

June 13, 2002

EA-02-090

Mr. M. Warner
Site Vice President
Kewaunee and Point Beach Nuclear Plants
Nuclear Management Company, Inc.
6610 Nuclear Road
Two Rivers, WI 54241

SUBJECT: FINAL SIGNIFICANCE DETERMINATION FOR A WHITE FINDING AND
NOTICE OF VIOLATION (NRC INSPECTION REPORT NOS. 50-266/02-03;
50-301/02-03 AND 50-266/02-05; 50-301/02-05) (POINT BEACH NUCLEAR
PLANT, UNIT 2)

Dear Mr. Warner:

The purpose of this letter is to provide you with the final results of our significance determination of the finding identified in the subject inspection reports. As discussed in the letter from the NRC to you, dated May 14, 2002, the inspection finding was assessed using the significance determination process and was preliminarily characterized as White, an issue with low to moderate increased importance to safety, which may require additional NRC inspections. This White finding involved the self-revealing failure of safety injection system pump 2P-15B due to nitrogen gas binding.

In a telephone conversation with Mr. Roger Lanksbury of NRC, Region III, on May 24, 2002, you indicated that Nuclear Management Company agreed with the preliminary characterization of the risk significance of this finding and the apparent violation associated with this issue. You also indicated that there was no additional information you wished to present and, therefore, a Regulatory Conference was not needed.

After considering the information developed during the inspections, the NRC has concluded that the inspection finding is appropriately characterized as White (i.e., an issue with low to moderate increased importance to safety, which may require additional NRC inspections).

You have 30 calendar days from the date of this letter to appeal the staff's determination of significance for the identified White finding. Such appeals will be considered to have merit only if they meet the criteria given in NRC Inspection Manual Chapter 0609, Attachment 2.

The NRC has also determined the failure to take prompt corrective actions to preclude repetition after Point Beach personnel concluded that the safety injection system was susceptible to gas binding and when decreasing trends in the Unit 2 A safety injection accumulator level were identified is a violation of Criterion XVI, "Corrective Action," of 10 CFR Part 50, Appendix B, which requires, in part, that conditions adverse to quality be

promptly identified and corrected. In the case of significant conditions adverse to quality, the measures shall assure that the cause of the condition is determined and corrective actions taken to preclude repetition. The violation is cited in the attached Notice of Violation (Notice). The circumstances surrounding the violation are described in detail in the subject inspection reports. In accordance with the NRC Enforcement Policy, NUREG-1600, the Notice of Violation is considered escalated enforcement because it is associated with a White finding.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response.

Because plant performance for this issue has been determined to be in the regulatory response band, we will use the NRC Action Matrix to determine the most appropriate NRC response for this event. We will notify you, by separate correspondence, of that determination.

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 available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records System (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

Geoffrey E. Grant, Director
Division of Reactor Projects

Docket Nos. 50-266; 50-301
License Nos. DPR-24; DPR-27

Enclosure: Notice of Violation

See Attached Distribution

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***See
previous
concurrence**

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cc w/encl: R. Grigg, President and Chief
Operating Officer, WEPCo
R. Anderson, Executive Vice President
and Chief Nuclear Officer
T. Webb, Licensing Manager
D. Weaver, Nuclear Asset Manager
T. Taylor, Plant Manager
A. Cayia, Site Director
J. O'Neill, Jr., Shaw, Pittman,
Potts & Trowbridge
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NOTICE OF VIOLATION

Nuclear Management Company, Inc.
Point Beach Nuclear Plant, Unit 2

Docket No. 50-301
License No. DPR-27
EA-02-090

During NRC inspections conducted from January 22 through March 31, 2002, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, the violation is listed below:

Criterion XVI, "Corrective Action," of 10 CFR Part 50, Appendix B, requires, in part, that conditions adverse to quality be promptly identified and corrected. In the case of significant conditions adverse to quality, the measures shall assure that the cause of the condition is determined and corrective actions taken to preclude repetition.

Contrary to the above, between April 2000 and February 20, 2002, the licensee failed to promptly identify and correct a significant condition adverse to quality regarding leakage from the 2T-34A safety injection accumulator. Nitrogen that leaked from the accumulator caused gas binding and subsequent failure of the 2P-15B safety injection pump on February 20, 2002. Specifically:

- a. In April 2000, the licensee completed a review of Information Notice 88-023, Supplement 5, "Potential for Gas Binding of High-Pressure Safety Injection Pumps During a Loss-of-Coolant-Accident," and identified that the Point Beach safety injection systems were susceptible to gas binding in the event of leakage from the safety injection accumulators through multiple check valves and/or motor-operated valves. However, corrective actions were not promptly taken.
- b. On February 12, 2001, (Condition Report 01-0454), and on January 15, 2002, (Action Request 1862), licensed control room operators identified decreasing trends in 2T-34A safety injection accumulator level. However, the cause of the condition was not determined and corrective actions were not taken to preclude repetition.

This violation is associated with a White SDP finding.

Pursuant to the provisions of 10 CFR 2.201, Nuclear Management Company, Inc., is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555, with a copy to the Regional Administrator, Region III, and a copy to the NRC Resident Inspector at Point Beach, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include: (1) the reason for the violation, or, if contested, the basis for disputing the violation or significance determination, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or

revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Because your response will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS), to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.790(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated this 13th day of June 2002.