June 12, 1998

EA 98-248

Mr. Walter G. MacFarland IV
Senior Vice President
Clinton Power Station
Illinois Power Company
Mail Code V-275
P. O. Box 678
Clinton, IL 61727

SUBJECT: NRC INSPECTION REPORT NO. 50-461/98005(DRS) AND EXERCISE OF ENFORCEMENT DISCRETION

Dear Mr. MacFarland:

On April 14, 1998, the NRC completed an inspection of your implementation of 10 CFR 50.65, "Requirements for Monitoring the Effectiveness of Maintenance at Nuclear Power Plants," (the maintenance rule) at the Clinton Power Station. The enclosed report presents the results of that inspection.

The Clinton Power Station program for implementing the requirements of the maintenance rule was based on the guidance provided in NUMARC 93-01, "Industry Guideline for Monitoring the Effectiveness of Maintenance at Nuclear Power Plants," dated April 1996, which was endorsed in Regulatory Guide 1.160, "Monitoring the Effectiveness of Maintenance at Nuclear Power Plants," dated March 1997.

Based on the inspection, we concluded that the maintenance rule program at Clinton Power Station did not meet regulatory requirements because of ineffective management oversight during the development and implementation of this program. Due to the extent of the deficiencies, we considered this a programmatic breakdown in implementation of the maintenance rule. There were four areas where deficiencies were noted: (1) required structures, systems, or components were not included within scope; (2) the criteria established to demonstrate the effectiveness of preventative maintenance for certain structures, systems or components were inadequate; (3) goals and corrective actions plans were not established; and (4) performance criteria and goals were not effectively monitored. These deficiencies were self-identified during an October 1997 Quality Assurance audit and subsequent improvement program, and in most of the areas, adequate corrective actions were planned to address the deficiencies. However, a significant portion of the recently approved reliability criteria were still inappropriate, and a majority of the performance criteria was yet to be approved. In addition, although also identified as a concern in the October 1997 audit, the process for assessing risk for taking equipment out-of-service was not addressed until after Clinton's loss of shutdown cooling event in February 1998. Except for the recently revised procedure for risk assessment during Mode 4 evolutions, procedural guidance for this aspect was inadequate.

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Based on the results of this inspection, the NRC has determined that violations of NRC requirements occurred. Individually and collectively the violations are of regulatory concern because the programs and processes in place failed to assure that the maintenance rule program was adequate and properly implemented.

However, I have been authorized, after consultation with the Director, Office of Enforcement, and the Regional Administrator, to exercise enforcement discretion in accordance with Section VII.B.6, "Violations Involving Special Circumstances," of NUREG 1600, "General Statement of Policy and Procedures for NRC Enforcement Actions (Enforcement Policy)," and not issue a Notice of Violation in this case. The decision to apply enforcement discretion was based on consideration of the following: (1) significant NRC enforcement action (EA 97-412) was taken against the Illinois Power Company; (2) the violations were related to management oversight problems which were present prior to the events leading to the shutdown; (3) the violations were not classified at a severity level higher than Severity Level II; (4) the violations were not willful; (5) the violations were licensee-identified as a result of a comprehensive Quality Assurance audit; and (6) actions as reflected in the NRC's September 26, 1997, Demand for Information (EA 97-435) effectively prevents Illinois Power Company from restarting Clinton Power Station without NRC approval. The NRC must emphasize that failure to achieve effective performance improvement would lead to more significant regulatory sanctions.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, the enclosure, and your response to this letter will be placed in the NRC Public Document Room.

Sincerely,

s/J.A. Grobe

John A. Grobe, Director
Division of Reactor Safety

Docket No.: 50-461
License No.: NPF-62

Enclosure: Inspection Report 50-461/98005(DRS)

See Attached Distribution

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