

DCD

March 29, 1996

EA-96-079

Mr. B. Ralph Sylvia
Executive Vice President - Generation Business Group
Niagara Mohawk Power Corporation (NMPC)
Nine Mile Point Nuclear Station
P. O. Box 63
Lycoming, NY 13093

SUBJECT: NRC SPECIAL INSPECTION REPORT NO. 50-220/96-05; 50-410/96-05

Dear Mr. Sylvia:

This letter refers to the inspection conducted from February 17 through March 11, 1996, at Nine Mile Point Unit 1, Scriba, New York. The purpose of the inspection was to determine whether activities authorized by the license were conducted safely, and in accordance with NRC requirements. At the conclusion of the inspection, the findings were discussed with Mr. Richard Abbott, Vice President and General Manager, Nuclear, and other members of your staff, as identified in the enclosed report. Subsequent conversations were held with members of your management team to clarify the inspectors' understanding of NMPC's bases for not initially reporting the condition described in the Unit 1 Licensee Event Report (LER) 95-05, "Building Blowout Panels Outside the Design Basis Because of Construction Error" when first identified in October 1993.

The inspection was directed toward areas important to public health and safety. The areas examined during this inspection focused on concerns identified during the review of LER 95-05, dated November 30, 1995. Within these areas, the inspection consisted of selected examinations of design calculations, relevant procedures, representative records, installed equipment, and personnel interviews.

Based on the results of this inspection, four apparent violations were identified and are being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600. From initial operations, December 1969, to March 1995, a safety vulnerability existed, in that the reactor and turbine building blowout panels would not have relieved until a pressure in excess of the structural design pressure for the buildings. NMPC resolution of the issue from October 1993, when identified, to March 1995, was weak in establishing, understanding, and evaluating the safety design basis for the reactor and turbine building internal pressure relieving systems. The apparently weak safety assessment, coupled with design control deficiencies involving a calculation error and inadequate design review of that calculation, and an apparent failure to follow the Deficiency Event Reporting (DER) procedure, led to the untimely resolution of this safety

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B. Ralph Sylvia

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In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be placed in the NRC Public Document Room.

Sincerely,

ORIGINAL SIGNED BY: R. Gallo for:

Richard W. Cooper, II, Director
Division of Reactor Projects

Docket No. 50-220, 50-410
License No. DPR-63, NPF-69

- Enclosure: 1. NRC Special Inspection Report Nos. 50-220/96-05 and 50-410/96-05
2. NRC Staff Questions Pertaining to the Design and Licensing Bases for the Reactor Building Blowout Panels
3. (Enforcement Policy: Section V, "Predecisional Enforcement Conferences")

cc w/enclosures:

- R. Abbott, Vice President and General Manager - Nuclear
C. Terry, Vice President - Nuclear Engineering
M. McCormick, Vice President - Safety Assessment and Support
N. Rademacher, Unit 1 Plant Manager
D. Wolniak, Manager, Licensing
J. Warden, New York Consumer Protection Branch
G. Wilson, Senior Attorney
M. Wetterhahn, Winston and Strawn
Director, Energy & Water Division, Department of Public Service,
State of New York
C. Donaldson, Esquire, Assistant Attorney General, New York
Department of Law
J. Spath, President, New York State Energy Research
and Development Authority



problem. Although this problem was eventually reported to the NRC, the LER does not adequately address the safety significance of the potential for challenges to the buildings' internal pressure relieving system for the time period from December 1969 to March 1995. Based on these concerns the NRC identified apparent violations in the areas of design control, 10 CFR.50.59 safety evaluations, reportability, and procedural compliance. Accordingly, no Notice of Violation is presently being issued for these inspection findings. In addition, be advised that the number and characterization of apparent violations described in the enclosed inspection report may change as a result of further NRC review. While the NRC staff has not identified any immediate safety concerns with your calculations that support the 1995 modifications to the fasteners used to hold the blowout panels in place, we are performing a confirmatory independent review of these calculations.

A predecisional enforcement conference to discuss these apparent violations has been scheduled for April 12, 1996, in the NRC Region I office. The decision to hold a predecisional enforcement conference does not mean that the NRC has determined that a violation has occurred or that enforcement action will be taken. This conference is being held to obtain information to enable the NRC to make an enforcement decision, such as a common understanding of the facts, root causes, missed opportunities to identify the apparent violations sooner, corrective actions, significance of the issues, and the need for lasting and effective corrective action. In particular, we expect you to address the items described in the Executive Summary of the report and the design and licensing bases questions identified by the NRC staff in Enclosure 2. With respect to Enclosure 2, you should be prepared at the conference to address when written answers to the questions will be submitted to NRC.

In addition, this is an opportunity for you to point out any errors in our inspection report and for you to provide any information concerning your perspectives on (1) the severity of the apparent violations, (2) the application of the factors that the NRC considers when it determines the amount of a civil penalty that may be assessed in accordance with Section VI.B.2 of the Enforcement Policy, and (3) any other application of the Enforcement Policy to this case, including the exercise of discretion in accordance with Section VII. This conference will be open to public observation in accordance with the Commission's continuing trial program as discussed in the enclosed excerpt from the Enforcement Policy (Enclosure 3). Although not required, we encourage you to provide your comments on how you believe holding this conference open to public observation affected your presentation and your communications with the NRC.

You will be advised by separate correspondence of the results of our deliberations on this matter. No response regarding these apparent violations is required at this time.



B. Ralph Sylvia

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