



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

AUG - 5 1991

Docket No. 50-275/323

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

Attention: Mr. J. D. Shiffer  
Senior Vice President and General Manager  
Nuclear Power Generation Business Unit

Gentlemen:

Thank you for your letter dated May 10, 1991, in response to our Notice of Violation and Inspection Report No. 50-275/91-04 and 50-323/91-04, dated April 11, 1991, informing us of the steps you have taken to correct the items which we brought to your attention. Your corrective actions will be verified during a future inspection.

Your cooperation with us is appreciated.

Sincerely,

R. P. Zimmerman, Director  
Division of Reactor Safety  
and Projects

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PDR ADDCK 05000275  
Q PDR

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bcc w/copy of letter dated May 10, 1991:  
Docket File  
Project Inspector  
Resident Inspector  
G. Cook  
A. Johnson  
B. Faulkenberry  
J. Martin  
J. Zollicoffer  
State of California

bcc w/o letter dated May 10, 1991:  
M. Smith

REGION V/ann

Bolson *JD*  
8/1/91

*pm*  
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8/1/91

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DKirsch  
8/5/91

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RZimmerman  
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SEND TO PDR  
YES / NO ]



Pacific Gas and Electric Company

77 Beale Street  
San Francisco, CA 94106  
415/973-4684  
TWX 910-372-6587

James D. Shiffer  
Senior Vice President and  
General Manager  
Nuclear Power Generation

May 10, 1991

PG&E Letter No. DCL-91-127



U.S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Washington, D.C. 20555

Re: Docket No. 50-275, OL-DPR-80  
Docket No. 50-323, OL-DPR-82  
Diablo Canyon Units 1 and 2  
Reply to Notice of Violation in NRC Inspection Report  
Nos. 50-275/91-04 and 50-323/91-04

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Gentlemen:

NRC Inspection Report Nos. 50-275/91-04 and 50-323/91-04, dated April 11, 1991, contained a Notice of Violation citing one Severity Level IV violation regarding the control of Mechanical Maintenance measuring and test equipment for Units 1 and 2. PG&E's response to the Notice of Violation is provided in the enclosure.

Sincerely,

A handwritten signature in black ink, appearing to read "J. D. Shiffer". The signature is fluid and cursive, written over the typed name.

J. D. Shiffer

cc: Ann P. Hodgdon  
John B. Martin  
Phillip J. Morrill  
Paul P. Narbut  
Harry Rood  
CPUC  
Diablo Distribution

Enclosure

5316S/0085K/DDY/2237

~~9105-1-1~~



## ENCLOSURE 1

REPLY TO NOTICE OF VIOLATION IN NRC  
INSPECTION REPORT NOS. 50-275/91-04 AND 50-323/91-04

On April 11, 1991, as part of NRC Inspection Report Nos. 50-275/91-04 and 50-323/91-04 (Inspection Report), NRC Region V issued a Notice of Violation citing one Severity Level IV violation for Diablo Canyon Power Plant (DCPP) Units 1 and 2. The statement of violation and PG&E's response follow.

## STATEMENT OF VIOLATION

10 CFR Part 50, Appendix B, "Quality Assurance Criteria for Nuclear Power Plants and Fuel Reprocessing Plants," Criterion XVI, "Corrective Action," requires 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.

Technical Specification 6.8.1.a requires that written procedures be established, implemented and maintained covering the activities recommended in Appendix A of Regulatory Guide 1.33, Revision 2, February 1978 (RG 1.33). RG 1.33, paragraph 8.a requires that procedures of a type appropriate to the circumstances should be provided to ensure that tools, gauges... and other measuring and testing devices are properly controlled, calibrated and adjusted at specified periods to maintain accuracy.

Quality Assurance Procedure QAP-15.B, dated October 24, 1990, Nonconformances, Paragraph 2.1, defines a nonconformance, in part, as a quality problem which has occurred at a frequency which indicates that past action to prevent recurrence was ineffective and additional management attention is deemed necessary.

Administrative Procedure NPAP C-12, Revision 20, dated December 31, 1990, (R.19), Identification and Resolution of Problems and Nonconformances, Paragraph 5.4.3.2, states, in part, "If the problem is determined to be a potential nonconformance..., the responsible department head or supervisor shall initiate an NCR..."

Contrary to the above, during the period from November, 1989 through December, 1990, effective corrective actions were not implemented to preclude repetition of significant deficiencies in the control and issue of measuring and test equipment used in activities affecting quality which were identified in licensee Surveillance and Audit reports QCS 89-0175, 90-0030, 90-126 and 90812T.

In addition, a nonconformance report was not initiated to identify this lack of effective corrective action.

This is a Severity Level IV violation (Supplement 1).





## REASON FOR THE VIOLATION IF ADMITTED

PG&E acknowledges that the deficiencies identified in the Notice of Violation (NOV) with regard to the control and issue of measuring and test equipment (M&TE) by the Mechanical Maintenance Department were not resolved at the time of the inspections. PG&E also acknowledges that although it had identified these M&TE deficiencies prior to the inspections and was taking steps to make corrections during the period in question, plant management should have been more aggressive in taking timely and effective action to assure that the deficiencies were corrected.

In December 1989 and April 1990, PG&E Quality Control (QC) Department surveillances identified Mechanical Maintenance M&TE deficiencies. Upon review, several of these deficiencies were determined to be primarily administrative in nature. In addition, certain of the deficiencies could not be confirmed. It was determined that Quality Assurance (QA) would be requested to follow up and confirm these findings. Following a May 1990 QA Department assessment of the QC surveillance findings, QA performed an out-of-schedule audit of the Mechanical Maintenance M&TE program during June through August 1990.

The QA audit report was issued in September 1990, and identified eight quality findings, primarily relating to weaknesses in Mechanical Maintenance's implementation of new M&TE program requirements. Because the QA findings were issued as Quality Evaluation (QE) - Audit Finding Reports (AFRs), which require root cause and corrective actions to prevent recurrence within 30 days, no nonconformance report (NCR) was issued at that time. Also at that time, neither QA nor Mechanical Maintenance concluded that the QEs represented a program implementation breakdown or a significant safety concern. In accordance with the then-applicable procedures, Mechanical Maintenance requested that the due dates for corrective actions be scheduled for mid-November 1990.

During the same period that these various surveillance and audit findings were made against Mechanical Maintenance M&TE, PG&E senior plant management was reviewing the effectiveness of Mechanical Maintenance M&TE. In the fall of 1989, based on this review, management decided to transfer the responsibility for controlling Mechanical Maintenance M&TE to the Instrumentation and Controls (I&C) Department, because the I&C program was known to be a more comprehensive program. The transfer of Mechanical Maintenance M&TE to I&C was to be phased in, beginning with I&C assuming responsibility for all M&TE in the radiologically controlled area (RCA) during the Unit 2 refueling outage in March 1990. This practice was to have continued after the outage. Management authorized funding in the spring of 1990 to begin the transfer of M&TE to I&C, and a plan was finalized on November 21, 1990, for the consolidation of M&TE under I&C. This consolidation was to be completed following the Unit 1 refueling outage scheduled for February 1991.

Following the NRC inspections that began on November 27, 1990, an NCR was issued on December 21, 1990, relating to the M&TE deficiencies, and the consolidation of M&TE under I&C was accelerated and completed on February 15, 1991.

In addition to these organizational changes, PG&E conducted additional training for Mechanical Maintenance and contract personnel on M&TE program



requirements in February 1990, prior to the March 1990 Unit 2 refueling outage, and also for Mechanical Maintenance personnel following the outage. Contract personnel again received training prior to the February 1991 Unit 1 refueling outage.

The NRC inspections found that, despite the organizational changes and various audit findings initiated by PG&E, weaknesses continued in Mechanical Maintenance M&TE activities from November 1989 through December 1990. Based on our evaluation, PG&E agrees that plant management should have been more aggressive in correcting these weaknesses in a timely and effective manner. PG&E also agrees that the root causes of the deficiencies were the failures of not only the responsible line organization to pay attention to detail, but also of the quality organizations and senior plant management to insist that the deficiencies be corrected in a timely manner.

PG&E recognizes that the M&TE deficiencies identified in the NOV are symptomatic of issues relating to our overall corrective action implementation program, as identified in PG&E Letter DCL-90-237, dated October 1, 1990. As we discussed with you at the October 10, 1990 Management Conference and again at the March 8, 1991 Enforcement Conference, we are implementing problem management improvements recommended by our 1990 Event Investigation Team (EIT) on "Timeliness of Problem Resolution." These improvements -- which include enhancing the ability of the QA/QC organizations to oversee the timeliness and effectiveness of corrective action by line personnel in response to quality problems -- were not fully implemented until December 31, 1990, after the events that form the basis of this NOV. PG&E believes that, had these improvements been in place during the period in question, an NCR would have been initiated on the Mechanical Maintenance M&TE problems much earlier, and effective and timely changes in the M&TE area would have been initiated by line management.

#### **CORRECTIVE STEPS TAKEN AND RESULTS ACHIEVED**

On December 21, 1990, NCR DCO-90-MM-N089 was initiated to resolve the M&TE deficiencies. On February 15, 1991, control of Mechanical Maintenance M&TE was transferred to the I&C department and discussions were held with Mechanical Maintenance foremen, general foremen, senior engineers, and the department head on the reasons for the transfer. Immediate training needs were identified, and all Maintenance Services personnel were tailboarded on February 26-27, 1991.

The following corrective actions have been taken to address the cause of this violation:

1. Quality Control has been established as the primary oversight group for the problem resolution process at DCP.
2. Quality Control Procedure QCP-10.3, "Surveillance Activities," has been revised to require review of each QC surveillance report to determine if an NCR is required. QC is required to inform senior plant management of any significant surveillance finding that indicates a nonconformance may exist.



3. Quality Performance and Assessment Work Instruction 25, "Quality Performance and Assessment Audits," has been revised to require plant management to be briefed on any significant QA audit findings, and to require that the audited department manager personally attend QA audit exit meetings.
4. Nuclear Plant Administrative Procedure NPAP C-800, "Quality Control Inspection and Surveillance Program," has been revised to require a response by the affected department to appropriate QC surveillance reports.
5. Quality Assurance Procedure QAP-18.B, "Audit Process," has been revised to require that due dates for QE-AFRs shall be changed only by the Quality Assurance Organization.
6. Significant QA Audit Finding Reports are now included with NCRs in senior management's weekly review of untimely problem resolution issues.
7. A Mechanical Maintenance Administrative Senior Engineer position has been established to track responses to quality problems.
8. Additional training on M&TE requirements has been included in the Maintenance quarterly training program.

#### **CORRECTIVE STEPS THAT WILL BE TAKEN TO AVOID FURTHER VIOLATIONS**

The following corrective actions will be taken to address the cause of this violation:

1. I&C will review its M&TE procedures to ensure that all applicable requirements from the Mechanical Maintenance M&TE program are incorporated into the I&C program.
2. In addition, the corrective actions indicated in DCL-90-237, which were implemented as a result of the EIT on "Timeliness of Problem Resolution," constitute additional steps that will avoid further violations.

#### **DATE WHEN FULL COMPLIANCE WILL BE ACHIEVED**

PG&E is presently in full compliance with the requirements in 10 CFR 50, Appendix B. With the exception of the commitment to review the I&C M&TE procedures and conduct additional M&TE training, PG&E has completed all corrective actions listed above. Review of the I&C M&TE procedures will be completed by June 30, 1991. In addition, corrective actions from the EIT on "Timeliness of Problem Resolution" were completed on December 31, 1990.

