

FOLLOW UP ALLEGATION ACTION PLAN

AMS No. RIII-01-A-0174

Licensee: Exelon
Docket/License No: 07200037
Assigned Division/Branch: MEB, DRS/ DB, DNMS

Allegation Review Board Membership: Chairman Grant Pederson/ Grobe

Paul/Berson/Heller/Kock/Clayton Dapas/ Caniano/ Reynolds

Jacobson, DRS
Bjorgensen, DNMS
P. Reike

GENERIC CONCERNS: If Yes Explain:

DISCUSSION OF SAFETY SIGNIFICANCE: No immediate threat to public health and safety

OI ACCEPTANCE: YES NO (Priority: HIGH NORMAL LOW)

OI Accept Concern(s) No(s). Signature of Accepting OI Official:
Basis for OI Priority:

ARB MINUTES PROVIDED Dyer/Paul/Jacobson/Jorgensen

STATUS LETTER: PRINT IN FINAL X REVISE N/A Inform Ci of
clarifications on concerns and acknowledge new concerns. Clarify concerns 1, 2 of RIII-2001-A-0174
and inform CI of concern 4 and 5 in RIII-2001-A-0174.

REFERRAL LETTER: A. Licensee YES X NO Concern
2,3,4,5,6,9,11,12. Reprint referral letter previously
drafted for RIII-2002-A-0005 and provided to
JHeller.
B. State of YES NO
C. DOE YES NO

Table with 4 columns: date received, due date of ACK Ltr, date -120 days old, date -180 days old, due date of 1st ARB, date -90 days old, date -150 day old, date -365 days old, projected date for the 5 yr statute of limitation.

COMMENTS: THE CI DID NOT OBJECT TO RELEASE OF ID OR REFERRAL OF THE CONCERNS

Allegation Review Board Chairman Date 4/8/02

Handwritten marks: 17, C-4

COMPLETE LISTING OF CONCERNS IN RIII-2001-A-0174 and RIII-2002-A-0005

RIII-2001-A-0174

concern1 (previously identified by DNMS and referred to OI). The CI stated that s/he was the subject of discrimination for raising safety concerns, including issues identified during a vendor audit at G-E and in follow-up audits, and issues identified in a NUPIC audit of U S Tool & Die (a subcontractor manufacturing spent fuel cask components); in addition, discrimination was based in part on the licensee's belief the CI had reported dry cask issues to the NRC. The CI provided the following examples:

(A) The CI was demoted and then placed in a position that led to the CI's termination on October 30, 2001

(B) The CI claims that XXXX interfered with the CI's potential promotion to a manager/director

(C)-The CI claimed s/he was lowered from an "a" to "B" rating from 1998-2000.

(D) -The CI claims that YYY did not nominate the CI for two positions s/he had requested during the merger

(E) The CI was concerned that an individual on the followup audit regarding the August 1997 findings at GENE was pressured (implied threats) not to find serious issues. For example, (a) YYY told the CI that his boss was very concerned that if the CI found more issues, the supply organization would be dismantled, and (b) the power uprate manager at Lasalle ,AAA, asked the CI why s/he was going to GENE when the CI was preparing for the follow.

Assigned division/branch: OI. DNMS/DB to review OI documents.

Concern 2 (concern 2 in 03/12/02 memo from MEB to EICS; previously identified by DNMS and ARB'd on 11/19/01): Exelon violated federal quality assurance program codes in 1998 when it transferred the Supply Evaluation Services (SES) Group from the Nuclear Oversight Department (a QA department) to the Supply Management Department. If substantiated, this would constitute a violation of 10 CFR Part 50, Appendix B, Criterion I, "Organization," in that the SES group would no longer have the organizational freedom to be sufficiently independent from cost and schedule in order to effectively perform its quality assurance functions.

Assigned division/branch: DNMS/DB

Concern 3: The CI has requested protection from the NRC against the disciplinary action against the CI for raising safety issues.

Assigned Division/Branch: DNMS/DB. This concern will be closed in the next status letter to the CI.

Concern 4 (concern 4 in 03/19/02 memo to EICS from DB. This is a new concern): Wide-ranging welding deficiencies existed in spent fuel storage casks manufactured by Holtec and its sub-contractors sufficient to demonstrate that there were and are fundamental flaws in the casks, and the casks are components to which 10CFR Part 21 applies; however, neither Holtec nor Exelon made a required Part 21 report.

Assigned Division/Branch; DNMS/DB.

Concern 5 (concern 5 in 03/19/02 memo from EICS from DB. This is a new concern): Holtec spent fuel storage casks were manufactured with materials from suppliers who were not approved bidders to supply materials for safety-related use; however these suppliers were never audited by Holtec or Exelon to establish product acceptability as required.

Assigned Division/branch: DNMS/DB

SENSITIVE ALLEGATION MATERIAL

RIII-2002-A-0005

Concern 1 (concern 3 in 03/12/02 memo from MEB to EICS, and 03/19/02 memo from DB to EICS; previously identified by DNMS : A spent-fuel storage-cask fabricator, US Tool & Die, violated Quality Assurance Program "Design Control" requirements, in that, they dispositioned manufacturing discrepancies as Use-As-Is, Repair, or Rework without authorization, or review and approval of the cask designer, Holtec International or Exelon.

***Assigned division/branch:* NMSS/SFPO. This concern was transferred to NMSS on 02/20/02. DNMS's review identified that the CI clarified that the issue involved Exelon as well as Holtec. This information will be referred to the SFPO.**

Concern 2 (concern 4 in MEB's 03/12/02 memo to EICS, previously identified by DNMS; a 02/04/02 ARB determined that the concern should be referred to DRS) : ComEd's Quality Assurance Program requirements were violated in November 1997, in that, the Stop-Work Order against GE Nuclear Energy was lifted without verifying that corrective actions had been implemented.

***Assigned Division/Branch:* DRS/MEB**

Concern 3 (concern 5 in MEB's 03/12/02 memo to EICS, previously identified by DNMS; a 02/04/02 ARB determined that the concern should be referred to DRS): ComEd's Quality Assurance Program requirements were violated from August 1997 through November 1997, in that, during the Stop-Work Order against GE Nuclear Energy, engineering services were obtained, but approximately 17 associated Procurement Plans were not performed. A specific example relates to an engineering evaluation by GE Nuclear Energy of a discrepancy in the minimum required pressure (800 psig versus 940 psig) for the Control Rod Drive Hydraulic Control Scram Accumulators at Dresden and Quad Cities.

***Assigned division/branch:* DRS/MEB.**

Concern 4 (concern 6 in MEB's 03/12/02 memo to EICS; previously identified by DNMS; a 02/04/02 ARB determined that the concern should be transferred to DRS) :Quality Assurance departments should not report to the president of Nuclear Generation,YYYY, because of his lack of independence from production.

***Assigned division/branch:* DRS/MEB.**

Concern 5 (Concern 7 in MEB's 03/12/02 memo to EICS; previously identified by DNMS; a 02/04/02 ARB determined that the concern should be transferred to DRS: The manager of Supplier Evaluation Services Group,ZZZ, is only concerned about keeping his job and not concerned about the quality of the QA audits his organization performs.

***Assigned Division/Branch:* DRS/MEB**

Concern 6 (Concern 8 in MEB's 03/12/02 memo to EICS and concern 1 in DB's 03/19/02 memo to EICS. A 02/04/02 ARB determined that the concern should be transferred to DRS): ComEd's Quality Assurance Program requirements were violated from November 1997 through May 1999, in that, GE Nuclear Energy never issued the required monthly status updates of their corrective actions related to findings that led to the August 1997 Stop-Work Order. Monthly updates were also not provided for open findings regarding Holtec in 2000.

Concern 7: Four employees (XXX,WWW,VVV,UUU) were discriminated against for supporting a QA "stop work."

***Assigned division/Branch:* DNMS/DB. This concern was closed in a 02/06/02 letter to the CI.**

SENSITIVE ALLEGATION MATERIAL

Concern 8 (concern 9 in MEB's 03/19/02 memo to EICS; previously identified by DNMS)
Adequate QA/QC oversight was not provided by the spent fuel storage cask design organization over the spent fuel storage cask fabricator, which resulted in indeterminate quality and structural integrity of the casks. A specific example indicated that the disposition of nonconformance conditions by the fabricator as "use-as-is," "rework," and "repair" violated the QA program design controls specified in 10 CFR 71 and 10 CFR 72, in that, acceptance of these nonconformances were equivalent to design changes which needed the design organization's approval.

Assigned division/Branch: NMSS/SFPO. This concern was transferred to SFPO on 02/20/02.

Concern 9 (concern 10 in MEB's 03/19/02 memo to EICS; previously identified by DNMS; A 02/04/02 ARB determined that the concern should be transferred to DRS) : The seismic qualification of certain valves and the associated piping systems is invalid because valve manufacturers assumed that the valves were rigid; however, this assumption had been shown to be incorrect for specific motor operated valves in the Generic Letter 89-10 program. This potentially affects the calculated natural frequencies of piping used in seismic analyses and would apply to all valves and valve types that were not included in the Generic Letter 89-10 program.

Assigned division/Branch: DRS/MEB

concern 10 (previously identified by DNMS): The licensee attempted to hide a report of an audit of U. S. Tool & Die from an NRC inspector who had requested a copy of the report to support the NRC inspection process.

Assigned division/Branch: DNMS/DB. This concern will be closed in the next status letter to the CI.

Concern 11 (concern 11 in MEB's 03/19/02 memo and concern 2 in DNMS's 03/12/02 memo; this is a new concern): ComEd did not investigate an issue from a Zion audit in August 1995 (SQV Audit File 22-95-05), to ensure that a similar issue did not apply to older vintage plants, such as Dresden and Quad Cities. The audit issue related to valves that were originally purchased as non-safety-related (or commercial grade), were upgraded to safety-related without performing any calculations, and were subsequently modified based on engineering judgment with no documentation. The modifications involved reduction in the thickness of the valve body or bonnet.

Assigned division/ Branch: DRS/MEB

Concern 12 (concern 12 in MEB's 03/12/02 memo; this is a new concern): ComEd's Quality Assurance Program requirements were violated, in that, ComEd did not perform "owner's reviews" of all design analyses provided by architect/engineers, NSSS vendors, etc. These ongoing reviews were required to address a 1998 Level 1 audit finding, which related to "control of purchased items, components, and services." This issue would also apply to the documents sent in by Holtec that dispositioned discrepancies for the dry-cask-storage project..

Assigned division/branch: DRS/MEB.

~~SENSITIVE ALLEGATION MATERIAL~~

AMS No. RIII-2002-A-0005

Each stated concern or NRC identified issue should be documented on a separate sheet. Each concern must be documented and written with enough detail to allow thorough follow up.

Concern No. 2 (RIII-2002-A-0005). ComEd's Quality Assurance Program requirements were violated in November 1997, in that, the Stop-Work Order against GE Nuclear Energy was lifted without verifying that corrective actions had been implemented.

Regulatory Basis: 10 CFR 50, Appendix B, Criterion VII

I. Action Evaluation: The following method of resolution is recommended (circle):

- XX A. Send to Licensee Requesting Response in 30 Days. (Describe the general areas we expect the licensee to address.)
- B. Priority RIII Follow up and Closure Memo to OAC.
- C. Follow up During Routine Inspection Within _____ Days and Closure Memo to OAC.
- D. Refer to OI. Recommended Priority: HIGH NORMAL LOW
Recommended Basis:
- E. Outside NRC's Jurisdiction. Describe Basis Below.
- F. Too General for Follow-up. Describe Basis Below.
- G. Other (specify) -

MEB recommends that this issue be forwarded to the licensee.

The licensee should be requested to identify what actions were taken to lift the Stop Work Order from GE in 1997.

Responsible for Action - EICS

II. Special Considerations/Instructions:

~~SENSITIVE ALLEGATION MATERIAL~~

AMS; RIII-2002-A-0005

Each stated concern or NRC identified issue should be documented on a separate sheet. Each concern must be documented and written with enough detail to allow thorough follow up.

Concern No. 3 (RIII-2002-A-0005). ComEd's Quality Assurance Program requirements were violated from August 1997 through November 1997, in that, during the Stop-Work Order against GE Nuclear Energy, engineering services were obtained, but approximately 17 associated Procurement Plans were not performed. A specific example relates to an engineering evaluation by GE Nuclear Energy of a discrepancy in the minimum required pressure (800 psig versus 940 psig) for the Control Rod Drive Hydraulic Control Scram Accumulators at Dresden and Quad Cities.

Regulatory Basis: 10 CFR 50, Appendix B, Criterion III

I. Action Evaluation: The following method of resolution is recommended (circle):

- XX A. Send to Licensee Requesting Response in 30 Days. (Describe the general areas we expect the licensee to address.)
- B. Priority RIII Follow up and Closure Memo to OAC.
- C. Follow up During Routine Inspection Within _____ Days and Closure Memo to OAC.
- D. Refer to OI. Recommended Priority: HIGH NORMAL LOW
Recommended Basis:
- E. Outside NRC's Jurisdiction. Describe Basis Below.
- F. Too General for Follow-up. Describe Basis Below.
- G. Other (specify) -

The licensee should identify what work products or services were obtained during the 1997 Stop-Work Order from GE Nuclear Energy, and for any identified, show what Procurement Plans were implemented and how they were accomplished.

Responsible for Action - EICS

II. Special Considerations/Instructions:

SENSITIVE ALLEGATION MATERIAL

AMS No. ; RIII-2002-A-0005

Each stated concern or NRC identified issue should be documented on a separate sheet. Each concern must be documented and written with enough detail to allow thorough follow up.

Concern No. 4 (RIII-2002-A-0005). Quality Assurance departments should not report to the president of Nuclear Generation, YYYY, because of his lack of independence from production.

Regulatory Basis: 10 CFR 50, Appendix B, Criterion I

I. Action Evaluation: The following method of resolution is recommended (circle):

- MS*
- A. Send to Licensee Requesting Response in 30 Days. (Describe the general areas we expect the licensee to address.)
 - B. Priority RIII Follow up and Closure Memo to OAC.
 - C. Follow up During Routine Inspection Within _____ Days and Closure Memo to OAC.
 - D. Refer to OI. Recommended Priority: HIGH NORMAL LOW
Recommended Basis:
 - E. Outside NRC's Jurisdiction. Describe Basis Below.
 - F. Too General for Follow-up. Describe Basis Below.
 - G. Other (specify) -

The licensee should explain why the organization, with QA reporting to Kingsley, provides independence from cost and schedule.

Responsible for Action - EICS

II. Special Considerations/Instructions:

⇒ MSB - check if this organization was approved. If so, inform the CI of MSB the justification. Also, inform the CI that QA reporting to president of Nuclear Generation is an accepted practice. Close the concern. MSB provide closure by ~~05/08/02~~ 05/08/02.
If ~~the~~ organizational structure was NOT approved, return.

~~SENSITIVE ALLEGATION MATERIAL~~

AMS No.-; RIII-2002-A-0005

Each stated concern or NRC identified issue should be documented on a separate sheet. Each concern must be documented and written with enough detail to allow thorough follow up.

Concern No. 5 (RIII-2002-A-0005). The manager of Supplier Evaluation Services Group, ZZZ, is only concerned about keeping his job and not concerned about the quality of the QA audits his organization performs.

Regulatory Basis:

I. Action Evaluation: The following method of resolution is recommended (circle):

- A. Send to Licensee Requesting Response in 30 Days. (Describe the general areas we expect the licensee to address.)
- B. Priority RIII Follow up and Closure Memo to OAC.
- C. Follow up During Routine Inspection Within _____ Days and Closure Memo to OAC.
- D. Refer to OI. Recommended Priority: HIGH NORMAL LOW
Recommended Basis:
- E. Outside NRC's Jurisdiction. Describe Basis Below.
- F. Too General for Follow-up. Describe Basis Below.
- G. Other (specify) -

Responsible for Action - EICS

II. Special Considerations/Instructions:

MSB - provide specifics to EICS regarding
DOE. 4/22/02.

SENSITIVE ALLEGATION MATERIAL

AMS No. RIII-2002-A-0005

Each stated concern or NRC identified issue should be documented on a separate sheet. Each concern must be documented and written with enough detail to allow thorough follow up.

Concern No. 6 (RIII-2002-A-0005). ComEd's Quality Assurance Program requirements were violated from November 1997 through May 1999, in that, GE Nuclear Energy never issued the required monthly status updates of their corrective actions related to findings that led to the August 1997 Stop-Work Order. Monthly updates were also not provided for open findings regarding Holtec in 2000.

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December

Regulatory Basis:

I. Action Evaluation: The following method of resolution is recommended (circle):

- XX
- A. Send to Licensee Requesting Response in 30 Days. (Describe the general areas we expect the licensee to address.)
 - B. Priority RIII Follow up and Closure Memo to OAC.
 - C. Follow up During Routine Inspection Within _____ Days and Closure Memo to OAC.
 - D. Refer to OI. Recommended Priority: HIGH NORMAL LOW
 - E. Outside NRC's Jurisdiction. Describe Basis Below.
 - F. Too General for Follow-up. Describe Basis Below.
 - G. Other (specify) -

The licensee should determine if monthly updates were issued as required by GE Nuclear Energy, and provide the bases for their conclusions.

↓
Holtec:

Responsible for Action - EICS

II. Special Considerations/Instructions:

EICS - A characterization of concern to reflect specific dates

SENSITIVE ALLEGATION MATERIAL

AMS No. RIII-2002-A-0005

Each stated concern or NRC identified issue should be documented on a separate sheet. Each concern must be documented and written with enough detail to allow thorough follow up.

Concern No. 9 (RIII-2002-A-0005). The seismic qualification of certain valves and the associated piping systems is invalid because valve manufacturers assumed that the valves were rigid; however, this assumption had been shown to be incorrect for specific motor operated valves in the Generic Letter 89-10 program. This potentially affects the calculated natural frequencies of piping used in seismic analyses and would apply to all valves and valve types that were not included in the Generic Letter 89-10 program.

Regulatory Basis: 1- CFR 50, Appendix B, Criterion III

I. Action Evaluation: The following method of resolution is recommended (circle):

- XX
- A. Send to Licensee Requesting Response in 30 Days. (Describe the general areas we expect the licensee to address.)
 - B. Priority RIII Follow up and Closure Memo to OAC.
 - C. Follow up During Routine Inspection Within _____ Days and Closure Memo to OAC.
 - D. Refer to OI. Recommended Priority: HIGH NORMAL LOW
Recommended Basis:
 - E. Outside NRC's Jurisdiction. Describe Basis Below.
 - F. Too General for Follow-up. Describe Basis Below.
 - G. Other (specify) -

The licensee should, for valves which were not included in the Generic Letter 89-10 program, determine if valves were not rigid as assumed in pipe stress analyses, and if so, determine the significance and consequences this would have relative to pipe stress and valve qualification.

Responsible for Action - EICS

II. Special Considerations/Instructions:

SENSITIVE ALLEGATION MATERIAL

AMS No. RIII-2002-A-0005

Each stated concern or NRC identified issue should be documented on a separate sheet. Each concern must be documented and written with enough detail to allow thorough follow up.

Concern No. 11 (RIII-2002-A-0005). ComEd did not investigate an issue from a Zion audit in August 1995 (SQV Audit File 22-95-05), to ensure that a similar issue did not apply to older vintage plants, such as Dresden and Quad Cities. The audit issue related to valves that were originally purchased as non-safety-related (or commercial grade), were upgraded to safety-related without performing any calculations, and were subsequently modified based on engineering judgment with no documentation. The modifications involved reduction in the thickness of the valve body or bonnet.

Regulatory Basis: 1- CFR 50, Appendix B, Criterion XVI

I. Action Evaluation: The following method of resolution is recommended (circle):

- OK
- XX A. Send to Licensee Requesting Response in 30 Days. (Describe the general areas we expect the licensee to address.)
- B. Priority RIII Follow up and Closure Memo to OAC.
- C. Follow up During Routine Inspection Within _____ Days and Closure Memo to OAC.
- D. Refer to OI. Recommended Priority: HIGH NORMAL LOW
Recommended Basis:
- E. Outside NRC's Jurisdiction. Describe Basis Below.
- F. Too General for Follow-up. Describe Basis Below.
- G. Other (specify) -

The licensee should identify the nature of the 1995 audit finding, and determine what actions were taken to ensure that this concern did not apply to other sites.

Responsible for Action - EICS

II. Special Considerations/Instructions:

SENSITIVE ALLEGATION MATERIAL

AMS No. RIII-2002-A-0005

Each stated concern or NRC identified issue should be documented on a separate sheet. Each concern must be documented and written with enough detail to allow thorough follow up.

Concern No. 12 (RIII-2002-A-0005). ComEd's Quality Assurance Program requirements were violated, in that, ComEd did not perform "owner's reviews" of all design analyses provided by architect/engineers, NSSS vendors, etc. These ongoing reviews were required to address a 1998 Level 1 audit finding, which related to "control of purchased items, components, and services." This issue would also apply to the documents sent in by Holtec that dispositioned discrepancies for the dry-cask-storage project.

Regulatory Basis: 1- CFR 50, Appendix B, Criterion XVI

I. Action Evaluation: The following method of resolution is recommended (circle):

- ~~XX~~ A. ~~Send to Licensee Requesting Response in 30 Days. (Describe the general areas we expect the licensee to address.)~~
- B. Priority RIII Follow up and Closure Memo to OAC.
- C. Follow up During Routine Inspection Within _____ Days and Closure Memo to OAC.
- D. Refer to OI. Recommended Priority: HIGH NORMAL LOW
Recommended Basis:
- E. Outside NRC's Jurisdiction. Describe Basis Below.
- F. Too General for Follow-up. Describe Basis Below.
- G. Other (specify) -

The licensee should identify the nature of the 1998 audit finding, identify the corrective actions that were taken to prevent repetition, and provide the bases for determining that these corrective actions were properly implemented and have been effective.

Responsible for Action - EICS

II. Special Considerations/Instructions:

*NEB provide specifics to EICS - due 04/22/02.
Then refer to licensee for response.*