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WISCONSIN PUBLIC SERVICE CORPORATION

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April 15, 1982

Mr. James M. Taylor, Director
Division of Reactor Programs
Office of Inspection & Enforcement
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Gentlemen:

Kewaunee Nuclear Power Plant
Operating License DPR-43
Docket 50-305
Performance Appraisal Inspection 50-305/81-27

The attached report refers to our review of the referenced Inspection Report. It includes responses to all areas of the Performance Appraisal and, specifically, those identified as needing improvement in management control. While the Performance Appraisal attempts to review our written management controls, the adequacy of the controls to meet regulatory requirements, and the effectiveness of these controls; we have found that there were considerable differences in management philosophy between the manner in which we operate our plant and the Appraisal Team's view of how to operate a plant. Due to these philosophy differences, we apparently did not often parallel the predetermined standard Performance Appraisal review structure. Thus, in the short time allotted the Appraisal Team, it was very difficult at best to learn and understand our management philosophies and administrative controls to determine the effectiveness of those controls.

We acknowledge that some weaknesses were pointed out that may need our attention and improvement. However, in several other cases, the items identified as weaknesses were clearly due to the misunderstanding of our management philosophies and controls and were listed not due to the lack of effectiveness, but rather a lack of conformance to the expected or normal method of proceduralized control.

The attached report attempts to identify and clarify our management approach in the areas appraised and to specify the action we are taking or will take to improve weaknesses in the four areas considered Category Three. Specific details will be discussed with the Resident Inspector.

IE01 S/1 Add: James M. Taylor

Should you have further questions concerning our management controls or the implementation thereof, we would be willing to discuss them at a future date.

Very truly yours,

E. R. Mathews

E. R. Mathews
Senior Vice President
Power Supply & Engineering

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Enc.

cc - Mr. Robert Nelson, US NRC

PERFORMANCE APPRAISAL INSPECTION REPORT RESPONSE

1. General Comments on Scope and Objective

The scope of the Performance Appraisal was to determine whether procedures, policies, or instructions were written and being implemented to assure adequate compliance with regulatory requirements. In some cases, it appeared we did not meet the standard format and checklists the Appraisal Team used to perform their evaluation. Several differences can be attributed to our lack of written directives; others, however, appeared to be due to our preferred method of using a variety of separate and distinct smaller programs, controlled by several directives/procedures or good practice instead of a single comprehensive program. Kewaunee's corrective action system is an example of such a case. In this instance our management philosophy is that everyone shoulders the responsibility for corrective action and this is inherent in the requirements of various directives and procedures in numerous areas, such as: Incident Reports, Surveillance Program, and the Quality Assurance Audit Program. We believe that our program, as designed for our operating plant, is comprehensive and satisfies all regulatory requirements, although it may not lend itself to the established auditing/review procedure(s). Our specific responses to "apparent" program weaknesses are contained in the following paragraphs.

2. Committee Activities

The Plant Operations Review Committee (PORC) charter will be reviewed and updated to include some of the recommended items. It was considered a significant weakness that PORC did not review QA audit reports. However, it was explained to the inspectors that the Department Heads of the Plant Staff, who are the principal members of PORC, did receive and review QA audits. All Technical Specification violations do get reviewed by PORC regardless of the mechanism of discovery. Furthermore, all QA open items and non-conformances are reviewed at periodic plant/corporate staff meetings. Any further PORC review would be redundant and not an efficient use of man-hours because the same personnel participate in the staff meetings. It was considered a strength that PORC met so frequently with such good attendance. Consequently, if we were to implement a recommendation to add redundant and non-productive items to the PORC agenda, the overall effectiveness of this committee would be seriously jeopardized.

The Nuclear Safety Review and Audit Committee (NSRAC) charter will be reviewed and updated as appropriate to include some of the items recommended in the Appraisal Report. NSRAC meets two or three times per year and, within these time constraints, it is impossible to discuss and review all the minor details of every Design Change and QA Audit Report and still maintain cognizance of overall plant safety. Therefore, specific members of NSRAC are assigned to present major items in certain areas to the consideration of NSRAC, and all members are assigned responsibility to review agenda material.

3. Quality Assurance Audits

It is in the Quality Assurance area that the largest difference of opinion exists in our management philosophy compared to the findings derived from the Appraisal Report. The title of Section 3 of the report is QA Audits, yet it is very confusing whether the findings refer to the QA audit program which is performed by the Corporate Quality Assurance staff or the Quality Assurance Program which encompasses the entire nuclear staff, corporate and plant. We believe that Quality Assurance is the responsibility of the entire nuclear staff. The QA group performs periodic scheduled and nonscheduled audits to verify that the Quality Assurance Program is being implemented in all nuclear staff and plant activities. In reading the Appraisal Report, and through personnel interviews and comments at the exit interview, it is apparent that the Inspectors view the Quality Assurance Program as being separated from the main nuclear staff's activities into a singular group whose sole dedication is to Quality Assurance. It is our opinion that segregated programs, such as these, are counter-productive.

We take exception to the finding that the most significant weakness observed was the failure of NSRAC to perform a comprehensive review and assessment of the effectiveness of the OQAP. In reviewing the Appraisal Report it is obvious that the Inspectors based this finding on the fact that NSRAC does not perform an in-depth evaluation of QA audit report findings. However, the main function of NSRAC is to review the operational activities of the entire nuclear organization, the QA audit program being but one of those activities. Consequently, this overall review thus encompasses far more than the missing element cited, and, is the real intent that T.S. 6.3.5 focuses upon. The effectiveness of the OQAP, therefore, is reviewed by the judicious evluating of the end product of all of the operational programs needed to operate the plant. In retrospect the effectiveness of the QA program, including the audit function, is accomplished in this manner. This is evident in examining our operating record and licensing activities.

In reviewing the comments strictly associated with the QA audit program, we found several observations constructive and their implementation may be useful. The following items will be reviewed for incorporation into our QA audit program: assessment of the audited activities' effectiveness, a cross reference of T.S. and the relationship to the QA audit program, detection of trends, and more use of technical specialists to augment audit teams. It is our opinion that exclusive use standardized audit formats and/or checklists are potentially a detriment because they deter from an auditor's individuality and professional judgment. This aspect has been reviewed by many quality assurance organizations and specialists and varied opinions exist on standardized audits. Although we use some standardized audit formats, our audit checklists are constructed through a review of past audits, their findings, and regulatory requirements.

The Appraisal Team cites as a significant weakness the failure of QA to perform some required T.S. audits, in that there was no documented evidence of QA audits of T.S., Section 3, Limiting Conditions of Operations; Section 6, Administrative Controls; and Appendix B, Environmental T.S. We take exception to this generalization which was apparently derived from our lack of a cross referencing system between T.S., OQAP and QA audits. QA audits are designed to audit operational activities. The activities that monitor the Limiting Conditions for Operations are Surveillance Procedures. Surveillance Procedure

audits are included in the audit program schedule, and, therefore, the requirements of auditing this area of Technical Specifications are met. Likewise, ACD's and ECD's which delineate the Administrative Controls, Section 6 of T.S., are audited and meet the requirements of Section 6 of Technical Specifications. The Environmental Technical Specifications, Appendix B, are not safety related and do not come under the cognizance of the QA Audit Program as defined, even though several areas are periodically audited. T.S. 6.5.3.8 is part of T.S. Appendix A and refers only to Appendix A; therefore, Appendix B T.S. does not come under the cognizance of the QA audit program and should not have been reviewed during this appraisal.

It was noted that the QA group does not have the responsibility for the review of ACD's and ECD's prior to issue. Reiterating, WPS does not single out the QA group as exclusively responsible for the OQAP. It is the responsibility of the entire nuclear organization to incorporate quality assurance and quality controls in various procedures and directives. Personnel have been assigned to review ACD's and ECD's prior to issue to ensure QA aspects are incorporated. Periodic QA audits provide an independent review of these directives to further ensure the incorporation of quality assurance elements.

4. Design Changes and Modifications

The Design Change Program for the Kewaunee Plant is currently undergoing review due to recent organizational changes and staff increases aimed at improving the program. Written programs describing the method of exchanging technical information between WPS and other engineering organizations will be considered. Potential enforcement findings in this area are unwarranted because in no case was overall responsibility and project control turned over to the vendor. WPS Corporation maintains cognizance and assures performance of the required reviews and safety evaluations.

5. Maintenance

The Appraisal Report listed the lack of adequate documentation of problems or deficiencies that occurred during the performance of maintenance activities as a weakness. We have strived since our first performance of any maintenance activity, to involve the maintenance personnel in the repair, quality control and detection of generic problems by making that person responsible for the same. Problems encountered during the performance of maintenance repairs are documented on the Work Request by the person performing the work. The same holds true for work performed during routine Preventive Maintenance and Surveillance work. QC hold points are included for many activities where additional expertise is needed to review and inspect certain work. Our philosophy is to have QC and maintenance personnel work as a team to resolve any discrepancies and ensure proper fixes are implemented. Potential generic concerns are often documented on the Work Request forms. We have discussed the aspect of QC documentation and logs many times and have very strongly decided against any formal written open-item or non-conformance program because we do not wish to weaken the very excellent working relationship that currently exists between the Maintenance and Quality Control personnel.

We are very closely watching the end result and reliability of equipment based on this approach. We have completed a 306-day continuous run from refueling to refueling, with no major equipment out of service on the 306th day, which attests to the fact that our system and philosophy indeed works well.

We also must take exception to the finding that correct reviews, evaluations, actions to be taken to improve performance, one-of-kind deficiencies or generic deficiencies were not fed back to effect system and program changes. Over 1200 design changes and modifications have been initiated since commercial operation in June, 1974, annually over 1000 procedural reviews and upgrades are processed, and the operating record previously mentioned are proof that the required feedback is being implemented in system and program changes.

6. Operations

Personnel performance evaluations are being examined by management for all personnel, including those employed in operations. As a program is developed, it will be implemented in all areas. Control and use of Night Orders and Operating Instructions is being examined and a General Order book with applicable instructions and controls using our existing methodology is being considered. A change has been incorporated in the Administrative Directive for control of Temporary Operating Procedures which will correct the problem.

7. Corrective Action Systems

The Appraisal Report cites as a significant weakness the failure to establish a written program to detect and analyze trends not apparent to the day-to-day observer. Although there does not exist one overall administrative program which attempts to evaluate trends in all areas of operational activities, trending is a part of each administrative program dealing with corrective actions. In the section of the report dealing with the specifics of corrective actions there were no examples of how our programs failed to identify and correct re-occurring failures. Two examples cited in the report are:

> "Two apparent chronic problems were noted. The first was reduction of the condensate water storage tank level, a Technical Specification (TS) violation, and the second was a failure of dampers in the SBV System. Action on the former problem was to revise the TS. Action on the latter was not apparent even though problems had been identified in March, June, July and August 1980 and December 1981."

In the first case, the CWST level is not a safety problem. It is an operating condition that was not realized at the time of the proposed T.S. due to poor word selection. The T.S. was properly submitted on February 20, 1981, for revision to alleviate an unnecessary reporting requirement and we are still awaiting the amendment to be issued. The second set of LER's occurred due to two problems simultaneously affecting the SBV damper control system. Updated LER's were submitted that reported an intermittent electronic failure in the control circuitry for the dampers had caused several damper failures. This problem was masked by a system design which does not allow sufficient operating margin to exist on the delta pressure instrument which actuates the damper control. Prior to the PAS inspection a design change had been initiated to correct this situation.

8. Licensed Training

The Licensed Operator Training and Retraining Program have recently undergone a Technical Review in an attempt to significantly upgrade the program to meet

the ever inceasing demands and emphasis on quality training. The observations of the Appraisal Team will be incorporated into the Technical Review Team findings. Specifically, Administrative Controls will be incorporated into the training and retrining programs, a two-year requalification outline will be developed, and weekly quizzes will not be incorporated as part of the annual requalification exam.

The situation with the relicensing of the three operators mentioned in the Appraisal Report has been closed out through separate correspondence.

9. Non-Licensed Training

As stated in the Appraisal Report findings, non-licensed training programs have been established in most areas and we are presently undergoing implementation of same. Training programs for engineers, professionals and department supervisors have not been completely established and implemented. As part of the Technical Review being performed, these items will be addressed and recommendations for specific programs will be forthcoming. Included in all non-licensed training programs will be refresher training, QA and QC indoctrination training, and changes to plant design.

10. Radiation Protection, Radiochemistry, and Radwaste Management

It was pointed out and understood by the Appraisal Team that radiation protection, chemistry, and radioactive waste management programs were in effect and functioning effectively, although the written programs were still in various draft stages of development. With the additions to the plant and corporate staff in the area of radiation protection and health physics, we expect to complete the formal written programs by the end of 1982. Included in these written programs will be a Radiation Protection Program Manual, a Respiratory Protection Manual, and a Radiation Protection Training Manual.