

December 2, 2002

EA-02-204

Mr. T. Coutu
Site Vice President
Kewaunee Nuclear Power Plant
N490 Hwy 42
Kewaunee, WI 54216

SUBJECT: FINAL SIGNIFICANCE DETERMINATION FOR A WHITE FINDING AND
NOTICE OF VIOLATION, NRC INSPECTION REPORT 50-305/02-06(DRS)
(KEWAUNEE NUCLEAR POWER PLANT)

Dear Mr. Coutu:

The purpose of this letter is to provide you with the final results of our significance determination of the preliminary finding identified in the subject inspection report. The inspection finding was assessed using the significance determination process and was preliminarily characterized as a White finding (i.e., an issue with increased importance to safety, which may require additional NRC inspections). This White finding involved the lack of a fixed fire suppression system for fire area TU-95B.

In a telephone conversation with Mr. R. Gardner of NRC, Region III, on November 8, 2002, Mr. G. Harrington of your staff indicated that Nuclear Management Company, LLC agreed with the preliminarily characterization of the risk significance of this finding and declined to provide additional information or discuss the issue in a regulatory conference.

After considering the information developed during the inspection, the NRC has concluded that the inspection finding is appropriately characterized as White (an issue with increased importance to safety, which may require additional NRC inspections).

You have 30 calendar 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 the failure to provide a fixed fire suppression system for fire area TU-95B is a violation of 10 CFR Part 50, Appendix R, Section III.G, as cited in the enclosed Notice of Violation (Notice). The circumstances surrounding the violation are described in detail in the subject inspection report. 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.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response.

Because plant performance for this issue has been determined to be in the regulatory response band, we will use the NRC Action Matrix to determine the most appropriate NRC response for this issue. We will notify you, by separate correspondence, of that determination.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction. The NRC also includes significant enforcement actions on its Web site at www.nrc.gov; select **What We Do, Enforcement**, then **Significant Enforcement Actions**.

Sincerely,

/RA/

J. E. Dyer
Regional Administrator

Enclosure: Notice of Violation

Docket No. 50-305
License No. DPR-43

cc w/encl: D. Graham, Director, Bureau of Field Operations
Chairman, Wisconsin Public Service Commission
State Liaison Officer

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NOTICE OF VIOLATION

Nuclear Management Company, LLC.
Kewaunee Nuclear Power Plant

Docket No. 50-305
License No. DPR-43
EA-02-204

During an NRC inspection conducted on July 31 through October 1, 2002, 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 50.48, Section (b)(2) requires, in part, that all nuclear power plants licensed to operate before January 1, 1979, must satisfy the applicable requirements of Appendix R to this part, including specifically the requirements of Sections III.G, III.J, and III.O. The Kewaunee Nuclear Plant was licensed to operate prior to January 1, 1979.

10 CFR Part 50, Appendix R, Section III.G.2, requires, in part, that for cables or equipment of redundant trains of systems necessary to achieve and maintain hot shutdown conditions which are located within the same fire area outside of primary containment, one of the following means of ensuring that one of the redundant trains is free of fire damage shall be provided: (a) separation of cables and equipment and associated non-safety circuits of redundant trains by a fire barrier having a three hour rating; (b) separation of cables and equipment and associated non-safety circuits of redundant trains by a horizontal distance of more than 20 feet with no intervening combustibles or fire hazards; and fire detectors and an automatic fire suppression system shall be installed in the fire area; or (c) enclosure of cables and equipment and associated non-safety circuits of one redundant train in a fire barrier having a one-hour fire rating; and fire detectors and an automatic fire suppression system shall be installed in the fire area.

10 CFR Part 50, Appendix R, Section III.G.3, requires, in part, that alternative or dedicated shutdown capability be provided where the protection of systems whose function is required for hot shutdown does not satisfy the requirements of Section III.G.2. In addition, fire detection and a fixed fire suppression system shall be installed in the area, room, or zone under consideration.

Contrary to the above, as of March 30, 2001, a fixed fire suppression system was not installed in fire area TU-95B, a fire area where alternative or dedicated shutdown capability was provided because the protection of systems whose function is required for hot shutdown did not satisfy the requirements of 10 CFR Part 50, Appendix R, Section III.G.2.

Pursuant to the provisions of 10 CFR 2.201, Nuclear Management Company, LLC is hereby required to submit a written statement or explanation 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). This reply should be clearly marked as a "Reply to a Notice of Violation; EA-02-204" and should include for each violation: (1) the reason for the violation, or, if

contested, the basis for disputing the violation or severity level, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

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.

Because your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>, to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.790(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

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

Dated this _____ day of December 2002