



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

August 26, 1998

EA 97-461

Mr. M. L. Bowling, Recovery Officer - Technical Services
c/o Ms. Patricia Loftus, Director - Regulatory
Affairs for Millstone Station
NORTHEAST NUCLEAR ENERGY COMPANY
P.O. Box 128
Waterford, CT 06385

SUBJECT: NRC Office of Investigations Report No. 1-97-039 - Discrimination Against Contractor and Licensee Engineers for Raising Concerns About the Motor Operated Valve Program

Dear Mr. Bowling:

This letter refers to an investigation initiated on September 30, 1997, at the Millstone Nuclear Power Station by the NRC Office of Investigations (OI) Field Office, Region I. The purpose of the investigation was to determine whether two contract engineers and a licensee engineer had been discriminated against as a result of raising concerns to their supervision and to Unit 3 management about the motor operated valve (MOV) program at Millstone. Based on the evidence developed during this investigation, OI concluded that the terminations of the two contract engineers, by their two supervisors (also contractors), constituted discrimination. The synopsis from OI Report No. 1-97-039 is enclosed.

This discrimination constitutes an apparent violation and is being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600. The apparent violation involves Title 10, Code of Federal Regulations (CFR), Section 50.7, Employee Protection. 10 CFR 50.7, in part, prohibits discharging an employee for engaging in certain protected activities. Specifically, when Northeast Nuclear Energy Company (NNECO) terminated the employment of two contract engineers in August 1997 for raising concerns about the management of the MOV program, including its technical aspects, such as the process by which the Program Manual was being reviewed for approval and issuance, NNECO was in violation of 10 CFR 50.7. 1/6

Based on the evidence developed during the investigation, it may not be necessary to conduct a predecisional enforcement conference in order to enable the NRC to make an enforcement decision. However, a Notice of Violation is not presently being issued for this apparent violation. Before the NRC makes its enforcement decision, we are providing you an opportunity to either (1) respond to the apparent violation addressed in this letter within 30 days of receipt of this letter or (2) request a predecisional enforcement conference. During a telephone discussion with me, you stated that NNECO preferred not to have an enforcement conference. Te54

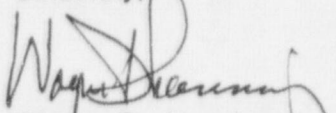
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Our request for a written response or a predecisional enforcement conference does not mean that the NRC has made a final determination that a violation has occurred or that enforcement action will be taken. The purpose of our request is to allow you to provide further information, such as a basis for disputing the apparent violation or providing a common understanding of the root cause and significance of the issue, to enable the NRC to make an enforcement decision. In addition, this is an opportunity for you to provide any information concerning your perspectives on: 1) the severity of the violation, 2) the application of the factors that the NRC considers when it determines the amount of a civil penalty that may be assessed in accordance with Section VI.B.2 of the Enforcement Policy, and 3) any other application of the Enforcement Policy to this case, including the exercise of discretion in accordance with Section VII. Your written response should be clearly marked as a "Response to an Apparent Violation in Office of Investigations Report No. 1-97-039." If you choose not to contest the apparent violation, your response should also include for the apparent violation: (1) the reason for the apparent violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response should be submitted under oath or affirmation and may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate response is not received within the time specified or an extension of time has not been granted by the NRC, the NRC will proceed with its enforcement decision or schedule a predecisional enforcement conference.

In addition, please be advised that the number and characterization of the apparent violation may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and your response (if you choose to provide one) 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.

Sincerely,



Wayne D. Lanning
Director of Millstone Inspections
Region I

Enclosure: As stated

Docket No. 50-423
License No. NFP-49

cc w/encl:

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