

January 30, 2003

EA-02-265

Mr. John L. Skolds, President
Exelon Nuclear
Exelon Generation Company, LLC
4300 Winfield Road
Warrenville, IL 60555

SUBJECT: PREDECISIONAL ENFORCEMENT CONFERENCE
(NRC OFFICE OF INVESTIGATIONS CASE NO. 3-2001-054)

Dear Mr. Skolds:

This letter refers to the investigation conducted by the U. S. Nuclear Regulatory Commission (NRC) Office of Investigations (OI) into the completeness and accuracy of information provided by your staff to the NRC during a telephone conference call on September 27, 2001. That telephone call concerned the damaged pipe support discovery on July 19, 2001, in the Dresden Nuclear Power Station, Unit 3, High Pressure Coolant Injection (HPCI) system. On July 24, 2001, Dresden engineers completed an operability evaluation of the HPCI system. On August 24, 2001, Dresden engineers completed an Apparent Cause Evaluation (ACE) of the support damage and concluded it was caused by a water hammer on July 5, 2001. The NRC staff questioned the technical adequacy of the operability determination, and the September 27, 2001 telephone conference call was held to discuss the technical adequacy.

Based on our review of the OI report, apparent violations of 10 CFR 50.9, "Completeness and Accuracy of Information," are being considered for escalated enforcement in accordance with the "General Statement and Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600. The current enforcement policy is included at www.nrc.gov; select **What We Do, Enforcement**, then **Enforcement Policy**. In summary, on September 27, 2001, members of the NRC staff were told: (1) the maximum HPCI discharge pressure during the July 5, 2001 scram did not exceed 193 psi when Dresden's Transient Analysis Data System recorded a peak discharge pressure of approximately 1000 psi; (2) no other HPCI pipe supports showed damage from a water hammer, however a nearby trapeze pipe hanger had damage indicative of a water hammer; and (3) Exelon engineers contended that since the HPCI system had been continually pressurized, no voids would develop so there was no need to vent the system; other Exelon engineers present suspected there was air in the system and recognized the only method to eliminate an air void was to vent the system. Since the NRC has not made a final determination in this matter, no Notice of Violation is being issued at this time. In addition, please be advised that the number and characterization of the apparent violations may change as a result of further NRC review.

We have been in contact with Mr. B. Hovey of your staff to schedule a predecisional enforcement conference to discuss the apparent violations. The conference will be transcribed and closed to public observation. We will confirm the time and date of the conference after a mutually agreeable date has been scheduled.

We believe it is important for certain members of your staff, who were involved with these issues, to attend the conference. The requested individuals were specified during the above referenced call. The decision to hold a predecisional enforcement conference does not mean that the NRC has determined that violations have occurred or that enforcement action will be taken. The conference is being held to obtain information to enable the NRC to make an enforcement decision, such as whether violations have occurred, a common understanding of the facts, root causes, missed opportunities to identify any apparent violations sooner, corrective actions, significance of the issues, the need for lasting and effective corrective action, and any other information you believe the NRC should take into consideration in making an enforcement decision.

In addition, this is an opportunity for you to provide any information concerning your perspectives on: (1) the severity of violations; (2) the application of the factors that the NRC considers when it determines the amount of a civil penalty that may be assessed in accordance with Section VI.C.2 of the Enforcement Policy; and (3) any other application of the Enforcement Policy to this case, including the exercise of discretion in accordance with Section VII.

Today, we are also issuing correspondence concerning a regulatory conference for the technical issues associated with the water hammer event on July 5, 2001.

If you have any questions, please contact Mr. David Hills at (630) 829-9733.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter with Enclosure 1 only will be available electronically for public inspection in the NRC's 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/reading-rm/ADAMS.html> (the Public Electronic Reading Room).

Sincerely

/RA by Roy Caniano Acting For/

Cynthia D. Pederson, Director
Division of Reactor Safety

Docket No. 50-249
License No. DPR-25

- Enclosures: 1. Synopsis of Office of Investigations
Report for Case No. 3-2001-054
2. Summary of Office of Investigations Report
for Case No. 3-2001-054 **(Not for Public Disclosure)**

See Attached Distribution

cc w/encl 1: Site Vice President - Dresden Nuclear Power Station
Dresden Nuclear Power Station Plant Manager
Regulatory Assurance Manager - Dresden
Chief Operating Officer
Senior Vice President - Nuclear Services
Senior Vice President - Mid-West Regional
Operating Group
Vice President - Mid-West Operations Support
Vice President - Licensing and Regulatory Affairs
Director Licensing - Mid-West Regional
Operating Group
Manager Licensing - Dresden and Quad Cities
Senior Counsel, Nuclear, Mid-West Regional
Operating Group
Document Control Desk - Licensing
M. Aguilar, Assistant Attorney General
Illinois Department of Nuclear Safety
State Liaison Officer
Chairman, Illinois Commerce Commission

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OFFICE	OE by telecon	RIII	RIII	
NAME	JDixon-Herrity for FCongel	C Weil for BClayton	RCaniano for CPederson	
DATE	1/27/03	1/29/03	1/30/03	

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cc w/encl 1: Site Vice President - Dresden Nuclear Power Station
Dresden Nuclear Power Station Plant Manager
Regulatory Assurance Manager - Dresden
Chief Operating Officer
Senior Vice President - Nuclear Services
Senior Vice President - Mid-West Regional
Operating Group
Vice President - Mid-West Operations Support
Vice President - Licensing and Regulatory Affairs
Director Licensing - Mid-West Regional
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Manager Licensing - Dresden and Quad Cities
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Operating Group
Document Control Desk - Licensing
M. Aguilar, Assistant Attorney General
Illinois Department of Nuclear Safety
State Liaison Officer
Chairman, Illinois Commerce Commission

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SYNOPSIS

This investigation was initiated on November 14, 2001, by the U.S. Nuclear Regulatory Commission (NRC), Office of Investigations, Region III, to determine if deliberate false statements were provided to the NRC regarding a water hammer incident.

Based upon the evidence developed, this investigation substantiated that false statements were willfully provided to the NRC regarding a water hammer incident.