

May 16, 2006

Mr. L. William Pearce
Vice President
FirstEnergy Nuclear Operating Company
Perry Nuclear Power Plant
10 Center Road, A290
Perry, OH 44081

SUBJECT: UPCOMING PERRY NUCLEAR POWER PLANT
CONFIRMATORY ACTION LETTER (CAL) FOLLOWUP INSPECTION
IP 95002 ISSUES EFFECTIVENESS REVIEW

Dear Mr. Pearce:

On July 17, 2006, the NRC will begin a review of your actions to address issues related to our previous IP 95002 inspection findings and observations at your Perry Nuclear Power Plant as part of our September 28, 2005, Confirmatory Action Letter followup inspection activities.

In particular, the inspection has the following objectives: (1) Determine whether your corrective actions to address maintenance procedure adequacy issues were effective, (2) Determine whether your corrective actions to address emergency service water (ESW) pump coupling assembly concerns were effective, and (3) Determine whether your corrective actions to address training deviations in stressful situations were effective.

In order to minimize the impact that the inspection has on the site and to ensure a productive inspection, we have enclosed a request for documents needed for the inspection. The documents should be ready for NRC review by June 26, 2006.

If there are any questions about the material requested, or the inspection in general, please call Eric Duncan at (630) 829-9628.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC

L. Pearce

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Sincerely,

/RA by G. Wright Acting for/

Eric R. Duncan, Chief
Branch 6
Division of Reactor Projects

Docket No. 50-440
License No. NPF-58

Enclosure: Request for Information Regarding CAL Followup Inspection
- IP 95002 Issues Action Item Effectiveness Review

cc w/encl: G. Leidich, President - FENOC
J. Hagan, Chief Operating Officer, FENOC
D. Pace, Senior Vice President Engineering and Services, FENOC
Director, Site Operations
Director, Regulatory Affairs
M. Wayland, Director, Maintenance Department
Manager, Regulatory Compliance
G. Halnon, Director, Performance Improvement
J. Shaw, Director, Engineering Department
D. Jenkins, Attorney, FirstEnergy
Public Utilities Commission of Ohio
Ohio State Liaison Officer
R. Owen, Ohio Department of Health

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Requested Information to Support

CAL Followup Inspection - IP 95002 Issues Action Item Effectiveness Review

Maintenance Procedure Adequacy - Background

Issues associated with adequacy of maintenance procedures directly contributed to the two open White findings in the Mitigating Systems cornerstone that resulted in Perry being categorized within the Multiple/Repetitive Degraded Cornerstone column of the NRC's Action Matrix.

To address maintenance procedure adequacy issues, commitments and actions items were identified in the Phase 2 PII. The following commitment was reviewed during the IP 95002 Issues - Action Item Implementation inspection:

- Commitment Item 1.a: "To date, one hundred eight (108) of the one hundred nineteen (119) procedures have been updated and issued. The remaining maintenance procedures have been updated and are currently going through the owner's review and acceptance review process."

During the IP 95002 Issues - Action Item Implementation inspection, the team determined that this commitment had been satisfactorily implemented. The team observed that the revisions to the initial set of 119 procedures had been completed and identified plans for additional revisions to these procedures, as needed. In addition, the team confirmed that revisions to several hundred additional maintenance procedures were planned, some of which had already been accomplished.

During this inspection, a determination of whether the actions implemented were effective is required.

In addition, during the IP 95002 Issues - Action Item Implementation inspection, the team reviewed the following Phase 2 DAMP item:

- DAMP Item B.2.2.5: "Based on the results of the maintenance procedure upgrade plan for key critical components, develop a long term Maintenance Procedure Upgrade Plan and incorporate actions into the FENOC Business Plan (05-04586-01)."

Following the IP 95002 Issues - Action Item Implementation inspection, the team confirmed that the FENOC and Perry Business Plans incorporated actions from the Perry Maintenance Procedure Upgrade Plan and provided the necessary resources to upgrade the remaining procedures.

During this inspection, a determination of whether the actions implemented to address this DAMP item were effective is required.

Maintenance Procedure Adequacy - Documentation Request

To determine the effectiveness of the corrective actions to address the area of Maintenance Procedure Adequacy, the following documents are requested:

- Provide three (3) copies of the list of the 119 maintenance procedures revised to address Commitment Item 1.a.
- Provide three (3) copies of the maintenance activity schedule for the time frame of the inspection, July 17 - July 28, 2006, and specifically highlight activities that are subject to the 119 revised maintenance procedures.
- Provide three (3) copies of a listing of maintenance activities completed after January 20, 2006, that were accomplished using the 119 revised maintenance procedures.
- Provide three (3) copies of a listing of the additional maintenance procedures that are scheduled to be revised and the current status of these revisions for each of the procedures.
- Provide three (3) copies of a listing of condition reports (CRs) generated after January 20, 2006, that identify procedure adequacy issues associated with the 119 revised maintenance procedures.
- Provide three (3) copies of a listing of CRs generated after January 20, 2006, that identify maintenance procedures issues concerning safety-related or risk-significant equipment.
- Provide three (3) copies of the closure documentation associated with DAMP Item B.2.2.5.1: "Evaluate the effectiveness of the maintenance procedure upgrade project for improvement in maintenance procedures. (05-01218-06)"
- Provide three (3) copies of the closure documentation associated with DAMP Item B.2.2.5: "Based on the results of the maintenance procedure upgrade plan for key critical components, develop a long term Maintenance Procedure Upgrade Plan and incorporate actions into the FENOC Business Plan (05-04586-01)."
- Provide three (3) copies of the Maintenance Procedure Upgrade Plan and the FENOC Business Plan.

ESW Pump Coupling Assembly Concerns - Background

Issues associated with the adequacy of maintenance procedures directly contributed to the White finding associated with ESW pump re-assembly. In addition, QC hold points had not been appropriately established for work activities associated with pump shaft couplings.

To address the maintenance procedure adequacy and QC hold point issues, the licensee identified commitments and action items in the Phase 2 PII. The following commitments and action item were reviewed during the IP 95002 Issues - Action Item Implementation inspection:

- Commitment Item 1.b: "CA 05-03655-01 is to revise Nuclear Quality Assurance Instruction (NQI)-1001, 'QC Inspection Program Control,' to specify a method by which classification can be established for additional inspection attention items that have experienced repeat failures. This method will include consideration of failure analysis, the risk-significance of the item, and the probability of failure occurrence in determining the extent of inspection activity."
- Commitment Item 1.c: "CA 05-03655-03 is to revise Generic Mechanical Instruction (GMI)-0039, 'Disassemble/Re-assembly of Divisions I and II Emergency Service Water Pumps,' and GMI-040, 'Disassembly/Re-assembly of Division III Emergency Service Water Pump,' to include QC inspection points for work activities associated with pump shaft couplings, as specified by QC."

Following the IP 95002 Issues - Action Item Implementation Review inspection, the team confirmed that the licensee implemented two major revisions to NQI-1001. The first revision was intended to satisfy the commitments to the NRC. The second revision was not only intended to satisfy the specify CAL commitments, but also to achieve fleet standardization. The team reviewed the most recent revision to NQI-1001 (Revision 5) to determine whether the revised version included additional inspection activities for items that experienced multiple failures.

The team concluded that NQI-1001, Revision 5, appropriately incorporated the consideration of failure history, risk significance, and failure probability in assigning QC inspection hold points. However, the team identified that the methods identified and in use did not take full advantage of all site programs, such as the maintenance rule program which collected pertinent component failure data.

The team also confirmed that the licensee had added appropriate QC hold points to the coupling reassembly sections of ESW pump rebuild procedures GMI-0039 and GMI-0040.

ESW Pump Coupling Assembly Concerns - Documentation Request

To determine the effectiveness of the corrective actions to address the area of ESW Pump Coupling Assembly Concerns, the following documents are requested:

- Provide three (3) copies of the closure documentation associated with DAMP Item B.2.2.3.2.1: "Perform an effectiveness review of the QC Inspection Point assignment program (05-03655-04)."
- Provide three (3) copies of NQI-1001, "QC Inspection Program Control."
- Provide three (3) copies of a listing of CRs generated after January 20, 2006, that addressed QC inspection point issues.

Training Deviations in Stressful Situations - Background

As discussed in the IP 95003 supplemental inspection report, the previous IP 95002 supplemental inspection report identified that barriers to prevent events were not always utilized in stressful situations. During the IP 95003 inspection, a finding was identified

when licensee personnel failed to correct, in a timely manner, the issue of operator deviation from training during stressful situations.

To address this issue, the licensee identified the following actions in their August 8 and August 17, 2005, letters that responded to the NRC's IP 95003 inspection report that were reviewed during the IP 95002 Issues - Action Item Implementation inspection:

- Review the corrective action of "...development of proper planning for work management to ensure strict compliance of job planning to eliminate misdirection during conduct of the job," described in Perry letter PY-CEI/NRR-2897L dated August 17, 2005.
- Review the corrective action of "...plant manager to discuss 'push back' in the daily plant updates. This discussion will promote a challenging attitude from the employees," described in Perry letter PY-CEI/NRR-2897L dated August 17, 2005.
- Review the corrective action of "...new human performance tools have been rolled out which reinforce use of human performance during stressful times. These tools are discussed in the following human performance procedures: (1) NOBP-LP-2601, 'Human Performance Program'; (2) NOBP-LP-2603, 'Human Performance Tools and Verification Practices'; (3) NOBP-LP-2604, 'Job Briefs'; and (4) NOP-LP-2601, 'Procedure Use and Adherence.'"

Following the IP 95002 Issues - Action Item Implementation inspection, the team confirmed that the licensee adequately implemented the actions identified above.

During this inspection, a determination of whether the actions implemented were effective is required.

Training Deviations in Stressful Situations - Documentation Request

To determine the effectiveness of the corrective actions to address the area of Training Deviations in Stressful Situations, the following documents are requested:

- Documentation such as root cause reports and apparent cause evaluations associated with plant events, including transients and emergency declarations, that have occurred after January 20, 2006, such as the February 11, 2006, 'B' Motor Control Center Switchgear and Miscellaneous Electrical Equipment Ventilation train fire.
- Condition Reports and other records, such as Daily Plant Updates, generated after January 20, 2006, that identifies cases in which plant staff have or have not "pushed back" during pre-job briefings, maintenance and surveillance activities, plant evolutions, and other plant events, when appropriate.