



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

RELATED TO PROPOSED CHANGES TO REVISION 15 OF THE QUALITY ASSURANCE PROGRAM

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

PHILADELPHIA ELECTRIC COMPANY

DELMARVA POWER AND LIGHT COMPANY

ATLANTIC CITY ELECTRIC COMPANY

SALEM NUCLEAR GENERATING STATION, UNITS 1 AND 2

DOCKET NOS. 50-272 AND 50-311

1.0 INTRODUCTION

By letters dated May 16 and June 6, 1997, the Public Service Electric and Gas Company (PSE&G) transmitted proposed changes to Revision 15 of the Salem Nuclear Generating Station's (SNGS's) Quality Assurance Program (QAP), presently contained in Section 17.2 of the SNGS Updated Final Safety Analysis Report (UFSAR), in accordance with 10 CFR Part 50, Section 50.54(a). The staff has reviewed the submittal in accordance with 50.54(a) and determined that the changes to the QAP are acceptable in that the QAP continues to meet the requirements of Appendix B to 10 CFR Part 50 and meets the additional requirements of Section 50.34(b)(6)(ii) by discussing how the applicable requirements of Appendix B will be satisfied. This safety evaluation contains a brief description of the staff's analysis of the proposed changes for the following activities:

1. This proposed revision identifies changes in the present organizations reporting to the Director-Quality Assurance/Nuclear Safety Review (QA/NSR), the organizations reporting to the Director-Nuclear Training (NT) Center and the Emergency Preparedness (EP) organization. The proposed changes would combine these organizations and have them reporting to a single Director-Quality, NT, and EP. In order to maintain the independence of the quality assurance function, as required by Appendix B to 10 CFR Part 50, the Manager-Quality Assessment would report to the Director-Quality, NT, and EP, but would be authorized direct access to the Chief Nuclear Officer and President-Nuclear Business Unit (CNO-PNBU) for quality matters related to the non-QA departments under the Director-Quality, NT, and EP.
2. The proposed change provides additional clarification on the responsibilities of the Program Manager-Nuclear Review Board (NRB).

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3. The proposed change relocates the administration of the American Society of Mechanical Engineers (ASME) Section XI Code Nuclear Repair Program from the QA organization to the Nuclear Maintenance (NM) organization.
4. The proposed change incorporates previous Nuclear Regulatory Commission (NRC)-approved changes that incorporate the relocation of certain Technical Specification (TS) administrative provisions, and
5. The proposed change incorporates a number of changes identified as non-reductions in QA commitments.

2.0 EVALUATION

2.1 Organizational Changes

The following are the applicable review criteria used to evaluate the proposed organizational changes.

2.1.1 Applicable Standard Review Plan (SRP) Sections 17.1 and 17.2 Acceptance Criteria

Subsection II.1B.1 of SRP Section 17.2, "Quality Assurance During the Operations Phase," refers, with some exceptions, to the acceptance criteria of SRP Section 17.1, Subsection II.1B1, for the organizational elements of a quality assurance program. Included in the acceptance criteria are provisions applicable to the quality organization in the areas such as: a) independence of cost and schedule, b) communication channel with various senior management positions, c) duties and responsibilities unrelated to QA that would prevent full attention to QA matters, and d) level of organizational management structure in the QA audit and review process.

2.1.2 Appendix B to 10 CFR Part 50

Criterion I, "Organization," of Appendix B to 10 CFR Part 50, states in part: "Because of the many variables involved, such as the number of personnel, the type of activity being performed, and the location or locations where activities are performed, the organizational structure for executing the quality assurance program may take various forms provided that the persons and organizations assigned the quality assurance functions have this required authority and organizational freedom." Criterion I was written in a manner that would not dictate any particular organizational structure to assure independence, but rather that it would be flexible enough to accommodate the various organizational configurations which may be necessary to properly execute specific activities performed by a licensee or a vendor. The acceptability of any given organizational structure remains predicated upon the effective implementation of the overall QAP by the licensee or vendor.

2.1.3 Discussion

In this instance, we have concluded that the proposed Manager of the Quality Assessment position would retain the requisite independence based on the following considerations:

- The responsibility for confirming satisfactory QAP implementation for the non-QA areas under the control of the Director-Quality, NT, and EP is assured by the Manager-Quality Assessment.
- The Director-Quality, NT, and EP has responsibility and authority to: interpret quality requirements; identify quality problems and trends; provide recommendations or solutions to quality problems; verify compliance with established requirements for the QA program document review; inspect; and to perform monitoring, assessments and audits for all areas under his control except for those non-QA areas under his control. The Manager-Quality Assessment has responsibility for the activities associated with the non-QA areas under the control of the Director-Quality, NT, and EP.
- The full attention of the Director-Quality, NT, and EP will be in support of QA activities and will take precedence over his non-QA activities. In the event of a conflict, he will delegate all QA authority to the Manager-Quality Assessment if necessary. The Manager-Quality Assessment has the authority to report directly to the CNO/PNBU for these matters.
- The Manager - Quality Assessment would be responsible for determining the effectiveness of the QAP and for the review and approval of the QAP manual to verify it meets the Codes, Standards, and regulatory commitments.
- The Manager - Quality Assessment would not be responsible for any line production activities that would detract from the manager's ability to perform his or her responsibilities in an independent fashion.
- The Manager - Quality Assessment would be responsible for developing, scheduling, and implementing the QA audits and the Assessment Program, approving audit and assessment reports, and performing a variety of other QA activities of all functional areas thus eliminating the potential conflict for the Director - Nuclear Assurance to influence the audit process.
- The Manager - Quality Assessment would have explicitly defined freedom and authority to directly access the CNO/PNBU if the need for such access exists for any issue under his or her responsibility, including those related to non-QA areas under the control of the Director-Quality, NT, and EP.

- In regard to organizational stature, Section 17.1, Subsection II.1B1.a of the SRP, states that the QA manager should be at the same or higher organizational level as the highest line manager(s) directly responsible for the performance of activities affecting quality. Based on the organizational structure depicted in the submittal, Section II.1B1.a of the SRP could be interpreted to require that the position of Manager - Quality Assessment be at the same level in the organizational hierarchy as the Plant Manager and the Director of Engineering & Services. However, based on a review of all pertinent regulatory guidance on this subject, as described above, we conclude that the SNGS's QA organizational structure is permissible within the provisions of Criterion I of Appendix B to 10 CFR Part 50.

2.1.4 Conclusion

In this instance, the SNGS's organization proposal constitutes a reduction of the commitments in the QA program description previously approved by the NRC and also represents a minor departure from the acceptance criteria in SRP 17.2.

However, the staff has determined that the proposed organizational changes identified in Revision 15 of the SNGS's QAP description represent acceptable alternatives to the review criteria contained in Section 17.2 of NUREG-0800 and that these changes are acceptable and continue to meet the pertinent requirements of Appendix B to 10 CFR Part 50. Furthermore, this organizational structure does not represent an entirely unprecedented organizational approach. Other utilities, among them, Niagara Mohawk Power Corporation (Nine Mile Point Units 1 and 2), Duquesne Light Company (Beaver Valley), and Toledo Edison (Davis-Besse) currently possess organizational hierarchies very similar to the SNGS's proposal.

2.2 Program Manager-Nuclear Review Board

The responsibilities of the Program Manager-Nuclear Review Board (NRB) was modified by the letter from PSE&G to the NRC, dated June 6, 1997, to clarify that his or her responsibility is for coordination rather than for performance. The responsibilities of the Program Manager-NRB include: 1) providing support to the NRB to ensure that it can its function, 2) providing administrative oversight of the NRB subcommittees and NRB independent reviews, 3) ensuring that all appropriate documents are presented to the NRB, and 4) managing and administering the training for NRB personnel. Additionally, the NRB was added to the organization chart as a direct report to the CNO/PNBU with a line drawn from the NRB to the Program Manager-NRB with a legend indicating that this is a coordination functional relationship.

2.2.1 Conclusion

The staff has determined that the proposed organizational changes identified in Revision 15 of the SNGS's QAP description with respect to the Program Manager-NRB are clarifications and are consistent with the provisions contained in ANSI N18.7, "Administrative Controls and Quality

Assurance for the Operational Phase of Nuclear Power Plants," as endorsed by Regulatory Guide 1.33, "Quality Assurance Program Requirements (Operation)," Revision 2, dated February 1978, and the criteria contained in Section 17.2 of NUREG-0800 and that these changes are acceptable and continue to meet the pertinent requirements of Appendix B to 10 CFR Part 50.

2.3 The Nuclear Repair Program

The description of the Nuclear Repair Program was further defined in the letter from PSE&G to the NRC, dated June 6, 1997, to clarify that it is the ASME, Section XI, Code repair/replacement program, and additionally serves to satisfy the State of New Jersey's requirements for repairing and replacement items under the scope of the ASME Section XI Code.

2.3.1 Conclusion

The relocation of the responsibility for the administration of the Nuclear Repair Program from the QA organization to the General Manager-Nuclear Maintenance constitutes a reduction of the commitments in the QA program. However, the staff has determined that the proposed organizational changes identified in Revision 15 of the SNGS's QAP description represent acceptable changes and meet the review criteria contained in Section 17.2 of NUREG-0800 and that these changes also continue to meet the pertinent requirements of Appendix B to 10 CFR Part 50. Furthermore, the Manager-Quality Assessment will continue to perform independent inspections, assessments, and audits of the Nuclear Repair Program to ensure that the QAP is being effectively implemented in this area.

3.0 CONCLUSION

The staff has determined that the proposed organizational changes, the clarifications for the Program Manager-NRB responsibilities, the relocation of the responsibility for the administration of the Nuclear Repair Program from the QA organization to the General Manager-Nuclear Maintenance, and the relocated TS administrative requirements (previously approved by the NRC by SNGS, Units 1 and 2, License Amendment Nos. 192 and 175, respectively) identified in Revision 15 of the SNGS's QAP description represent acceptable QAP changes and meet the review criteria contained in Section 17.2 of NUREG-0800 and that these changes, as discussed in this safety evaluation, are acceptable and continue to meet the pertinent requirements of Appendix B to 10 CFR Part 50.

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