05/15/02

EA-02-031

SUBJECT: FINAL SIGNIFICANCE DETERMINATION FOR A RED FINDING AND NOTICE OF VIOLATION, NRC INSPECTION REPORT NOS. 50-266/01-17; 50-301/01-17, POINT BEACH NUCLEAR PLANT

Dear

The purpose of this letter is to provide you with the final results of our significance determination of the preliminary Red finding identified in the subject inspection report. The inspection finding was assessed using the significance determination process and was preliminarily characterized as Red, i.e., a finding of high importance to safety that will result in increased NRC inspection and other NRC action. This Red finding involved the potential common mode failure of the auxiliary feedwater pumps.

At your request, a Regulatory Conference was held on April 29, 2002, to further discuss your views on this issue. (A copy of the handouts you provided at this meeting are enclosed.) During the meeting, your staff described your assessment of the significance of the findings, detailed corrective actions, including the root cause evaluations for the event classification issues. Specifically, your staff accepted the assessment of the risk significance associated with the finding and the violation of 10 CFR 50, Appendix B, Criterion V, "Instructions, Procedures, and Drawings." However, your staff disagreed with the violation of 10 CFR 50, Appendix B, Criterion XVI, "Corrective Action," and the need for additional inspection as dictated by the action matrix.

After considering the information developed during the inspection and the information you provided at the conference, the NRC has concluded that the inspection finding is appropriately characterized as Red, i.e., an issue of high importance to safety that will result in increased NRC inspection and other NRC action. You have 30 calendar days from the date of this letter to appeal the staff's determination of significance for the identified red finding. Such appeals will be considered to have merit only if they meet the criteria given in NRC Inspection Manual Chapter 0609, Attachment 2.

We disagree with your staff's view that a violation of 10 CFR 50, Appendix B, Criterion XVI is inappropriate. Specifically, we disagree with the argument that it was not reasonable to expect appropriate corrective actions because the failure modes and effects analysis timeline was not used as a formal tool until 1999. The use of failure modes and effects analysis has been considered a prudent engineering practice from well before 1999. We note that the evaluations performed in response to Generic Letter 88-14, "Instrument Air Supply Problems Affecting Safety Related Equipment," should have identified and addressed the auxiliary feedwater system vulnerability associated with loss of instrument air. The 1997 identification of a vulnerability of the auxiliary feedwater motor-driven pumps upon a loss of instrument air to the flow control valves should have caused a review and appropriate evaluation of the failure modes and effects associated with other air-operated valves in the system such as the recirculation valves. Similarly, the 1997 review of the recirculation line function should have caused an appropriate review of the failure mode of the recirculation valves and effects in the context of operator actions. As such, the NRC has determined that the potential common mode failure of auxiliary feedwater pumps is a violation of 10 CFR 50, Appendix B, Criteria V and XVI, as cited

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

In addition, we disagree with your staff's view that it is inappropriate to determine future inspection activities in response to this finding using the action matrix in Manual Chapter 0305, "Operating Reactor Assessment Program." Your staff's view was that this is an old design issue and therefore, we should refrain from using this safety significant inspection finding in determining the appropriate agency response. We have determined that the criteria outlined in MC 0305, Section 0606.a, "Treatment of old design issues in the assessment process," have not been fully met. Specifically, the finding did not meet the criterion of being not likely to have been identified by routine licensee efforts. The NRC considers licensee efforts to respond to generic letters, such as Generic Letter 88-14, to be routine in nature. In addition, we note that the two 1997 opportunities for identification described in the subject inspection report had been evaluated as part of your corrective action program. Your corrective action program is also considered a routine licensee effort. 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 event. In determining the scope of additional NRC inspection activities, we will consider factors such as your identification of the issue and corrective actions taken to date. 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 and its enclosures 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.html (the Public Electronic Reading Room).

Sincerely,

J. Dyer
Regional Administrator

Enclosures:
Notice of Violation
NRC April 29, 2002 Regulatory Conference Slides
NMC April 29, 2002 Regulatory Conference Slides
NMC Photograph of Recirculation Valve
NMC April 29, 2002 Regulatory Conference Timeline

DISTRIBUTION:
ADAMS (PARS)
SECY
OCA
W. Travers, EDO
W. Kane, DEDRP
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J. Dyer, RIII:RA
L. Chandler, OGC
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Enforcement Coordinators
RI, RII, RIII, RIV
L. Dudes, NRR
Resident Inspector
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D. Dandois, OCFO/DAF/LFARB
J. Strasma, RIII:PA
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J. Lynch, RIII
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NOTICE OF VIOLATION

(Name of Licensee)
(Facility Name)

Docket No.(s) _____
License No.(s) _____
EA-YY-XXX

During an NRC inspection (investigation) conducted on (date(s)) a violation(s) of NRC requirements was (were) identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, the violation(s) is (are) listed below:

10 CFR Part 50, Appendix B, Criterion XVI, "Corrective Action," requires, in part, that measures shall be established to assure that conditions adverse to quality are promptly identified and corrected. In the case of significant conditions adverse to quality, the measures shall assure that the cause of the condition is determined and corrective actions taken to preclude repetition.

10 CFR Part 50, Appendix B, Criterion V, "Instructions, Procedures, and Drawings," requires, in part, that activities affecting quality shall be prescribed by documented instructions, procedures, or drawings, of a type appropriate to the circumstances.

Contrary to the above:

From at least 1972 to 2001, the licensee failed to promptly identify and correct a condition adverse to quality involving the potential failure mode of the auxiliary feedwater system associated with a loss of instrument air. Specifically, the failure mode involved the potential failure of the AFW pumps caused by the lack of a discharge flow path due to the auxiliary feedwater minimum flow recirculation valves failing closed upon a loss of instrument air combined with operator actions to close auxiliary feedwater flow-control and/or discharge valves in response to transient conditions. Prior opportunities to identify this failure mode included:

- In October 1997, the safety function of the minimum flow recirculation valves was considered in response to Condition Report 97-3363.

- In March 1997, the licensee identified a failure mode of the auxiliary feedwater system due to the loss of instrument air.

- In February 1989, the licensee completed a design verification in response to Generic Letter 88-14, which requested that the licensee perform a design verification of the instrument air system, including an analysis of component failure positions. The design verification was not adequate to identify the system deficiency.

As of November 29, 2001, activities affecting quality were not prescribed by documented instructions, procedures, or drawings, of a type appropriate to the circumstances. Specifically, procedures EOP-0.1 Unit 1, "Reactor Trip Response," revision 24, and EOP-0.1 Unit 2, "Reactor Trip Response," revision 23, did not provide adequate operator instructions to verify that the recirculation valves were open while controlling AFW flow upon low instrument air header pressure. Low header pressure would cause the recirculation valves to fail closed.

This violation is associated with a red SDP finding.

[1]Pursuant to the provisions of 10 CFR 2.201, (name of licensee) 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 ____, 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" 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 Publicly Available Records (PARS) component of NRC's document system (ADAMS), 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. ADAMS is accessible from the NRC Web site at http://www.nrc.gov/reading-rm.html

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[1] For violations where the region has determined that no response is required, the following paragraph may be substituted:

> The NRC has concluded that information regarding the reason for the violation, [if more than one violation, specify which violation or violations] the corrective actions taken and planned to correct the violation and prevent recurrence and the date when full compliance will be (was) achieved is already adequately addressed on the docket in [indicate correspondence, e.g., Inspection Report No. XX-XXX/YY-NN, LER YY-NNN, or letter from Licensee] dated _____. However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation," and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555 with a copy to the Regional Administrator, Region __, 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).

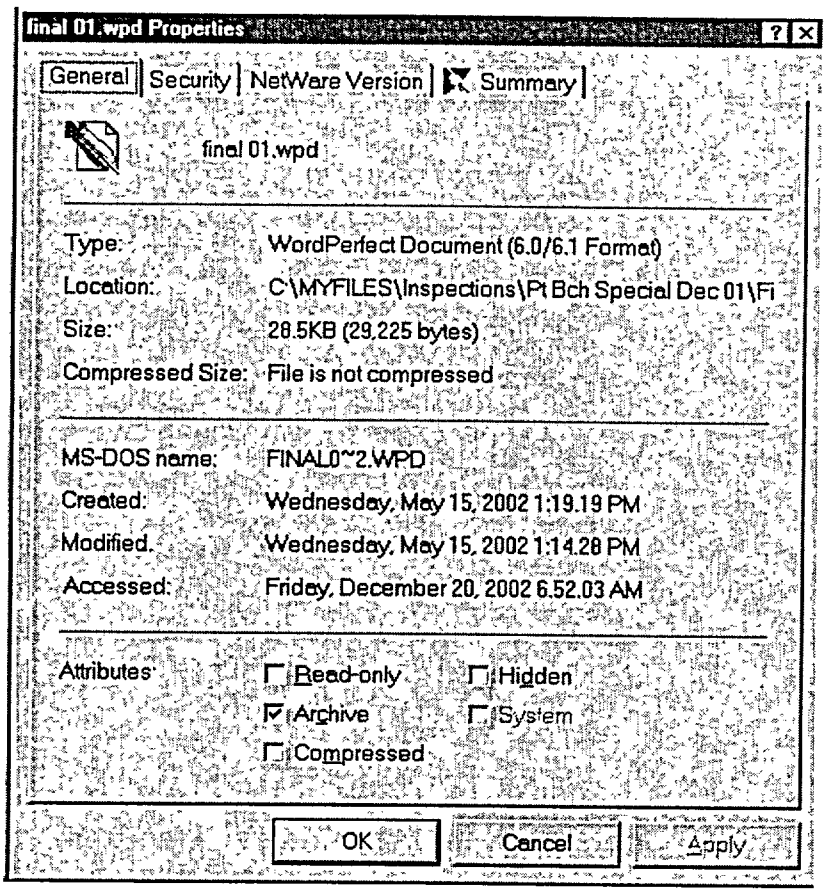
If this option is used, substitute the following for the last paragraph of this NOV:

> If you choose to respond, your response will be made 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/NRC/ADAMS/index.html (the Public Electronic Reading Room). Therefore, to the extent possible, the response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

(the Public Electronic Reading Room). 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 (Month) 20(XX)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Archive
System
Compressed
OK
Cancel
Apply