

NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTY

Virginia Electric and Power Company
North Anna Units 1 & 2

Docket Nos. 50-338 and 50-339
License Nos. NPF-4 and NPF-7
EA 85-68

During an NRC investigation concluded by the Office of Investigations on April 30, 1985, evidence of falsification of Quality Assurance documentation associated with painting of the ventilation ring ductwork in the Unit 1 and the Unit 2 containments at the North Anna Power Station was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (Enforcement Policy), the NRC proposes to impose a civil penalty pursuant to Section 234 of the Atomic Energy Act of 1954, as amended, ("Act"), 42 U.S.C. 2282, PL 96-295, and 10 CFR 2.205. The particular violation and associated civil penalty are set forth below:

10 CFR Part 50, Appendix B, Criterion V requires that activities affecting quality be prescribed by and accomplished in accordance with documented instructions, procedures, or drawings of a type appropriate to the circumstances. Criterion X requires that a program for inspection of activities affecting quality be established and executed to verify conformance with these documented instructions, procedures, or drawings for accomplishing the activity. Criterion XVII further requires that sufficient records be maintained to furnish evidence of these activities affecting quality.

The Virginia Electric and Power Company Topical Report, Quality Assurance Program, Operations Phase (VEP-1-4A), Amendment 4, implements 10 CFR Part 50, Appendix B. Pursuant to VEP-1-4A, specifications and instructions were prescribed for painting the containment ventilation ring ductwork, an activity affecting quality.

Site Painting Specification 13075.89, NAS 1016, Part II (Application of Protective Coating Materials Within the Containments), defined the requirements for materials and workmanship for the field application of protective coatings within the reactor containment liner boundary. Additionally, Quality Control Instruction 11.1 established the program for controlling protective coating materials, surface preparation, and the application of protective coatings to assure that they conformed to the governing specification and required that conformance with the program be documented in the Protective Coating Surface Preparation Record.

Contrary to the above, the Protective Coating Surface Preparation Records (PCSPRs) that documented containment ventilation ring ductwork painting and inspections performed in Units 1 and 2 from December 1982 through May 1983

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failed to reflect the actual quality of work performed. The PCSPRs, because of falsification, indicated an acceptable quality of work when in fact the Site Painting Specification and Quality Control Instruction had not been met.

This is a Severity Level III violation (Supplement VII).
(Civil Penalty - \$20,000)

Pursuant to the provisions of 10 CFR 2.201, Virginia Electric and Power Company is hereby required to submit to the Director, Office of Inspection and Enforcement, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region II, within 30 days of the date of this Notice a written statement or explanation including: (1) admission or denial of the alleged violation, (2) the reasons for the violation if admitted, (3) the corrective steps that 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. If an adequate reply is not received within the time specified in this Notice, the Director, Office of Inspection and Enforcement, may issue an order to show cause why the license should not be modified, suspended, or revoked or why such other action as may be proper should not be taken. 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, this response shall be submitted under oath or affirmation.

Within the same time as provided for the response required above under 10 CFR 2.201, Virginia Electric and Power Company may pay the civil penalty by letter addressed to the Director, Office of Inspection and Enforcement, with a check, draft, or money order payable to the Treasurer of the United States in the amount of Twenty Thousand Dollars (\$20,000) or may protest imposition of the civil penalty in whole or in part by a written answer addressed to the Director, Office of Inspection and Enforcement. Should Virginia Electric and Power Company fail to answer within the time specified, the Director, Office of Inspection and Enforcement, will issue an order imposing the civil penalty in the amount proposed above. Should Virginia Electric and Power Company elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalty, such answer may: (1) deny the violation 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 penalty should not be imposed. In addition to protesting the civil penalty in whole or in part, such answer may request remission or mitigation of the penalty.

In requesting mitigation of the proposed penalty, the five factors addressed in Section V.B of 10 CFR Part 2, Appendix C (1985), 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 parts of the 10 CFR 2.201 reply by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. Virginia Electric and Power 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

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Upon failure to pay any civil penalty due which has 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 penalty, 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

ORIGINAL SIGNED BY
JOHN A. OLSHINSKI

J. Nelson Grace
Regional Administrator

Dated at Atlanta, Georgia
this 13th day of December 1985