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SUBJECT: Responds to NRC 980731 ltr re violations noted in insp repts 50-387/98-03 & 50-388/98-03.Corrective actions:procurement & affected user group personnel visited EDG vendor facilities to appraise vendor work practices & discuss expectations.

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AUG 31 1998

U. S. Nuclear Regulatory Commission
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SUSQUEHANNA STEAM ELECTRIC STATION
REPLY TO NOTICE OF VIOLATION
(50-387/388-98-03-04) AND RESPONSE TO
"RESPONSE TIME TESTING" REQUEST
PLA-4971 FILE R41-2

Docket Nos. 50-387
and 50-388

This letter provides PP&L's response to NRC Notice of Violation 50-387/388-98-03-04 (Attachment 1), which was contained in NRC Inspection Report 50-387/98-03, 50-388/98-03, transmitted by NRC letter dated July 31, 1998. Also included in this letter, as Attachment 2, is PP&L's response related to the response time testing concern that was identified in the NRC letter transmitting NRC Inspection Report 50-387/98-03, 50-388/98-03. We trust that the NRC will find the attached responses acceptable. If you have any questions, please contact Mr. J. M. Kenny at (610) 774-7535.

Sincerely,

R. G. Byram

Attachments

copy: NRC Region I
Mr. K. M. Jenison, NRC Sr. Resident Inspector
Mr. V. Nerses, NRC Sr. Project Manager

REPLY TO NOTICE OF VIOLATION

Violation (50-387/98-03-04; 50-388/98-03-04)

10 CFR 50, Appendix B, Criterion VIII, Identification and Control of Materials, Parts and components, requires, in part, that measures shall be established for the identification and control of parts and components. These measures shall assure that identification of the item is maintained by an appropriate means, either on the item or on records traceable to the item. These identification and control measures shall be designed to prevent the use of incorrect or defective material, parts, and components.

Contrary to the above, on or about February 6, 1996 and February 3, 1998, controls of parts and components installed on the emergency diesel generators were not adequate to prevent the use of incorrect or defective parts and components, as evidenced by the following examples:

a. PP&L procedure, NDAP-QA-0201, Material Control Activities, established the requirements for receipt inspection for quality materials, and stated that all quality materials shall be forwarded to the receipt inspection group for inspection in accordance with procedure NP-QA-0401, Receiving Inspection. NP-QA-0401, section 6.1, required, in part, item inspections to assure cleanliness.

   While performing maintenance activities on the "A" emergency diesel generator on or about February 3, 1998, under Work Authorization H70311 an emergency diesel generator head was installed that was not receipt inspected in accordance with NP-QA-0401, in that the head was not clean and contained foreign material.

b. PP&L procedure, NDAP-QA-0201, Material Control Activities, established the requirements for receipt inspection for quality materials, and stated that all quality materials shall be forwarded to the receipt inspection group for inspection in accordance with procedure NP-QA-0401, Receiving Inspection.

   On or about February 6, 1996, emergency diesel generator (EDG) components were received and placed on the "C" EDG without the receipt inspection performed by the receipt inspection group.

Response to Violation (50-387/98-03-04a; 50-388/98-03-04a)

1. **Reason for the Violation**

The limited receipt inspection, in conjunction with the source inspection, that was performed on the "A" Emergency Diesel Generator (EDG) head assemblies verified that the work performed was that which was requested by the service order contract. The receipt inspection and source inspection verification activities were identified on the service order contract. The receipt inspection was in accordance with NP-QA-401, since the receipt inspection with the source inspection that was performed satisfied the procedural requirements for a receipt inspection.

Upon receipt of the refurbished head assemblies at the station it was determined that some work, although not specifically identified in the contract, but typically performed as part of previous contracts, was not completed. The head assemblies were therefore returned to the vendor to perform this additional work. However, the vendor did not perform the additional work under their quality program. As a consequence, water was introduced into the head assemblies that resulted in the formation of corrosion products (foreign material). No source inspection was performed on the additional work because none was required. A second receipt inspection was performed on the additional work to confirm that no shipping damage occurred to the head assemblies and that the additional work had been completed.

The violation occurred because the additional work that was requested was not documented as being quality work and was not performed under the vendors quality program.

2. **Corrective Steps Which Have Been Taken and the Results Achieved**

a) Procurement and affected user group personnel visited the EDG vendor's facilities to appraise vendor work practices and discuss PP&L's expectations for parts/service.

b) The head assemblies on the "A" EDG were reworked and inspected to assure that no foreign material was present in the head assemblies.

3. **Corrective Steps Which Will Be Taken to Avoid Further Violations**

a) The contracts management manual will be reviewed and revised, as necessary, to assure that the finalized work plan being submitted to the vendor for safety related services clearly specifies all work required.

b) A post service order award contract meeting will be conducted with the EDG vendor and affected user groups to assure that work activities and quality designations are understood. This meeting as a minimum will include personnel from Maintenance (normally), Contract Management, Technical Procurement, Receipt Inspection and Nuclear Assessment (Source Verification).

c) Full time source inspections for future EDG work activities at the vendor's facility will be conducted for an indefinite period until PP&L is assured that the work performance is acceptable to PP&L.

4. Date of Full Compliance

Based on Item 2. above, PP&L is in full compliance. The enhancements identified in Item 3 above will be completed and proceduralized by December 1, 1998.

Response to Violation (50-387/98-03-04b; 50-388/98-03-04b)

1. **Reason for the Violation**

This violation resulted because of the loss of traceability of "miscellaneous parts" that were removed from the "C" EDG head assemblies by the vendor and returned to the station in an uncontrolled manner (parts were unmarked and placed loosely in a box). These "miscellaneous parts" were later inspected and reworked by maintenance personnel and determined to be acceptable for use. Those parts that were acceptable were reinstalled on the "C" EDG head assemblies.

The "miscellaneous parts" were separated from the primary head assemblies when received from the vendor and remained separated at the station. Additionally, there was no clear identification as to the source and quality designation of the parts. This led to inadequate communication between Procurement, Receipt Inspection, and Maintenance personnel, that failed to assure that an appropriate receipt inspection would be performed on the parts. Although a memorandum documenting receipt of these parts was generated, an adequate receipt inspection was not conducted.

2. **Corrective Steps Which Have Been Taken and the Results Achieved.**

a) The memorandum that documented the receipt of the "miscellaneous parts" was attached to the primary receipt inspection report.

b) An operability assessment was performed and concluded that the "C" D/G was operable and fully capable of performing all of its safety functions based on operating experience, system design features, test results, vendor information and engineering judgment.

c) A safety assessment was also performed and concluded that there were no safety consequences since there had been approximately (50) start demands of the "C" EDG with no failures, nor were there any failures or inability of the "C" EDG to perform its design safety function.

3. **Corrective Steps Which Will Be Taken to Avoid Further Violations:**

a) Procedure MC-OI-025 will be revised to strengthen the requirement that quality related material, when it arrives at the station, is not relocated from the warehouse until receipt inspection personnel are notified.

b) Procedure NP-QA-401 will be revised to require tagging of quality related material with a "HOLD FOR RECEIPT INSPECTION" tag prior to the material being relocated to a designated storage area if the receipt inspection has not been completed.

c) On-the-job training will be conducted for Receipt Inspection personnel, which addresses this event and the requirements for identifying material on quality hold for completion of receipt inspection.

d) A memorandum will be issued to maintenance supervision requesting them to discuss this event with their personnel and to reinforce the expectation that, if any material received from Nuclear Procurement, new or refurbished is not suitable for installation, a deficiency report will be generated and Nuclear Procurement will be notified.

e) A memorandum will be issued to site supervision requesting them to review the revision summary for the revised Procedure MC-OI-025 "Receiving and Inspection of Incoming Material," and NP-QA-401 "Receiving Inspection," with their personnel. The responsibilities of individuals processing quality related material through the North and South Gatehouses will also be discussed.

4. **Date when full compliance will be achieved:**

Based on Item 2. above, PP&L is in full compliance. The enhancements identified in Item 3 above will be completed by December 1, 1998.

Response to Request for Information Related to Response Time Testing

Concern

NRC letter dated July 31, 1998, which transmitted NRC Integrated Inspection Report 50-387/98-03, 50-388/98-03; Notice of Violation; and Exercise of Enforcement Discretion also requested that PP&L, Inc. submit information related to PP&L's 10CFR50.59 safety evaluation process as a cause for not identifying that a Technical Specification amendment related to a revision to the response time testing tables found in the Final Safety Analysis Report (FSAR) was required. This response addresses the NRC's concern.

Response

Background

In the early 1980's the NRC undertook efforts to address problems related to the content of nuclear power plant technical specifications. Line item improvements became a mechanism for technical specification improvements as part of the implementation of the NRC's interim policy statement on technical specification improvements published on February 6, 1987 (52FR3788), and final policy statement published on July 22, 1993 (58FR39132). The NRC maintained that line item improvements, through the issuance of generic letters, in order to improve the content and consistency of technical specifications, is an effective means to implement the NRC's final policy statement.

Generic Letter 93-08, "Relocation of the Technical Specification Tables of Instrument Response Time Limits," was issued on December 29, 1993, as a technical specification line item improvement Generic Letter. Enclosure 2 of that Generic Letter was a model of the technical specification change.

Discussion

On April 10, 1995, PP&L submitted an amendment, consistent with Enclosure 2 of the Generic Letter that requested the Response Time Testing tables in the Technical Specifications be relocated to the FSAR. One stated purpose of this relocation was to control revisions to these tables in accordance with the provisions of 10 CFR 50.59, pursuant to the requirements of the NRC Safety Evaluation Report (SER) of Licensing Topical Report (LTR) NEDO-32291, "System Analyses for Elimination of Selected Response Time Testing Requirements". In response to PP&L's request, the NRC issued Technical Specification amendment No. 148 for Unit 1 and No 118 for Unit 2 on July 11, 1995. The SER to these amendments concluded, in part, that the provisions of 10 CFR 50.59 provide an acceptable means to control changes to response times in lieu of a license amendment.

Subsequent to the relocation of the response time table, PP&L applied the provisions of 10 CFR 50.59 to eliminate selected instrument and relay response time testing from the FSAR in accordance with guidelines contained within the LTR as delineated in the NRC SER for the LTR. The safety evaluation generated in accordance with 10CFR50.59 considered the Technical Specification amendments that were previously received to be adequate to address the revisions being made since the methodology used for the revisions was consistent with the LTR and NRC SER.

In mid 1997, the NRC questioned another licensee on the methodology used to perform instrument testing described in the LTR for determining whether instrument degradation had occurred by verifying that sensors and instrumentation responded to an input. The NRC concluded that response time testing limits were not demonstrated, as portions of the functional instrumentation but were "qualitatively" verified to respond to an input. Although PP&L contends that this qualitative verification was accepted in the NRC SER, the NRC indicated that the qualitative confirmation was not the measurement required by the Technical Specifications.

Upon learning of this regulatory interpretation of the implementation of the LTR on elimination of response time testing, PP&L initiated its own evaluation and determined that based upon the new interpretation a Technical Specification noncompliance existed. Following this determination PP&L requested enforcement discretion in order to allow time to complete evaluations and submit an exigent Technical Specification to clarify the scope of response time testing. Based upon the exigent Technical Specification amendment request NRC issued amendment No 171 for Unit 1 and No. 144 for Unit 2 on December 8, 1997, to satisfy the new interpretation.

Conclusion

PP&L has concluded that the safety evaluation performed for the revisions to the response time table located in the FSAR was in accordance with 10CFR50.59 based on our understanding of the relevant requirements at the time it was written. Based upon the above, this event is considered to be an isolated occurrence that does not reflect a generic weakness in PP&L's 10CFR50.59 process; consequently, no corrective actions to PP&L's 10CRF50.59 process are required.