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UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

JAN 26 1988

Docket No. 50-313  
License No. DPR-51  
EA 87-62

Arkansas Power and Light Company  
ATTN: Mr. T. Gene Campbell  
Vice President, Nuclear Operations  
Post Office Box 551  
Little Rock, Arkansas 72203

Gentlemen:

SUBJECT: ORDER IMPOSING CIVIL MONETARY PENALTY

This refers to your letter dated September 18, 1987, in response to the Notice of Violation and Proposed Imposition of Civil Penalty sent to you by our letter dated June 25, 1987. Our letter and Notice described a violation identified during a routine NRC safety inspection conducted during the period of February 1-28, 1987, of activities authorized by NRC License No. DPR-51 at Arkansas Nuclear One, Unit 1.

To emphasize the need for ensuring proper control of maintenance, testing, and associated in-operation activities, a civil penalty of Twenty-Five Thousand Dollars (\$25,000) was proposed.

In your response to the violation, you admit that the violation occurred as stated in the Notice; however, you request full mitigation of the proposed civil penalty based on the self-identification of the condition, prompt reporting, corrective actions regarding related issues, program improvements and adequate maintenance of the margin of safety. After consideration of your response, we have concluded, for the reasons given in the Appendix attached to the enclosed Order Imposing Civil Penalty that you did not provide a sufficient basis for mitigation of the proposed civil penalty beyond that applied in the Notice of Violation. Accordingly, we hereby serve the enclosed Order on Arkansas Power and Light Company imposing a civil monetary penalty in the amount of Twenty-Five Thousand Dollars (\$25,000). We will review the effectiveness of your corrective actions during a subsequent inspection.

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

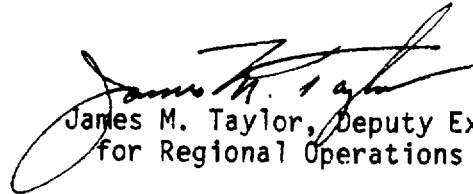
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Arkansas Power & Light Co.

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In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosures will be placed in the NRC's Public Document Room.

Sincerely,

A handwritten signature in black ink, appearing to read "James M. Taylor", is written over the typed name and title.

James M. Taylor, Deputy Executive Director  
for Regional Operations

Enclosures: As Stated

cc:  
Arkansas Radiation Control Program Director

UNITED STATES  
NUCLEAR REGULATORY COMMISSION

In the Matter of  
Arkansas Power & Light Company  
Arkansas Nuclear One, Unit 1

Docket No. 50-313  
License No. DPR-51  
EA 87-62

ORDER IMPOSING CIVIL MONETARY PENALTY

I

Arkansas Power and Light Company (licensee) is the holder of Operating License No. DRP-51 issued by the Nuclear Regulatory Commission (NRC/Commission) on May 21, 1974. The license authorizes the licensee to operate Arkansas Nuclear One, Unit 1 in accordance with the conditions specified therein.

II

A routine safety inspection of the licensee's activities was conducted during February 1-28, 1987. The results of this inspection indicated that the licensee had not conducted its activities in full compliance with NRC requirements. A written Notice of Violation and Proposed Imposition of Civil Penalty was served upon the licensee by letter dated June 25, 1987. The Notice stated the nature of the violation, the provision of the NRC's requirement that the licensee had violated, and the amount of the civil penalty proposed for the violation. The licensee responded to the Notice of Violation and Proposed Imposition of Civil Penalty by letter dated September 18, 1987 acknowledging the violation but requesting full mitigation of the proposed civil penalty.

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III

After consideration of the licensee's response and the statements of fact, explanation, and argument for mitigation contained therein, the Deputy Executive Director for Regional Operations has determined, as set forth in the Appendix to this Order, that the penalty proposed for the violation designated in the Notice of Violation and Proposed Imposition of Civil Penalty should be imposed.

IV

In view of the foregoing and pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205, IT IS HEREBY ORDERED THAT:

The licensee pay a civil penalty in the amount of Twenty-five Thousand Dollars (\$25,000) within 30 days of the date of this Order, by check, draft, or money order, payable to the Treasurer of the United States and mailed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk Washington, D.C. 20555.

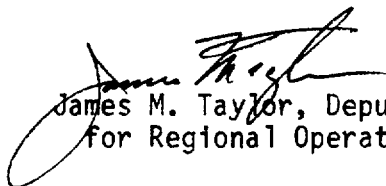
The licensee may request a hearing within 30 days of the date of this Order. A request for a hearing should be clearly marked as a "Request for an Enforcement Hearing" and shall be addressed to the Director, Office of Enforcement, U.S.

Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region IV, and a copy to the NRC Resident Inspector, Arkansas Nuclear One.

If a hearing is requested, the Commission will issue an Order designating the time and place of the hearing. If the licensee fails to request a hearing within 30 days of the date of this Order, the provisions of this Order shall be effective without further proceedings. If payment has not been made by that time, the matter may be referred to the Attorney General for collection.

In the event the licensee requests a hearing as provided above, the issue to be considered at such hearing shall be whether the proposed civil penalty should be imposed, in whole or in part.

FOR THE NUCLEAR REGULATORY COMMISSION

  
James M. Taylor, Deputy Executive Director  
for Regional Operations

Dated at Bethesda, Maryland,  
this 26th day of January 1988.

## APPENDIX

### EVALUATION AND CONCLUSIONS

On June 25, 1987, a Notice of Violation and Proposed Imposition of Civil Penalty (NOV) was issued for the violation identified during an NRC inspection. Arkansas Power and Light Company responded to the Notice on September 18, 1987. In the response the licensee admits that the violation occurred as stated, but argues that certain factors provide a basis for full mitigation of the proposed civil penalty. The NRC's evaluation and conclusion regarding the licensee's arguments are as follows:

#### Restatement of Violation

Technical Specification 3.1.1.3 requires that both pressurizer code safety valves be operable when the reactor is critical. With one pressurizer code safety inoperable, either restore the valve to operable status within 15 minutes or be in Hot Shutdown within 12 hours. The associated basis for this technical specification states that the lift set point for the safety valve shall be set at 2500 psig  $\pm$  1 percent tolerance for error.

Contrary to the above, on December 21, 1986, pressurizer code safety valve PSV-1002 was found inoperable, a condition that likely existed since September 1985 and during which time the reactor was critical. The valve lift setpoint was at least 500 psi above the required 2500 psig  $\pm$  1 percent setpoint.

This is a Severity Level III violation (Supplement I).

Civil Penalty - \$25,000.

#### Summary of Licensee's Response

The licensee concluded that the high lift setpoint likely occurred as a result of pressurizer code safety valve maintenance performed during an outage in September 1985, although its investigation of the activity did not identify specific personnel errors or procedural discrepancies.

The licensee presented background information in its response that each of the two pressurizer code safety valves is rated for total relief capacity of the system and that during the period from September 1985 to December 1986, reactor coolant system overpressure protection was maintained with the one remaining operable pressurizer code safety valve. Background information was also provided describing the methods for testing the setpoints of the pressurizer code safety valves.

The licensee further described in its response a sequence of events that began on September 24, 1986, when ANO-2 experienced a reactor trip. During the post trip review of the transient, plant computer data indicated that one of the pressurizer code safety valves lifted prematurely. In-situ tests were conducted that confirmed that both ANO-2 pressurizer code safety valve setpoints were slightly below Technical Specification limits. Subsequently, in-situ testing of the recently installed Unit 1 pressurizer code safety valve was also conducted. Upon finding the setpoint on this Unit 1 valve to be slightly low, a test was performed on the other Unit 1 pressurizer code safety valve which had been in service since September 1985. This test revealed a very high setpoint, and the valve was adjusted and retested satisfactorily. The licensee indicated that this pressurizer code safety valve with the high setting had been refurbished and tested by the licensee onsite, while the other pressurizer code safety valves with the lower settings had been set and tested by an off site vendor. Because results of the preliminary investigation could not rule out mechanical failure, the licensee decided to replace the valve with the higher setting with a spare pressurizer code safety valve.

The licensee described the short-term root cause investigation, and because the results of the short-term investigation were inconclusive, the licensee contracted a third party to assist with the investigation efforts. After describing the detailed efforts of the third party investigation, the licensee concluded that no factor was identified which would have resulted in the anomalous condition. Therefore, the licensee stated that "the reason for the violation is unknown".

The licensee discussed the corrective steps that have been and will be taken. These included the replacement of the safety valve in December 1986, even though the valve setpoint had been adjusted within tolerance. The licensee also pointed to program improvements made prior to the finding of the inoperable valve and not as a result of the event. As a result of the event, procedure changes are being made to increase Quality Control involvement in safety valve testing and maintenance (pressurizer and main steam system code safety valves), development of management guidelines for handling safety-related equipment found to be in an abnormal condition, and an additional Quality Assurance program review based on the results of the root cause investigation.

#### NRC Evaluation of Licensee's Response

The licensee's response did not dispute the classification of the violation as a Severity Level III or the findings related to pressurizer code safety valve maintenance and testing documentation and procedural deficiencies discussed in NRC Inspection Report 50-313/87-05 and in the Notice of Violation and Proposed Imposition of Civil Penalty dated June 25, 1987. The licensee's root cause investigation, though extensive, did not identify a specific factor which would have resulted in the high lift setpoint.

Based on the licensee's description of the event, the licensee's actions appear to be acceptable. The actions include short-term corrective actions associated

with the pressurizer code safety valve high setpoint condition, including plant cooldown to replace the pressurizer code safety valve in December 1986, safety valve disassembly for inspection, site records and industry experience review, specific site and vendor procedures review, review of work performed in September 1985, and discussions with personnel.

The licensee's description of the short-term and long-term corrective actions regarding the program and procedure improvements associated with the pressurizer code safety valves, the main steam system code safety valves, and other safety-related equipment to improve the overall performance of safety-related activities are acceptable, and were necessary to correct the identified problems.

#### Summary of Licensee's Request for Mitigation of Civil Penalty

The licensee requested full mitigation of the proposed civil penalty based on the facts that the condition was identified because of its initiative to investigate a maintenance problem, the condition was promptly reported, corrective actions had been taken to address related issues prior to identification of the condition, maintenance and quality program improvements were already underway due to management initiatives already in place, there was adequate margin of capacity with one safety valve operable, and the funds expended investigating possible generic implications have eliminated the need to impose a monetary penalty.

#### NRC Evaluation of Licensee's Request for Mitigation

In accordance with the NRC's General Statement of Policy and Procedure for Enforcement Actions, the following matters are appropriately considered in determining whether to mitigate (or escalate) a civil penalty:

##### 1. Prompt Identification and Reporting

The NRC staff acknowledges that once the licensee became aware of the problem it was promptly reported. However, because of the duration of the problem and the fact that proper QC checks would have provided the licensee opportunities to identify the problem earlier mitigation under this factor is not appropriate.

##### 2. Corrective Action to Prevent Recurrence

The licensee's corrective action to prevent recurrence is not considered extensive in view of the significance of the identified problems. The NRC expects its licensees to aggressively pursue correction of identified findings. These actions were particularly necessary because the licensee's previous corrective actions regarding similar problems (SALP Category 2 in maintenance during 1984-1985) were not fully effective. After re-adjustment of the pressurizer code safety valve to within tolerance, the licensee elected to cool down the unit and replace the valve since the short-term investigation did not rule out mechanical failure as a cause for high setpoint. The NRC staff considers this action by the licensee to be prudent and conservative but expected, due to the importance of the



reactor system code safety valves to protect the integrity of the reactor coolant system, a fission product boundary. Further, the expenditure of funds deemed appropriate by the licensee to investigate possible generic implications of such a significant problem is considered, by the NRC staff, to be part of the necessary corrective actions.

3. Past Performance

The base civil penalty was originally mitigated by 50% due to generally good past performance in the maintenance area as demonstrated by some improvement in the SALP ratings from Category 3 to Category 2. The NRC staff believes that further mitigation for improving performance would be inappropriate given that performance level is still categorized as satisfactory.

4. Prior Notice of Similar Events

Escalating factor only.

5. Multiple Occurrences

Escalating factor only.

NRC Conclusion

The NRC staff concludes that in order to emphasize the importance of providing appropriate controls during plant operations and maintenance including verification of safety valve operability, it is not appropriate to fully mitigate the civil penalty. Accordingly, the proposed civil penalty in the amount of Twenty-five Thousand Dollars (\$25,000) should be imposed.

Arkansas Power & Light Co.

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