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 FACIL: 50-275 Diablo Canyon Nuclear Power Plant, Unit 1, Pacific Ga      05000275  
 50-323 Diablo Canyon Nuclear Power Plant, Unit 2, Pacific Ga      05000323

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 SHIFFER, J.D.      Pacific Gas & Electric Co.

SUBJECT: Forwards Insp Repts 50-275/88-15 & 50-323/88-14 on 880711-22 & notice of violation.

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NUCLEAR REGULATORY COMMISSION  
REGION V

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Docket Nos. 50-275 and 50-323

Pacific Gas and Electric Company  
77 Beale Street, Room 1451  
San Francisco, California 94106

Attention: Mr. J. D. Shiffer, Vice President  
Nuclear Power Generation

Subject: NRC Inspection at Diablo Canyon

Gentlemen:

This refers to the special team inspection, conducted by Mr. F. R. Huey and other members of our staff on July 11 through 22, 1988. This inspection examined your activities as authorized by NRC License Nos. DPR 80 and 81. Discussion of our findings was held with members of your 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 inspectors.

Inspection Overview

The purpose of this inspection was to perform a comprehensive assessment of the licensee maintenance program. Specific inspection emphasis was focused on the following objectives:

1. Assess the effectiveness of licensee maintenance program actions to avoid challenges to safety systems arising from transients initiated or made more severe by failures in balance of plant (BOP) equipment due to maintenance weaknesses. In this regard, the inspection concentrated on the instrument air system, air operated valves and the feedwater system.
2. Assess licensee awareness and actions regarding industry initiatives in equipment performance monitoring and preventive maintenance.
3. Assess the effectiveness of quality verification organizations in contributing to the identification, solution and prevention of technical problems and deficiencies in plant systems and operations.
4. Assess the adequacy of licensee implementation of appropriate procedures.

Overall Conclusions

As noted above, this inspection focused on how well the licensee is maintaining BOP equipment which has significant potential impact on the proper

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performance of important plant safety systems. Early in the inspection, it became apparent to the team that the licensee had not provided adequate emphasis on the proper maintenance of plant air systems. In particular, it was clear that cognizant plant personnel did not adequately understand the design basis for this system nor did they recognize the safety significance of problems being experienced with the system. Consequently, site personnel had not implemented proper measures for ensuring thorough and timely resolution of encountered problems.

### Major Concerns Highlighted by this Inspection

As summarized below and discussed in detail in the attached report, the inspection identified several findings associated with the systems inspected. However, underlying each of the findings, is one or more of the following basic concerns:

1. Station personnel involved in the maintenance process lack an understanding of the plant design and the sensitivities of the design to identified deficiencies.
2. A poor bridge between the corporate Engineering and the site.
3. A lack of qualified system engineers who understand and properly follow equipment problems.
4. Repeated failure to properly implement management and quality program systems that have been proven to identify, evaluate and correct problems affecting plant safety, e.g., NCR and QE.

### Principle Findings

The following major findings were identified during this inspection and are described in detail in the attached report and were discussed during the exit meeting. The specific concerns noted above, were frequently emphasized, as applicable, to each of the findings.

1. An important issue reenforced by this inspection was the need for senior management to be more sensitive to and to think through the full safety significance of identified plant problems. Of particular concern, are problems which are being dismissed by plant personnel as having little safety significance, however, after more probing by NRC turn out to have a definite impact on plant safety. It appears to the inspection team that plant management is missing opportunities to ensure thorough and timely correction of problems in this area.

Specific examples of this concern included team findings in the areas of inadequate evaluation and pursuit of water problems in the plant air systems, failure to test important check valves, inadequate air system procedures and degraded reliability of main control room annunciators. In many instances, senior plant management were aware of and involved with the problems, however, the resulting actions were neither thorough nor timely. In several instances, primary emphasis appears to have been focused on the immediate symptom rather than the total problem.



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2. There appeared to be some weakness in the communication of Corporate Engineering design knowledge to the site staff, and consequent lack of involvement of Corporate Engineering in some plant problems. This is exemplified by training lesson plans and System Design Descriptions that demonstrate:
  - a. Site staff unfamiliarity with Corporate Engineering views regarding reliance on manual operation of 10% steam dump valves, in lieu of backup air cylinders described in the FSAR;
  - b. Site staff unfamiliarity with Corporate Engineering views regarding intent to reopen MSIV's following loss of control air/nitrogen actuation supplies;
  - c. Validity of the computer data base (PIMS) for determining design and quality classifications of plant components.
3. The team observed instances of weakness in licensee establishment of well defined performance standards for personnel involved in maintenance activities. Examples included slow progress in implementation of a comprehensive system engineer program and failure to establish documented training standards for key personnel involved in maintenance activities.
4. The team noted that each of the concerns addressed above are also examples of missed opportunities by the licensee quality program organization to identify and inform upper management of existing problems. In several instances, the team noted that the threshold for initiation of quality program controls for problems involving significant safety considerations seemed to be established too high. It would appear that a more vigorous application of existing quality program controls would have provided proper definition and a more thorough and timely correction of the above problems. For example, no QE or NCR was written for failure of the air supply check valves for the MSIV to pass the leak test.

Several examples of weakness in licensee programs for measuring and improving maintenance performance were identified. Specific examples included the lack of a program to track or minimize rework, minimal use of a program for evaluating maintenance errors and failure to trend causes for important safety system unavailability. An additional example was the concern relating to senior management involvement in plant walk downs.

Records made available to our inspectors revealed that of the five corporate level managers and supervisors designed to conduct monthly plant walkdown inspections in select areas of the plant, only one individual (a supervisor) had actually conducted the monthly plant walkdowns on more than two occasions during the period September 1987 through April 1988. Further, the Plant Manager had only conducted two such walkdowns.

It was also observed that no senior corporate level management was present during the NRC inspection team's exit meeting with licensee management on July 22, when the principal findings of the inspection were presented by members of the NRC inspection team.

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5. In addition to the concerns summarized above, the inspectors identified some areas of strength and areas where PG&E has been proactive in establishing improvements in the DCPD maintenance program.
  - a. Recent reorganization to establish a dedicated assistant plant manager, specifically responsible for all maintenance activities and planning is expected to be a improvement over the previous diffuse organization.
  - b. Key maintenance positions appear to be staffed with capable and well motivated people. Key people are in the plant frequently and the licensee appears to be implementing a strong program for monitoring performance and self assessment. However, we are concerned with evidence of a lack of support and participation by corporate level senior managers and supervisors in conducting plant walkdown inspections as part of an initiative which commenced in September 1987, as previously discussed.
  - c. Licensee management has placed emphasis on active involvement in industry sponsored maintenance program initiatives.
  - d. Senior management has provided significant resources to improve maintenance performance (e.g. training facilities and automated maintenance information management systems).

At the conclusion of the exit meeting, Mr. Kirsch, again summarized the basic concerns highlighted above. In addition, he noted that several of the problems observed during this inspection involve weaknesses in areas that have been a recurrent cause for concern by Regional management. In particular he noted the following as specific areas of concern:

- \* The licensee has demonstrated too high a threshold for initiating root cause assessment of plant problems.
- \* The licensee has experienced problems effectively learning from their own or other utilities experiences.
- \* The licensee has not provided cognizant plant personnel with a useable design basis document.

I noted during the exit meeting that, although PG&E has dedicated extensive resources to maintenance facilities and programs (better than most Region V licensees), you have not done as good a job as others in effectively applying those resources to ensure proper plant maintenance across the board. We should consider holding further discussion on the above concerns in conjunction with the upcoming SALP evaluation.

Based on the results of this inspection, it appears that certain of your activities were 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 the Notice of Violation.



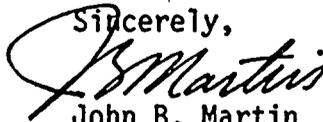
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In accordance with 10 CFR 2.790(a), a copy of this letter and the enclosures will be placed in the NRC Public Document Room.

The responses directed by this letter and the attached Notice are 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 glad to discuss them with you.

Sincerely,



John B. Martin  
Administrator, Region V

Enclosures:

1. Appendix A, Notice of Violation
2. Inspection Report Nos. 50-275/88-15 and 50-323/88-14
3. Maintenance Inspection Tree

cc w/enclosures:

S. D. Skidmore, PG&E  
R. F. Locke, PG&E  
J. D. Townsend, PG&E  
T. L. Grebel, PG&E  
State of California



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 J. D. Townsend, PG&E  
 T. L. Grebel, PG&E  
 State of California

bcc w/enclosures:

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 Project Inspector  
 docket file  
 G. Cook  
 B. Faulkenberry  
 J. Martin  
 T. Foley, NRR

bcc w/enclosure 1:

M. Smith  
 J. Zollicoffer

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*JBMartin*  
9/6/88

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