



**Consumers
Power
Company**

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COPY

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November 29, 1979

Mr. Victor Stello, Jr, Director
Office of Inspection and Enforcement
U.S. Nuclear Regulatory Commission
Washington, DC 20555

DOCKET 50-255 - LICENSE DPR-20 - PALISADES PLANT -
CONTAINMENT ISOLATION NONCOMPLIANCE -
RESPONSE TO NOTICE OF VIOLATION

This letter constitutes Consumers Power Company's response, pursuant to 10 CFR §2.201, to Appendix A (Notice of Violation) of your letter dated November 9, 1979. Our answer, pursuant to 10 CFR §2.205, to Appendix B (Notice of Proposed Imposition of Civil Penalties) of your letter is being provided separately as requested.

Appendix A to your letter describes three noncompliances, with proposed civil penalties, for items that Consumers Power Company verbally reported to NRC on September 14, 1979 and reported to NRC in writing by Licensee Event Report 79-037, dated September 28, 1979 and Licensee Event Report 79-037 Rev 1 dated October 31, 1979.

The Company acknowledges management responsibility to establish, implement and audit adequate procedures to assure that containment integrity requirements are met at all times. We believe we have taken, and are taking, prompt and effective action to remedy the deficiencies in our practices and procedures that these noncompliances disclose. At the same time, we disagree with the noncompliances set forth in Appendix A, as more particularly described in the following specific responses to the cited items of noncompliance:

Item 1

"Technical Specification 3.6.1a states that containment integrity shall not be violated unless the reactor is in the cold shutdown condition.

Contrary to the above, the licensee on 424 days (Appendix D) during the period from April 1978 to September 1979, operated the reactor in other than the cold shutdown condition with containment integrity violated. Specifically, the series manual isolation valves in the containment purge exhaust bypass line were locked in an open condition.

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Item 1 (Contd)

Each day that the facility was placed in other than the cold shutdown mode of operation constituted a separate violation; a civil penalty of \$5,000 is imposed for each (cumulative civil penalty \$2,120,000.00)."

Response 1

On September 11, 1979, during performance of a local leak test of Containment Building (CB) penetration 4a (CB exhaust valves bypass*), a plant employee found the two manual four-inch containment isolation valves** in the bypass line to be locked open. The reactor was in a cold shutdown condition at the time. After a preliminary investigation, it was concluded that the valves had been opened on April 6, 1978 to perform a test, and that closure of the valves had not been verified by either the test procedure documentation or the administrative check of manual isolation valves that was made prior to resumption of operation in April 1978. Since the valves could not be shown to have been closed during the period from April 6, 1978 to September 11, 1979, it was believed that containment integrity was breached during that period, contrary to Technical Specification 3.6.1. The matter was therefore reported to NRC per Technical Specification 6.9.2.a.(3) (abnormal degradation of the containment boundary).

Specifically, on April 5, 1978, the HEPA filter in the CB exhaust valves bypass line was changed. In order to demonstrate the operability of the replacement filter, it was functionally tested in accordance with an approved test procedure. Although there were other means of providing the air flow required for the test, our investigation to date tends to show that the isolation valves were opened in order to obtain the necessary air flow through the filter. At the time of the test on April 6, 1978, the reactor was in a cold shutdown condition, and containment integrity requirements were satisfied. However, we have been as yet unable to verify that the valves were closed and locked after the test was completed, or whether the valves were opened or closed at any time between April 6, 1978 and September 11, 1979.

The following elements are considered to be key factors related to this occurrence:

- The surveillance procedure governing the filter testing activities did not have adequate provisions for returning the system to normal, and had not been signed off to indicate satisfactory completion of the procedure.
- The two valves in question were not on the valve lineup sheet which was used to verify containment integrity prior to the plant start-up at the end of the refueling outage.

* Also referred to in the FSAR as the post-accident hydrogen purge line.

** Referenced as 3" - N29M2DR on P&ID M-218, Rev. 18 (size shown on P&ID corresponds to manufacturer's tag, but not to valve dimensions or to the size stamped on the valve casings).

Response 1 (Contd)

Despite the Company's preliminary conclusions and the fact that it reported these matters as a violation of containment integrity, investigations to date do not prove that the valves were open at any time other than April 6, 1978 and September 11, 1979. While our investigation of the facts is continuing, at this time we must deny any violation and request that it be withdrawn, because of this lack of conclusive evidence. It should nevertheless be clear that the Company regards the lack of adequate documentation and the demonstrated weakness in its procedures in this instance to be a very serious matter. It is beyond question that maintenance of containment integrity during operation is of vital importance, and there must be adequate assurance and verification of containment integrity. Whether or not containment integrity was actually breached in this instance is beside the point in terms of corrective action. It is clear that our procedures and the way they were implemented in this instance could have allowed containment integrity to be impaired for the period in question. Accordingly, the Company undertook immediate action, prior to receipt of the Notice of Violation, to remedy the deficiencies in its procedures and documentation so that containment integrity will be properly maintained and documented in the future:

- (1) Upon discovery, the affected valves were closed and locked in the closed position.
- (2) The surveillance procedure which governs the filter testing was revised so that return to service requirements are adequately addressed.
- (3) The containment building integrity checklist was immediately modified to require verification that these valves are locked in the closed position. A master checklist of all containment penetrations was prepared by an independent consultant, MPR Associates, Inc (Report - without photographs - is attached hereto as Exhibit 1), and verified by Consumers Power Company staff. The recommendations of the MPR report are being implemented. The master checklist was prepared by MPR from plant drawings and serves as a single reference point for the verifications described below. The checklist includes the penetration identification number, a piping diagram which includes all isolation valves, valve numbers, valve positions and other pertinent information. Each accessible* penetration was physically located, sighted and in some cases photographed, and then checked off the master checklist. The accuracy of the checklist, with respect to the piping diagram, valve positioning and numbering, penetration identification number and other pertinent data, was verified against the actual installation. As necessary, the checklist was marked to reflect any differences between it and the actual installation.

*One penetration is not readily accessible and was not visually checked.

Response 1 (Contd)

- (4) The corrected master checklist was used as a basis for the following:
- (a) Verification of the start-up checklists used prior to start-up to verify containment isolation valve positions.
 - (b) Determining whether differences between actual installations and the checklist, if any, have any safety significance.
 - (c) Determining that plant drawings and actual installations agree.
- (5) All plant operating, maintenance, health physics, chemistry and other procedures are being screened to determine which of them may affect safety system requirements, including containment integrity. An estimated 900 procedures require screening. A detailed review of those procedures which affect safety system requirements will be performed to assure that plant initial conditions are properly addressed and that return to service steps are sufficiently explicit to assure that safety system requirements are reestablished upon completion of all such procedures.
- (6) The review process described in (5) will also be applied to system checklists.
- (7) To provide additional assurance of a meaningful review, the review process described in (5) and (6) above is being performed by a special task force (the "Palisades Management Review Task Force"; the program plan for the task force is attached hereto as Exhibit 2).
- (8) This event has been reviewed with applicable plant personnel. The requirement to exactly follow procedures (e.g., to obtain administrative reviews when required) was stressed.

Consumers Power Company will complete all of the uncompleted actions described above prior to plant startup. Although we are denying this item of noncompliance based on the facts as presently known to us, it might be substantiated as a result of our ongoing investigation. If so, it should nevertheless be reclassified as an "infraction" based on the Commission's criteria for distinguishing between "violations" and "infractions" ("Criteria for Determining Enforcement Actions," December 31, 1974). In this connection, please refer to our response to Appendix B of your November 9, 1979 letter.

Item 2

"Technical Specification 3.6.3 requires that prior to going critical after a refueling outage, an administrative check will be made to confirm that all manual containment isolation valves are closed and locked.

Contrary to the above, prior to going critical after the April 1978 refueling outage, an administrative check did not verify that two manual containment isolation valves for the containment purge exhaust bypass were closed and locked as required. This is a Violation (Civil Penalty - \$5,000.00)."

Response 2

The response for item 1 above describes this event and its corrective action as well. Palisades Plant Technical Specification 3.6.3 requires that prior to going critical after a refueling outage, an administrative check will be made to confirm that all manual containment isolation valves are closed and locked. Although the required administrative check was performed, the two valves in question were not on the check-list. This deficiency has been corrected. Consumers Power Company requests that this item of noncompliance be reclassified as an "infraction," in accordance with NRC's published enforcement criteria and description of noncompliance categories ("Criteria for Determining Enforcement Action," December 31, 1974). In this connection, please refer to our response to Appendix B of your November 9, 1979 letter.

Item 3

"Technical Specification 6.8.1.c requires implementation of procedures for surveillance and testing of safety-related equipment. Health Physics Procedure H.P.6.27 governs testing of inplace HEPA and charcoal filters in safety-related systems pursuant to Technical Specification Table 4.2.2, and requires notification and sign off by the Shift Supervisor and the plant Health Physicist on completion of testing.

Contrary to the above the required notification and signoffs were not completed after the licensee tested filters in the containment ventilation exhaust bypass line under H.P.6.27 on April 4-7, 1978. This is an infraction (Civil Penalty - \$4,000.00)."

Response 3

Consumers Power Company agrees that the alleged item of noncompliance did occur. The following corrective action has been taken:

- (1) The test procedure was revised to incorporate the requirement to verify that the containment isolation valves in question are locked in the closed position prior to return to service. This action is complete.

Response 3 (Contd)

- (2) The revised test procedure has been reviewed with applicable plant personnel, including shift supervisors and personnel responsible for such testing, to whom the importance of exactly following the procedure has been stressed. This action is complete.
- (3) The revised test procedure is one of the procedures that is being reviewed by the Palisades Management Review Task Force pursuant to paragraph (7) of Response 1. This review will be completed prior to plant startup.

Summary

- Noncompliance Item 1 is denied and should be withdrawn for lack of sufficient evidence. The Company's investigation of the item is not yet complete. Extensive corrective action was set in motion, prior to receipt of the Notice of Violation, and that action will be completed prior to plant startup.
- Noncompliance Item 2 is admitted, but should be reclassified as an "infraction," in accordance with NRC enforcement criteria. The corrective action for this item has been completed.
- Noncompliance Item 3 is admitted. The corrective action for this item has been completed except for Task Force review, which will be completed prior to plant startup.

The Company also seeks remission or mitigation of the civil penalties proposed for the three cited noncompliances. Please see our concurrent response to Appendix B of your November 9 letter.

Yours very truly,

/s/ R B DeWitt

R B DeWitt
Vice President