

May 23, 2003

EA-03-053

Mr. John T. Conway
Vice President Nine Mile Point
Nine Mile Point Nuclear Station, LLC
P.O. Box 63
Lycoming, NY 13093

SUBJECT: NINE MILE POINT NUCLEAR STATION - NRC SPECIAL INSPECTION
REPORT 50-220/03-003 - FINAL SIGNIFICANCE DETERMINATION FOR A
WHITE FINDING AND NOTICE OF VIOLATION

Dear Mr. Conway:

The purpose of this letter is to provide you with the final results of our significance determination of the preliminary white finding identified in the subject inspection report dated April 15, 2003. This inspection finding was assessed using the significance determination process and was preliminarily characterized as white, i.e., a finding with low to moderate importance to safety, which may require additional NRC inspections. This white finding involved a failure to identify the cause, and to take appropriate corrective actions, to preclude repetitive leaks over the past several years in the Unit 1 reactor building closed loop cooling (RBCLC) system because of significantly degraded piping. As a result of this performance deficiency, degradation of certain sections of RBCLC piping continued until mid-December 2002, at which time you determined the cause and extent of condition of this significant condition adverse to quality, and implemented appropriate corrective actions to prevent repetition.

In a telephone conversation with Mr. James Trapp of NRC, Region I, on April 29, 2003, Ms. Denise Wolniak of your staff indicated that Nine Mile Point Nuclear Station, LLC, did not contest the characterization of the risk significance of this finding, declined an opportunity to discuss this finding in a Regulatory Conference and would not be providing a written response prior to issuance of this Final Significance Determination.

After considering the information developed during the inspection, the NRC has concluded that the inspection finding is appropriately characterized as white, i.e., a finding with low to moderate 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 this failure to identify the cause, and to take appropriate corrective actions, to preclude repetitive leaks in the Unit 1 RBCLC system is a violation of 10 CFR 50, Appendix B, Criterion XVI, as cited in the enclosed Notice of Violation (Notice). The circumstances surrounding the violation were 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 finding 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. 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 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 Website at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If you have any questions please contact Mr. James Trapp of my staff at 610-337-5186.

Sincerely,

/RA/ James T. Wiggins Acting For

Hubert J. Miller
Regional Administrator

Enclosure: Notice of Violation

Docket No. 50-220
License No. DPR-63

cc w/encl:

M. J. Wallace, President, Nine Mile Point Nuclear Station, LLC
M. Wetterhahn, Esquire, Winston and Strawn
J. M. Petro, Jr., Esquire, Counsel, Constellation Power Source, Inc.
P. D. Eddy, Electric Division, NYS Department of Public Service
C. Donaldson, Esquire, Assistant Attorney General, New York Department of Law
J. V. Vinquist, MATS, Inc.
P. Smith, Acting President, New York State Energy Research and Development Authority
Supervisor, Town of Scriba
C. Adrienne Rhodes, Chairman and Executive Director, State Consumer Protection Board
T. Judson, Central NY Citizens Awareness Network

Mr. J. T. Conway

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* per D. Starkey, OE

NOTICE OF VIOLATION

Nine Mile Point Nuclear Station, LLC
Nine Mile Point Nuclear Station, Unit 1

Docket No.: Docket No. 50-220
License No.: DPR-63
EA-03-053

During an NRC inspection conducted between February 10, 2003 - March 7, 2003, the results of which were discussed at an exit meeting on March 7, 2003, 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:

Title 10 to 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 action taken to preclude repetition.

Contrary to the above, when significant conditions adverse to quality occurred involving degraded reactor building closed loop cooling (RBCLC) system piping, the licensee did not determine the cause of the condition and failed to take appropriate corrective actions to preclude repetition. Specifically, the cause of substantial leaks in the Unit 1 RBCLC system on December 5, 2002, and on May 15, 2002, and numerous leaks prior to May 2002, was not determined, and as a result, corrective actions that were implemented at those times were not effective in precluding repetitive leaks. It was not until another substantial leak occurred on December 12, 2002, that the licensee determined the cause of this significant condition adverse to quality to be notable and widespread wall thinning attributed to a combination of general corrosion, flow-assisted corrosion, and galvanic corrosion, and implemented appropriate corrective actions to preclude repetition.

This violation is associated with a White Significance Determination Process finding.

Pursuant to the provisions of 10 CFR 2.201, Nine Mile Point Nuclear Station, 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 I, 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-03-053" and should include for the violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (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/adams.html> (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 23rd day of May 2003