

June 12, 1998

EA 98-248

Mr. Walter G. MacFarland IV  
Senior Vice President  
Clinton Power Station  
Illinois Power Company  
Mail Code V-275  
P. O. Box 678  
Clinton, IL 61727

**SUBJECT: NRC INSPECTION REPORT NO. 50-461/98005(DRS) AND EXERCISE OF ENFORCEMENT DISCRETION**

Dear Mr. MacFarland:

On April 14, 1998, the NRC completed an inspection of your implementation of 10 CFR 50.65, "Requirements for Monitoring the Effectiveness of Maintenance at Nuclear Power Plants," (the maintenance rule) at the Clinton Power Station. The enclosed report presents the results of that inspection.

The Clinton Power Station program for implementing the requirements of the maintenance rule was based on the guidance provided in NUMARC 93-01, "Industry Guideline for Monitoring the Effectiveness of Maintenance at Nuclear Power Plants," dated April 1996, which was endorsed in Regulatory Guide 1.160, "Monitoring the Effectiveness of Maintenance at Nuclear Power Plants," dated March 1997.

Based on the inspection, we concluded that the maintenance rule program at Clinton Power Station did not meet regulatory requirements because of ineffective management oversight during the development and implementation of this program. Due to the extent of the deficiencies, we considered this a programmatic breakdown in implementation of the maintenance rule. There were four areas where deficiencies were noted: (1) required structures, systems, or components were not included within scope; (2) the criteria established to demonstrate the effectiveness of preventative maintenance for certain structures, systems or components were inadequate; (3) goals and corrective actions plans were not established; and (4) performance criteria and goals were not effectively monitored. These deficiencies were self-identified during an October 1997 Quality Assurance audit and subsequent improvement program, and in most of the areas, adequate corrective actions were planned to address the deficiencies. However, a significant portion of the recently approved reliability criteria were still inappropriate, and a majority of the performance criteria was yet to be approved. In addition, although also identified as a concern in the October 1997 audit, the process for assessing risk for taking equipment out-of-service was not addressed until after Clinton's loss of shutdown cooling event in February 1998. Except for the recently revised procedure for risk assessment during Mode 4 evolutions, procedural guidance for this aspect was inadequate.

9806170079 980612  
PDR ADOCK 05000461  
G PDR

1E-D1

Based on the results of this inspection, the NRC has determined that violations of NRC requirements occurred. Individually and collectively the violations are of regulatory concern because the programs and processes in place failed to assure that the maintenance rule program was adequate and properly implemented.

However, I have been authorized, after consultation with the Director, Office of Enforcement, and the Regional Administrator, to exercise enforcement discretion in accordance with Section VII.B.6, "Violations Involving Special Circumstances," of NUREG 1600, "General Statement of Policy and Procedures for NRC Enforcement Actions (Enforcement Policy)," and not issue a Notice of Violation in this case. The decision to apply enforcement discretion was based on consideration of the following: (1) significant NRC enforcement action (EA 97-412) was taken against the Illinois Power Company; (2) the violations were related to management oversight problems which were present prior to the events leading to the shutdown; (3) the violations were not classified at a severity level higher than Severity Level II; (4) the violations were not willful; (5) the violations were licensee-identified as a result of a comprehensive Quality Assurance audit; and (6) actions as reflected in the NRC's September 26, 1997, Demand for Information (EA 97-435) effectively prevents Illinois Power Company from restarting Clinton Power Station without NRC approval. The NRC must emphasize that failure to achieve effective performance improvement would lead to more significant regulatory sanctions.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, the enclosure, and your response to this letter will be placed in the NRC Public Document Room.

Sincerely,

s/J.A. Grobe

John A. Grobe, Director  
Division of Reactor Safety

Docket No.: 50-461  
License No.: NPF-62

Enclosure: Inspection Report 50-461/98005(DRS)

See Attached Distribution

DOCUMENT NAME: G:\DRS\CLI98005.DRS

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy

OFFICE	RIII	E	RIII	N	RIII	RIII
NAME	Dunlop:sd <i>sd</i>		Gavula <i>AG</i>		Kozak <i>Kozak</i>	Grobe <i>AG</i>
DATE	06/4/98		06/4/98		06/4/98	06/4/98

OFFICIAL RECORD COPY

cc w/encl: G. Hunger, Station Manager  
R. Phares, Manager, Nuclear Safety  
and Performance Improvement  
J. Sipek, Director - Licensing  
Nathan Schloss, Economist  
Office of the Attorney General  
G. Stramback, Regulatory Licensing  
Services Project Manager  
General Electric Company  
Chairman, DeWitt County Board  
State Liaison Officer  
Chairman, Illinois Commerce Commission

Distribution:

J. Goldberg, OGC w/encl  
J. Lieberman, OE w/encl  
B. Boger, NRR w/encl  
Project Mgr., NRR w/encl  
C. Paperiello w/encl  
J. Caldwell w/encl  
B. Clayton w/encl  
SRI Clinton w/encl  
DRP w/encl  
TSS w/encl  
DRS w/encl  
RIII PRR w/encl  
PUBLIC IE-01 w/encl  
Docket File w/encl  
GREENS  
IEO (E-Mail)  
DOCDESK (E-Mail)

## TABLE OF CONTENTS

Executive Summary .....	2
I. Operations	
O4 Operator Knowledge and Performance .....	4
O4.1 Operator Knowledge of Maintenance Rule .....	4
II. Maintenance	
M1 Conduct of Maintenance (62706) .....	5
M1.1 SSCs Included Within the Scope of the Rule .....	5
M1.2 Safety (Risk) Determination, Risk Ranking, and Expert Panel .....	6
M1.3 (a)(3) Periodic Evaluations .....	9
M1.4 (a)(3) Balancing Reliability and Unavailability .....	10
M1.5 (a)(3) On-line Maintenance Risk Assessments .....	10
M1.6 (a)(1) Goal Setting and Monitoring and (a)(2) Preventive Maintenance .....	12
M1.7 Use of Industry-wide Operating Experience .....	18
M2 Maintenance and Material Condition of Facilities and Equipment .....	19
M2.1 General System Review .....	19
M2.2 Material Condition .....	22
M7 Quality Assurance in Maintenance Activities (40500) .....	23
M7.1 Licensee Self-Assessments of the Maintenance Rule Program .....	23
III. Engineering	
E4 Engineering Staff Knowledge and Performance (62706) .....	23
E4.1 Engineer's Knowledge of the Maintenance Rule .....	23
V. Management Meetings	
X1 Exit Meeting Summary .....	24
Partial List of Persons Contacted .....	25
List of Inspection Procedures Used .....	25
List of Items Opened, Closed and Discussed .....	25
List of Acronyms Used .....	26
List of Documents Reviewed .....	27