

From: Terrence Reis
To: David Lew
Date: Mon, Feb 26, 2001 2:49 PM
Subject: Re: Draft Response to IP2 NOV Denial

David,

As this progresses, please add me to your distribution list.

thanks
Terry

>>> David Lew 02/23 3:40 PM >>>

An advance copy is attached. We have not yet gotten an input from our contractor. Therefore, we are proceeding with this draft that does not include an "attachment." I understand the goal is to have this out on 2/28. This draft does not identify who will be signing the letter, although I heard that Bill Borchardt may be. We can easily add this to the letter when confirmed. I appreciate the help and comments that Ted Sullivan has provided in putting this letter together. I will be touching base with Dave Nelson, Pat Milano and other on Monday to ensure that we coordinate the concurrences and signature. Thanks

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A/144

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EA-00-179
EA-01-033

Mr. John Groth
Senior Vice President - Nuclear Operations
Consolidated Edison Company of
New York, Inc.
Indian Point 2 Station
Broadway and Bleakley Avenue
Buchanan, NY 10511

SUBJECT: CON EDISON RESPONSE, DATED JANUARY 19, 2001 TO THE NOTICE OF VIOLATION ISSUED BY THE NRC ON NOVEMBER 20, 2000, CONCERNING INDIAN POINT 2

This refers to your letter, dated January 19, 2001, from Mr. J. Baumstark, in response to the Notice of Violation issued by the NRC on November 20, 2000 for a violation that occurred at Indian Point 2. The violation involved failures in your corrective action program during 1997 steam generator inspections. NRC determined that Con Edison did not adequately account for conditions that adversely affected the detectability of, and increased the susceptibility to, tube flaws in the steam generators.

In your January 19 response, you denied that the violation occurred. As a basis for the denial, you contended that the 1997 steam generator tube inservice examination at Indian Point 2 was conducted in accordance with the industry guidelines and requirements applicable at the time. You noted that the NRC inspection report, upon which the Notice of Violation was based, does not reference any requirement, industry standard, benchmark, or guidance that was not met in 1997 which could have led to a failure to detect Primary Water Stress Corrosion Cracking (PWSCC) tube flaws. You also provided several affidavits prepared by individuals with experience in steam generator inspection and eddy current testing, which you attest found your performance to be acceptable.

The NRC has carefully reviewed and considered your response, including the bases that you provided for denial of the violation. Based on our review, we have concluded that no additional information was presented that would alter the NRC's conclusion that a violation of 10 CFR 50, Appendix B, Criterion XVI existed. Your response and the associated affidavits contain a number of statements in which the NRC and Con Edison are not in agreement. We do not intend to address each of these points, because many of these issues have been previously discussed with your staff during the NRC special inspection and subsequent meetings, including the regulatory conference conducted on September 26, 2000.

Mr. John Groth

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Regarding your denial of the violation, 10 CFR 50, Appendix B, Criterion XVI, requires in part, that significant conditions adverse to quality be evaluated and actions taken to prevent recurrence. This regulation recognizes that prescriptive requirements cannot be written for every condition that may be encountered, particularly in the case of plant specific conditions. Therefore, when such conditions are encountered, licensees must take actions that are commensurate with the significance of the conditions. Adherence to industry guidelines and requirements does not necessarily satisfy the requirements of 10 CFR50 Appendix B, Criterion XVI. As documented in NRC inspection report 50-247/2000-010, Con Edison encountered significant eddy current test signal interference (i.e. high noise), tube restriction in the upper support plate of the low row tubes that indicated the potential for hourglassing, and a PWSCC indication in the apex of a low row tube during the 1997 steam generator inspections. Based on industry information, Con Edison should have recognized that these conditions were significant and adversely affected the detectability of, and increased susceptibility to, PWSCC at the apex of low row u-bends. The NRC continues to maintain that, despite opportunities, Con Edison did not recognize and take appropriate corrective actions to adequately evaluate and account for these conditions.

The NRC believes that the high signal noise in areas susceptible to PWSCC (i.e., the low row u-bends) should have been accounted for in the inspection program. Adjustments could have been made to perform a more in-depth interrogation of available data associated with those susceptible areas or, if conditions prevented the detection of flaws, actions could have been taken to simply plug the potentially affected tubes. These adjustments, as well as others that may have been necessary to support a full cycle of operation, were not considered in 1997, although the NRC considers that it was both necessary and reasonable for you to have done so given these factors. Therefore, the NRC has concluded that your evaluation of these conditions and corrective actions at the time were not adequate, and that the violation remains as cited in the Notice.

Although you denied the violation, your letter acknowledged that weaknesses exist in your corrective action program and that initiatives to improve the program are being taken. In addition, you indicate that the measures developed for monitoring the program's effectiveness have shown some improvement. While the NRC acknowledges that some improvements have been made, NRC inspection (including the recently conducted 95003 inspection) has noted that continuing challenges to overall program effectiveness remain. These challenges include the timeliness of implementing corrective actions, the quality of corrective action reviews, and the initiation of condition reports upon discovery of adverse trends. Therefore, continued attention to the corrective action program is needed as part of your station performance improvement plan. The NRC's follow-up to this issue will focus on your corrective actions. Planning for these inspections will be finalized during the reactor oversight program year-end assessments in April.

Mr. John Groth

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No response to this letter is required. In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its attachment will be 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). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

Sincerely,

R. W. Borchardt, Director
Office of Enforcement

cc:

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Mr. John Groth

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Mr. John Groth

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