



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

January 24, 1996

Mr. William T. Cottle
Group Vice-President, Nuclear
Houston Lighting & Power Company
South Texas Project Electric Generating Station
P. O. Box 289
Wadsworth, TX 77483

Dear Mr. Cottle:

SUBJECT: ISSUANCE OF AMENDMENT NOS. 56 AND 45 TO FACILITY OPERATING LICENSE
NOS. NPF-76 AND NPF-80 AND REVISION QA-018 TO THE OPERATIONS
QUALITY ASSURANCE PLAN - SOUTH TEXAS PROJECT, UNITS 1 AND 2

I am responding to the letter from L. E. Martin of the Houston Lighting & Power Company (HL&P), dated August 14, 1995, "Control of Audit Frequencies," to Ashok C. Thadani, U. S. Nuclear Regulatory Commission (NRC).

BACKGROUND

The Commission issued Amendment Nos. 56 and 45 to Facility Operating License Nos. NPF-76 and NPF-80 for the South Texas Project, Units 1 and 2, based on the changes to the HL&P Technical Specifications (TSs) described in the HL&P application dated October 21, 1993. The amendments changed the TSs by removing the time limits for performing the audits of particular unit activities required by TS 6.5.2.8, "Audits." TS 6.5.2.8 required that certain audits of unit activities be performed under the cognizance of the Nuclear Safety Review Board. TS 6.5.2.8 further required that the audits encompass, among other things: (1) Unit operations conformance to provisions contained within the TSs and license conditions; (2) training and qualification of the unit staff; and (3) certain fire protection activities, the Radiological Environmental Monitoring Program, the Offsite Dose Calculation Manual, and the Process Control Program for Packaging of Radioactive Wastes.

The safety evaluation in Attachment 2 of the HL&P application of October 21, 1993, stated in part that "audit frequencies will be maintained in accordance with the QA [Quality Assurance] Audit Plan." The "Implementation Plan" section of Attachment 2 stated that "after issuance of the amendment, HL&P will submit a change to the OQAP [Operations Quality Assurance Plan] to reflect the same changes." At that time, Section 5.4.1 of the HL&P OQAP, Revision 4, stated in part that:

An audit of all safety-related activities shall be completed in accordance with formal audit schedules within a period of two years.

Before HL&P's amendment application of October 21, 1993, TS 6.5.2.8 did not contain any provision governing all safety-related activities like Section 5.4.1 of the HL&P OQAP, Revision 4. Additionally, audit frequencies

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then identified in Section 5.4.1 of the HL&P OQAP (Revision 4) were consistent with the increased audit frequencies specified in TS 6.5.2.8 (prior to the amendments).

At the time of the staff's review of the HL&P TS amendments, the staff considered the 2-year audit frequency necessary in order to meet the provisions of Section 4.5, "Audit Program," of ANSI N18.7-1976 as endorsed by Regulatory Guide (RG) 1.33. The NRC staff had also accepted the relaxing of the increased audit frequencies identified in Regulatory Position C.4 of RG 1.33 to a 2-year audit frequency. The staff's approval of the TS amendments was based on the understanding that the audit frequencies for specific functional areas would be deleted from both the TS 6.5.2.8 and the OQAP, Revision 4, and that the general OQAP commitment for auditing all safety-related activities every 2 years would be retained. Thus, the assumed provisions to perform audits every 2 years would be consistent with American National Standards Institute (ANSI) N18.7-1976, "Administrative Controls and Quality Assurance for the Operational Phase of Nuclear Power Plants," as endorsed by RG 1.33, "Quality Assurance Program Requirements (Operational)," as an acceptable means of meeting the requirements of Appendix B to Part 50 of Title 10 of the Code of Federal Regulations (10 CFR Part 50). In particular, the provisions to perform all audits of safety-related activities every 2 years would satisfy the requirements of 10 CFR Part 50, Appendix B, Criterion XVIII that such audits be "periodic."

In your letter of March 3, 1994 (ST-HL-AE-4718), to the NRC, you requested that the NRC approve Change No. QA-018 to your OQAP. In addition to deleting the audit frequencies for the individual activities covered by TS Amendment Nos. 56 and 45, the commitment to perform an audit of all safety-related activities every 2 years was also deleted. As stated above, the commitment to perform audits for all safety-related activities every 2 years was the basis for the staff's approval of the deletion of the TS 6.5.2.8 specific functional area audit frequencies.

The acceptance of the QA-018 changes by the staff was based in part on a review of the approved TS Amendment Nos. 56 and 45 and the incorrect understanding that the staff in issuing the amendments had accepted the deletion of the provisions to audit all safety-related activities every 2 years.

COMMENTS ON THE HL&P LETTER OF AUGUST 14, 1995, TO THE NRC

On Page 2 of the HL&P letter of August 14, 1995, the second paragraph refers to the NRC Standard Review Plan (SRP) and quotes, in part, the following statement from Section 18A2 of SRP 17.1: "Audits should be regularly

scheduled based on the status and safety importance of the activities." Section 18A2 of SRP 17.1 states the following:

An audit plan is prepared identifying the audits to be performed, their frequencies, and schedules. Audits should be regularly scheduled based upon the status and importance of the activity being performed and are initiated early enough to assure effective QA during design, procurement, manufacturing, construction, installation, inspection, and testing.

The second paragraph on Page 2 also states that the SRP does not require that audit frequencies be specified in the QA Program Description and that instead the SRP indicates that this information should be contained in an audit plan. The NRC staff agrees that Section 18A2 of SRP 17.1 permits specific audit frequencies for a given safety-related activity to be identified in an audit plan; however, Section 18B3 of SRP 17.1 states that the program description will be acceptable if:

The description of the conduct of audit provisions satisfies the regulatory position in Regulatory Guides 1.144 ["Auditing of Quality Assurance Programs for Nuclear Power Plants," Revision 1] and 1.146 ["Qualification of Quality Assurance Program Audit Personnel for Nuclear Power Plants"].

Regulatory Position C.3.a, "Internal Audits," of RG 1.144, Revision 1, specifies that for operational phase audit activities, RG 1.33 should be followed. RG 1.33 states that internal audits should be conducted every 2 years. Therefore, SRP 17.1 indicates that the description of the conduct of audits in the QA Program should include a discussion of the audit frequency (e.g., internal audits of safety-related activities every 2 years in accordance with the provisions of RG 1.33).

EVALUATION OF THE HL&P POSITION ON AUDIT FREQUENCIES BY THE NRC STAFF

On page 2 of the HL&P letter of August 14, 1995, the third paragraph states the following:

The current system also provides an adequate basis for NRC oversight of the program. The OQAP includes a commitment to meet the intent of Regulatory Guide 1.33, which contains more specific guidance on audit schedule requirements. HL&P intends that audits of safety related functions will typically be completed within a period of two years. *Any deviations from the [r]egulatory [g]uide audit schedule requirements will be based on an analysis of the status and safety importance of [p]roject activities. This analysis will be documented and available for NRC review (Emphasis added).*

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The NRC staff considers the HL&P position to generally perform internal audits every 2 years acceptable *provided* that the HL&P OQAP incorporates the HL&P commitments to evaluate deviations from the 2 years audit frequency, based on an analysis of the status and importance of the activity, and that this analysis will be documented. We therefore request that HL&P revise its OQAP to be consistent with the additional information provided to the NRC staff in the HL&P letter of August 14, 1995.

Any questions you may have concerning this request should be directed to Ms. Suzanne C. Black of this office at (301) 415-1017.

Sincerely,

ORIGINAL SIGNED BY:

Thomas W. Alexion, Project Manager
Project Directorate IV-I
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

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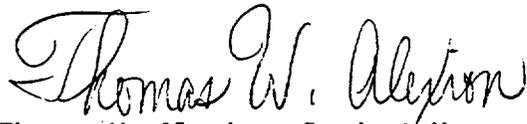
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Any questions you may have concerning this request should be directed to Ms. Suzanne C. Black of this office at (301) 415-1017.

Sincerely,

A handwritten signature in cursive script that reads "Thomas W. Alexion".

Thomas W. Alexion, Project Manager
Project Directorate IV-I
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

cc: See next page

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