UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V
1450 MARIA LANE, SUITE 210
WALNUT CREEK, CALIFORNIA 94596

MAY 26 1989

Docket Nos. 50-206, 50-361, 50-362

Southern California Edison Company
P. O. Box 800
2244 Walnut Grove Avenue
Rosemead, California 92770

Attention: Mr. Kenneth P. Baskin, Vice President
Nuclear Engineering Safety and Licensing

Gentlemen:

Subject: NRC Inspection of San Onofre Nuclear Generating Station

This letter refers to the inspection conducted by Mr. C. W. Caldwell of this office on March 13 through 17 and April 3 through 7, 1989, of activities authorized by NRC License Nos. DPR-13, NPF-10, and NPF-15 and to the discussion of our findings held by Mr. Caldwell with Mr. H. E. Morgan and other members of the San Onofre staff at the conclusion of the inspection.

Areas examined during this inspection are described in the enclosed inspection report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector.

Based on the results of this inspection, it appears that one of your activities was not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation, enclosed herewith as Appendix A.

Your response to this Notice is to be submitted in accordance with the provisions of 10 CFR 2.201 as stated in Appendix A, Notice of Violation.

As discussed in Paragraph 4.a of the enclosed report, concerns were raised regarding conditions related to a 10 CFR Part 21 Report on unqualified connectors for the excore neutron monitors. In particular, it did not appear that a sufficiently critical evaluation was made of the operability of the excore neutron monitors during a design basis accident, nor were suitable compensatory measures established as follows:

- The justification for continued operation credited alternate instrumentation for accomplishing the safety function despite the fact that none of the alternate instrumentation (for monitoring other process variables) provides real-time core reactivity information.

- No administrative controls were established to ensure proper post-accident reactivity monitoring (e.g., control room operators were not notified of the potential for these monitors to fail during post accident conditions).

In addition, there did not appear to be a sufficiently critical review by safety oversight groups of the nonconformance report (NCR) that was issued for this condition. These concerns were discussed during the exit meeting conducted on March 17, 1989 in which SCE committed to revising the NCR and providing justification for continued operation (JCO) with the excore neutron monitors inoperable for post accident conditions.

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A revised NCR was sent to the NRC on March 23, 1989. It was reviewed and also considered inadequate in that the safety evaluation and JCO relied on Technical Specification instrumentation/parameters for post-accident monitoring that were considered during the original safety analysis. This did not account for the fact that the excore neutron monitors were designated as the primary core reactivity monitoring instrumentation per SCE's commitments to Regulatory Guide 1.97. In addition, the NRC was concerned that the final disposition of the revised NCR identified that these unqualified connectors would be repaired or replaced as necessary prior to return to service from the Cycle V refueling outage. This was not considered prudent in light of the fact that the next refueling outage for Unit 3 is scheduled for fall 1990. These concerns were discussed in the followup exit meeting of April 10, 1989. During that meeting, SCE representatives committed to perform a reevaluation of the ability of other designated equipment to accomplish the safety function of monitoring core reactivity and to reassess the plans for repair or replacement of the unqualified connectors. The licensee revised the NCR and JCO to implement compensatory measures and to inspect/replace (as necessary) the connectors during the next outage of sufficient duration after receiving a qualified unit. The revised NCR and JCO were reviewed by the NRC on April 14, 1989 and found acceptable.

In accordance with 10 CFR 2.790 (a), a copy of this letter and the enclosure will be placed in the NRC Public Document Room.

The response directed by the accompanying Notice is not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

M. M. Mendonca, Acting Chief,
Reactor Projects Branch

Enclosure:
1. Appendix A, Notice Of Violation
2. Inspection Reports
   Nos. 50-206/89-11
   50-361/89-11
   50-362/89-11

cc w/Enclosures:
Dr. L. T. Papay, Senior Vice President
D. J. Fogarty, Executive Vice President
C. B. McCarthy, Jr., Vice President - Site Manager (San Clemente)
H. E. Morgan, Station Manager (San Clemente)
State of California

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[REQUEST COPY YES / NO]	[REQUEST COPY YES / NO]	[REQUEST COPY YES / NO]	[REQUEST COPY YES / NO]

[SEND TO PDR YES / NO]

bcc w/enclosures:
Project Inspector
Resident Inspector
docket file
G. Cook
A. Johnson
B. Faulkenberry
J. Martin
R. Nease, NRR

bcc w/o enclosure 2:
M. Smith
J. Zollicoffer