

III R

**From:** Justine Burza R-III  
**To:** Cynthia Carpenter; Mark Satorius NRP  
**Date:** Mon, Jun 17, 2002 10:56 AM  
**Subject:** Point Beach Cover Letter

Attached please find the Cover Letter Only for the Point Beach Red finding. Please review, comment , and concur to Roger Lanksbury.

Thank you

**CC:** Roger Lanksbury

H/15  
~~XXXXXXXXXX~~

EA-02-031

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

SUBJECT: POINT BEACH NUCLEAR PLANT FINAL SIGNIFICANCE  
DETERMINATION FOR A RED FINDING AND NOTICE OF VIOLATION  
NRC INSPECTION REPORT NO. 50-266/01-17(DRS); 50-301/01-17(DRS)

Dear Mr. Warner:

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 finding and detailed your staff's corrective actions, including the root cause evaluations. We recognize that your staff identified the issue and took prompt corrective actions to revise procedures and train operators to address the immediate safety concerns associated with the issue. Additionally, your staff installed backup pneumatic supplies for the recirculation valves to improve the safety of the auxiliary feedwater system design. During the meeting, your staff also accepted the assessment of the risk significance associated with the finding and the violation of 10 CFR Part 50, Appendix B, Criterion V, "Instructions, Procedures, and Drawings." However, your staff disagreed with the violation of 10 CFR Part 50, Appendix B, Criterion XVI, "Corrective Action." Additionally, your staff believed that the finding should be treated as an old design issue as specified in Manual Chapter (MC) 0305, "Operating Reactor Assessment Program," and that there is no need for additional inspection per your staff's understanding of the MC 0305 guidance.

M. Warner

-2-

After considering the information developed during the inspection and the information your staff 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 may 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. Although failure modes and effects analysis is a valuable engineering tool, it was not required to identify the auxiliary feedwater system vulnerability. We note that the evaluations performed in response to Generic Letter 88-14, "Instrument Air Supply Problems Affecting Safety Related Equipment," should reasonably 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 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 recirculation valve function in the context of operational requirements such as operator response to plant conditions. As such, the NRC has determined that the potential common mode failure of auxiliary feedwater pumps is a violation of 10 CFR Part 50, Appendix B, Criteria V and XVI, 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 Red finding. You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response.

We agree with your staff's view that it is appropriate to treat the issue as an old design issue as described in MC 0305. We recognize that although opportunities existed to identify the issue a number of years ago, those opportunities would have required substantially more than routine effort to fully identify the issue. Moreover, the failures to identify the issue in the 1997 time frame and earlier are not considered indicative of current performance. However, we believe that additional inspection is warranted to evaluate the corrective actions taken to date by your staff and to evaluate your assessment that your corrective action program would appropriately resolve similar issues if entered in it today. Additionally, we believe it would be beneficial to review your plans to continue the initiative to update the Point Beach Nuclear Plant Probabilistic Risk Assessment so that other potential risk significant issues may be identified if they exist. Our supplemental inspection effort will be limited in scope in recognition of your identification of the issue and inspections already performed. We will inform you, by separate correspondence, of our plans for this supplemental inspection.

M. Warner

-3-

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/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

Sincerely,

J. E. Dyer  
Regional Administrator

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

Enclosures:   1. Notice of Violation  
                  2. NRC April 29, 2002 Regulatory Conference Slides  
                  3. NMC April 29, 2002 Regulatory Conference Slides  
                  4. NMC Photograph of Recirculation Valve  
                  5. NMC April 29, 2002 Regulatory Conference Timeline

cc w/encls:   R. Grigg, President and Chief  
                  Operating Officer, WEPCo  
                  R. Anderson, Executive Vice President  
                  and Chief Nuclear Officer  
                  T. Webb, Licensing Manager  
                  D. Weaver, Nuclear Asset Manager  
                  T. Taylor, Plant Manager  
                  A. Cayia, Site Director  
                  J. O'Neill, Jr., Shaw, Pittman,  
                  Potts & Trowbridge  
                  K. Duveneck, Town Chairman  
                  Town of Two Creeks  
                  D. Graham, Director  
                  Bureau of Field Operations  
                  A. Bie, Chairperson, Wisconsin  
                  Public Service Commission  
                  S. Jenkins, Electric Division  
                  Wisconsin Public Service Commission  
                  State Liaison Officer