

ENCLOSURE

NOTICE OF VIOLATION

Mr. Calvin Vondra
Public Service Electric and Gas
Company

IA 95-009

During an NRC investigation conducted by the NRC Office of Investigations, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the violation is set forth below:

10 CFR 50.5 requires, in part, that any employee of a licensee may not engage in deliberate misconduct that causes a licensee to be in violation of any regulation.

10 CFR 50.7, Employee Protection, subsection (a), prohibits discrimination by a Commission licensee against an employee for engaging in certain protected activities. Discrimination includes actions that relate to compensation, terms, conditions, and privileges of employment. Protected activities include, but are not limited to, providing information to an employer on potential violations or other matters within the NRC's regulatory responsibilities.

Contrary to the above, you deliberately caused Public Service Electric and Gas Company (PSE&G) to violate 10 CFR 50.7 by discriminating against two employees for engaging in protected activities. The employees, Mr. Bert Williams, and Mr. Paul Craig, who were Safety Review Group (SRG) engineers, were engaged in a protected activity in that they attempted to file an incident report at Salem concerning whether commercial grade air supply pressure setpoint regulators, which control service water flow to the containment fan cooling units, were qualified seismically, properly classified in an information system as safety-related, and properly configured. Beginning on December 3, 1992, as the then General Manager-Salem Operations, you subjected Mr. Williams and Mr. Craig to discrete actions which created a hostile work environment affecting the conditions of their employment, as evidenced by the following:

1. During your meeting with the SRG engineers on December 3, 1992, you were unsuccessful in convincing the SRG engineers to modify, amend or otherwise revise the IR. You angrily told the SRG engineers to get out of your office after one of them indicated to you that he would consider filing a safety concern if an incident report was not processed. Your actions contributed to a hostile work environment directed to the two SRG engineers because your actions could have had a chilling effect on those employees (or other employees who may have become aware of or witnessed this event) raising safety concerns;

2. You directed the OM to prepare a memorandum to the GM-QA/NSR for your signature, requesting that the SRGs be removed from any involvement in Salem licensed activities, and their aberrant behavior evaluated. Your actions contributed to a hostile work environment involving the two SRG engineers because your intention to submit such a memorandum could have had a chilling effect on those employees (or other employees who may have become aware of, or witnessed this event) raising safety concerns;
3. You signed the memorandum to the GM-QA/NSR on December 4, 1992, and mailed it on December 14, 1992 upon return from vacation, even though in the interim,
 - a. The then General Manager, Hope Creek, cautioned you about the sending of the memorandum; and
 - b. The OM did not mail the memorandum on December 4, 1992, but held it until you returned from vacation on December 14, 1992, which provided you an opportunity to reconsider the action.

The memorandum contributed to the hostile work environment because it had the potential to inhibit the SRG engineers, and any other employees who may have become aware of the memorandum, from raising safety concerns; and

4. You did not retract the memorandum until February 8, 1993, after the Senior Vice President-Electric became aware of the issue and initiated an investigation, even though the GM-QA/NSR had a number of meetings or telephone calls with you to resolve the issue.

This is a Severity Level II Violation (Supplement VII).

No response is required unless you become involved in NRC licensed activities. If you become involved in such activities, you must provide a response which includes your reasons as to why the NRC should have confidence that you would not engage in activities that would create a hostile work environment or result in violation of NRC requirements in the future.

Dated at King of Prussia, Pennsylvania
this 11th day of April, 1995



UNITED STATES NUCLEAR REGULATORY COMMISSION

Office of Public Affairs
Washington, D.C. 20555

No. 95-41
Tel. 301-415-8200

FOR IMMEDIATE RELEASE
(Wednesday, April 12, 1995)

NRC STAFF PROPOSES TO FINE PUBLIC SERVICE ELECTRIC & GAS COMPANY \$80,000 FOR ALLEGED VIOLATION AT ITS SALEM NUCLEAR GENERATING STATION

The Nuclear Regulatory Commission staff has cited Public Service Electric & Gas Company, (PSE&G) for an alleged violation of NRC requirements at its Salem Nuclear Generating Station, in Lower Alloways Creek, N.J. The staff has proposed a fine of \$80,000.

The NRC staff proposed the fine after determining that two safety review group (SRG) engineers at the plant suffered harassment and intimidation after raising safety concerns on December 3, 1992. The two engineers questioned whether the commercial grade air supply pressure setpoint regulators, which control service water flow to the containment fan cooling units, were seismically qualified, were classified properly in an information system as safety-related, and were configured properly.

Based on investigation, the NRC staff concluded that the then-General Manager-Salem Operations (GMO) and the then-Operations Manager (OM), engaged in a number of discrete acts, that created a hostile work environment for two SRG engineers who attempted to file an incident report on a safety concern in accordance with station procedures. After the OM and GM-SO met privately for approximately 15 minutes, the two SRG engineers were called into the meeting. During the meeting, the GM-SO became frustrated as he was unable to convince the SRG engineers to modify, amend, or otherwise revise their proposed incident report. When matters reached an impasse, one of the engineers indicated that he (the engineer) could document the matter as a safety concern. The GM-SO took this statement as a threat, became more angry, ordered the two SRG engineers to get out of his office, and threatened to have site security officers remove them. The next day, the GMO signed a letter prepared by the OM requesting that the two safety engineers be removed from any further involvement with the Salem station.

The NRC staff has determined that the actions are a violation of the requirement that prohibits licensees from discriminating against employees who raise safety concerns.

"A hostile work environment is not conducive to the raising of safety concerns by individuals, and can potentially have an adverse impact on the safe operation of the facilities," Region I Administrator Thomas T. Martin said in a letter written to PSE&G officials. "As such, a hostile work environment at a licensee facility, cannot and will not be tolerated."

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Mr. Martin also expressed concern that senior management at PSE&G did not resolve the issue "promptly and effectively" after becoming aware of it in late December 1992 and early January 1993.

"The former Vice President and Chief Nuclear Officer initially failed to recognize the significance of the issues and to monitor resolution and the former Vice President, Nuclear Operations, exercised poor judgment by abstaining from any involvement in the resolution of the issues," Mr. Martin said.

The NRC staff has classified the alleged violation as Severity Level II, because senior plant management was involved in creating a hostile work environment. The normal fine for a Severity Level II violation is \$80,000.

The NRC staff also recognized that PSE&G identified the alleged violation and has taken a number of steps to correct it and prevent recurrence, including removing both the former GMO and the former OM from involvement with the Salem station.

PSE&G has 30 days to pay the proposed fine or to request in writing that part of it or all of it be withdrawn. The company also has 30 days to admit or deny the alleged violations and to describe the actions it has taken or plans to take to prevent recurrence.

The states of Delaware and New Jersey have been informed of this enforcement action.

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