 WAYNE DOWDY, MISSISSIPPI
 BILL RICHARDSON, NEW MEXICO
 JIM SLATTERY, KANSAS
 GERRY SIKORSKI, MINNESOTA
 JOHN BRYANT, TEXAS
 JIM BATES, CALIFORNIA

JAMES T. BROYHILL, NORTH CAROLINA
 NORMAN F. LENT, NEW YORK
 EDWARD R. MADIGAN, ILLINOIS
 CARLOS J. MOORHEAD, CALIFORNIA
 MATTHEW J. RINALDO, NEW JERSEY
 WILLIAM E. DANNEMEYER, CALIFORNIA
 BOB WHITTAKER, KANSAS
 THOMAS J. TAUKE, IOWA
 DON RITTER, PENNSYLVANIA
 DAN COATS, INDIANA
 THOMAS J. BLILEY, JR., VIRGINIA
 JACK FIELDS, TEXAS
 MICHAEL G. OXLEY, OHIO
 HOWARD C. NIELSON, UTAH
 MICHAEL BILIRAKIS, FLORIDA
 DAN SCHAEFER, COLORADO
 FRED J. ECKERT, NEW YORK

U.S. House of Representatives
 Committee on Energy and Commerce
 Room 2125, Rayburn House Office Building
 Washington, DC 20515

March 28, 1985

WM MICHAEL KITZMILLER, STAFF DIRECTOR
 THOMAS M. RYAN, CHIEF COUNSEL

The Honorable Nunzio J. Palladino
 Chairman
 U.S. Nuclear Regulatory Commission
 1717 H Street, NW.
 Washington, D. C. 20555

Dear Chairman Palladino:

On April 17, 1985 the Subcommittee on Energy Conservation and Power will hold a hearing on the Nuclear Regulator Commission's Budget Authorization for FYs 1986-1987. The Commission is invited to appear and testify at this hearing, which is scheduled to begin at 10:00 a.m. in a room to be announced.

While your detailed written statement for insertion in the hearing record may be of any length you deem appropriate, it should be double-spaced. You are also requested to submit a one-page summary of your written statement. The Commission's testimony should address the budget request and provide the Subcommittee with an overview of recent activities, accomplishments and difficulties. Additional, specific questions of interest to the Subcommittee are attached to this letter. It would be helpful if documents requested in the questions could be provided as soon as possible. To facilitate your timely response, a number of the questions and requests for documents have been previously communicated with your staff.

A minimum of 25 copies of your written and summary statements and response to questions should be delivered to the Subcommittee in Room H2-316, House Annex 2, by April 12, 1985. An additional 80 copies of your statement and response to questions should be brought to the hearing room by 9:30 a.m. on the day of the hearing and should be given to the Subcommittee clerk for distribution to the Members of the Subcommittee, the public and the press.

8511256452 (LPPP)

B/B

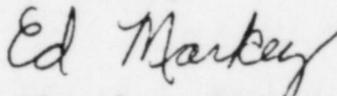
The Honorable Nunzio J. Palladino
March 28, 1985
Page 2

In order to allow Members maximum time for questions, oral summary of your testimony should be limited to five minutes.

If you have any inquiry concerning your hearing appearance, please contact Mr. Richard A. Udell of the Subcommittee staff at 226-2424.

It is my hope that all of the Commissioners will be able to attend the hearing. In advance, thank you for your prompt attention to these matters. I look forward to meeting with you and your fellow Commissioners.

Sincerely,



Edward J. Markey
Chairman
Subcommittee on
Energy Conservation and Power

EJM:mjw

Attachment as stated

Subcommittee Questions for the
Nuclear Regulatory Commission

1. Please provide a detailed accounting of the impact on NRC programs of the \$100 million difference between the NRC proposed and OMB accepted budget authorization. Explain exactly what reduction in funding or elimination of programs resulted on a program by program basis.
2. Please provide the following information with respect to the Office of Investigations (OI):
 - a. the size of the OI staff and budget per FY for each year since its formation;
 - b. all documents since 1984, including internal memoranda, concerning the size or workload of the OI staff or whether OI should report to the EDO, report to the Commission or be merged with OIA;
 - c. the number of cases (investigations and inquiries) initiated and completed each year and the number referred to the Department of Justice since 1982;
 - d. a listing by facility or company of all ongoing, uncompleted or backlog investigations and inquiries including the date OI first became aware of the issue and the expected date of completion;
 - e. a listing by facility or company of all investigations and inquiries completed since 1983 including the date OI first became aware of the issue, the date the case was completed, and whether the case was referred to the Department of Justice;
 - f. a listing of the number of all uncompleted investigations and inquiries at the time of low power and full power licensing for facilities licensed since 1982, including the reason the cases were not completed prior to licensing, the safety significance of the issue(s) if found to be true, and whether the Commission or NRC staff evaluated or took any action to resolve the possible safety significance of the issues prior to licensing. Please describe in detail what formal regulatory criteria and process the Commission and NRC staff use to make licensing decisions in cases where there are uncompleted OI investigations and inquiries of issues with possible safety significance;
 - g. a listing of the present number of uncompleted OI inquiries and investigations for each facility that the Commission plans to consider for a full power license in the next two years including whether the OI case will be

completed prior to a licensing determination and if not, the reason why;

3. Please provide the following information with respect to the Office of Inspector and Auditor (OIA):
 - a. the number of cases initiated and completed each year since 1983;
 - b. a listing by subject of all investigations completed since 1983 including the date OIA first became aware of the issue, the date the case was completed, the recommendations made and the current status of implementation of those recommendations;
 - c. a listing by subject of all audits completed since 1983 including the date the project was initiated, the date it was completed, the recommendations made and the current status of implementation of those recommendations;
 - d. copies of all OIA audits and reviews of OI.

4. Please provide the following information with respect to the Office of Policy Evaluation (OPE):
 - a. the size of the OPE staff and budget per FY for each of the past two years and proposed staffing and budget for the next two FYs;
 - b. the responsibilities of OPE and professional staff position job descriptions;
 - c. a listing by date and subject of all analyses, reports and memoranda produced by OPE since 1983. Please note which documents were generated in response to a request and who the requester was;
 - d. copies of all effectiveness or immediate effectiveness reviews produced by OPE and the Office of General Counsel since 1983;
 - e. the recommendations of the 1983 OIA audit of OPE and what is the status of implementation of those recommendations;

- f. the reason why the services of OPE were not used to prepare the January 23, 1985 report to the Committee on Appropriations on the role of the NRC chairman instead of hiring an outside contractor.
5. Does the Commission believe that the agency is complying with requests made pursuant to the Freedom of Information Act (FOIA) in a timely and complete fashion as required by law, regulations and internal policy? Has the workload of the FOIA branch of the Division of Rules and Records changed significantly over the past several years and if so, what steps have been taken to respond to any such changes?
 6. Please enumerate what process and standards are used by the Commission to determine licensee competence and licensee integrity in cases where the NRC has determined that licenses have made material false statements.
 7. Please explain the process by which licensing board judges are selected and removed from office. Explain also the process by which individual judges are assigned to or removed from particular cases.
 8. What is the legal basis for the Commission or licensing boards directing that a licensing proceeding, a portion of a licensing proceeding, or an amendment from a licensee or permittee be handled on an expedited basis? Please explain what if any standard must be met by parties to the proceeding, or finding made by the licensing panel, in order to justify expediting all or part of a proceeding. Additionally, please detail what standards and guidelines exist for regulating the conduct of an expedited proceeding. Provide a listing of all cases since 1983 in which the Commission, individual Commissioners, or the Chairman of the Atomic Safety and Licensing Board Panel have directed or otherwise sought to expedite a licensing proceeding and the reason why.
 9. What low power and full power licenses does the NRC plan to issue during 1985 and 1986. Please provide a detailed status report on each of these near term operating licenses including a listing of all unresolved and contested issues.
 10. Since the original passage of legislation authorizing the Commission to issue Temporary Operating Licenses (TOLs), how many licensees or permittees have requested TOLs and how many TOLs has the Commission issued?

11. Does the Commission and NRC staff generally consider the construction completion, fuel load, criticality and commercial operation dates suggested by licensees to be accurate and reliable. For plants licensed since the Three Mile Island accident, provide a listing by plant and year of each licensees' projected milestone dates, NRC staff projected milestone dates and actual historical dates these milestones were achieved or current estimates. Explain which dates, the NRC's or the licensees are used for agency resource planning, hearing schedules and other considerations.
12. List all cases since 1982 in which the reviewing courts have ruled against NRC licensing, regulatory or rulemaking actions. Provide a brief description of the dispute and the reason provided by the court for its action.
13. In December 1984, the NRC staff referred to the Federal Emergency Management Agency (FEMA) the Long Island Lighting Company's (LILCO) request for an exercise of their utility emergency response plan. At that time, NRC did not specifically request FEMA to hold an exercise and noted the then unresolved question of whether LILCO has the legal authority to implement an emergency plan exclusive of the participation of a state or local government. Please respond to the following:
 - a. Provide all documents written or received since October 1984 concerning the legality or testing of federal or utility emergency plans. Specifically requested are all Commission memoranda or other documents relating to any review or test of the LILCO emergency plan.
 - b. As a matter of public policy, does the Commission believe that it is wise to commit public funds to review or test a utility or federal emergency plan whose legality is in doubt?
 - c. As a matter of law, does the Commission and its Office of General Counsel believe that it would be lawful to participate in an exercise of a utility emergency plan that has been established to be unlawful by a court of competent jurisdiction?
14. The Office of Inspector and Auditor has completed several reports of investigation of Region II's handling of the Grand Gulf license. What issues were investigated, what conclusions can be made and what action has the Commission taken in response to these reports. Please specify in detail what, if any, actions or failures to act by Region II the Commission or OIA deems as inappropriate.

15. Does the Commission and NRC staff believe the Materials Certification and Procedures Branch of the Division of Fuel Cycle and Materials Safety is adequately staffed. What is the purpose of this branch and what is the current "in house" backlog of pending requests for sealed source and device evaluations? For each year since 1982, what has been the average amount of time it has taken to complete device evaluations? For those device evaluations currently pending, provide a listing of the date each evaluation was requested and the date it is expected to be complete.
16. Regarding reactor fire protection and the associated rulemaking, please indicate the date the problem was first identified, its safety significance, any deadline(s) for compliance and all plants not in compliance at the time of the deadline(s). List separately those plants that are in full compliance with applicable fire protection regulations (e.g. Appendix R) and those that are not. State what requirements apply to plants licensed after January 1979, and if different than plants licensed before this date, explain the technical basis for this policy. For those plants not in full compliance, list any resulting enforcement actions and explain the technical basis for continued operation. Additionally, please enumerate by plant and date all amendments or exemptions requested or granted.
17. Regarding reactor environmental qualification please indicate the date the problem was first identified, its safety significance, any deadline(s) for compliance and all plants not in compliance at the time of the deadldine(s). Specifically what plants will not meet the Commission's March 31, 1985 deadline. List separately those plants, both operating and those under construction, that are in full compliance with applicable environmental qualification requirements and standards and those that are not. For those plants not in full compliance, please list any resulting enforcement actions and explain the technical basis for continued operation. Please enumerate by plant and date all amendments requested and or granted. Additionally, explain what assurance NRC has that all equipment with the potential to be exposed or effected by a harsh environment has been identified.
18. What is the current status of the TMI Action Plan? Specifically: how many Action Plan items are not fully implemented; which plants are not currently in full compliance with all applicable Action Plan items; and by what date does the Commission expect that all Action Plan items will be fully implemented at all plants?
19. What is the current status of TMI clean-up and what are the Commission's views on this subject?

20. The U.S. General Accounting Office recently reported to Congress on the status of unresolved generic safety problems in a study entitled, "Management Weaknesses Affect Nuclear Regulatory Commission Efforts to Address Safety Issues Common to Nuclear Power Plants." Among its findings, the GAO stated that a number of generic safety issues pose equal or greater risk than problems formally classified as unresolved safety issues (USIs). Consequently, these generic safety issues and NRC's progress in resolving them are not reported to Congress as are USIs under Section 210 of the Energy Reorganization Act of 1974, as amended. According to the GAO these generic safety issues do not receive the same degree of management attention at NRC as do USIs.
- a. What generic safety issues does NRC believe to be of equal or greater significance in terms of risk at the affected plants as USIs? What, if any, studies or analyses have been prepared on this subject?
 - b. Does the Commission plan to reclassify high priority generic safety issues, that are as serious in terms of risk as USIs, to be made part of the official USI list, and, does the Commission plan to inform Congress of these safety problems under Section 210?
 - c. What actions has the Commission taken in response to the GAO report?
 - d. Provide a listing of all unresolved safety issues and high priority generic safety issues including the date the problem was first identified, the date the problem was "resolved," the date the problem was "implemented," or the date the problem is expected to be "resolved" and "implemented." Please include a detailed definition of all terms used including "resolved" and "implemented."
21. As called for by the TMI Action Plan, the Commission voted last year to approve a policy on severe accidents that states the risk to the public from severe accidents including a core meltdown at existing reactors is currently acceptable.
- a. What does the Commission and NRC staff believe the likelihood of a severe core damage or core melt accident to be in the next twenty years for those reactors now operating and those expected to operate during that time?
 - b. What is the range of estimated frequencies for severe core damage or core melt accidents per reactor year according to probabilistic risk assessments and accident precursor studies undertaken by the Commission and what is the degree of confidence in such estimates?

- c. What, if any, numerical reliability or failure rate requirements exist for components and systems related to safety and how are any such requirements monitored and enforced?
 - d. For each operating reactor indicate the extent to which it complies with the Commission's provisional safety goals.
 - e. Indicate the manner in which the NRC staff and Commission relied on new source term information in developing and or approving the NRC policy on severe accidents.
 - f. To the extent that the NRC staff and Commission relied on new source term information in developing and or approving its policy on severe accidents, specify how and to what extent the uncertainties in NRC's knowledge of accident source terms, as highlighted by the recent report of the American Physical Society, were taken into account.
 - g. Is there a technical basis for concluding that the risk to the public from severe accidents including core meltdown at existing reactors is currently acceptable?
 - h. What impact will the conclusion that the risk to the public from severe accidents including core meltdown at existing reactors is currently acceptable have upon the merits of and regulatory response to unresolved safety issues and generic safety issues.
22. The U.S. Geological Survey has informed the NRC of new information concerning seismic risk in the Eastern United States based on review of the Charleston, South Carolina earthquakes in the 1800s. Please provide the following information:
- a. the plant sites potentially affected;
 - b. a list of all plant sites including (1) the OBE (2) the SSE, (3) the type of foundation, (4) the estimated frequency of recurrence for the OBE and SSE, and (5) the maximum estimate of ground movement for the site. this list should account for the new information and explain NRC'S degree of confidence in these estimates.
 - c. a description of the actions the NRC has taken to respond to this issue and what research programs are currently underway.
23. According to the American Nuclear Society (ANS), its September 1984 report on nuclear accident source terms was prepared with the assistance of NRC funds (NRC-G-04-81-001).

- a. Please indicate the amount of the initial grant, all subsequent amendments, total expenditures and the services rendered for each. Please provide all documents in the grant file.
- b. Does the NRC consider ANS to be an independent scientific organization whose sole goal is pure scientific and engineering research?
- c. Did any NRC employees participate in the research or writing of the ANS report, and if so, please explain the reason why and whether they received any compensation.
- d. Does the Commission have a policy regarding grants and contracts with organizations that either could benefit, or whose members could benefit, from the outcome?
- e. Does the commission believe this grant poses any conflict of interest questions?
- f. Was this grant necessary in light of other NRC funded efforts?
- g. What other NRC source term efforts have been completed or are underway? What is the total amount of funds allocated for source term work since 1983.



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

March 22, 1985

*Miss Pick
JAE*

The Honorable Edward J. Markey, Chairman
Subcommittee on Energy Conservation and Power
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

In response to your letter of March 8, 1985, I am writing to advise you that the NRC staff is issuing the enclosed Notice of Violation and Proposed Imposition of Civil Penalties to Mississippi Power and Light Company for violations involving material false statements regarding technical specifications at the Grand Gulf nuclear plant.

This enforcement action is taken in connection with violations discussed in SECY-84-419 which was previously provided your staff. Matters discussed in SECY-84-420, also previously provided, are still pending before the Department of Justice.

Sincerely,

Nunzio Palladino

Nunzio J. Palladino

Enclosure:
As Stated

cc: Rep. Carlos Moorhead

85-04100594 (1p)

B14



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D. C. 20555

MAR 21 1985

Docket No. 50-416
EA 84-75

Mississippi Power and Light Company
ATTN: William Cavanaugh, III
President
P.O. Box 1640
Jackson, MS 39205

Gentlemen:

The Commission has reviewed your submittals with regard to the technical specifications for Grand Gulf Nuclear Station, Unit 1. As you are aware, these submittals contained numerous errors regarding plant-specific design features. The Commission has concluded that the submittals contained several material false statements which are described below.

On December 15, 1980, you submitted a markup of the Standard Technical Specifications for General Electric Boiling Water Reactors (NUREG-0123) which you stated reflected plant-specific design features. This statement was false because, as described in detail in Item A in the enclosed Notice of Violation (NOV), the technical specifications did not reflect plant-specific design features described in the FSAR. This statement was material in that had the NRC known of the errors in the technical specifications, it would not have issued the license without requiring changes to the technical specifications.

The second violation involves a markup of the technical specifications submitted on June 26, 1981. This submittal contained the same errors as were contained in the December 15, 1980 submittal. Additional submittals and changes were transmitted in letters dated December 31, 1981, January 12, February 25, March 23, April 5, 6, 7, and 30, May 26, June 1, 9 (two letters), and 10, 1982. On June 16, 1982, NRC issued a low power (5%) license to MP&L for Grand Gulf Unit 1 with appended technical specifications based upon the licensee's submittals. The errors contained in the December 15, 1980 submittal were reflected in the technical specifications issued with the license. Each of these submittals was a separate opportunity to discover and correct the false submittal of December 15, 1980. Your failure to do so constitutes a material false statement by omission. The statement was false because you failed to correct your initial false submittal and to ensure that the technical specifications ultimately issued with the license reflected plant-specific design features. The statement was material because the NRC would not have issued the license with erroneous technical specifications.

CERTIFIED MAIL
ENCLOSED RECEIPT REQUESTED

8563260385 (APP)

The third violation involves a letter to Harold Denton dated June 14, 1983, in which Mississippi Power and Light provided additional proposed changes to the Grand Gulf Technical Specifications which you stated were "intended, in general, to enhance clarity or provide consistency with the plant design and operation." Certain statements in this letter were false because:

- a. With reference to Technical Specification 4.8.1.1.1.b, the submittal stated, "There is no automatic transfer from the normal to alternate circuit since this bus search and automatic transfer feature was deleted from the load shedding and sequencing (LSS) panel by a pre-operating license design change. Section 8.3 of the FSAR no longer contains a description of the bus search and automatic transfer feature of the LSS panel." However, the LSS panel still performs a search and automatic transfer function even though it is prohibited from auto-transfer hookup to another off-site power source by other features.
- b. With reference to Technical Specification 6.5.2.2, the submittal stated that the Manager of Systems Nuclear Operations, Middle South Services, will be replaced by a qualified representative of System Nuclear Operations. However, the organizational entity, Systems Nuclear Operations, did not exist.

The statements were material because an agency reviewer might have made the requested changes to the technical specifications had the reviewer not known that the bases for the changes were wrong.

The fourth violation involves a letter to the Nuclear Regulatory Commission staff dated June 23, 1983, in which Mississippi Power and Light provided additional proposed changes to the Grand Gulf Technical Specifications which MP&L stated were "intended, in general, to enhance clarity or provide consistency with the plant design and operation." A statement in this letter was false because the submittal stated, with reference to Technical Specification Table 4.3.7.5-1, that a note requiring channel calibration does not apply to the instruments used at Grand Gulf and should be deleted. However, the footnote fully applied to the Grand Gulf instruments. The false statement was material because the reviewer might have made the requested change to the technical specifications based upon incorrect information.

The fifth violation involves a letter to Harold Denton dated August 5, 1984, in which Mississippi Power and Light certified that the Grand Gulf Technical Specifications transmitted to the NRC up to and including Amendment 13 accurately reflected the plant, the FSAR and supporting documents, and the SER in all material respects. The statement was false because the technical specifications did not reflect existing plant-specific design features as evidenced by the fact that in a letter to the NRC dated August 14, 1984, MP&L requested additional changes to the Grand Gulf Technical Specifications to add circuit breakers to the list of those circuit breakers performing primary containment penetration conductor overcurrent protection functions for which surveillance was required. The false statement was material because the NRC believed the list of circuit breakers requiring surveillance was complete and might have issued the license with erroneous technical specifications, had the licensee not subsequently corrected the error.

Two inspections of surveillance procedure compliance with technical specifications were conducted between license issuance and the commencement of initial criticality on August 18, 1982. Both of these inspections in the areas of operations and fire protection identified additional technical specification errors requiring correction prior to initial criticality. The NRC was informed by MP&L management at that time that the errors were isolated instances and had all been corrected prior to initial criticality.

During the period of September 27 to October 8, 1982, Region II inspectors identified additional problems with technical specification surveillance requirements. As a result, an enforcement conference was held with MP&L in the Region II Office and a Confirmation of Action Letter was issued by the Region II Regional Administrator confirming licensee commitments to prepare and submit license amendment requests to the NRC. The amendments were to correct administrative and technical deficiencies in the facility technical specifications, as well as to establish a formal Quality Assurance program to assure compliance with the technical specifications, including the associated surveillance requirements. Even after these efforts, submittals regarding technical specifications still contained errors up to and including a submittal of August 5, 1984.

The primary responsibility for ensuring that the license contains appropriate technical specifications clearly rests with the licensee. Your failure to fulfill your obligation to thoroughly know and understand the technical specifications which are a part of your license cannot be excused. The material false statements listed in the Notice are indicative of a failure to exercise your responsibility to ensure the accuracy and completeness of each and every submittal of information made or required to be made as part of the licensing process.

The violations have been categorized as Severity Level III violations in accordance with the General Statement of Policy and Procedure for NRC Enforcement Actions, 10 CFR Part 2, Appendix C. Each of the five material false statements constitutes a separate violation of NRC requirements. To emphasize to you and to other licensees the importance of ensuring that technical specifications accurately reflect plant-specific design features, I have been authorized, after consultation with the Commission, to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalties in the amount of One Hundred and Twenty-five Thousand Dollars (\$125,000). I considered proposing a civil penalty of Two Hundred and Fifty Thousand Dollars for these violations. However, in recognition of the fact that the informality of the NRC's process for review of technical specifications contributed to the problem, I have mitigated the penalty by 50%.

You are required to respond to the enclosed Notice and you should follow the instructions specified therein when preparing your response. The NRC will closely monitor MP&L's corrective actions and failure to carry them out may lead to further enforcement action.

As noted above, numerous inspections involving these matters have been conducted by the NRC and also several management meetings and Enforcement Conferences have been held which concerned these issues. Written commitments have been made by

Mississippi Power and Light
Company

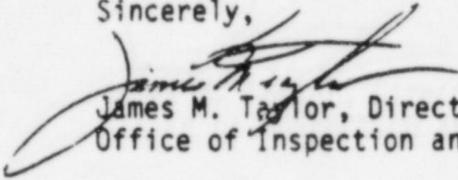
- 4 -

MP&L as a result of these meetings and inspection reports. In your response to the enclosed Notice of Violation and Proposed Imposition of Civil Penalties, appropriate reference to these previous submittals (by page or paragraph number as appropriate) is acceptable.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosure will be placed in the NRC's Public Document Room.

The responses directed by this letter and accompanying 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 96-511.

Sincerely,



James M. Taylor, Director
Office of Inspection and Enforcement

Enclosure: Notice of Violation and
Proposed Imposition of Civil Penalties

NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTIES

Mississippi Power and Light Company
Grand Gulf

Docket No. 50-416
License No. NPF-13
EA 84-75

As a result of review of your submittals for the period from December 15, 1980 to August 14, 1984, several material false statements were identified. These false statements are representative of over four hundred errors discovered in the Grand Gulf Technical Specifications. The technical specifications did not reflect plant-specific design features despite the fact that the licensee had numerous opportunities over a four year period to ensure that they did. Some of the errors were significant enough to require correction by Order even for low power operation. The number of errors and the duration of the problem indicate that MP&L has failed to exercise its responsibility to ensure the completeness and accuracy of submittals to the NRC. In accordance with the General Statement of Policy and Procedure for NRC Enforcement Action, 10 CFR Part 2, Appendix C, 49 FR 8583 (March 8, 1984), and pursuant to Section 234 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2282, PL 96-295, and 10 CFR 2.205, the violations and associated civil penalties are described below:

- A. On December 15, 1980 a markup of the Standard Technical Specifications for General Electric Boiling Water Reactors (NUREG-123), revision 2, August 1979 was submitted. The transmittal letter contained the statement that the markup reflected plant specific design features for Unit 1 of the Grand Gulf Nuclear Station.

Contrary to Section 186 of the Atomic Energy Act of 1954, as amended, this statement was a material false statement. The statement was false because, in the following respects, the technical specifications did not reflect existing plant specific design features.

1. In the markup, Technical Specification Table 3.3.5-1, Reactor Core Isolation Cooling System Actuation Instrumentation, pages 3/4 3-45 and 3/4 3-46, specified the minimum operable channels per trip system as "2" and referred to "Action 50." Action 50 stated "with the number of operable channels less than required by the Minimum Operable Channels per Trip System requirement:
 - a. For one trip system, place the inoperable channel in the tripped condition within one hour or declare the RCIC system inoperable.
 - b. For both trip systems, declare the RCIC system inoperable.

The initiation logic of RCIC at Grand Gulf Unit 1 is arranged as one trip system with four water level signals feeding a one-out-of-two-twice logic. The technical specification requirement of 2 minimum operable channels per trip system would not result in RCIC initiation unless the correct two channels are operable. The minimum operable channels per trip system should have been four. Also, the Action

~~8503260392 (bpp)~~

Statement was intended for a 2-trip system design instead of the one-trip system design at Grand Gulf.

2. In the markup, Technical Specification 3.9.1 stated:

"The reactor mode switch shall be OPERABLE and locked in the Shutdown or Refuel position. When the reactor mode switch is locked in the Refuel position:

- a. A control rod shall not be inserted or withdrawn unless the Refuel position one-rod-out interlock is OPERABLE.
- b. CORE ALTERATIONS shall not be performed using equipment associated with a Refuel position interlock unless the following associated Refuel position interlocks are OPERABLE for such equipment:
 1. All rods in.
 2. Refuel platform position.
 3. Refuel platform hoists fuel-loaded.
 4. Fuel grapple position.
 5. Source range monitor countrate."

However, Grand Gulf does not have a fuel grapple position interlock.

3. In the markup, Technical Specification 4.5.1b ECCS surveillance requirements for operability stated the required flow and discharge pressure to be:
- a. LPCS pump develops a flow of at least 7115 gpm against a test line pressure greater than or equal to 128 psid.
 - b. LPCI pump develops a flow of at least 7450 gpm against a test line pressure greater than or equal to 111 psid.
 - c. HPCS pump develops a flow of at least 7115 gpm against a test line pressure greater than or equal to 200 psid.

These technical specification discharge line pressure requirements for operability were subsequently changed to read respectively 290 psid, 125 psid, and 445 psid. The original discharge pressure requirements for operability were not consistent with the assumptions in the safety analysis.

4. In the markup, Technical Specification 4.8.1.1.1, Electrical Power Systems Surveillance Requirements, stated:

"Each of the above required independent circuits between the offsite transmission network and the onsite Class IE distribution system shall be:

- * * *
- b. Demonstrated OPERABLE at least once per 18 months during

shutdown by transferring manually and automatically, unit power supply from the normal circuit to the alternate circuit."

Grand Gulf Station did not have the automatic transfer feature for offsite to onsite AC power sources.

The false statement was material because if the NRC had known of the errors in the technical specifications, the NRC would not have issued the license with erroneous technical specifications.

This is a Severity Level III violation (Supplement VII). Civil Penalty - \$25,000.

- B. On June 26, 1981 a second markup of the Standard Technical Specifications for General Electric Boiling Water Reactors (NUREG-123), revision 2, August 1979 was submitted. This submittal contained the same errors as were contained in the December 15, 1980 submittal. Additional submittals and changes were transmitted in letters dated December 31, 1981, January 12, February 25, March 23, April 5, 6, 7, and 30, May 26, June 1, 9 (two letters) and 10, 1982. On June 16, 1982, NRC issued a low power (5%) license to MP&L for Grand Gulf Unit 1 with appended technical specifications based upon the licensee's submittals. The errors contained in Item A were reflected in the technical specifications issued with the license.

Each of these submittals was a separate opportunity to discover and correct the false submittal of December 15, 1980. The licensee's failure to do so constitutes a material false statement by omission. The statement was false because the licensee failed to correct its initial false submittal and to ensure that the technical specifications ultimately issued with its license reflected plant-specific design features. The statement was material because the NRC would not have issued the license with erroneous technical specifications.

This is a Severity Level III violation (Supplement VII). Civil Penalty - \$25,000.

- C. In a letter to Harold Denton dated June 14, 1983, Mississippi Power and Light provided additional proposed changes to the Grand Gulf Technical Specifications which MP&L stated were "intended, in general, to enhance clarity or provide consistency with the plant design and operation."

Contrary to section 186 of the Atomic Energy Act, this letter contained material false statements. The statements were false as shown below:

1. With reference to Technical Specification 4.8.1.1.1.b, the submittal stated, "There is no automatic transfer from the normal to alternate circuit since this bus search and automatic transfer feature was deleted from the load shedding and sequencing (LSS) panel by a pre-operating license design change. Section 8.3 of the FSAR no longer contains a description of the bus search and automatic transfer feature of the LSS panel."

However, the LSS panel still performs a search and automatic transfer function even though it is prohibited from auto-transfer hookup to another off-site power source by other features.

2. With reference to Technical Specification 6.5.2.2, the submittal stated that the Manager of Systems Nuclear Operations, Middle South Services, will be replaced by a qualified representative of System Nuclear Operations.

However, the organizational entity, Systems Nuclear Operations, did not exist.

The statements were material because an agency reviewer would not have made the requested changes to the technical specifications had the reviewer known that the bases for the changes were wrong.

This is a Severity Level III violation (Supplement VII). Civil Penalty - \$25,000.

- D. In a letter to the Nuclear Regulatory Commission staff dated June 23, 1983, Mississippi Power and Light provided additional proposed changes to the Grand Gulf Technical Specifications which MP&L stated were "intended, in general, to enhance clarity or provide consistency with the plant design and operation."

Contrary to Section 186 of the Atomic Energy Act, this letter contained a material false statement. The statement was false as shown below:

The submittal stated, with reference to Technical Specification Table 4.3.7.5-1, that a note requiring channel calibration does not apply to the instruments used at Grand Gulf and should be deleted.

However, the footnote fully applied to the Grand Gulf instruments.

The false statement was material because the reviewer might have made the requested change to the technical specifications based upon incorrect information.

This is a Severity Level III violation (Supplement VII). Civil Penalty - \$25,000.

- E. In a letter to Harold Denton dated August 5, 1984, Mississippi Power and Light certified that the Grand Gulf Technical Specifications transmitted to the NRC up to and including Amendment 13 accurately reflected the plant, the FSAR and supporting documents and the SER in all material respects.

Contrary to Section 186 of the Atomic Energy Act of 1954, as amended, this statement was a material false statement. The statement was false because the technical specifications did not reflect existing plant-specific design features as shown below. In a letter to the NRC dated August 14, 1984, MP&L requested additional changes to the Grand Gulf Technical Specifications to add circuit breakers to the list of those circuit breakers

performing primary containment penetration conductor overcurrent protection functions for which surveillance was required. The false statement was material because the NRC believed the list of circuit breakers requiring surveillance was complete and might have issued the license with erroneous technical specifications, had the licensee not subsequently corrected the error.

This is a Severity Level III violation (Supplement VII). Civil Penalty - \$25,000.

Pursuant to the provisions of 10 CFR 2.201, Mississippi Power and Light Company is hereby required to submit to the Director, Office of Inspection and Enforcement, USNRC, Washington, D.C. 20555, with a copy to the Regional Administrator, Region II, within 30 days of the date of this Notice, a written statement or explanation, including for each alleged violation: (1) admission or denial of the alleged violations; (2) the reasons for the violations 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. Consideration may be given to extending the response time for good cause shown. Under the authority of Section 182 of the Act, 42 U.S.C. 2232, the response shall be submitted under oath or affirmation.

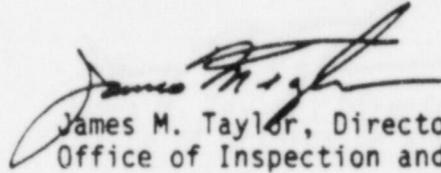
Within the same time as provided for the response required above under 10 CFR 2.201, Mississippi Power and Light Company may pay the civil penalties in the amount of One Hundred and Twenty-five Thousand Dollars (\$125,000) for the violations, or may protest imposition of the civil penalties in whole or in part by a written answer. Should Mississippi Power and Light Company fail to answer within the time specified, the Director, Office of Inspection and Enforcement, will issue an order imposing the civil penalties in the amount proposed above. Should Mississippi Power and Light Company elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalties, such answer may: (1) deny the violations 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 penalties should not be imposed. In addition to protesting the civil penalties in whole or in part, such answer may request remission or mitigation of the penalties. In requesting mitigation of the proposed penalties, the five factors addressed in Section IV(B) of 10 CFR Part 2, Appendix C 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 by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. Mississippi Power and Light Company's attention is directed to the other provisions of 10 CFR 2.205 regarding the procedure for imposing a civil penalty.

Notice of Violation

-6-

Upon failure to pay the penalties due, which have 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 penalties, unless compromised, remitted, or mitigated may be collected by civil action pursuant to Section 234c of the Act, 42 U.S.C. 2282.

FOR THE NUCLEAR REGULATORY COMMISSION


James M. Taylor, Director
Office of Inspection and Enforcement

Dated at Bethesda, Maryland
this ~~21~~ day of March 1985.

Congress of the United States
House of Representatives
Committee on Energy and Commerce
Room 2125, Rayburn House Office Building
Washington, D.C. 20515

March 8, 1985

The Honorable Nunzio J. Palladino
Chairman
Nuclear Regulatory Commission
1717 H Street, N.W.
Washington, D.C. 20555

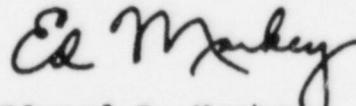
Dear Chairman Palladino:

I have received the Commission's January 8, 1985 responses to my July 2, 1984 and August 24, 1984 letters regarding apparent material false statements by the Mississippi Power and Light Company about the Grand Gulf nuclear power plant.

As Chairman of the Subcommittee on Energy Conservation and Power of the Committee on Energy and Commerce, I continue to have great interest in this matter. Consequently, I would request to be informed as soon as the Commission has decided on a final enforcement action and prior to the actual issuance of any enforcement action to the licensee. As you suggested in your response to my August 24, 1984 letter, I believe that our correspondence on this matter should be made publicly available at that time.

I am greatly disappointed that it took the Commission so long to respond to my inquiries and that information responsive to my request was not provided sooner. I expect to be kept fully and currently informed on this matter in the future.

Sincerely,



Edward J. Markey
Chairman
Subcommittee on Energy
Conservation and Power

EJM:mb

85-410666 (lp)