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FOR IMMEDIATE RELEASE  
(Tuesday, August 18, 1992)

SETTLEMENT AGREEMENT APPROVED IN NRC STAFF  
ALABAMA POWER COMPANY ENFORCEMENT PROCEEDING

A Nuclear Regulatory Commission Atomic Safety and Licensing Board has approved a Settlement Agreement and terminated an enforcement hearing which resulted from the imposition, by the NRC staff, of a \$450,000 fine against Alabama Power Company for alleged violations of NRC requirements governing the environmental qualification of electrical equipment important to the safety of the utility's Joseph M. Farley nuclear power plant.

The Settlement Agreement was reached in consideration of a \$150,000 payment to be made by Alabama Power to the Treasurer of the United States within five days of the Licensing Board's approval of the Agreement on August 12.

Under the terms of the settlement, the two parties agree, among other things, that:

1) the technical and enforcement policy issues involved have been fully aired in written testimony and oral testimony and there is an increased understanding, on the part of both parties, of the positions, views and objectives of the other;

2) the August 21, 1990, Order imposing a civil penalty is rescinded; the Settlement Agreement constitutes a final disposition of the environmental qualification issues leading to the enforcement action; the NRC staff will bring no further enforcement claims related to these matters and Alabama Power will not pursue any further hearings on or judicial review of them;

3) there remain differences of opinion on many of the issues raised by the 1988 enforcement action but they are highly fact dependent and resolution would, in most instances, be academic given the changes to the Farley facility made by Alabama Power;

4) the NRC staff continues to believe that its technical positions were appropriate, that the alleged violations of environmental qualification requirements occurred and that a fine

is warranted; however, the staff acknowledges that the violations did not pose an immediate threat to the public health and safety and further prosecution of the enforcement action would result in no further corrective actions by Alabama Power;

5) Alabama Power does not agree with the staff's basis for its findings of violations and assessment of a civil penalty and, while the company did not and does not agree that equipment changes were necessary for operational or safety purposes, it understood the staff's dissatisfaction with the status of qualification documentation for electrical equipment important to safety during a 1987 inspection and subsequently made significant changes to assure that equipment was installed for which mutually acceptable qualification documentation was available; and

6) both parties understand and acknowledge that the Settlement Agreement is the result of a compromise and shall not be construed as an admission of any regulatory violation or as a concession that no such violation occurred; instead, it recognizes that corrective actions have been taken and is entered into in order to terminate further controversy over the alleged environmental qualification of electrical equipment important to safety at the Farley facility.

The alleged violations first were identified during NRC staff inspections at Farley during 1987, and a \$450,000 fine for the alleged violations was first proposed in 1988.

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