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APR 15 1994

Docket No. 50-010
License No. DPR-2
EA 94-044

Commonwealth Edison Company
ATTN: Mr. M. J. Wallace, Vice President
Chief Nuclear Officer
Executive Towers West III
1400 Opus Place, Suite 300
Downers Grove, IL 60515

Dear Mr. Wallace:

SUBJECT: SPECIAL INSPECTION OF A POTENTIAL LOSS OF WATER FROM THE DRESDEN
UNIT 1 SPENT FUEL STORAGE POOL AND OF THE PLANT'S COMPLIANCE TO
THE SAFSTOR DECOMMISSIONING PLAN (INSPECTION REPORT NO. 50-010/94001)

The enclosed report refers to a special onsite team inspection conducted by the NRC from January 27 through February 18, 1994. The inspection team was led by Mr. James McCormick-Barger of the NRC Region III office. He was assisted by Mr. Richard Dudley of the NRC Office of Nuclear Reactor Regulation and other members of the NRC staff as listed in the enclosed report. On January 25, 1994, approximately 55,000 gallons of service water was discovered in the basement of the unheated Unit 1 containment. The water had leaked from freeze-damaged components in the containment. Your staff subsequently determined that low air temperatures in the containment threatened the integrity of the water-filled fuel transfer tube. If this tube had failed, water from the spent fuel storage pool could have drained and partially uncovered approximately 660 assemblies of spent fuel stored in the Unit 1 fuel storage building.

The NRC team reviewed the circumstances of this event and reviewed your implementation of the SAFSTOR Decommissioning Plan approved for implementation by the NRC on September 3, 1993. The inspection also included evaluation of your followup activities for the event. We discussed our findings with Messrs. DelGeorge and Spedl and others of your staff at the conclusion of the inspection.

The enclosed copy of our report identifies areas examined during the inspection. Within these areas, the inspection consisted of a selective examination of procedures and records, observations, independent measurements of radioactivity, and interviews with personnel.

We concluded that there was no further imminent safety concern following your staff's actions to protect the fuel transfer tube from freezing. However, we are disturbed with the lack of management attention to the material condition and safety of Dresden Unit 1. In addition, we were not satisfied with your response to this event. The efforts of your investigative team resulted in the identification of several significant findings. However, site and

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corporate management did not take an active role in assessing the significance of this event. Management did not enter the sphere to evaluate and resolve the situation. During a March 27, 1994, senior NRC management visit to the facility, the material condition of Unit 1 areas remained poor and there had been little improvement in the condition of the fuel storage building and slow progress in reducing the cesium-137 concentration of the water. Further, there had been little progress in assessing the potential migration of radioactive contamination offsite due to any leakage from the unlined fuel pool.

During the inspection, a number of items were identified that will require followup inspection. These items are identified in the attached inspection report with specific inspection followup item tracking numbers. In a telephone call between Mr. McCormick-Barger of my staff and Ms. Shields of your staff on April 15, 1994, we were informed that your staff will be providing us with a written description of the actions you plan to take to address these issues within 45 days of the date of this letter.

Based on the results of this inspection, several apparent violations were identified concerning your inadequate safety evaluations of the consequences of rendering inoperable the Unit 1 heating and ventilation systems and your failure to maintain Unit 1 in accordance with the statements made in letters to the NRC. These violations are being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), 10 CFR Part 2, Appendix C. The inspection also identified an apparent deviation from your commitment to install a radiation monitor in the Unit 1 fuel storage building. Because these issues are under consideration for escalated enforcement action, no Notice of Violation or Deviation is presently being issued. During our further consideration of our findings, the characterization of the apparent violations and deviation described in the enclosed inspection report may change.

An enforcement conference to discuss these apparent violations has been scheduled for 10:00 a.m. (CDT) on May 12, 1994, at the NRC Region III office in Lisle, Illinois. This conference will be open to public observation in accordance with the Commission's trial program as discussed in the enclosed *Federal Register* notice. The decision to hold a conference does not mean that the NRC has determined that the violations and deviation have occurred or that enforcement action will be taken. The purposes of this conference are to discuss the apparent violations and the deviation, their causes and safety significance; to provide the opportunity for you to point out any errors in our inspection report; and to provide an opportunity for you to present your proposed corrective actions. In addition, this is an opportunity for you to provide any information concerning your perspectives on (1) the severity of the violations and the deviation, (2) the application of the factors that the NRC considers when it determines the amount of a civil penalty that may be assessed in accordance with Section VI.B.2 of the Enforcement Policy, and (3) any other application of the Enforcement Policy to this case, including the exercise of discretion in accordance with Section VII. You will be advised by separate correspondence of the results of our deliberations on this

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matter. No response regarding the apparent violations and the deviation is required at this time.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room.

Sincerely,
Original Signed By H. J. Miller For
John B. Martin
Regional Administrator

Enclosures:

- 1. Inspection Report
No. 50-010/94001(DRSS)
- 2. Federal Register Notice

cc w/enclosures:

- L. O. DelGeorge, Vice President,
Nuclear Oversight and Regulatory Services
- Gary F. Spedl, Station Manager
- J. Shields, Regulatory Assurance
Supervisor
- D. Farrar, Nuclear Regulatory
Services Manager
- OC/LFDCB
- Resident Inspectors LaSalle,
Dresden, Quad Cities
- Richard Hubbard
- Nathan Schloss, Economist Public
Utilities Division
- Licensing Project Manager, NRR
- State Liaison Officer
- Chairman, Illinois Commerce
Commission
- R. V. Crlenjak, DRS

bcc w/enclosures:

- J. Lieberman, OE
- J. Goldberg, OGC
- L. Reyes, NRR
- PUBLIC IE06

(See previous concurrence page)

RIII	RIII	RIII	RIII	RIII	RIII
Kunowski/jp 4/ /94	Reidinger	M. Miller	Leach	Hiland	Creed
NMSS	NMSS	NMSS	NRR	NRR	NRR
Bell	Brown	Austin	Erickson	Thonus	Dudley
NRR	RIII	RIII	RIII	RIII	RIII
Weiss	McC-Barger	Grobe	Axelson	DeFayette	Martin

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 Martin
 4/15/94
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In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room.

Sincerely,

John B. Martin
Regional Administrator

Enclosures:

- 1. Issues and Concerns
- 2. Inspection Report
No. 50-010/94001(DRSS)
- 3. Federal Register Notice

cc w/enclosures:

L.O. DelGeorge, Vice President,
Nuclear Oversight and Regulatory Services
Gary F. Spedl, Station Manager
J. Shields, Regulatory Assurance
Supervisor
D. Farrar, Nuclear Regulatory
Services Manager
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Resident Inspectors LaSalle,
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Richard Hubbard
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Commission
R. V. Crlenjak, DRS

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J. Lieberman, OE
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PUBLIC IE06

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JDR
Reidinger
4/12/94

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M. Miller
4/12/94

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MAK for
Leach
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