Nuclear Operating Company
South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

April 1, 2009
U7-C-STP-NRC-090017
10 CFR 2.201

U. S. Nuclear Regulatory Commission
Attention: Document Control Desk
One White Flint North
11555 Rockville Pike
Rockville MD 20852-2738

South Texas Project
Units 3 and 4
Docket Nos. 52-012 and 52-013
Reply to a Notice of Violation

Reference: Letter, J. A. Nakoski to M. A. McBurnett, "NRC Inspection Report Nos. 05200012/2009201 and 0500013/2009201 and Notice of Violation," dated March 2, 2009 (ML090560120)

The purpose of this letter is to submit a reply as required by the Notice of Violation (reference), which resulted from an NRC inspection conducted January 13-15, 2009, focused on assessing compliance with the provisions of selected portions of Appendix B to 10 CFR Part 50. South Texas Project Nuclear Operating Company (STPNOC) has reviewed the referenced letter and prepared replies to each of the four Severity Level IV violations, included in the attachments to this letter.

There are no commitments in this letter.

If you have any questions regarding this reply, please contact me at (361) 972-7136, or Bill Mookhoek at (361) 972-7274.

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NRO

STI 32443975

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 4/1/09

Scott Head
Manager, Regulatory Affairs
South Texas Project Units 3 & 4

Attachments:

1. Reply to Violations 05200012/2009201-01 and 05200013/2009201-01
2. Reply to Violations 05200012/2009201-02 and 05200013/2009201-02
3. Reply to Violations 05200012/2009201-03 and 05200013/2009201-03
4. Reply to Violations 05200012/2009201-04 and 05200013/2009201-04

cc: w/o attachment except* (paper copy)
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Reply to Violations 05200012/2009201-01 and 05200013/2009201-01

Statement of Violation

Criterion II, "Quality Assurance Program," of Appendix B to 10 CFR Part 50 states, in part, that the applicant shall establish at the earliest practicable time, consistent with the schedule for accomplishing the activities, a quality assurance (QA) program that complies with the requirements of this Appendix.

Criterion V, "Instructions, Procedures, and Drawings," of Appendix B to 10 CFR Part 50 states, in part, that activities affecting quality shall be prescribed by documented instructions, procedures, and drawings.

Criterion VI, "Document Control," of Appendix B to 10 CFR Part 50 states, in part, that measures shall be established to control the issuance of documents, such as instructions, procedures, and drawings.

Section 5.6, "QA Program Documents," of the South Texas Project Nuclear Operating Company (STPNOC) Operations Quality Assurance Plan (OQAP), Revision 18, dated February 1, 2008, states that the QA program shall be implemented with documented instructions, procedures, and drawings which include appropriate quantitative and qualitative acceptance criteria for determining that prescribed activities have been satisfactorily accomplished. To change these controls, the individual procedure must be changed and shall require the same level of review and approval given to the original procedure. Such instructions, procedures, and drawings are reviewed and approved for compliance with requirements appropriate to their safety significance by individuals qualified to do so.

Section 5.8, "Policies and Goals," of the STPNOC OQAP states that it is the responsibility of each organization supporting the STP to ensure that the requirements stated in the QA program are incorporated into procedures. Adherence to those procedures is mandatory for all STP organizations and contractors or vendors providing items or services covered by the QA program.

Contrary to the above, as of January 16, 2009, STPNOC QA program did not include a list of Unit 1 and 2 procedures that were found to be applicable for Units 3 and 4 COL activities. STPNOC had not been keeping a complete list of new Unit 3 and 4 procedures that had been issued to supersede Units 1 and 2 procedures. STPNOC failed to control and identify the procedures that had been implemented and/or developed for Unit 3 and 4 COL activities.

For example, in the area of Records Management and Document Control, STPNOC had implemented approved procedures U7-P-AD02-0001,"Units 3 & 4 Procedure Writer'sGuide," Revision 1, dated September 15, 2008, and U7-P-AD02-0002, "Units 3 & 4 Procedure Development, Review and Approval," Revision 1, dated September 15, 2008. These procedures referenced procedure U7-P-RM02-0001, "Units 3 & 4 Records Management and Document Control," Revision 0, dated January 13, 2009, for further guidance on the management of

controlled documents. However, STPNOC had not yet issued and implemented procedure U7-P-RM02-0001. The STP organization was using Units 1 and 2 procedures 0PGP07-ZA-0002 and 0PGP07-ZA-0018 for the document control and records management program instead. STPNOC failed to adequately reference the appropriate approved procedures for records management and document control.

This issue has been identified as Violations 05200012/2009201-01 and 05200013/2009201-01.

This is a Severity Level IV violation (Supplement VII).

Reason for the Violation

No procedural requirements were in place to ensure that the list of applicable procedures, including the STP 1 & 2 procedures in use at STP 3 & 4, was being properly maintained.

Corrective Steps that have been Taken to Restore Compliance

Policy U7-AD01-0004, "Units 3 & 4 Procedure Use and Adherence Policy" was written, establishing the list of Unit 1 & 2 procedures authorized for use in performing STP 3 & 4 activities.

Procedure U7-P-RM02-0001, "Units 3 & 4 Records Management and Document Control," was revised to identify the location of the list of applicable procedures for STP 3 & 4.

Corrective Steps that will be Taken to Prevent Recurrence

No additional corrective actions are required to prevent recurrence.

Date when Full Compliance will be Achieved

Full compliance has been achieved.

Reply to Violations 05200012/2009201-02 and 05200013/2009201-02

Statement of Violation

Criterion VI, "Document Control," of Appendix B to 10 CFR Part 50 states, in part, that measures shall be established to control the issuance of documents, such as instructions, procedures, and drawings, including changes thereto, which prescribe all activities affecting quality.

STP Procedure U7-P-AD02-0001 "Units 3 & 4 Procedure Writer's Guide" Revision 1, dated September 15, 2008, describes the methodology for the preparation of Units 3 & 4 procedures used during the phases of COL Application, construction, startup, testing and turnover. The procedure provides references to procedures U7-P-AD02-0002, "Units 3 & 4 Procedure Development, Review and Approval," Revision 1, dated September 15, 2008, and U7-P-RM02-0001, "Units 3 & 4 Records Management and Document Control," Revision 0, dated January 13, 2009, for further guidance on numbering, development, review and approval.

Contrary to the above, STP guidance on numbering is not maintained as a controlled document. Specifically, Procedure U7-P-AD02-0001, Section 4.1, "Procedure Numbering" states that each procedure is given a unique number issued from Records Management/Document Control (RMDC) and formatted per Procedure U7-P-AD02-0002. However, Procedure U7-P-AD02-0002, Section 4.1 indicates that RMDC will provide the number for new procedures. The numbering procedure or description is not available in either of the documents. There is a guidance document for numbering; however this guidance is not a controlled document.

These issues have been identified as Violations 05200012/2009201-02 and 05200013/2009201-02.

This is a Severity Level IV violation (Supplement VII).

Reason for the Violation

No procedural requirement was in place to ensure that procedure numbering was properly performed due to an error of omission.

Corrective Steps that have been Taken to Restore Compliance

Procedure U7-P-AD02-0002, "Units 3 & 4 Procedure Development, Review and Approval," was revised to include the STP 3 & 4 procedure numbering scheme, and a requirement was added stipulating that if a "controlled" procedure makes a transition statement to another procedure, the second procedure must also be a "controlled" procedure.

Corrective Steps that will be Taken to Prevent Recurrence

No additional corrective actions are required to prevent recurrence.

Date when Full Compliance will be Achieved

Full compliance has been achieved.

Reply to Violations 05200012/2009201-03 and 05200013/2009201-03

Statement of Violation

Criterion XVI, "Corrective Action" of Appendix B to 10 CFR Part 50 states that "measures shall be established to assure that conditions adverse to quality are promptly identified and corrected. In the case of significant conditions adverse to quality, the measures shall assure that the cause of the condition is determined and corrective action taken to preclude repetition. The identification of the significant condition adverse to quality, the cause of the condition, and the corrective action taken shall be documented and reported to appropriate levels of management."

Chapter 13 of the STP Operations Quality Assurance Program (OQAP) requires procedures to be developed for the control of items, services or activities which do not conform to established requirements and states that these procedures shall provide guidance for making notifications to responsible management. The OQAP also states that "For significant conditions adverse to quality, the cause of the condition and the corrective action taken to preclude repetition shall be documented and reported to appropriate levels of management."

Contrary to these requirements:

(1) STP Procedure Number U7-P-AD02-0003, "STP Units 3 & 4 Corrective Action and Tracking Program," Revision 0, dated November 20, 2008, does not include any instructions for notification of appropriate levels of management in the event that a significant condition adverse to quality is identified.

(2) Procedure U7-P-AD02-0003 requires that at least one corrective action be implemented to address the root cause of significant conditions adverse to quality. It does not specify, however, that the corrective action should be implemented to preclude repetition, as is required by Criterion XVI of Appendix B to 10 CFR Part 50.

These issues have been identified as Violations 05200012/2009201-03 and 05200013/2009201-03.

This is a Severity Level IV violation (Supplement VII).

Reason for the Violation

The lack of explicit procedural wording to ensure the requirements of Criterion XVI of Appendix B to 10 CFR 50 were met allowed both elements of this event to occur.

Corrective Steps that have been Taken to Restore Compliance

STP Procedure Number U7-P-AD02-0003, "ABWR Corrective Action Program," was revised to include the following requirements:

1. Procedural Step 4.2.2 was added requiring notification of the appropriate division manager in the event that a significant condition adverse to quality is identified.

2. Procedural Step 4.5.4 was revised to specifically state that "Corrective actions shall be developed to correct or eliminate the root cause(s) and preclude recurrence."

Corrective Steps that will be Taken to Prevent Recurrence

No additional corrective actions are required to prevent recurrence.

Date when Full Compliance will be Achieved

Full compliance has been achieved.

Reply to Violations 05200012/2009201-04 and 05200013/2009201-04

Statement of Violation

Criterion XVIII, "Audits" of Appendix B to 10 CFR Part 50 requires that a comprehensive system of planned and periodic audits be carried out to verify compliance with all aspects of the quality assurance program and to determine the effectiveness of the program and states that "Followup action, including reaudit of deficient areas, shall be taken where indicated."

STP Procedure U7-P-QP02-0003, "Units 3 & 4 Internal Audits," Revision 1, dated October 6, 2008 states that audit recommendations (conditions not adverse to quality) are "identified" in accordance with the corrective action and tracking program procedure, Procedure U7-P-AD02-0003, "Units 3 & 4 Corrective Action and Tracking Program," Revision 0, dated November 20, 2008. Procedure U7-P-AD02-0003 states that actions to resolve conditions not adverse to quality are entered on the actions form and closed by the condition owner. (i.e., the procedure directs the staff to open a CTR in the Action Tracking System.)

Contrary to this guidance, the NRC Inspection Team found that Quality Audit Report U7- A-08-004, issued November 25, 2008, which contains the results of the internal audit of STP Units 3 & 4 Regulatory Affairs (Licensing) identified two recommendations that were not entered into the Action Tracking System (ATS). Additionally, the STP audit staff had no documentation or record of the status of any corrective actions completed or underway to resolve the recommendations.

The NRC Inspection Team also noted that Procedure U7-P-QP02-0003 did not clearly describe the process for documenting audit recommendations. The only link that identifies the expectation is that Procedure U7-P-QP02-0003 identifies audit recommendations as being conditions not adverse to quality, and Procedure U7-PAD02- 0003 then provides directions for capturing conditions not adverse to quality in ATS.

These issues have been identified as Violations 05200012/2009201-04 and 05200013/2009201-04.

This is a Severity Level IV violation (Supplement VII).

Reason for the Violation

The cited recommendations were immediately addressed during the audit to the satisfaction of the audit team and the audit team agreed that no further response to the recommendations would be required. The lead auditor believed that the recommendations no longer met a "Condition" for entry into the corrective action program because the audit team indicated that the recommendations had been being adequately addressed.

Corrective Steps that have been Taken to Restore Compliance

The two recommendations were entered into the ABWR Corrective Action Program as a Condition Not Adverse to Quality (CR 09-861). Actions taken in response to the recommendations were documented and CR 09-861 closed.

Corrective Steps that have been Taken to Prevent Recurrence

QA Group training was conducted on March 2, 2009 reminding auditors of the Procedure U7-P-QP02-0003 requirements for documenting recommendations in the corrective action program.

Date when Full Compliance will be Achieved

Full compliance has been achieved.