

DCS

April 21, 1989

Docket Nos. 50-272 and 50-311
License Nos. NPF-70 and NPF-75
EA 88-238

Public Service Electric and Gas Company
ATTN: Mr. Steven E. Miltenberger
Vice President and
Chief Nuclear Officer
Post Office Box 236
Hancocks Bridge, New Jersey 08038

Gentlemen:

Subject: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY
(NRC Combined Inspection Report Nos. 50-272/86-23; 50-311/86-23)

This refers to the NRC inspection conducted on August 11-15, 1986 to review the program for the environmental qualification (EQ) of equipment at Salem Nuclear Generating Station Units 1 and 2. The inspection report was sent to you on November 13, 1986. During the inspection, the NRC reviewed violations of NRC requirements which were identified by your staff. The violations involved the lack of environmental qualification of certain items of electric equipment used in both units. On September 29, 1988, an enforcement conference was conducted with you and members of your staff to discuss the significance and extent of the violations, the causes of the violations, and the corrective actions taken or planned. Further, the enforcement considerations set forth in Generic Letter 88-07 were also considered.

One of the violations, which is described in Section I of the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice), included the failure to maintain, for one type of item of electric equipment, file documentation to demonstrate that the item was qualified to perform its intended function during the postulated harsh environmental conditions. This item, which was identified by your staff, involved eight solenoid operated valves in the Unit 1 Post Accident Sampling System (PASS). These valves were unqualified in that they did not have the required Conax connectors installed, and the documentation qualification file did not support qualification in the installed configuration.

This deficiency clearly should have been known by you prior to November 30, 1985, which was the deadline for being in compliance with the EQ requirements, because specific installation instructions were provided to you but not followed. In addition, it is reasonable to expect that a licensee would perform appropriate verification of these components to assure proper installation since the equipment was qualified under specific installation procedures.

This violation demonstrates that sufficient attention was not provided to the EQ program at Salem Unit 1 prior to November 30, 1985, as evidenced by inadequate consideration of vendor installation information, and inadequate

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Quality Control of these activities. Accordingly, I have been authorized, after consultation with the Director of Enforcement, and the Deputy Executive Director for Nuclear Materials Safety, Safeguards, and Operations Support to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Enclosure 1) in the amount of Fifty Thousand Dollars (\$50,000) for the violation described in the enclosed Notice. In accordance with the "Modified Enforcement Policy Relating to 10 CFR 50.49," attached in Generic Letter 88-07 (Enclosure 2), the violation described in the enclosed Notice has been determined to be isolated and to have affected one system and a few components, and therefore, is considered to be an EQ Category C problem. The base value of a civil penalty for an EQ Category C problem is \$75,000.

In determining the civil penalty amount, the NRC considered the four factors set forth in the "Modified Enforcement Policy Relating to 10 CFR 50.49" (Modified EQ Policy), for escalation and mitigation of the base civil penalty amount. These factors consist of (1) identification and prompt reporting of the EQ deficiencies ($\pm 50\%$); (2) best efforts to complete EQ within the deadline ($\pm 50\%$); (3) corrective actions to result in full compliance ($\pm 50\%$); and (4) duration of a violation which is significantly below 100 days (-50%).

With respect to the first factor, 50% mitigation is appropriate since the item was identified by your staff and promptly reported to the NRC. With respect to the second factor, mitigation is inappropriate. Section II of the enclosed Notice documents a number of less significant EQ violations which were considered along with the number of deficiencies identified during the inspection that ultimately did not result in violations as indications of a lack of best efforts. Further, the EQ training for engineering personnel was not completely satisfactory. Finally, other activities the NRC normally considers as evidence of best efforts such as additional "walkdowns" of installed equipment were not performed until after the November 30, 1985 deadline and therefore can be considered as evidence of such efforts. With respect to the third factor, 50% mitigation is appropriate since your corrective actions, upon identification, were both prompt and extensive. With respect to the fourth factor, mitigation is inappropriate since these EQ violations existed in excess of 100 days. Therefore, on balance, 100% mitigation of the base civil penalty is appropriate. However, in accordance with Section IV.B of the Modified EQ Policy, the minimum civil penalty of \$50,000 is being assessed. Although the policy permits full mitigation under certain conditions, full mitigation is inappropriate in that, for the reasons stated above, your EQ verification program did not constitute best efforts to complete Environmental Qualification within the deadline of November 30, 1985.

In addition to the violation assessed a civil penalty, we are also issuing a Severity Level IV violation related to the identification of (1) four auxiliary feedwater system flow transmitter connectors being terminated on terminal blocks rather than qualified Raychem splices; (2) nineteen Limitorque motor operators (eleven in Unit 1 and eight in Unit 2) not installed with required T-drains; (3) sixteen junction boxes (seven in Unit 1 and nine in Unit 2) were not properly sealed; and (4) various Limitorque motor operators were installed without required gear case grease reliefs. Since the NRC finds that these items could have been qualified or shown to be qualifiable within a reasonable period following identification, classification of this violation at Severity Level IV is appropriate.

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You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and its enclosure will be placed in the NRC Public Document Room.

The responses directed by this letter and the enclosed Notice are not subject to the clearance procedures of the Office of Management and Budget, otherwise required by the Paperwork Reduction Act of 1980, Pub. L. No. 96-511.

Sincerely,

ORIGINAL SIGNATURE
JAMES M. RUSSELL



William T. Russell
Regional Administrator

Enclosures:

1. Notice of Violation and Proposed Imposition of Civil Penalty
2. Generic Letter 88-07

cc w/encls:

Jack Urban, General Manager, Fuels Department, Delmarva Power & Light Co.
L. K. Miller, General Manager - Salem Operations
B. A. Preston, Manager, Licensing and Regulation
General Manager - Nuclear Safety Review
M. J. Wetterhahn, Esquire
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