



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005

EA-03-016

Jeffrey S. Forbes, Site Vice President
Arkansas Nuclear One
Entergy Operations, Inc.
1448 S.R. 333
Russellville, AR 72801-0967

**SUBJECT: ARKANSAS NUCLEAR ONE, UNIT 1 - FINAL SIGNIFICANCE
DETERMINATION FOR A WHITE FINDING AND NOTICE OF VIOLATION
(NRC INSPECTION REPORT NO. 50-313/01-06;368/01-06)**

Dear Mr. Forbes:

The purpose of this letter is to provide you with the final results of our significance determination for a finding that was identified during the triennial fire protection inspection in June 2001. Since completing the inspection, we have been corresponding with your management and staff in order to properly evaluate the compliance and significance aspects of this finding. Upon identification by the NRC, Arkansas Nuclear One staff promptly established and maintained compensatory measures in all fire zones affected by the finding; therefore, the NRC had no immediate safety concern involving this finding.

The finding involves your use of operator manual actions for achieving and maintaining hot shutdown conditions in the event of a fire in Fire Zones 98J (Unit 1 diesel generator corridor) and 99M (north electrical switchgear room), and is described in the subject inspection report, dated August 20, 2001, as unresolved item 50-313;368/0106-02. The finding was unresolved pending further NRC review to determine if your safe shutdown methodology for Fire Zones 99M and 98J met NRC regulations. In an exit meeting conducted on August 30, 2001, the NRC informed Arkansas Nuclear One management and staff that the existing configurations in Fire Zones 98J and 99M did not meet to the requirements of 10 CFR Part 50, Appendix R, Section III.G.2. However, the issue remained unresolved pending the completion of the NRC's significance determination.

In a letter dated September 28, 2001, Arkansas Nuclear One management claimed that NRC's position was a backfit. In a letter dated April 15, 2002, the NRC provided Arkansas Nuclear One management with the results of a backfit review, which concluded that for Fire Zones 98J and 99M, Arkansas Nuclear One management and staff had implemented a fire protection strategy that did not meet 10 CFR Part 50, Appendix R, Section III.G.2. Specifically, in lieu of ensuring that redundant trains of equipment and cables necessary for achieving hot shutdown were free of fire damage in the event of a fire (as required by Section III.G.2), Arkansas Nuclear One staff credited local remote operator actions for mitigating the effects of fire damage. Furthermore, the NRC believed that your staff's strategy and procedures (existing at the time of the inspection) for using manual actions were not adequate to ensure the plant could be safely

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shut down in the event of a fire in either of these fire zones. In the April 15, 2002, letter we re-characterized the finding as an apparent violation pending determination of its significance.

The NRC assessed the finding using a Phase 3 significance determination process, and preliminarily determined that the finding had a significance of greater than very low (greater than green). The bases for and the process used in reaching this preliminary significance was discussed in our letter to Mr. Craig G. Anderson, Vice President, Operations, Arkansas Nuclear One, dated March 25, 2003. At Arkansas Nuclear One management's request, we conducted a regulatory conference on July 10, 2003. During this conference, Arkansas Nuclear One management and staff provided the results of a fire model analysis and an assessment of the significance of the finding. Subsequent to the regulatory conference, we requested additional information from Arkansas Nuclear One staff, which was provided to us in letters dated August 11, 2003, and November 21, 2003. In our final assessment of the significance of this finding, we considered the additional information provided to us at the regulatory conference and in those letters.

Based on extensive review of the significance of this finding as described above, the NRC has concluded that the finding has low to moderate increased importance to safety (white). A detailed discussion of the basis for the final significance determination is provided in our March 23, 2003, letter and in Enclosure 2 to this letter. This review was performed in accordance with NRC's program for overseeing the safe operation of commercial nuclear power reactors, described in NUREG-1649, "Reactor Oversight Process," Revision 3, dated July 2000 and in accordance with Inspection Manual Chapter 0609, "Significance Determination Process." You have 30 calendar days from the date of this letter to appeal the NRC staff's final 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.

In addition, the NRC has determined that this finding is a violation of 10 CFR Part 50, Section III.G.2. The violation is cited in the enclosed Notice of Violation (Enclosure 1). The circumstances surrounding the violation were described in detail in the subject inspection report and in our letter to Mr. Craig G. Anderson, Vice President, Operations, dated April 15, 2002. 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.

