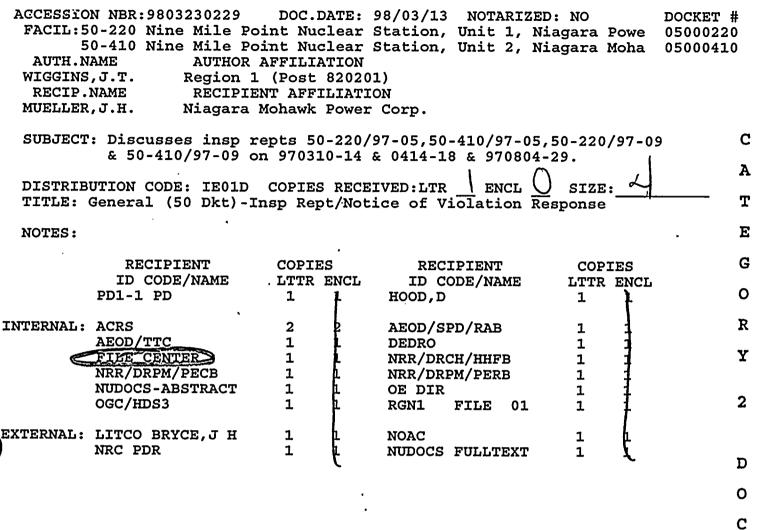
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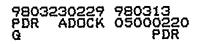
UNITED STATES NUCLEAR REGULATORY COMMISSION REGION I 475 ALLENDALE ROAD KING OF PRUSSIA, PENNSYLVANIA 19406-1415

March 13, 1998 EA 97-228 Mr. John H. Mueller Senior Vice President and Chief Nuclear Officer Niagara Mohawk Power Corporation (NMPC) Operations Building 2nd Floor Post Office Box 63 Lycoming, New York 13093 SUBJECT: EXERCISE OF ENFORCEMENT DISCRETION (NRC Inspection Report Nos. 50-220/97-05, 50-410/97-05; 50-220/97-09, and 50-410/97-09)

Dear Mr. Mueller:

This letter refers to the NRC inspections conducted from March 10-14 and April 14-18, 1997, and from August 4-29, 1997, at the Nine Mile Point Nuclear Station, Units 1 and 2, the findings of which were discussed with members of your staff during exit meetings held on April 18, 1997, and August 29, 1997. The first inspection was conducted to review (1) your corrective actions in response to your identification of multiple motor-operated valves (MOVs) at both Units 1 and 2 being vulnerable to mechanical damages caused by fire induced hot shorts during a postulated control room fire; (2) your corrective actions following your identification, on two separate occasions, that isolation switches were not provided to the control circuitry for the Unit 2 Division I and II emergency service water outlet valves; (3) your corrective actions in resolving the issue associated with the service lives of Unit 2 Agastat GP relays; and (4) your corrective actions taken to resolve several previously identified inspection items. The second inspection was conducted to review, in part, the susceptibility of certain reactor water cleanup (RWCU) system valves to fire-induced short circuits. The inspection reports were sent to you previously on July 17, 1997, and November 4, 1997, respectively.

Based on the information developed during the inspections, as well as information described in License Event Report (LER) No. 96-10 for Unit 1, issued on December 2, 1996, and LER 96-15 for Unit 2, issued on January 16, 1997, and supplemented on March 27, 1997, the NRC has determined that five violations occurred. The violations include the failure to appropriately consider the possibility of electrical "hot shorts" in your fire protection analysis, to determine whether such hot shorts could affect safe shutdown of the reactor in the event of a fire in the control room. Reanalysis indicated that fire-induced hot shorts or shorts to ground could prevent certain MOVs from performing the intended safe shutdown function. Additionally, fire induced spurious maloperation of air-operated valves in the RWCU system created the potential for overpressurization of low pressure piping by the reactor coolant system. These violations could be considered for escalated enforcement and subject to a civil penalty. However, after consultation with the Director, Office of Enforcement, and the Regional Administrator, I have been authorized to not issue a Notice of Violation and not propose a civil penalty in this case in accordance with the provisions provided in Section VII.B.3 of the NRC's





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## Niagara Mohawk Power Corporation

Enforcement Policy. This decision was made after consideration that: (1) the violations were identified by your staff; (2) corrective actions taken were comprehensive and timely once the deficiencies were identified; (3) the conditions were subtle in nature and not likely to be disclosed through routine surveillance or quality assurance activities; and (4) the violations are not reasonably linked to current performance. The exercise of discretion also recognizes that the industry, in general, had an apparent misunderstanding of the regulatory and design requirements associated with the potential for fire-induced circuit failures, and had inappropriately relied on a 1992 recommendation from the Nuclear Management and Resources Council, which was not endorsed by the NRC.

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Similarly, the NRC has decided to exercise discretion and not cite your failure to identify, during your review of information Notice 92-18 in 1992, the "hot short" problems as conditions adverse to quality.

Finally, Unresolved Item 50-410/96-15-01, which questioned the adequacy of Nine Mile Point Unit 2 design basis assumptions regarding multiple hot shorts, remains open pending further NRC review of your licensing basis. Upon resolution of this Unresolved Item, NRC will make a separate enforcement decision associated with that matter.

No response to this letter is required.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, and your response, if you choose to provide one, will be placed in the NRC Public Document Room (PDR).

Sincerely,

James T. Wiggins, Director Division of Reactor Safety

Docket Nos. 50-220; 50-410 License Nos. DPR-63; NPF-69 Niagara Mohawk Power Corporation

cc:

B. Ralph Sylvia, Executive Vice President

R. Abbott, Vice President & General Manager - Nuclear

- C: Terry, Vice President- Safety Assessment and Support
- J. Conway, Vice President Nuclear Engineering
- K. Dahlberg, Vice President Nuclear Operations
- D. Wolniak, Manager, Licensing
- G. Wilson, Senior Attorney
- M. Wetterhahn, Winston and Strawn
- J. Rettberg, New York State Electric and Gas Corporation
- P. Eddy, Electric Division, Department of Public Service, State of New York
- C. Donaldson, Esquire, Assistant Attorney General, New York Department of Law
- J. Vinquist, MATS, Inc.
- F. Valentino, President, New York State Energy Research and Development Authority J. Spath, Program Director, New York State Energy Research and Development Authority

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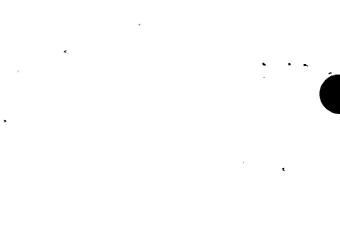


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