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

February 8, 1990

Docket No. 50-445

Mrs. Juanita Ellis, President
Citizens Association for Sound Energy
1426 South Polk
Dallas, Texas 75224

Dear Mrs. Ellis:

I am responding to your letter of January 29, 1990 and the letter from Ms. Garde dated January 10, 1990. Those letters requested that the NRC resolve issues raised by the Citizens Association for Sound Energy (CASE) and assure that TU Electric has "a comprehensive, workable, and functioning root cause analysis program" prior to the issuance of a low-power license for Comanche Peak Unit 1. During my visit to the Comanche Peak site on January 29, 1990, your concerns were further explained in a meeting that I had with CASE representatives.

You are aware that the NRC has taken a number of actions and has other actions under way related to many of CASE's issues. The NRC staff is continuing its evaluation of the pending CASE disputes, as well as other CASE concerns. I want to assure you that a license will not be issued until we are satisfied that those matters that have an impact on plant safety have been resolved and that the plant can be operated safely at the level authorized.

Enclosed is a summary of the actions taken by the Director of the Comanche Peak Project Division under Paragraph B.3 of the Joint Stipulation. The summary also describes the staff's actions related to other issues raised in Ms. Garde's letter. Where appropriate, we have identified those actions that have been or will be taken prior to the issuance of a license.

The staff has determined that no outstanding matter raises a safety issue which would warrant deferral of the issuance of an operating license authorizing fuel loading and low power operation up to 5% of rated power. We note that a common element in the CASE issues is the weaknesses in TU Electric's process for evaluating and resolving deficient conditions. This matter is discussed in more detail in the enclosure. Despite some weaknesses in specific elements of the process for evaluating deficiencies and events, TU Electric does, overall, have appropriate procedures to control that evaluation process and a quality assurance program that satisfy the applicable regulatory requirements. Moreover, the staff has not found any evidence that these weaknesses have caused any direct impact on plant safety for which appropriate corrective action will not be taken prior to the issuance of a low-power license. Further, in response to questions I raised during my visit to the site on January 29, 1990, TU Electric has submitted a letter dated February 2, 1990, which describes those actions they are taking to improve the process. Consequently, completion of further action on these issues

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is not necessary prior to a licensing decision. Any future incidents of inadequate evaluation of deficiencies can be appropriately handled in accordance with the NRC's enforcement policy.

We recognize the important new role that CASE serves for the Comanche Peak plant and we commend your efforts. The staff will continue to keep you informed of our progress on these issues.

Further, your February 6, 1990 petition to the Commissioners, for a delay in the issuance of a license for Comanche Peak submitted pursuant to 10 CFR 2.206, has been referred to the staff. In light of the matters described in the attached summary, I conclude that the actions you have requested in your February 6, 1990 Request for Action have already been taken and that no further actions need be taken with respect to your petition; the staff will continue to pursue the resolution of your disputes in accordance with the Joint Stipulation.

Sincerely,

Thomas E. Murley

Thomas E. Murley, Director
Office of Nuclear Reactor Regulation

Enclosure:
As stated

cc: See next page

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County Judge
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STATUS OF ISSUES RAISED IN
CASE'S JANUARY 10, 1990 LETTER

1. UNRESOLVED REGULATORY MATTERS

1.1 AFW Check Valve Issue and Pending Enforcement Action

The enforcement action resulting from the Augmented Inspection Team (AIT) on the AFW check valve failures (EA 89-219) was issued on January 25, 1990; three violations were identified and a $30,000 civil penalty was proposed because of the repetitive nature of procedural errors and inadequate corrective actions. In a letter dated January 31, 1990, TU Electric responded to the violations and paid the civil penalty.

The NRC staff has determined that TU Electric's actions to correct the defective check valves are satisfactory and there is a reasonable assurance that all of the affected check valves will operate properly. Two other open items remain pending because the required tests cannot be conducted until the facility is actually operating in mode 2.

Another AIT finding concerned the attitudes and practices demonstrated by workers and management during these events. The Operational Readiness Assessment Team (ORAT) subsequently observed the conduct of TU Electric personnel during the course of drills and exercises to evaluate the effectiveness of TU Electric's remedial training regarding the AIT's finding. The ORAT concluded that TU Electric's management and workers have now demonstrated the appropriate "operating attitude."

As part of TU Electric's corrective actions, they have committed to improvements in the thoroughness and timeliness of the evaluation of incidents and deficiencies. Additional improvements to this process are discussed in a February 2, 1990 letter from TU Electric to Dr. Murley. The NRC staff will continue to monitor this process during plant startup to ensure that these improvements are effective.

1.2 Station Service Water System Enforcement Action

The Office of Investigations (OI) has investigated potentially inaccurate and incomplete information provided in response to violations identified during the station service water (SSW) system coating removal project. Their investigation did not reveal any evidence that TU Electric tried to intentionally mislead the NRC. Although OI has not yet prepared a formal report of this finding, the NRC staff issued Inspection Report 89-23/23 which was being held pending the completion of the investigation.

On January 30, 1990, the NRC staff conducted an enforcement conference on the potential violations identified in 89-23/23; the staff is considering enforcement action in accordance with the applicable NRC procedures.

In other inspection activities, the staff has determined that the SSW piping has been appropriately repaired and satisfies the applicable design basis. In addition, TU Electric has determined that there are no other hardware deficiencies associated with the procured services practices used for the SSW coating removal (Code V procurements).

However, the staff notes that a related issue concerns the thoroughness and depth of TU Electric's evaluation of the deficiencies associated with the Code V procurements and, in particular, the SSW coating removal. The staff will continue to pursue that issue in relation to the evaluation process improvements discussed above. (See also section 3.1 below).

1.3 Welding Issues (MIG versus STICK)

This issue concerns the potential use of an inappropriate welding process on the plant HVAC systems, and the accuracy of the welding records.

The technical aspects of the adequacy of the welding processes for the HVAC systems were addressed in Inspection Report 89-73/73, and appropriate enforcement action has been taken. The staff has resolved the open items resulting from this inspection, so that there is reasonable assurance that the HVAC systems satisfy their applicable design bases and will function as intended. Resolution of this matter will be documented in an upcoming inspection report.

2. DISPUTES BETWEEN CASE AND TU ELECTRIC

2.1 The Dispute on the Scaling Calculations and Documentation Review Effort

The staff has conducted an extensive review of the calculations used to convert process variable units into electrical signals for instrumentation. The staff recently completed an audit of the implementation of these calculations and the procedures for calibrating the instrumentation. Although discrepancies were observed in the calculations, they were not significant to the functional performance of the instrumentation. Based on that audit, the staff concludes that the calibration and initial testing, in conjunction with the environmental qualification of the instruments, provides reasonable assurance that any errors in the scaling calculations will not impair the function of the systems the instrumentation serve.

Another aspect of this dispute concerns the preparation of these calculations and the manner by which the process-related QA audit findings were addressed. This aspect of the dispute also involves the manner by which design changes were accounted for during the preparation of the scaling calculations. The staff intends to assess this aspect of the dispute in conjunction with the evaluation process improvements discussed above, and will present its conclusions in a subsequent response to the dispute.

2.2 The Dispute over the Intimidation and Termination of a Quality Control Inspector and Implications for the Vendor Quality Assurance Program

As a result of the staff's evaluation of this issue, Inspection Report 90-05/05 was issued on January 31, 1990. That report identifies two potential violations: (1) an apparent failure to follow applicable procedures for documenting a nonconforming condition for Therm-A-Lag materials;

and (2) inadequate corrective action which caused an environment of intimidation (i.e., QC receipt inspectors perceive that they will be terminated if they raise safety concerns). An enforcement conference to discuss these findings was held on February 7, 1990.

The inspection determined that, despite the apparent violations, the Therm-A-Lag material was properly controlled and no discrepant material was installed in the plant. The inspection could not substantiate that the termination of the QC inspector on the day of the incident was retaliatory; it appears to be coincidental. In addition, the staff is aware that TU Electric has taken additional actions in an effort to correct the perception of intimidation among the QC receipt inspectors. The staff has determined that effective corrective actions are being taken to rectify this problem. The actions include measures which identify problems, assure notification of management, and evaluate root causes and generic implications.

2.3 Reactor System Cold Hydrostatic Test

The staff presented its conclusions on this dispute in a letter dated August 18, 1989. Briefly, the staff concluded that the cold hydrostatic test of the primary coolant system, required under Section III of the ASME Code, was acceptably performed and inspected and that the test records adequately support the acceptable accomplishment of the test. There has been no additional information to cause us to change those conclusions.

3. ISSUES OF SIGNIFICANT CONCERN TO CASE

3.1 The Analytical Evaluation of Station Service Water System for Comanche Peak

Mr. Doyle's assessment of the history of the SSW coating problems is comprehensive and enlightening. In general, the staff believes that Mr. Doyle's findings are consistent with the findings of the AIT enforcement action and the SALP report; i.e., TU Electric's evaluation of incidents and deficiencies occasionally lacks thoroughness and depth. The staff will continue to pursue this issue in its follow-up inspections of the improvements to the evaluation process.

Apart from that, the staff is satisfied that the SSW satisfies the applicable design basis and issues related to the quality of coatings have been adequately resolved, as discussed in more detail below. Accordingly, the staff concludes that no action on this issue is necessary prior to a licensing decision.

3.2 The Use of Teflon Tape

The staff concluded in Inspection Report 89-64/64, that TU Electric has established an adequate program for the use and control of teflon tape. That program prohibits the use of teflon tape in the primary coolant system, but does not prohibit its use in secondary systems or test

equipment. There is no NRC guidance on the use of teflon tape. While some components utilizing teflon tape have successfully passed environmental qualification tests, there is a concern that teflon tape may contribute to corrosion of the mating parts. Because of the relative small amount of teflon tape used at Comanche Peak and the long-term nature of corrosion, the staff concludes that, even if there is some teflon tape in inappropriate applications, it does not present a near-term safety hazard.

The staff will continue to monitor for inappropriate use of teflon tape during routine inspection activities. The staff concludes that no further action on this issue is warranted at this time.

3.3 Paint Coatings

In NUREG-0797, Supplement 21, Appendix L, the staff stated that, before plant operations and at each subsequent refueling outage, a surveillance of the protective coatings will be conducted to identify and correct any existing or incipient coating degradation or failure. This surveillance provides an adequate means to ensure that any coating failures will be detected and corrected before such failures present any safety hazard. On this basis, the staff concludes that issues related to nonsafety-related vice safety-related coatings have been resolved.

The staff reviewed TU Electric's commitments in this regard, as described in Inspection Report 89-37/37. The only open item remaining from that inspection is the review of the procedure that establishes the acceptance criteria for the surveillance. TU Electric performed the initial surveillance in December 1989. Inasmuch as this was a baseline surveillance and environmental effects are not expected to have caused significant degradation, the staff has scheduled the follow-up inspection for the open item prior to exceeding 5% power.

3.4 HVAC Pressure Test

During the course of the staff's review of design changes for Comanche Peak, the plant technical specifications were changed to specify that the criteria for the negative pressure test is 0.05 inches of water instead of 1/8 inches of water. The staff concluded in SSER 22 that a "slightly negative" pressure is sufficient for testing the HVAC systems, and subsequently found that the 0.05 value was acceptable for the plant technical specifications.

The test was successfully performed in January 1990. The staff has performed the related inspections of the preoperational tests in accordance with Inspection Manual Chapter 2513. Although the HVAC pressure test was not one of the specific tests inspected, the scope of the staff's inspections provides reasonable assurance that the preoperational tests were properly conducted and the test results were satisfactorily resolved.

3.5 Maintenance Inspections

The staff performed inspections in 1988 and 1989 to evaluate maintenance activities associated with the preoperational testing program. Although higher priority inspection activities precluded any additional, optional maintenance inspections, the staff still felt that there was sufficient information regarding TU Electric's maintenance program to assess the performance of that program in the SALP report. Further, the staff plans to conduct monthly maintenance inspections in accordance with Inspection Manual Chapter 2515.

The NRC does not have a policy which requires a maintenance team inspection (MTI) prior to the issuance of a low-power license. Nevertheless, in accordance with the NRC's master inspection planning process, an MTI has been tentatively scheduled at Comanche Peak in July 1990. Based on the results of the inspections conducted thus far, the staff has not identified any weaknesses which would cause the NRC to conclude that an MTI is needed any sooner than that time.

3.6 Vendor Surveillance (Falsified Bolts and Fasteners)

The staff initially addressed this issue in its inspections of TU Electric's actions in response to NRC Bulletin 87-02, as described in Inspection Report 88-56/52. Subsequently, the staff received information from OI related to potential substandard fasteners supplied by Aircom. At that point, the staff's inspection efforts were expanded to evaluate TU Electric's follow-up actions in more detail. When it became apparent that information from the Aircom indictment would not be available prior to a licensing decision, the staff conducted additional inspections and technical review, including the witnessing of the testing performed of a sample of installed bolts.

The results of TU Electric's evaluations and testing have been compiled in an engineering report that the staff has audited. The results of the staff's inspections and reviews are described in Inspection Report 89-13/13. The staff has concluded that suspected substandard fasteners have been demonstrated to have acceptable chemical composition and material properties, or where there were departures from the accepted standards, the deviations would not affect the structural capability of the fasteners. The staff also notes that it is not particularly unusual for quality materials to exhibit variations. In addition, the loading conditions imposed on bolts during installation are usually more severe than the design loads; consequently, if there were any significantly substandard bolts they would likely have failed during installation. On this basis, the staff concludes that there is reasonable assurance that any suspected substandard fasteners installed in the Comanche Peak plant will perform their intended function.

3.7 Temporary Modifications

The staff is continuing to conduct inspections of temporary modifications. In addition, this matter was considered during the ORAT inspections. At present, there are two open violations related to temporary modifications that the staff has concluded do not need to be resolved prior to a licensing decision.

One violation concerned a test department temporary modification that was not identified prior to the system being turned over to operations. This appears to be an isolated case, since no other problems of this type were found. The other violation concerned the extent of draining, venting, and sampling rigs attached to systems. Some of these rigs exceeded the threshold of requiring a temporary modification. This problem also appeared to be isolated and was promptly corrected by TU Electric.

The staff concludes that temporary modifications do not pose a significant programmatic problem that needs to be resolved prior to the issuance of a low-power license.

3.8 Kapton

The staff has conducted extensive inspections and reviews of this issue. The results of these efforts are described in Inspection Reports 89-04/04, 89-73/73 and 89-84/84. The staff's inspections of the Kapton installations is complete and the results are satisfactory. In addition, the staff has completed its evaluation of a related allegation.

The installation of components utilizing Kapton insulation was addressed in Inspection Report 89-73/73. In addition, the staff reviewed the environmental qualification packages for those components. Based on its reviews, the staff concludes that Kapton-insulated wiring has been properly installed and inspected, such that there is reasonable assurance that components utilizing Kapton-insulated wiring will perform their intended functions. On this basis, the staff considers this issue resolved.

3.9 Documentation

The staff is continuing to inspect TU Electric's activities related to the completion of construction and preoperational testing documentation. One violation and one open item are pending, and the staff has concluded that these items do not need to be resolved prior to the issuance of a low-power license.

The violation identified in Inspection Report 89-57/57 was partially addressed in report 89-83/83. The staff has found that, for the most part, facilities for establishing proper interim storage and control of documents had been established; however, some areas had not been fully implemented. Those problems were limited to interim storage. Permanent storage facilities have been inspected and determined acceptable.

An open item in Inspection Report 89-79/79 concerned the lack of detail in the AFW preoperational test results package. The inspectors could not verify that the test results were satisfactory and TU Electric had to rely on the startup engineer's memory and separate documents to demonstrate the acceptability of the test.

The staff's overview of the preoperational test program has not revealed any problems for those test results that have been reviewed and accepted by TU Electric. As a result, the staff concludes that there is reasonable assurance that the plant systems have been tested properly and will operate as designed. Inasmuch as the pending items concern the detail in documentation and interim storage of documents, the staff considers that these issues need not be resolved prior to a licensing decision.

3.10 PCHVP Allegations

Although concerns about the conduct of the Post-Construction Hardware Validation Program (PCHVP) were allegedly brought to the staff's attention in early 1989, there is no record of these allegations having been formally transmitted to the NRC. Nevertheless, as Mr. Grimes discussed with CASE representatives, the staff has interviewed CASE consultant, Owen Thero, to obtain as much information about this allegation as he can recall.

The staff has conducted extensive evaluations and inspections of the PCHVP program, including the findings discussed in SSERs 14 through 20 and Inspection Reports 89-14/14, 89-28/28 and 89-61/61. On this basis, the staff concludes that there is reasonable assurance that the PCHVP program satisfactorily confirmed the as-built condition of the plant in accordance with its plan. Therefore, although the staff will continue to pursue this matter, further action is not needed prior to the issuance of a low-power license.

3.11 SAFETEAM Inputs

The staff conducted several inspections of the SAFETEAM program for employee concerns, as is described in Inspection Reports 85-12/08, 86-11/09 and 88-23/20. In addition, the staff has evaluated various SAFETEAM activities in conjunction with follow-up actions on several allegations.

In general, the staff has found the SAFETEAM program satisfactory and effective. Although it is apparent that some TU Electric employees are skeptical about the anonymity of the SAFETEAM program and the relationship between SAFETEAM and TU Electric management, it is not apparent that this perception is due to any weakness in the SAFETEAM program. Moreover, the staff considers that the low number of allegations in the recent past, as compared to other plants, and in consideration of the large number of employees laid off as construction has been completed, demonstrates the effectiveness of SAFETEAM.

The staff will continue to monitor SAFETEAM activities during the course of inspection and allegation follow-up.

is not necessary prior to a licensing decision. Any future incidents of inadequate evaluation of deficiencies can be appropriately handled in accordance with the NRC's enforcement policy.

We recognize the important new role that CASE serves for the Comanche Peak plant and we commend your efforts. The staff will continue to keep you informed of our progress on these issues.

Further, your February 6, 1990 petition to the Commissioners, for a delay in the issuance of a license for Comanche Peak submitted pursuant to 10 CFR 2.206, has been referred to the staff. In light of the matters described in the attached summary, I conclude that the actions you have requested in your February 6, 1990 Request for Action have already been taken and that no further actions need be taken with respect to your petition; the staff will continue to pursue the resolution of your disputes in accordance with the Joint ~~Resolution~~ Stipulation. CG

Sincerely,

(original signed by)

Thomas E. Murley, Director
Office of Nuclear Reactor Regulation

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