

June 6, 1997

EA 97-094

Florida Power Corporation
Crystal River Energy Complex
Mr. Roy A. Anderson (SA2A)
Sr. VP, Nuclear Operations
ATTN: Mgr., Nuclear Licensing
15760 West Power Line Street
Crystal River, Florida 34428-6708

SUBJECT: NOTICE OF VIOLATION AND EXERCISE OF ENFORCEMENT DISCRETION
(NRC SPECIAL INSPECTION REPORT NO. 50-302/97-04)

Dear Mr. Anderson:

This letter refers to a Nuclear Regulatory Commission (NRC) inspection conducted during the period January 27 through March 21, 1997, at Crystal River Unit 3. The purpose of the inspection was to review Florida Power Corporation's (FPC) program for reporting certain conditions and problems to the NRC. The results of the inspection were discussed with members of your staff at exit meetings conducted on January 31, February 27, and March 21, 1997, and were formally transmitted to you by letter dated April 11, 1997. That letter also provided you the opportunity to respond to the apparent violations in writing or request a predecisional enforcement conference. Subsequently, you declined a conference, and by letter dated May 15, 1997, you submitted additional information to us regarding the apparent violations, the root causes, and your corrective actions to preclude recurrence, as requested in our April 11, 1997 letter. We have reviewed the inspection results and the additional information you provided and have concluded that sufficient information is available to determine the appropriate enforcement action in this matter.

Based on the information developed during the inspection and the information that was provided in your May 15, 1997 letter, the NRC has determined that violations of NRC requirements occurred. The violations are cited in the enclosed Notice of Violation (Notice), and the circumstances surrounding them are described in detail in the subject inspection report. Three of the violations involved failures to report significant conditions to the NRC in the time frames required by NRC regulations. The fourth violation involved a failure to follow required plant procedures for ensuring timely evaluation of a potentially reportable event. In your letter dated May 15, 1997, you stated that the root causes of the violations included the lack of ownership of the reportability process, lack of a formal process for resolution of open issues which potentially required reportability determinations, lack of adequate checks to ensure prompt reportability determinations, lack of knowledge of reportability requirements, poor past reporting practices, and ineffective corrective actions for previous reporting deficiencies.

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As discussed in Section IV.D of the "General Statement of Policy and Procedures for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600, the NRC expects licensees to provide timely reports of safety significant issues. In this case, significant conditions that were determined to be unanalyzed or outside the design basis of the plant were not reported in a timely manner. The NRC issued escalated enforcement actions on February 28, 1997 (EA 97-012), and March 12, 1997 (EAs 96-365, 96-465 and -527), which included violations related to the safeguard system vulnerability and the emergency feedwater system capability, respectively. The root causes of many of the deficiencies in your reporting process, such as the lack of management guidance with regard to ownership of plant programs, the lack of knowledge of regulatory requirements and ineffective corrective actions are similar to the engineering program deficiencies that resulted in the shutdown of Crystal River Unit 3 in September 1996. The NRC considers the deficiencies in your reporting process to be a significant regulatory concern because the deficiencies could have resulted in the failure to recognize the potential impact on public health and safety of significant adverse conditions discovered at the facility. Therefore, these violations have been categorized in the aggregate in accordance with the Enforcement Policy as a Severity Level III problem.

In accordance with the Enforcement Policy, a civil penalty would normally be considered for a Severity Level III problem. However, I have been authorized, after consultation with the Director, Office of Enforcement, to exercise enforcement discretion in accordance with Section VII.B.(6) of the Enforcement Policy and not propose a civil penalty in this case. The NRC has concluded that discretion is appropriate in that: (1) the Crystal River facility is shutdown for an extended period of time due to engineering performance issues (ref. EAs 96-365, -465, and -527), which contributed to the reporting deficiencies identified in the violations described in the enclosed Notice; (2) the NRC issued a \$500,000 civil penalty on July 10, 1996 (EA 95-126) which included sanctions for engineering violations; (3) the NRC issued a \$50,000 civil penalty on March 28, 1997 (EA 97-012) that included a sanction for a security violation related to the current reporting issue; and (4) FPC's decision to restart the Crystal River facility requires NRC concurrence in accordance with a Confirmatory Action Letter issued on March 4, 1997.

Although the NRC is exercising discretion to not propose a civil penalty in this case, the corrective actions proposed in your May 15, 1997 letter to ensure that other significant issues have been promptly reported to the NRC were narrowly defined. Limiting your Extent of Condition review to precursor cards marked with a note to perform an evaluation may preclude identification of other reporting deficiencies. The NRC expects that your currently ongoing design basis system reviews should uncover additional issues that have not been previously reported. While correction of deficiencies in your reporting program is related to issues required for facility restart, you need to assure that your reporting program has been sufficiently corrected to capture these additional issues. Therefore, you are required to respond to this letter and address how you will ensure that your Extent of Condition review and other

actions are sufficient to ensure adequacy of your reporting program. The NRC will consider your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

The NRC has concluded that information regarding the reason for the violations, the date when full compliance will be achieved, and corrective actions taken and planned to correct the violations and prevent recurrence other than the narrow focus of your Extent of Condition reviews are adequately addressed on the docket in your letter to the NRC dated May 15, 1997.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response 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,

Original signed by
Luis Reyes

Luis A. Reyes
Regional Administrator

Docket No. 50-302
License No. DPR-72

Enclosure: Notice of Violation

cc w/encl:
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cc w/encl cont'd: (See page 4)

cc w/encl cont'd:

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