

August 6, 2009
NND-09-0229



Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Attention: Document Control Desk

Subject: Virgil C. Summer Nuclear Station Units 2 and 3
Reply to NRC Inspection Report Nos. 05200027/2009-201 and
05200028/2009-201 and Notice of Violation

The U.S. Nuclear Regulatory Commission (NRC) issued inspection report numbers 05200027/2009-201 and 05200028/2009-201 and Notice of Violation dated July 15, 2009 as a result of the inspection conducted June 1 – 4, 2009 at Virgil C. Summer Nuclear Station, Units 2 and 3. The NRC inspection team reviewed the effectiveness of the implementation of Quality Assurance processes and procedures at New Nuclear Deployment (NND) related to activities associated with the COLA submitted on March 27, 2008. The NRC inspection team focused on NND compliance with the provisions of 10 CFR 21, 'Reporting of Defects and Noncompliance' and the applicable portions of 10 CFR 50 Appendix B, 'Quality Assurance Criteria for Nuclear Power Plants and Fuel Reprocessing Plants.'

The inspection report identified one severity level IV violation for the two new units of VCSNS. The violation resulted from the review of the implementation of the quality assurance program which found that certain program policies and implementation procedures were not in compliance with the applicable requirements of Appendix B to 10 CFR Part 50. Enclosure 1 to this letter seeks to further clarify the impact of the violation and provide the requested response.

If you have any questions regarding this letter, please contact Mr. Alfred M. Paglia at (803) 345-4106.

Sincerely,

A handwritten signature in black ink that reads "Ronald B. Clary". The signature is written in a cursive style.

Ronald B. Clary
General Manager
New Nuclear Deployment

JH/RC/jh

Enclosure: Reply to Notice of Violations 05200027/2009-201-01 and 05200028/209-201-01

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**Reply to Notice of Violations 05200027/2009-201-01 and 05200028/209-201-01
Involving Implementation of 12 NND Procedures and Guidelines
That Rely on NQA-1 Instead of ANSI N45.2**

During a U.S. Nuclear Regulatory Commission (NRC) inspection conducted at the South Carolina Electric & Gas Company (SCE&G), in Jenkinsville, SC, on June 1–4, 2009, one violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is described below:

Title 10 of the *Code of Federal Regulations* (10 CFR) 52.79(a)(25) states, in part, that a description of the quality assurance (QA) program applied to the design, and to be applied to the fabrication, construction, and testing, of the structures, systems, and components of the facility, shall be provided as part of the final safety analysis report that describes the facility. In 10 CFR 52.79(a)(25), the NRC also requires that “[t]he description of the quality assurance program for a nuclear power plant must include a discussion of how the applicable requirements of Appendix B to 10 CFR part 50 have been and will be satisfied, including a discussion of how the quality assurance program will be implemented.”

Criterion II, “Quality Assurance Program,” of Appendix B, “Quality Assurance Criteria for Nuclear Power Plants and Fuel Reprocessing Plants,” to 10 CFR Part 50, “Domestic Licensing of Production and Utilization Facilities,” states that the QA program “shall be documented by written policies, procedures, or instructions and shall be carried out throughout plant life in accordance with those policies, procedures, or instructions.”

In a letter dated February 2, 2009, SCE&G proposed to revise Section 17.1 of the Final Safety Analysis Report for VCSNS Units 2 and 3, Revision 0, to state the following:

SCE&G maintains oversight under its existing 10 CFR Part 50, Appendix B program, as described in SCE&G “New Nuclear Deployment Quality Assurance Plan” (Reference 204) and V.C. Summer Nuclear Station Unit 1 “Operational Quality Assurance Plan” (Reference 206). These plans provide QA guidance meeting the requirements of 10 CFR Part 50 Appendix B and oversight of safety-related site characterization activities and COL application content providers.

Section 1.1.5 of the Operational Quality Assurance Plan (QAP) for VCSNS Unit 1 states, in part, that the Operational QAP is written to conform to the applicable requirements of Appendix B to 10 CFR Part 50; Regulatory Guide 1.33, “Quality Assurance Program Requirements (Operation),” Revision 4; American National Standards Institute (ANSI) N18.7-1976; and Section 6 of the VCSNS Technical Specifications. Standards, such as ANSI N45.2, “Quality Assurance Program Requirements for Nuclear Power Plants,” and the ANSI N18 series of operating standards, are relied on in the Operational QAP.

Contrary to the above, as of June 4, 2009, SCE&G New Nuclear Deployment (NND) implemented 12 NND procedures and guidelines that rely on American Society of Mechanical Engineers NQA-1, "Quality Assurance Program Requirements for Nuclear Facilities," to describe how the quality assurance requirements in Appendix B to 10 CFR Part 50 are being satisfied rather than on ANSI N45.2, as described in the NRC accepted QAP for VCSNS Unit 1.

This issue has been identified as Violations 05200027/2009-201-01 and 05200028/2009-201-01.

Reason(s) for the Violation:

VCSNS Units 2 and 3 accepts the violation described above and provides the following information as to the reason for the violation. VCSNS immediately conducted an apparent cause evaluation (ACE) upon the discovery of the violation by the NRC inspection team. The results of the ACE found that VCSNS inserted a reference to NQA-1 in the reference section of several procedures and guidelines produced during the 2006 – 2008 time period.

Section 17.1 of the Final Safety Analysis Report for VCSNS Units 2 and 3 describes the QAPD based on the standard plant template of NEI 06-14A submitted with the Combined Operating License Application to the NRC and requires VCSNS units 1, 2 and 3 to complete the conversion to NQA-1 for its quality assurance programs prior to the initiation of safety related construction activities on site. The incorrect reference to NQA-1 was the result of the failure of NND to develop a structured plan for VCSNS's eventual conversion to NQA-1 "Quality Assurance Program Requirements for Nuclear Facilities."

VCSNS is confident that the results of the inspection clearly indicate that the NND Quality Assurance department understands and adheres to its Quality Assurance Plan, which consists of the Operational Quality Assurance Plan of VCSNS Unit 1 supplemented by a New Nuclear Deployment Quality Assurance Plan utilized for NND-specific activities.

Corrective Steps Already Taken and Results Achieved:

Upon being notified by the NRC inspection team of the discovery that five NND procedures referenced NQA-1, VCSNS (Units 2 and 3) immediately identified seven additional procedures and guidelines with the same issue. A corrective action document, CR-L-09-0072, was generated and each of the twelve procedures and guidelines were reviewed and evaluated for impact. There was no adverse impact related to the twelve procedures and guidelines and only one procedure used a NQA-1 requirement within the body of the procedure. In this one case, the requirement was the

same as the requirement in ANSI N45.2 for the evaluation of cause and the development of corrective actions within a specified period of time for an audit finding. References to NQA-1 have been removed from all twelve procedures and guidelines by way of the procedure revision process.

Corrective Steps to Avoid Further Violations:

No new or revised NND procedures or guidelines will reference NQA-1 until all three units at VCSNS have transitioned to NQA-1. This change will be accomplished via a detailed Change Management Plan developed jointly between VCSNS Unit 1 Quality Assurance department and NND Quality Assurance department.

Date When Full Compliance Will Be Achieved:

Full compliance with the requirements of VCSNS Unit 1 Operational Quality Assurance Plan and NND Quality Assurance Plan has been achieved with the removal of all references to NQA-1 from the twelve NND procedures and guidelines.