

→ Kansas Gas and Electric Company, Wichita, Kansas
(Wolf Creek Generating Station) EA 83-32, Supplement II

A Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$40,000 was issued on March 23, 1983 based on the licensee's failure to ensure that systems turned over from the construction contractor to the licensee's startup organization were complete and ready for turnover. The licensee responded on April 21, 1983 and an Order was issued on June 30, 1983. The licensee paid the civil penalty on July 29, 1983.

Long Island Lighting Company, Wading River, New York
(Shoreham Nuclear Power Station) EA 83-20, Supplement II

A Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$40,000 was issued on April 12, 1983 based on the licensee's approval of preoperational test results for a diesel generator test even though test results indicated that one of the test acceptance criteria was not satisfied. The licensee responded on May 12, 1983 and an Order was issued on July 15, 1983. The licensee paid the civil penalty on August 15, 1983.

Mississippi Power and Light Company, Jackson, Mississippi
(Grand Gulf Nuclear Station, Unit 1) EA 83-45, Supplement III

A Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$40,000 was issued on June 13, 1983 based on a failure to control access into a vital area. The licensee responded on July 12, 1983 and, after consideration of the licensee's reply, an Order was issued on August 18, 1983 for \$20,000. The licensee paid the civil penalty on September 13, 1983.

Niagara Mohawk Power Corporation, Syracuse, New York
(Nine Mile Point Nuclear Station, Unit 1) EA 83-16, Supplement II

A Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$100,000 was issued on April 26, 1983 based on the licensee's failure to assure the adequate implementation of a quality assurance program by a principal contractor in that trainees who were not fully certified performed safety-related inspections and several inspection reports were signed by certified inspectors indicating they had performed an inspection, when in fact, the inspection had been performed by the trainee. The licensee responded on June 30, 1983 and an Order was issued on August 24, 1983. The licensee paid the civil penalty on September 22, 1983.

Philadelphia Electric Company, Philadelphia, Pennsylvania
(Peach Bottom Atomic Power Station, Units 2 and 3) EA 83-46, Supplement I

A Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$40,000 was issued on June 13, 1983 based on a violation concerning the failure to satisfy a primary containment integrity limiting condition for operation. The licensee responded and paid the civil penalty on July 12, 1983.



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV

611 RYAN PLAZA DRIVE, SUITE 1000
ARLINGTON, TEXAS 76011

March 23, 1983

Docket No. 50-482
EA 83-18

Kansas Gas and Electric Company
ATTN: Glenn L. Koester
Vice President - Nuclear
P. O. Box 208
Wichita, Kansas 67201

Gentlemen:

This refers to the inspection conducted under the Resident Inspection Program by Mr. W. S. Schum of this office during the period of January 1-31, 1983, of activities authorized by NRC Construction Permit No. CPPR 147, and to the discussion of our findings with members of your staff at the conclusion of the inspection. These findings were also discussed during the enforcement conference held in our Region IV office on February 18, 1983, between Mr. J. T. Collins and other members of the NRC staff and Mr. G. L. Koester and other members of your staff.

This inspection identified a significant violation of NRC requirements as illustrated by the numerous discrepancies noted by your Quality Assurance organization and by our inspectors in both the as-built condition of a safety related system turned over to your startup organization and deficiencies in the supporting quality documentation. These discrepancies were discovered after the system had passed through all the normal quality assurance checks required by your Quality Assurance program. The principal cause of this apparent breakdown was inadequate attention by Kansas Gas and Electric Company (KG&E) management to ensure that this safety related system turned over from your construction contractor to your startup organization was in fact ready for turnover.

The apparent breakdown in quality assurance programs has been evidenced by the results of three recent audits conducted by your Quality Assurance Surveillance Group. An audit of a portion of the safety related refueling water storage system revealed hardware problems such as four pipe sections that lacked heat numbers and verification of installation, and six of 33 hangers with discrepancies, one of which was that a temporary hanger was found installed where the quality Engineering group had signed off for a permanent hanger. This audit also revealed numerous documentation deficiencies that were carried on a list separate from the system exception list. This separate list was referenced on the exception list as a single line entry to "resolve discrepancies with BN (refueling water storage system designator) travelers." The exception list stated that the traveler discrepancies were cosmetic and

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

did not affect hardware. Your audit, however, discovered that some hardware discrepancies (lack of some heat numbers) were included in this discrepancy list. The scope of the problems discovered in this audit were discussed during the enforcement conference on February 18, 1983.

Subsequent to this conference, new data from two additional audits by your QA surveillance group, which uncovered additional anomalies in safety systems turned over from construction, was brought to our attention. An audit (S-605A) completed on February 15, 1983, conducted on instrument tubing connectors revealed that nearly half were not tightened to specification, many tube ends were not deburred, and some ferrules were installed improperly. A second audit (S-618) dated February 15, 1983, conducted on auxiliary feedwater hangers revealed three hangers with some hardware discrepancies in a sample of nineteen hangers inspected. These hangers had received final QC acceptance. This system had been turned over to your startup group in late November, 1982.

The Nuclear Regulatory Commission places great emphasis on the need for licensees to maintain proper control over all aspects of safety-related activities. This includes the implementation of a quality assurance program that identifies and corrects construction deficiencies in a timely manner. An effective quality assurance program must operate at each tier, from subcontractor through contractor, to the owner. The aspect of your quality assurance program, which should have assured that system and documentation deficiencies were identified, tracked, and resolved, has broken down. In addition, section 14.2.4.2 of the Wolf Creek Generating Station Final Safety Analysis Report (FSAR) states in part:

Upon completion of construction, a documented review is conducted by the startup personnel to verify that the physical installation is in accordance with design and installation specifications and that the appropriate documentation is available. This activity is designated as Turnover, and may be performed on a system or subsystem basis. Upon completion of the Turnover review, custody of this system or subsystem will be transferred to the KG&E startup organization.

Your failure to implement the requirements of Criterion II of 10 CFR 50, Appendix B and the commitments of your FSAR is a significant violation of NRC regulations for which the imposition of a civil penalty is appropriate. This violation has been categorized at a Severity Level III in accordance with the NRC Enforcement Policy of 10 CFR 2, Appendix C. The base value for a Severity Level III violation is \$40,000. The Enforcement Policy permits the consideration of factors in mitigation or aggravation of the proposed penalty. Based on our review of the circumstances surrounding this violation, we determined that your untimely notification of the condition under the reporting criteria of 10 CFR 50.55(e) was also a violation. We considered this violation as a factor that would cause us to raise the amount of the proposed penalty. We decided, however, because the violation was discovered as a result of a thorough and objective audit conducted by a component of your quality assurance group and the corrective actions you have proposed, including the temporary stop work order on system turnover you instituted, that a further increase in the amount of the civil penalty was not warranted.

After consultation with the Director of the Office of Inspection and Enforcement, I have been authorized to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$40,000 as set forth in the Notice appended to this letter. This action is being taken in order to emphasize the importance that the NRC places on your quality assurance program and your responsibility to ensure that it is properly implemented at all levels.

You are required to respond to this letter and should follow the instructions in the Notice when preparing your response. Additionally, your response should address actions planned or taken which would ensure that work completed prior to the identification of this breakdown was properly accomplished. This should include a complete review of safety-related systems which have been turned over from construction to startup. These actions should include verification of as-built plant configuration and review of related quality documentation. Your response should also address measures taken or planned to ensure that your quality assurance procedures are adequate and that as-built verification requirements are clearly stated. Your reply to this letter and the results of future inspections will be considered in determining whether further enforcement action is appropriate.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosure will be placed in the NRC Public Document Room.

The responses directed by this letter and the enclosed Appendix are not subject to the clearance procedures of the Office of Management and Budget otherwise required by the Paperwork Reduction Act of 1980, PL 96-511.

Sincerely,

John T. Collins
Regional Administrator

Enclosure:
Notice of Violation and Proposed
Imposition of Civil Penalty

**NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTY**

Kansas Gas and Electric Company
Wolf Creek Generating Station

Docket No. 50-482
Construction Permit: CPPR-147
EA 83-18

During December 1982 and January 1983, the Kansas Gas and Electric Company (KG&E) Quality Assurance staff conducted a surveillance of the Borated Refueling Water Storage System. This system had been turned over by the construction contractor and accepted by the KG&E startup organization on October 28, 1982.

The surveillance report concluded that inadequate implementation of procedures led to excessive numbers of hardware and documentation discrepancies existing after system turnover. Problems identified during the surveillance included a lack of traceability of certain pipe spools and pipe support discrepancies such as not being properly aligned, not being installed, or missing a weld. These discrepancies did not appear on the turnover exception list. In addition, discrepancies in the inspection program for safety related hangers and in the installation of instrumentation tubing were identified in subsequent surveillance audits. The existence of these types of problems in systems which have been turned over indicate weaknesses in at least the following areas:

1. Construction quality control
2. Procedural adherence
3. Documentation review and system walkdown inspection prior to turnover
4. Quality assurance activities affecting construction and turnover.

In order to emphasize the importance of your participation in quality assurance activities and your responsibility to ensure that contractors are properly implementing quality assurance programs, the NRC proposes to impose a civil penalty for these matters. In accordance with the NRC Enforcement Policy (10 CFR Part 2, Appendix C), 47 FR 9987 (March 9, 1982), and 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 violations and the associated civil penalty, are set forth below:

VIOLATION ASSESSED CIVIL PENALTY

10 CFR 50 Appendix B, Criterion II, requires that, "The quality assurance program shall provide control over activities affecting the quality of the identified structures, systems, and components to an extent consistent with their importance to safety. Activities affecting quality shall be accomplished under suitably controlled conditions."

Notice of Violation

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Contrary to the above, the Kansas Gas and Electric Company failed to adequately control activities affecting the quality of safety-related work. Specifically, the Borated Refueling Water Storage System and the Auxiliary Feedwater System were turned over from the construction contractor to the KG&E startup organization on October 28, 1982, and November 23, 1982, respectively, following final quality assurance checks with quality documentation and hardware discrepancies which were not listed on the turnover exception list.

This is a Severity Level III Violation (Supplement II)
Civil Penalty - \$40,000

VIOLATION NOT ASSESSED A CIVIL PENALTY

10 CFR 50.55(e) requires that the holder of a construction permit shall notify the Commission of each deficiency found in design and construction, which if uncorrected could adversely affect the safety of plant operations. The regulation further requires that the holder of the construction permit shall notify the appropriate NRC regional office within 24 hours after the deficiency was found.

Contrary to this requirement, Kansas Gas and Electric failed to provide notification within 24 hours of the deficiencies noted in the system turnover practices that were discovered during a Quality Assurance Audit completed on January 13, 1983. Preliminary notification to the regional office was not provided until January 21, 1983.

This is a Severity Level IV violation (Supplement II).

Pursuant to the provisions of 10 CFR 2.201, the Kansas Gas and Electric Company is hereby required to submit to the Director, Office of Inspection and Enforcement, USNRC, Washington, D.C., 20555, within 30 days of the date of this Notice a written statement or explanation, including for each alleged violation: (1) admission or denial of the alleged violation; (2) the reasons for the violation if admitted; (3) the corrective steps which 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. Consideration may be given to extending the response time for good cause shown. Under the authority of Section 182 of the Act, 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, the Kansas Gas and Electric Company may pay the civil penalty in the amount of \$40,000 or may protest imposition of the civil penalty in whole or in part by a written answer. Should the Kansas Gas and Electric 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 the Kansas Gas and Electric 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 mitigation of the penalty. In requesting mitigation of the proposed penalty, the five factors contained in Section IV.B of 10 CFR Part 2, Appendix C 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 by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. The Kansas Gas and Electric Company's attention is directed to the other provisions of 10 CFR 2.205 regarding the procedure for imposing a civil penalty.

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

John T. Collins
Regional Administrator

Dated at Arlington, Texas
this 23 day of March, 1983