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 an inspection finding that was identified in June, 2001, in our triennial fire inspection report. The finding involved your fire protection strategy for manual operator actions to achieve and maintain shutdown conditions, if there is a fire that damages equipment in Fire Zones 98J (Unit 1 diesel generator corridor) and 99M (Unit 1 north electrical switchgear room). We note that your staff promptly established and maintained appropriate compensatory measures in these rooms and other areas affected by the noncompliance. This preliminary greater than green finding was first identified in the subject inspection report, dated August 20, 2001, as unresolved item 50-313;368/0106-02. Since 2001, we have been corresponding with you and evaluating the validity and significance of the finding.

Your staff initially questioned whether the proposed violation was a backfit and we evaluated that issue. In a letter dated April 15, 2002, we provided Arkansas Nuclear One management with the results of our backfit panel, which determined that for Fire Zones 98J and 99M, Arkansas Nuclear One 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. For these fire zones, the NRC had not approved the use of manual actions for complying with 10 CFR Part 50, Appendix R, Section III.G.2. Furthermore, 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 shutdown 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.

Information in this record was deleted
in accordance with the Freedom of Information
Act, exemptions 5
FOIA- 2004-277

As a part of the escalated enforcement action process, your staff questioned our significance determination and we evaluated that issue. With respect to significance, the NRC has concluded that the finding has low to moderate increased importance to safety (white).

We have not changed or si since our original position described in the subject inspection report, The finding was subsequently assessed using a Phase III significance determination process, and was preliminarily determined to have a significance of greater than very low (greater than green). The bases for and the process used in reaching this preliminary significance determination was described 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 which indicated the extent of fire damage that could occur in the event of a fire in the fire zones affected by the finding. In addition, Arkansas Nuclear One management and staff presented their 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 risk significance of this finding, we considered the additional information provided to us at the regulatory conference and in these letters.

A detailed discussion of the basis for this conclusion is presented in Enclosure 2. You have 30 calendar days from the date of this letter to appeal the NRC 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.

In addition, the NRC has determined that this finding is also a violation of 10 CFR Part 50, Section III.G.2, and 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.

[redacted]

Your potential options for long term action for this matter may include: (1) implementing plant modifications to restore compliance with 10 CFR Part 50, Appendix R, Section III.G.2 or Section

III.G.3; or (2) requesting an exemption to 10 CFR Part 50, Appendix R, Section III.G.2, which includes justification adequate for the NRC to reach a safety conclusion on the exemption request.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice of Violation when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

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 finding. We will notify you, by separate correspondence, of that determination.

In accordance with 10 CFR 2.390 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