

March 21, 1984

*WJE
Niagara Mohawk
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The Honorable Richard L. Ottinger, Chairman
Subcommittee on Energy Conservation and Power
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Enclosed for your information is an announcement that the staff of the Nuclear Regulatory Commission (NRC) has cited the Niagara - Mohawk Power Corporation of Syracuse, New York for alleged violations at Nine Mile Point Units 1 and 2.

It is planned to mail this information to the news media today, March 21, 1984.

Sincerely,

Carlton Kammerer, Director
Office of Congressional Affairs

Enclosure:
As stated

cc: Rep. Carlos Moorhead

IDENTICAL LETTER SENT TO:

Sen. Alan Simpson / cc: Sen. Gary Hart
Rep. Morris Udall / cc: Rep. Manuel Lujan
Rep. Edward Markey / cc: Rep. Ron Marlenee
Sen. Daniel Moynihan
Sen. Alfonse D'Amato
Rep. Frank Horton

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**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
Office of Public Affairs
Washington, D.C. 20555

NRC 84-36
Tel. 301/492-7715

FOR IMMEDIATE RELEASE
(Wednesday, March 21, 1984)

**NRC STAFF CITES NIAGARA MOHAWK; PROPOSES \$180,000 FINE
AND ORDERS COMPANY TO HIRE CONSULTANT TO EVALUATE CORPORATE ORGANIZATION**

The staff of the Nuclear Regulatory Commission has cited the Niagara Mohawk Power Corporation of Syracuse, New York, for 30 alleged violations of NRC requirements at the company's Nine Mile Point Nuclear Station, Units 1 and 2, near Oswego, New York. The NRC staff proposes a fine of \$100,000 for the alleged violations at Unit 2, and \$80,000 for the alleged violations that occurred at Unit 1.

The NRC staff has ordered Niagara Mohawk to hire an independent management consultant to evaluate the company's organization, including the delegation of responsibilities, management control systems, communication system and management practices at the Unit 1 site and at the Niagara Mohawk corporate offices.

The NRC staff has also issued an order directing the company to perform a review of the deficiencies that were identified by the NRC at Nine Mile Point Unit 2, which is still under construction. The order states in part, "further information is necessary concerning the licensee's ability to manage construction and to determine the adequacy of the construction work completed to date."

The Unit 1 order is effective immediately. The Unit 2 order becomes effective upon the company's consent or the expiration of the hearing request period. The company may request a hearing on either one or both of the orders within 30 days.

The 28 alleged violations at Nine Mile Point Unit 2 were identified during an NRC Construction Appraisal Team (CAT) inspection conducted between November 7 and December 9, 1983.

The alleged violations of NRC requirements identified at Nine Mile Point Unit 2 include:

- two instances of failing to institute measures to assure design
- five instances of failing to properly control activities that might have affected the quality of construction at Nine Mile Point Unit 2.

--three instances of failing to establish measures to control the issuance of documents used in constructing the facility.

--two instances of failing to establish measures to assure that materials, equipment and services used in building the facility conform to procurement documents.

--four instances of failing to adequately establish an inspection program to verify construction was done in conformance with documented instructions, procedures, and drawings.

--seven instances of failing to establish measures to assure that conditions adverse to quality construction were identified and corrected.

--three instances of failing to maintain sufficient quality control records.

The NRC staff proposes a fine of \$100,000 for these alleged violations.

The two alleged violations at Nine Mile Point Unit 1 were identified during regular NRC inspections. The NRC staff proposes a fine of \$80,000 for these.

The first violation involved failure to maintain the integrity of the primary containment of the Unit 1 reactor from June 29 to October 17, 1983, while the reactor was at power. An isolation valve on a connection used for testing water level in the reactor suppression pool was open during plant operations when it was required to be closed. The suppression pool is designed to keep pressure in the primary containment from becoming excessive during a loss of coolant accident. There was no release of radiation as a result of this alleged violation.

The second violation at Nine Mile Point Unit 1 involved failure to test, for a ten-year-period, the closure times of two reactor coolant system isolation valves. Technical specifications for operating the facility require that these valves should be tested at least once per operating cycle to ensure they close within specified time requirements. Between 1973 and 1983, a period of time covering five operating cycles, the valve closure times were allegedly not tested.

In a letter informing the company of these actions, Richard C. DeYoung, Director of the NRC's Office of Inspection and Enforcement, requested that the company meet with him within 30 days "to explain the cause of the lack of control of licensed activities and to discuss those actions that you have taken or plan to take in response to the enclosed Orders that will provide continuing assurance that the NRC licensed activities at the Nine Mile Point facility are conducted in compliance with the Commission's regulations for protection of the public health and safety."

The company has 30 days to pay the fine or to request in writing that part or all of it be withdrawn. The State of New York has been informed of this proposed enforcement action.