



Tennessee Valley Authority, Post Office Box 2000, Decatur, Alabama 35609-2000

November 22, 2000

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555

10 CFR 2.201

Gentleman:

In the Matter of)	Docket Nos. 50-259
Tennessee Valley Authority)	50-260
		50-296

BROWNS FERRY NUCLEAR PLANT (BFN) - RESPONSE TO NOTICE OF VIOLATION (NOV) AND EXERCISE OF ENFORCEMENT DISCRETION - NRC INSPECTION REPORT NOS. 50-259/00-03, 50-260/00-03, AND 50-296/00-03

This letter is in response to the subject letter to TVA dated October 27, 2000. The NOV identified that a former TVA employee failed to perform measuring and test equipment (M&TE) nonconformance evaluations in accordance with site procedures.

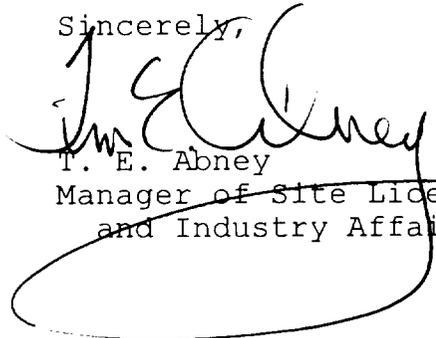
The NOV was originally cited as an apparent violation in NRC Inspection Report 50-259/00-03, 50-260-03, and 50-296/00-03 dated July 27, 2000, which included the results of NRC's Office of Investigation Report No. 2-1999-027 on the circumstances of the violation. TVA responded to the apparent violation in an August 25, 2000 letter. The letter included an admission of the violation, an evaluation of the root cause of the violation, and corrective actions and recurrence control taken by TVA to address the violation. TVA has carefully reviewed its August 25, 2000, response, taking into account the subsequent concerns raised by NRC regarding inadequate management oversight of the M&TE program and failure to discover omitted data when TVA conducted an overall assessment of the M&TE program. As a result of that review, TVA confirmed that its actions to manage the M&TE program were adequate and that TVA's subsequent corrective actions and recurrence controls as summarized in our August 25, 2000, response remain valid.

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The enclosure to this letter contains the bases of our conclusions. If you have further questions regarding this response, please contact me at (256) 729-2636.

Sincerely,



T. E. Abney
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and Industry Affairs

Enclosure

cc(Enclosure):

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ENCLOSURE

TENNESSEE VALLEY AUTHORITY
BROWNS FERRY NUCLEAR PLANT (BFN)
UNITS 1, 2, AND 3

INSPECTION REPORT NUMBER 50-259, 50-260, 50-296/00-03
RESPONSE TO OCTOBER 27, 2000, NOTICE OF VIOLATION (NOV) AND
EXERCISE OF ENFORCEMENT DISCRETION

An apparent violation was issued in NRC Inspection Report 50-259/00-03, 50-260/00-03, and 50-296/00-03 dated July 27, 2000, which included the results of NRC's Office of Investigation Report No. 2-1999-027 on the circumstances of the violation. TVA responded to the apparent violation by letter dated August 25, 2000, which included an admission of the violation, an evaluation of the root cause of the violation, and corrective actions and recurrence control taken by TVA to address the violation.

On October 27, 2000, NRC cited TVA with an NOV and expressed concerns about inadequate management oversight of the Measuring and Test Equipment (M&TE) program and its contribution to the violation, as well as the failure of TVA to take into account omitted data in conducting an overall assessment of the M&TE program to examine compliance with governing documents and policies. For ease of reference, the following is a restatement of NRC's concerns.

RESTATEMENT OF NRC ISSUES

"As stated in your [August 25, 2000] letter, four status reports were performed by the M&TE Program Administrator from 1997 to 1999 and were submitted to his management superiors. Based on our subsequent review and follow-up of the four audit reports, we have identified that the audit reports contained only one month of nonconformance evaluation data. Based on the NRC's discussions with TVA staff, it appears that the intent of these audit reports was to provide six months of nonconformance data to plant supervision. However, this discrepancy was apparently not recognized by TVA supervision at the time the audits were provided to them, nor was the discrepancy identified during TVA's review of this matter. The NRC has concluded that BFN supervisory review of the audit reports during the time period of the M&TE Program Administrator's deliberate misconduct was inadequate, in that the review failed to consider a significant quantity of the nonconformance

RESTATEMENT OF NRC ISSUES (continued)

evaluation data was not submitted for review. An adequate review of the audit reports and the work of the M&TE Program Administrator may have provided management a possible opportunity to identify the violation earlier.

More importantly, your response of August 25, 2000, indicated that an overall assessment of the M&TE program was conducted to examine compliance with governing documents and policies. However, the omitted data was not addressed by TVA. The failure to recognize the omitted data supports a conclusion that your review of the factors stemming from the violation was not adequate to fully identify management oversight deficiencies. As such, this management oversight failure was not considered in the development of TVA's corrective actions for this issue. Therefore, the NRC determined that credit is not warranted for the factor of Corrective Action."

TVA's REPLY

The above restatement of the NRC issues notes that four status reports contained only one month of nonconformance evaluation data, but that the intent was to provide six months of data to plant supervision, according to TVA staff. This discrepancy, by NRC's account, was not recognized by TVA supervision at the time the status reports were performed nor was this discrepancy identified subsequently during TVA's review of the matter. However, this asserted discrepancy is not accurate since the status reports had the correct amount of nonconformance data that was actually required to be included for management review. The frequency of the status report was previously changed from a monthly review to a six-month review cycle, and the sampling population for the nonconformance data included in the report did not change. At the time of the report frequency change, management decided not to change the sampling population due to the small number of discrepancies found during past status reports of the Central Laboratory of out-of-tolerance reports (OOTRs). The sampling population of one month of data was, and still is, clearly stated in the instructions for performing the six-month status report.

TVA communicated the basis for maintaining the sampling population to the Senior Resident Inspector (SRI) during discussions held after TVA's August 25, 2000, response to the NRC, but the subject NOV dated October 27, 2000, did not acknowledge these facts. There was some initial confusion on the matter of sampling population when the SRI first spoke

with the Instrument Maintenance (IM) Manager. At that time, the IM Manager did not recall the rationale behind the sampling population decision and erroneously agreed with the SRI that it appeared reasonable that the status report should contain six months of nonconformance data. The SRI then contacted the Maintenance Superintendent who described the correct sampling requirement. Specifically, the Maintenance Superintendent confirmed that the intent of the six-month status report was to contain only one month of nonconformance data. That is, each six-month status report required the review of out-of-tolerance M&TE equipment and equipment affected by its usage for the previous month.

The preparation of the subject M&TE status reports involved a computer generated repetitive (every six months) work activity performed by the Maintenance department and authored by the M&TE Program Administrator. The purpose of the M&TE status report was to provide a periodic measure of the performance of the M&TE program in processing investigations of out-of-tolerance equipment. Also, it provided a periodic verification that work activities were being performed and documented in accordance with the BFN M&TE program. The status reports provided a log listing of OOTRs received for the previous month, the associated investigation report tracking numbers, and dates associated with the issue and closure of the investigation reports. The status reports noted any discrepancies found during the equipment evaluations and disposition of the discrepancies. The primary purpose of the status reports was to provide a means to periodically assess the performance and timeliness of the M&TE process by examining a representative sampling of OOTRs. In this case, the M&TE Program Administrator falsified the subject status reports. Therefore, irrespective of sample population, the falsification of the status reports circumvented the use the status reports as an effective management oversight tool.

The subject violation also stated that TVA supervision did not recognize that the six-month status reports did not contain six months of nonconformance data. As we noted above, each six-month status report was to include only a one-month sampling of nonconformance data. The objective of these six-month status reports was not to provide six months of nonconformance data to supervision for their review. Rather, the report was to provide sample data from the six-month period as a program health indication. Given that fact, there is no basis to conclude that TVA's supervisory review was inadequate in failing to recognize this "discrepancy." Likewise, there is no basis to conclude that TVA's overall assessment of the M&TE program was flawed in failing to address this "omitted data."

The amount of nonconformance data contained in the status reports is consistent with standard oversight assessment methodology. Twice-a-year status reports, each containing a one-month sample of OOTRs, would provide a representative assessment, with high confidence, of the health of the M&TE program concerning investigations of out-of-tolerance equipment. The falsification of these status reports effectively circumvented good industry practice.

CONCLUSION

Initially, TVA's communication with the SRI was confusing in that TVA told the SRI that the status reports probably should have contained six-months of nonconformance data. However, this initial communication was corrected when the Maintenance Superintendent spoke with that SRI and provided the correct answer. The Maintenance Superintendent explained that the purpose of the status report was to examine a one-month sample of nonconformance data in each six month reporting period. This was the intent when the status reports were developed, at first for each monthly status report, and thereafter for the six-month status report.

In view of the information being considered, a monthly data population provides a fully adequate representative sample of data to be evaluated. In the end, however, whether the status report sample population covered one month or six months, the fact is that an individual whose work history did not give any reasonable indication of intentional deception falsified the status report data. Whether the falsification covered one or six months of data, the problem would not have been discovered any sooner. TVA continues to believe that the violation was attributable to the willful misconduct of an employee. Additionally, the individual falsified the status report data without any management involvement, and the violation was not, even in part, the result of a lack of management oversight.

Accordingly, TVA believes that the corrective actions provided in our August 25, 2000, letter and the clarifications described in this letter adequately address the subject violation. In addition, the corrective actions taken to prevent recurrence will minimize the occurrence and effects of deliberate misconduct in the future.

We regret any problems caused by initial miscommunications with your staff, but feel confident that this submittal is fully responsive to the concerns raised in NRC's October 27, 2000, NOV letter.