

DEC - 7 1989

Docket No. 50-312

Rancho Seco Nuclear Generating Station
Sacramento Municipal Utility District
14440 Twin Cities Road
Herald, California 95638-9799

Attention: Mr. D. R. Keuter
Assistant General Manager, Nuclear

Gentlemen:

Subject: NRC Inspection of Rancho Seco

This refers to the routine inspection conducted by Messrs. A. D'Angelo, C. Myers, P. Qualls and Ms. G. Good of this office on September 9 through October 20, 1989 of activities authorized by NRC License No. DPR-54, and to the discussion of our findings held with Mr. Keuter and other members of your staff at the conclusion of the inspection.

Areas examined during this inspection are described in the enclosed inspection report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspectors.

Based on the results of this inspection, it appears that certain of your activities were not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation, enclosed herewith as Appendix A. The violations pertain to your failure to follow your existing procedures for maintenance and modifications of plant configurations involving the auxiliary fuel handling bridge. We are concerned that this weakness is similar to a violation identified in late 1988, as documented in report 50-312/88-23.

Additionally, two issues arose which deserve your continuing attention. At the beginning of the inspection period, the preventive maintenance being performed on plant equipment no longer in service appeared to be minimal. At the close of the inspection period, the inspectors noted that preventive maintenance activities had significantly increased. In that you have committed to the NRC to maintain all plant equipment pending the approval of a decommissioning plan, you should ensure that equipment in a lay-up status continues to be appropriately maintained.

With regard to the continuing fulfillment of commitments made prior to the June 1989 facility shutdown, we understand that you are reviewing those commitments and will document for NRC review the commitments you conclude remain valid considering the current plant status. In the interim, you should consider your commitments to ensure those that remain applicable are completed in a timely manner. Additionally, you are encouraged to carefully review your staffing needs as manpower reductions are made, to ensure that required programs will remain adequately implemented.

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Your response to this notice is to be submitted in accordance with the provisions of 10 CFR 2.201 as stated in Appendix A, Notice of Violation.

In accordance with 10 CFR 2.790(a), a copy of this letter and the enclosures will be placed in the NRC Public Document Room.

The responses directed by this letter and the accompanying Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

Should you have any questions concerning this inspection, we will be glad to discuss them with you.

Sincerely,

original signed

A. E. Chaffee, Deputy Director
Division of Reactor Safety and
Projects

Enclosures:

- A. Notice of Violation
- B. Inspection Report No. 50-312/89-15

cc w/enclosures:

S. Crunk, SMUD
J. Schori, SMUD
State of California

bcc w/enclosures:

Project Inspector
Resident Inspector
docket file
G. Cook
B. Faulkenberry
J. Martin
R. Nease, NRR

bcc w/o enclosure B:

M. Smith
J. Zollicoffer
N. Western

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SAR for
REGION V/dot
D'Angelo
12/6/89

SAR for
Myers
12/6/89

SAR for
Qualls
12/6/89

Good for
Good
12/6/89

SAR for
Richards
12/6/89

REQUEST COPY YES / NO	REQUEST COPY YES / NO	REQUEST COPY YES / NO	REQUEST COPY YES / NO	REQUEST COPY YES / NO
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AJohnson
12/6/89

AChaffee *all*
12/7/89

REQUEST COPY YES / NO	REQUEST COPY YES / NO
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SEND TO PDR YES / NO
