

September 14, 2001

EA-01-092

Mr. William O'Connor, Jr.  
Vice President  
Nuclear Generation  
Detroit Edison Company  
6400 North Dixie Highway  
Newport, MI 48166

SUBJECT: FINAL SIGNIFICANCE DETERMINATION FOR A WHITE FINDING AND  
NOTICE OF VIOLATION - FERMI 2 NUCLEAR POWER PLANT

Dear Mr. O'Connor:

The purpose of this letter is to provide you with the final results of our significance determination of the preliminary White finding identified in inspection report 50-341/01-09. The inspection finding was assessed using the Significance Determination Process and was preliminarily characterized as White (i.e., an issue with low to moderate increased importance to safety, which may require additional NRC inspections). This White finding was based on our review of the causes for a catastrophic bearing failure on emergency diesel generator 14 that occurred on March 21, 2001. We concluded that this resulted from design control failures during modifications on a bearing oil sight glass. On August 17, 2001, the NRC also issued inspection report 50-341/01-10 documenting a supplemental inspection for a performance indicator that was White primarily as a result of this same event. The inspection led to our conclusion that your evaluations and corrective actions adequately addressed the identified root causes. No additional findings of significance were identified.

During telephone conversations with Mr. M. Ring of the NRC, Region III, on August 1 and August 6, 2001, Mr. D. Cobb of your staff indicated that Detroit Edison Company did not contest the characterization of the risk significance of this finding and that you declined your opportunity to provide additional information or discuss this issue in a regulatory conference.

After considering the information developed during our inspections, the NRC has concluded that the inspection finding is appropriately characterized as White. You have 10 business 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 that inadequate design control during modifications of emergency diesel generator 14 outboard bearing oil sight glass and piping was a violation of 10 CFR Part 50, Appendix B, Criterion III, as cited in the enclosed Notice of Violation (Notice). The circumstances surrounding the violation are described in detail in inspection report 50-341/01-09. In accordance with the NRC Enforcement Policy, NUREG-1600, the

Notice of Violation is considered escalated enforcement action because it is associated with a White finding. Information regarding the reason for the violation and the corrective actions taken and planned to correct the violation and to prevent recurrence are already adequately addressed on the docket in inspection report 50-341/01-10. Therefore, you are not required to respond to this letter unless the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

Because plant performance for the Mitigating Systems Cornerstone has been determined to be in the regulatory response column of the NRC Action Matrix, we used the pertinent NRC Inspection Manual 0305 guidance to determine the most appropriate NRC response for this issue. Normally, a White finding would warrant an NRC supplemental inspection of the issue to assess the adequacy of your evaluation and corrective actions. Since the NRC obtained this information during our supplemental inspection associated with the White performance indicator for Emergency Alternating Current Power (Inspection Report 50-346/01-10), the NRC does not plan to conduct any additional supplemental inspections concerning this issue. We will contact you to schedule a performance review meeting to discuss the performance deficiencies that resulted in your performance being outside of the licensee response band.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure 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,

Original signed by  
J. E. Dyer

J. E. Dyer  
Regional Administrator

Docket No. 50-341  
License No. NPF-43

Enclosure: Notice of Violation

cc w/encl: N. Peterson, Director, Nuclear Licensing  
P. Marquardt, Corporate Legal Department  
Compliance Supervisor  
R. Whale, Michigan Public Service Commission  
Michigan Department of Environmental Quality  
Monroe County, Emergency Management Division  
Emergency Management Division  
MI Department of State Police

DOCUMENT NAME: G:\fermi white finding .wpd **\*See previous concurrence**

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## NOTICE OF VIOLATION

Detroit Edison Company  
Fermi 2 Nuclear Power Plant

Docket No. 50-341  
License No. NPF-43  
EA-01-092

During an NRC inspection conducted on May 13 through June 30, 2001, 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:

10 CFR Part 50, Appendix B, Criterion III, "Design Control," requires, in part, that measures shall be established to assure that the applicable regulatory requirements and the design basis are correctly translated into specifications, drawings, procedures, and instructions. It further states, in part, that, design changes, including field changes, shall be subjected to the design control measures commensurate with those applied to the original design.

Contrary to the above, the design control measures for modifying the oil sight glass indicator and associated piping for emergency diesel generator 14 outboard bearing were inadequate during the following occasions:

- 1) On or about August 4, 1984, a field change to emergency diesel generator 14 included adding a stiffener bar and modifying the outboard bearing oil level indicator piping through the bar. Failure to properly translate the design of the outboard bearing oil level indicator piping caused the sight glass to be installed 7/8 inch lower than the original design.
- 2) On or about March 3, 1999, the design of the emergency diesel generator 14 actual oil level was not properly translated to the outboard bearing oil level sight glass when the "green band" level indicators were installed too low. This resulted in the top of the "green band" for the outboard bearing oil reservoir to be below the vendor recommended minimum oil level.

These design control failures resulted in insufficient oil level in the outboard bearing reservoir, inadequate lubrication of the bearing, and subsequent catastrophic failure during the 24-hour endurance run on March 21, 2001.

This violation is associated with a white SDP finding.

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence and the date when full compliance was achieved is already adequately addressed on the docket in inspection report Nos. 50-341/01-09 and 50-341/01-10. However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation," and send it 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 the facility that is the subject of this Notice, within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

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.

If you choose to respond, 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). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room). Therefore, to the extent possible, the response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

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

Dated this 14th day of September 2001