

B. Ralph Sylvia
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March 9, 1990
NRC-90-0054

Director, Office of Enforcement
U. S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, D. C. 20555

- References:
- 1) Fermi 2
NRC Docket No. 50-341
NRC License No. NPF-43
 - 2) NRC Order Modifying License and Notice of
Violation (NRC Investigation Report Nos.
3-85-019, 3-86-002, 3-86-006, and 3-86-015),
dated February 12, 1990
 - 3) NRC Inspection Report No. 50-341/86012,
dated July 25, 1986

Subject: Response to Notice of Violation (NRC Investigation
Report Nos. 3-85-019, 3-86-002, 3-86-006, and 3-86-015)

Attached is the response to the subject Notice of Violation dealing with accuracy of information provided to the Nuclear Regulatory Commission. Detroit Edison considers it important that complete and truthful information be provided to the NRC and has taken extensive actions since these violations occurred to create an atmosphere supportive of accurate and candid information exchange.

Actions taken to improve communications with the Nuclear Regulatory Commission are contained in Attachment 1. Specific responses to the violations are included in Attachment 2. Detroit Edison is pleased that the NRC has recognized the aggressive self-review program that has been implemented to ensure regulations are being followed and that recent communications have been candid and complete.

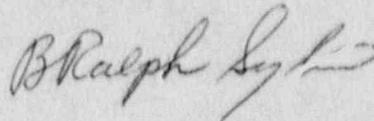
Detroit Edison management has discussed the Order modifying Fermi 2's license with the affected individual. He is aware of the provisions in the Order.

*Add: NRE/DRIS/RSGA 4/20
JEO/
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If there are any questions concerning this response, please contact
Lynne Goodman at (313) 586-4211.

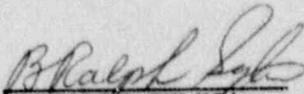
Sincerely,

A handwritten signature in cursive script, appearing to read "B. Ralph Lytle".

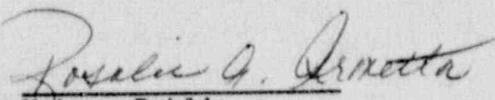
Enclosure

cc: A. B. Davis
R. W. DeFayette
W. G. Rogers
J. F. Stang

I, B. RALPH SYLVIA, do hereby affirm that the foregoing statements are based on facts and circumstances which are true and accurate to the best of my knowledge and belief.


B. RALPH SYLVIA
Senior Vice President

On this 9th day of March, 1990, before me personally appeared B. Ralph Sylvia, being first duly sworn and says that he executed the foregoing as his free act and deed.


Notary Public

ROSALIE A. ARMETTA
Notary Public, Monroe County, MI
My Commission Expires Jan. 11, 1992

COMMUNICATIONS WITH THE NRC

Detroit Edison has committed itself to provide an atmosphere conducive to complete and accurate communications with the NRC through efforts in the areas of new management personnel, communications, training, an enhanced corrective action system, improvement programs and self-assessment.

Since 1986 when the most recent of these violations occurred, Detroit Edison has added experienced senior management and management personnel in the security and nuclear engineering departments. These people are experienced in the demands of a nuclear culture in addition to the technical aspects of their positions.

One of the first actions that was taken to improve communications was establishment of a Candor Committee in 1986. Its objective was to focus the sensitivity of employees at all levels on the need for candor in communication and encourage the free flow of accurate and complete information among employees and to the NRC.

Another action was to present training to Fermi management personnel on understanding and optimizing relationships with the Nuclear Regulatory Commission. This was conducted by the Management Analysis Corporation (MAC) in 1986.

An action recommended by the Candor Committee was to develop a Fermi creed to be included in the forward to the Business Plan. Since the Fermi Business Plan was first developed in 1987, two of the targeted areas were regulatory compliance and communication with the NRC. The 1990-94 Nuclear Generation Business Plan forward states in part:

".....our communications both inside the Nuclear Generation organization and with all external agencies are characterized by candor, accuracy and completeness."

In addition, the procedure governing communications with the Nuclear Regulatory Commission was revised with the issuance of new Fermi Management Directive (FMD) RA1, "Interfacing with Regulatory Agencies and Industry Organizations" in 1987. FMD RA1 establishes the need for accurate information to be presented to the NRC and the methods for doing so. Included in FMD RA1 is the need for management review of all formal communications with the NRC. Each letter is reviewed by senior management in addition to personnel providing information in the letter. Each involved individual is required to sign that the information in the letter covering their area of responsibility is based on facts and

circumstances which are true and accurate to the best of their knowledge and responsibility.

Over the years, letters and memorandums have been sent to all site personnel reminding them of the need for complete and accurate information exchange with the NRC. Such letters have been issued as a reminder specifically before major NRC team evaluations, such as the Diagnostic Evaluation Team, to ensure site personnel are knowledgeable of their communication responsibilities. Additionally, the Moderator, the site newsletter, has had articles addressing this topic.

To foster complete and current communications with the NRC, weekly meetings were established between the Plant Manager and Senior Resident Inspector in late 1987. The weekly meetings have expanded to include additional personnel to improve communication exchange. Periodic meetings are also held between Detroit Edison and NRC management, which provide a forum for updates on specific areas of interest and on plant performance. These meetings will continue as long as they continue to be effective.

Together these communication actions serve to promote frequent, complete and accurate information exchange with the NRC.

Actions are being taken in the training area which will improve communications with the NRC. The Technical Staff and Managers Training Program will improve the knowledge of all engineering people on site. Knowledge is a key to providing accurate information. The STEPS (Steps to Effective Plant Supervision) program emphasizes ten nuclear supervisory principles. One of the purposes of the STEPS program is to improve performance of supervisors by exposing them to the requirements of the nuclear environment. Groups of plant supervisors are being given this training program. Other training such as root cause and HPES (Human Performance Evaluation System) training will help better determine causes of problems and so enable communications of accurate root causes to the NRC.

The corrective action system was revamped in early 1988. It established a low threshold for identifying problems. A copy of each Deviation Event Report (DER) initiated is provided to the NRC Resident Inspector (with the exception of INPO-related DERs). Thus the inspector is provided information on all significant concerns.

An Accountability Program was initiated in 1988. In this program a meeting is held following selected personnel error events in which the cause of the problem is discussed and personnel accountability identified. In the few cases where inaccurate information was provided

to the NRC necessitating correction letters, accountability meetings were held and the review process has been improved as a result.

Detroit Edison has also instituted improvement programs and self-assessment programs to improve performance and enhance internal communications. Some of these programs are the Technical Specification Improvement Program, Security Improvement Program, Self-SALP Program and Performance Based Quality Assurance. The better the internal communications and more knowledgeable personnel are on performance, the better and more accurately information can be communicated to the NRC.

The Security Improvement Program specifically included an objective on information accuracy. During 1986, IE Information Notice 85-97 "Jail Term for Former Contractor Employee Who Intentionally Falsified Welding Inspection Records" was reviewed with all security personnel. The purpose of this action was to emphasize the seriousness of material false statements to the security organization.

Together, these actions in the areas of communications, training, corrective action system, improvement programs, self-assessment and key personnel have built an atmosphere that supports regulatory compliance and candid and complete communications with the NRC.

RESPONSE TO SPECIFIC VIOLATIONS

Violation I.A

Section 186 of the Atomic Energy Act of 1954, as amended, requires licensees to ensure that all submissions to the NRC are complete and accurate in all material respects.

As part of a special physical security inspection conducted between November 12 and December 27, 1985, a violation of 10 CFR 73.21 and Section 6.14.4 of the Fermi 2 Nuclear Operations Interfacing Procedure 11.00.114 titled "Protection of Safeguards Information" was cited by an NRC inspector. Specifically, a document containing Safeguards Information was entered into an unsecured Data Processing (DP) system. The licensee's senior security manager (Director of Nuclear Security), when questioned on or about November 13, 1985, told the inspector that he (DNS) was not aware that the DP system had an offsite transmitting capability, that made it unsuitable for storing safeguards information, when he directed such information to be entered into the DP system.

The statement made by the Director of Nuclear Security was a material false statement within the meaning of Section 186. It was false in that it was determined through investigation that the Director of Nuclear Security had been informed both in writing and verbally by his staff that the data processing system was not secure and that Safeguards Information should not be entered into it. The DNS staff notifications took place within about two months before the information was entered into the system and before his statement to the NRC inspector. One such notification was immediately before the information was entered into the system. It was material in that, had the NRC known the information was false, further enforcement action would have been taken at that time.

Detroit Edison Response

1. Detroit Edison does not deny the above.
2. Reasons for Violation

Detroit Edison believes this violation was due to a serious personnel error on the part of the former Director, Nuclear Security. Additionally, the need for accurate information exchange with the NRC was apparently not fully appreciated by the individual.

3. Corrective Actions Taken and Results Achieved

The former Director, Nuclear Security involved in this violation no longer works at Fermi 2 nor has any responsibility for safety-related activities authorized under License No. NPF-43.

4. Corrective Actions Taken to Avoid Further Violations

Detroit Edison has taken extensive actions to improve the accuracy and completeness of communications with the NRC. These actions are discussed in Attachment 1 and will help prevent future violations of this type. Additionally, a special edition of the daily Fermi Management Update newsletter was issued on February 16, 1990 describing these violations to current personnel. The February 1990 Moderator also contained an article on the violations and order. The severity of this violation serves as a reminder to plant personnel of the importance of providing accurate information to the NRC.

5. Date Full Compliance Will be Achieved

Detroit Edison is currently in full compliance.

Violation I.B

Section 186 of the Atomic Energy Act of 1954, as amended, requires licensees to ensure that all submissions to the NRC are complete and accurate in all material respects.

A special physical security inspection was conducted between April 16-18, 1986, because the licensee reported an event of April 11, 1986, that involved documents containing Safeguards Information being discovered by a contractor supervisor in an unlocked file cabinet in the owner controlled area. When asked about the Safeguards Information documents he allegedly found, the contractor supervisor provided written and verbal statements to the NRC inspector asserting that the documents were discovered by him (the supervisor) outside of the plant protected area, and he denied prior knowledge or possession of the documents.

The statements made by the contractor supervisor were material false statements within the meaning of Section 186. They were false in that it was determined through investigation that the Safeguards Information documents were in the possession of the contractor supervisor prior to the incident and the supervisor took the documents outside of the plant's protected area. He then falsely reported the document as being discovered in the file cabinet and never possessed by the supervisor. They were material in that enforcement action might have been pursued had the NRC known the truth.

Detroit Edison Response

1. Detroit Edison believes that the violation occurred as described above, but was not privy to the information provided by the contractor to the NRC.

2. Reasons for the Violation

This violation occurred because the contractor employe acted in violation of established policies.

3. Corrective Action Taken and Results Achieved

Detroit Edison promptly reported the violation of storage of Safeguards material to the NRC. The contractor employe is no longer at Fermi nor will he be issued a badge in the future.

4. Corrective Action Taken to Avoid Further Violations

Detroit Edison has taken extensive actions to improve the accuracy and completeness of communications with the NRC. These actions are discussed in Attachment 1 and will help prevent future violations of this type. Additionally, a special edition of the daily Fermi Management Update newsletter was issued on February 16, 1990 describing these violations to current personnel. The February 1990 Moderator also contained an article on the violations and order. The severity of this violation serves as a reminder to plant personnel of the importance of providing truthful information to the NRC.

5. Date Full Compliance will be Achieved

Detroit Edison is currently in full compliance.

Violation II.A

10CFR Part 50, Appendix B, Criterion III, Design Control, requires the holder of a permit to construct a nuclear power plant to establish measures to verify or check the adequacy of the plant's design and to ensure that design changes, including field changes, are subject to design control measures commensurate with those applied to the original design.

Contrary to the above, beginning in January 1985 and continuing through October 1985, licensee officials became aware of deficiencies in the seismic qualification design program which could have resulted in deficiencies in the design and construction of the plant and failed to establish, in a timely manner, adequate measures to verify or check the adequacy of the plant's design.

Detroit Edison Response

1. Detroit Edison admits the violation occurred with the following clarification. Licensee officials in early and mid-1985 were aware of apparent problems in the documentation of seismic reviews rather than in the design and construction of the plant. This was in part based on review of some design changes which showed that there were no design problems, but that a seismic review wasn't documented. The extent and timeliness of the response were geared to a documentation problem. Action was taken during the summer of 1985 to improve the documentation of seismic reviews. In October 1985 action was taken to initiate a review of all change paper originating in Nuclear Engineering from August 1984 through August 1985. This action was taken as a result of the SAPPTEAM concern submitted in late September 1985.

2. Reason for the Violation

The importance of adequate documentation to demonstrate that seismic reviews were occurring was not appreciated at the time. Also, the importance of communicating this lack of documentation to the NRC was not recognized at the time.

3. Corrective Action Taken and Results Achieved

A review of all change papers initiated between August 1984 and August 1985 was performed by an outside party. No modifications were determined to be necessary during the review which was completed in December 1985. A major design reverification program was conducted in 1986. All QA Level 1 design changes prepared by the onsite Nuclear Engineering organization prior to January 27, 1986 were

reverified. The NRC review of this program is contained in Inspection Report No. 86-12. The NRC inspector concluded that the review was adequate.

The turnover of engineering activities from the Detroit Edison engineering group in Troy, Michigan to the onsite Nuclear Engineering organization was completed in 1985. Division of primary and support responsibilities between onsite engineering departments is currently specified in FIO-FMP-03.

4. Corrective Action Taken to Avoid Further Violations

Several programs have been instituted in the past years which will help avoid further violations in this area, though some were developed for other reasons to improve performance. They include actions in the training, design verification, and corrective action program areas. Engineers are participating in the Technical Staff and Managers training program. This program is geared towards increasing the knowledge of the technical staff about the plant so that more informed decisions can be made. Some of the goals of the ongoing Design Basis Task Force training are to instill a questioning attitude in the engineers, familiarize them with sources of design basis information and requirements, and to train on and demonstrate the processes used to evaluate potential problems. The STEPS program has introduced some of the Nuclear Engineering supervisors to the ten nuclear supervisory principles. Together these training programs improve the engineers' knowledge of the plant and how to professionally handle problems in the nuclear environment.

The design verification process has evolved considerably. A detailed checklist is used to document general and specialty reviews of safety-related design changes. One of the reviews specified on the checklist is for an engineer knowledgeable in the seismic area.

The corrective action program was revamped in early 1988 and improvements are continuing to be made. The program requires an assessment of a problem within an assigned period of no greater than 30 days. An action plan is required to be developed by that time. A root cause determination is required for significant conditions adverse to quality. The program receives considerable management attention. Additionally, a copy of all Deviation Event Reports (with the exception of INPO-related items) is sent to the NRC Resident Inspector following initiation. This provides the NRC with a knowledge of all the significant problems on which Fermi personnel are working.

Together, the training of the engineers and their supervisors, the design verification process, and the enhanced corrective action system will serve to sensitize personnel to problems, provide a method of evaluating concerns, and will document engineering reviews performed to support design changes. These actions will help prevent future similar violations.

5. Date Full Compliance Will be Achieved

Detroit Edison is currently in full compliance.

Violation II.B

Contrary to the above, the licensee failed to establish adequate measures to ensure that design changes, including field changes, were subject to design control measures commensurate with those applied to the original design in that the licensee did not, prior to obtaining the operating license, verify or check the adequacy of the final structural design of the embedment plates with the changed loads on those plates, including any changes in that design made between 1980 and 1985. Specifically, on January 3, 1986, the licensee submitted a License Event Report (LER) notifying NRC that a number of embedded support plates were potentially overloaded in both safety and non-safety related systems. The LER revealed that these hanger loads had not been properly resolved prior to obtaining the operating license.

Detroit Edison Response

1. Detroit Edison admits the violation occurred.
2. Reason for the Violation

In 1984 when the question arose of performing a complete reverification of the design of embedment plates to factor in design changes made since the plates were initially designed, management decided that it would be sufficient to review the design of those plates thought to be representative of the worst case conditions. The supposition was that if the design reverification showed the worst case loaded plates were acceptable, this would envelope all other embedment plates in the plant and so would constitute an adequate review prior to fuel load with reverification of the remaining plates being just a follow-up action item. Detroit Edison did not communicate this supposition and justification to the NRC at the time.

3. Corrective Action Taken and Results Achieved

The remaining embedment plates were analyzed and loads found to be acceptable. The NRC reviewed this issue in Inspection Report No. 86-12 and concluded that this program was acceptable and effectively implemented.

4. Corrective Action Taken to Avoid Further Violations

The corrective actions discussed for Violation II.A will also help avoid future violations similar to this. Additionally, experience has been gained in the use of regulations and acceptability of

actions in meeting regulations. The addition of engineering management personnel with other commercial nuclear experience will also help avoid future violations of this type.

5. Date Full Compliance Will be Achieved

Detroit Edison is currently in full compliance.