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NUCLEAR REGULATORY COMMISSION
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January 9, 2002

Duke Energy Corporation
ATTN: Mr. G. R. Peterson
Site Vice President
Catawba Nuclear Station
4800 Concord Road
York, SC 29745

SUBJECT: RESPONSE TO DUKE'S COMMENTS ON NRC INTEGRATED INSPECTION REPORT 50-413/01-05, 50-414/01-05 DATED OCTOBER 22, 2001

Dear Mr. Peterson:

Thank you for your response of December 4, 2001, which provided comments for consideration pertaining to non-cited violation (NCV) 50-414/01-05-01, Failure to Implement Effective Corrective Actions Associated with the Unit 2 Refueling Water Storage Tank (FWST) Level Channel Failures, and NCV 50-413, 414/01-05-03, Failure to Identify a Condition Adverse to Quality that Rendered the "A" Chiller Inoperable.

Concerning the first NCV, you took exception to the NRC conclusion that the FWST instrumentation channels were unreliable. Your response described the reliability of the FWST level system in terms of monitoring performed by your Maintenance Rule program as required by 10CFR50.65, Requirements for Monitoring the Effectiveness of Maintenance at Nuclear Plants. You stated the performance goals are established with limits of 99.8% system availability and 100% system reliability and that the Unit 2 FWST level system has always met or exceeded these goals. A review of your maintenance rule program indicated that these limits apply to the Refueling Water (FW) risk-significant systems, structures, and components (SSC), and not to the performance of individual FWST level channels, which is the focus of this violation. Our review indicated that the performance of individual FWST level channels is monitored under a different SSC and have different monitoring criteria.

Your response quoted the following statement from Inspection Report 50-413/01-05, 50-414/01-05, "The failure to implement timely corrective actions for this degraded condition had a credible impact on plant safety in that reliable operation of FWST level channels 1 and 3 was not assured from 1996 to 2001." The intent of this statement was to explain the impact of the NCV on plant safety. Criterion XVI of 10 CFR 50, Appendix B, requires that measures shall be established to assure that conditions adverse to quality, such as failures, malfunctions and deficiencies are promptly identified and corrected. This requirement applies to all safety-related SSC which includes each individual FWST level channel. Based on the number of level channel deficiencies since 1996, and the absence of a root cause determination until the Fall of 2001, the NRC concluded that your corrective actions were inadequate, and that the FWST level channels were unreliable because quality could not be assured for each channel. This was considered to have had a credible impact on safety because the system configuration that existed when two FWST level channels failed on July 23, 1998, remained unchanged until grounding modifications were completed in June 2001. During this time, the inspectors

concluded that the FWST level channels were more vulnerable to lightning induced failures. After further review of this issue, and consideration of your comments regarding FWST level channel reliability, we concluded that the inspection report accurately describes your FWST corrective actions and the impact on plant safety.

You also took exception to the list of Problem Investigation Process (PIP) reports listed in the inspection report on pages 4 and 5, and stated that this list may provide the incorrect perception that all the events were instrument failures. With only a few exceptions, all the PIPs listed in the report described actual degraded equipment conditions associated with the Unit 2 FWST level channels that occurred between July 1996 and August 2000. The report did not intend to imply that all these documented events were actual instrument failures, unless identified as such in the PIP description column of the table.

Regarding the second NCV, you commented that previously issued NRC Inspection Report 50-413/01-04, 50-414/01-04, dated July 23, 2001, documented a licensee identified violation for the same May 3, 2001, chiller event referenced in the second NCV. Your response contended that this event, if significant enough to warrant multiple violations, should be credited as a licensee identified finding as originally documented in the July 23, 2001, report. Our review indicated that these NCVs identified two different performance deficiencies, both of which warranted an individual NCV. The first performance deficiency resulted in NCV 50-413,414/01-04-02 and involved your failure to develop appropriate written procedures or documented instructions for maintenance activities on the A YC chiller. The second NCV identified a performance deficiency involving the failure of licensed operators to perform an adequate operability review of the A YC chiller during the May 3, 2001 event. This NCV was identified through the baseline inspection program during the review and closure of Licensee Event Report (LER) 50-413/2001-002. NRC Inspection Manual Chapter 0610*, Power Reactor Inspection Reports, requires that when closing LERs, the NRC should identify any more-than-minor findings or violations of regulatory requirements, and document these accordingly when closing the LER.

After further review of this issue, and consideration of your comments, we agree that this violation should also have been credited as a licensee-identified NCV. Consequently, we plan to update the Plant Issues Matrix and the Reactor Oversight Process web page to reflect this NCV as being licensee identified.

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,

/RA/

Victor M. McCree, Acting Director
Division of Reactor Projects

Docket Nos.: 50-413, 50-414
License Nos.: NPF-35, NPF-52

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