

~~SAFEGUARDS INFORMATION~~

SEP 25 1985

Docket Nos. 50-315/50-316  
License Nos. DPR-58/DPR-74  
EA 85-94

American Electric Power Service  
Corporation  
Indiana and Michigan Electric Company  
ATTN: Mr. John E. Dolan,  
Vice Chairman, Engineering and  
Construction  
1 Riverside Plaza  
Columbus, OH 43216

Gentlemen:

Subject: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTIES  
(NRC INSPECTION REPORT NOS. 50-315/85018; 50-316/85019)

This refers to the special safeguards inspection conducted on June 18 and 19, 1985 at the Donald C. Cook Plant, Units 1 and 2, Bridgman, Michigan. The results of this inspection were discussed on July 1, 1985 during an Enforcement Conference between yourself and others of your staff and Mr. James G. Keppler and others of the NRC staff.

The inspection revealed three examples of failures to adequately control access to vital areas within your facility. The duration of these violations ranged from several days to perhaps several years. In addition, you failed to notify the NRC of a reportable physical security event. This is of particular concern to the NRC because although your security procedures required classification of the event as reportable, upper level management erroneously concluded that the event was not reportable. These violations reflect a failure on your part to fully implement and maintain in effect the provisions of your NRC-approved Physical Security Plan.

To emphasize the importance of maintaining adequate access controls into vital areas of the Donald C. Cook facility, as well as reporting such losses of security effectiveness to the NRC, I have been authorized, after consultation with the Director, Office of Inspection and Enforcement, to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalties in the cumulative amount of One Hundred Thousand Dollars (\$100,000) for the violations described in the enclosed Notice. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1985), the violations described in the enclosed Notice have been categorized as Severity Level III violations. The base value of a civil penalty for a Severity Level III violation is \$50,000. The escalation and mitigation factors in the Enforcement Policy were considered. Due to the multiple examples and

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length of time during which degraded vital area barriers existed without proper compensatory measures, the base civil penalty for Violation A could be escalated by 100 percent. However, because of the extensiveness of your corrective actions, described at the July 1, 1985 Enforcement Conference no escalation of the penalty has been proposed. Your extensive and comprehensive corrective actions included: (1) revising training and procedures such that security officers are now required to check VA barriers for penetrations; (2) informing all contractor and licensee personnel on the importance of maintaining barrier integrity; (3) labelling VA penetrations to stress security importance; (4) extensive reviews of VA barriers for possible penetrations; and (5) development of a procedure so that future modifications/changes to VA barriers are reviewed by cognizant licensee plant employees and reported to security. No adjustment to the base civil penalty amount of \$50,000 for Violation B, which dealt with failure to report a security event, has been deemed appropriate.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. You should place all Safeguards Information as defined in 10 CFR 73.21 only in enclosures, so that your letter may be placed in the Public Document Room. 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, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

The material enclosed contain Safeguards Information as defined by 10 CFR 73.21 and its disclosure to unauthorized individuals is prohibited by Section 147 of the Atomic Energy Act of 1954, as amended. Therefore, with the exception of the cover letter, this material will not be placed in the 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 96-511.

Sincerely,

Original signed by  
James G. Keppler

IE:ESPPX ELD PPR  
PROBINSO JLieberman  
9/10/85 9/10/85

James G. Keppler  
Regional Administrator

## Enclosures:

1. Notice of Violation and Proposed Imposition of Civil Penalties
2. Inspection Report Nos.  
50-315/85018(DRSS); 50-316/85019(DRSS)  
(UNCLASSIFIED SAFEGUARDS INFORMATION)

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HAA/ja  
09/24/85

WHS/SM  
Stapleton

Davis  
9/25

KEP  
Keppler  
9/24/85

by phone S. Burns  
RIII PPR ESPPX #20  
JKeppler Axelrad RYolmer JTaylor  
9/10/85 9/18/85 9/19/85 9/14/85

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W. G. Smith, Jr., Plant Manager \*

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NRR/DL/SSPB\*

JMTaylor, IE

RVollmer, IE

JGKeppler, RIII\*

JAAxelrad, IE

PRObinson, IE\*

Enforcement Coordinators

RI, RII, RIII, RIV, RV

FIngram, PA

JLieberman, ELD

BHayes, OI

SConnelly, OIA

JCrooks, AEOD

RBurnett, NMSS

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