

May 14, 2002

EA-02-090

Mr. M. Warner
Site Vice President
Kewaunee and Point Beach Nuclear Plants
Nuclear Management Company, LLC
6610 Nuclear Road
Two Rivers, WI 54241

SUBJECT: NRC INSPECTION REPORT 50-266/02-05; 50-301/02-05;
PRELIMINARY WHITE FINDING; POINT BEACH NUCLEAR PLANT

Dear Mr. Warner:

On March 31, 2002, the NRC completed an inspection at your Point Beach Nuclear Plant. The inspection findings were discussed on April 5, 2002, with you and members of your staff and documented in the Inspection Report 50-266/02-05, 50-301/02-05, which was issued on April 26, 2002.

The report discusses a finding that appears to have a low to moderate safety significance. As described in Sections 1R15.1 and 4OA2 of this report, the issue pertains to the self-revealing failure of the Unit 2 B train safety injection (SI) pump, 2P-15B, due to gas binding on February 20, 2002. After the report was issued, the finding was assessed using the applicable significance determination process and was preliminarily determined to be White, i.e., a finding with some increased importance to safety, which may require additional NRC inspection. The finding has a low-to-moderate safety significance based on the Significance Determination Process (SDP) Phase 2 analysis results using the benchmarked SDP notebook and the SPAR analysis.

Following the identification of the failed SI pump, emergency operating procedures were revised and all control room crews completed just-in-time training. As part of the operability determination, periodic venting of the SI system was implemented based on observed accumulator leakage history.

As discussed with you on May 7, 2002, during an interim exit meeting, the NRC has concluded that the finding is an apparent violation of Criterion XVI, "Corrective Action," of 10 CFR Part 50, Appendix B, for the failure between April 2000, and February 20, 2002, to promptly identify and correct a significant condition adverse to quality regarding leakage from the 2T-34A SI accumulator. Nitrogen from nitrogen-saturated water that leaked from the accumulator caused gas binding and the subsequent failure of the 2P-15B SI pump on February 20, 2002. Specifically, in April 2000, your staff completed a review of Information Notice 88-23, Supplement 5, "Potential for Gas Binding of High-Pressure Safety Injection Pumps During a Loss-of-Coolant-Accident," and identified that the Point Beach SI systems were susceptible to

gas binding in the event of leakage from the SI accumulators through multiple check valves and/or motor-operated valves. While corrective actions were developed, they had not been implemented at the time of pump failure on February 20, 2002. Also, on February 12, 2001, (Condition Report 01-0454), and on January 15, 2002, (Action Request 1862), licensed control room operators identified decreasing trends in 2T-34A SI accumulator level due to its isolation valves leaking. However, the root cause of the condition was not determined and corrective actions were not taken to prevent recurrence. This apparent violation is being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600. The current Enforcement Policy is included on the NRC's website at www.nrc.gov/OE. In addition to the corrective action examples discussed above, we noted that your earlier review of Information Notice 97-40, "Potential Nitrogen Accumulation Resulting from Back Leakage from Safety Injection Tanks," and of the original Information Notice 88-23 and Supplements 1-4 provided six opportunities between 1989 and 1999 to consider the effects of SI accumulator leakage on SI pump operability.

We believe that sufficient information was considered to make a preliminary significance determination. However, before we make a final decision on this matter, we are providing you an opportunity to present to the NRC your perspectives on the facts and assumptions, used by the NRC to arrive at the finding and its significance, at a Regulatory Conference or through the submittal to the NRC of your position on the finding in writing. If you choose to request a Regulatory Conference, it should be held within 30 days of the receipt of this letter and we encourage you to submit supporting documentation at least one week prior to the conference in an effort to make the conference more efficient and effective. If a Regulatory Conference is held, it will be open for public observation. If you decide to submit only a written response, such submittal should be sent to the NRC within 30 days of the receipt of this letter.

Please contact Mr. Roger Lanksbury at (630) 829-9631 within 10 business days of the receipt of this letter to notify the NRC of your intentions. If we have not heard from you within 10 days, we will continue with our significance determination and enforcement decision and you will be advised by separate correspondence of the results of our deliberations on this matter.

Since the NRC has not made a final determination in this matter, no Notice of Violation is being issued for this inspection finding at this time. In addition, please be advised that the number and characterization of apparent violations described above may change as a result of further NRC review.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter 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/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

Geoffrey E. Grant, Director
Division of Reactor Projects

Docket Nos. 50-266; 50-301
License Nos. DPR-24; DPR-27

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***See previous concurrence**

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