

Yellow

DEC 28 1990

Docket Nos. 50-327 and 50-328
License Nos. DPR-77 and DPR-79
EA 90-200

Tennessee Valley Authority
ATTN: Mr. Oliver D. Kingsley, Jr.
Senior Vice President
Nuclear Power
6N 38A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

Dear Mr. Kingsley:

SUBJECT: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY -
\$30,000 (NRC INSPECTION REPORT NOS. 50-327/90-34 AND 50-328/90-34)

This refers to the Nuclear Regulatory Commission (NRC) inspection conducted by P. Harmon on October 5 - November 5, 1990, at the Sequoyah Nuclear Plant (SNP). The inspection included a review of SNP Quality Assurance (QA) surveillance and monitoring schedules prepared by your staff, specifically QA Monitoring Report OSQ-R-90-729, Overtime, which detailed the monitoring of compliance with plant overtime requirements during the current SNP Unit 2 Cycle 4 refueling outage. That report concluded that overtime requirements were being violated and that management control of overtime was inadequate. The NRC report documenting this inspection was sent to you by letter dated November 16, 1990. As a result of this inspection which included a review of various licensee records documenting hours worked, a potential failure to comply with NRC regulatory requirements was identified. An Enforcement Conference was held on November 27, 1990, in the Region II office to discuss the potential violation, its cause, and your corrective actions to preclude recurrence. The letter summarizing this conference was sent to you by letter dated December 10, 1990.

The violation described in the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice) involved a failure to comply with plant overtime requirements during the Unit 2 Cycle 4 refueling outage. The QA Monitoring Report referred to above and dated October 17, 1990, was initiated "...to evaluate the effectiveness of the corrective actions for NRC Notice of Violation 50-327, 328/90-22-01...and compliance with the NRC overtime limits at the Sequoyah Nuclear Plant." The report found that the implementation of Site Standard Practice (SSP) 32.53, Administration of Overtime, was inadequate and that increased management attention was required to ensure compliance with NRC mandated overtime limits. NRC Inspection Report Nos. 50-327/90-22 and 50-328/90-22, dated July 26, 1990, contained a Severity Level IV violation for exceeding overtime limits imposed by plant administrative procedures and cautioned that the violation was similar to a violation issued on March 14, 1988. The July 26, 1990, NRC Inspection Report also noted that recurring violations were of particular concern because the NRC expects licensees to learn from their past failures and to take effective corrective action. The latest violation continues to raise concerns relative to your management

9101140065 90122R
PDR ADDCA 05000327
Q FDR

///
IEO/

DEC 28 1990

process to implement effective corrective actions. There is also concern relative to the effectiveness of administrative controls and management oversight of overtime requirements which failed to prevent this violation. The mandating of requirements to control overtime, particularly in safety-related work, reflects a legitimate regulatory and industry concern that excessive and uncontrolled overtime could lead to safety-related, human-factor failures. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," (Enforcement Policy) 10 CFR Part 2, Appendix C (1990), this violation has been categorized at Severity Level IV.

To emphasize the importance of management controls and ensuring the implementation of effective corrective action, I have been authorized, after consultation with the Director, Office of Enforcement, and the Deputy Executive Director for Nuclear Reactor Regulation, Regional Operations and Research, to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$30,000 for the Severity Level IV violation. Normally, civil penalties are not proposed for Severity Level IV violations. However, the Enforcement Policy states that civil penalties may be imposed for Severity Level IV violations that are similar to previous violations for which the licensee did not take effective corrective action, as is true of the present case.

The base value of a civil penalty for a Severity Level IV violation is \$15,000. The escalation and mitigation factors in the Enforcement Policy were considered. Mitigation of 50 percent was warranted for your QA staff's follow-up activities and subsequent identification and appropriate characterization of the problem. Mitigation of 50 percent was appropriate for corrective action to prevent recurrence based on actions by senior management to address the problem and the subsequent focusing of a high level of attention to get this issue under control. Consideration was also given to your development of a long-term Integrated Corrective Action Plan to address the administrative control of use of overtime, particularly in view of the senior management oversight that will be placed on ensuring the plan is fully implemented. Escalation of 100 percent was appropriate for past performance in the area of concern because of the recurring nature of the overtime problems over a considerable period of time and the fact that previous corrective action plans that TVA submitted to the NRC staff failed to adequately address the problem. Additional escalation of 100 percent was appropriate for multiple occurrences in this case which involved numerous significant examples of inadequate control of overtime. The findings cited here are those identified by NRC after your QA organization raised the issue and do not include those identified by your organization. The other adjustment factors in the Policy were considered, and no further adjustment to the base civil penalty is considered appropriate. On balance, the base civil penalty has been escalated by 100 percent. It should be noted that while in this case 50 percent mitigation has been deemed appropriate for your extensive corrective actions, your proposed corrective actions for past violations were also thought to be extensive but were never adequately implemented. We expect that TVA now understands what needs to be done and will do it. Therefore, recurrence of violations in this area would likely result in stronger enforcement actions without mitigation for proposed corrective actions.

DEC 28 1990

Tennessee Valley Authority

- 3 -

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

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

The responses directed by this letter and the enclosed Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, Pub. L. No. 96.511.

Should you have any questions concerning this letter, please contact us.

Sincerely,

Original Signed By
J. L. Milhoan

Stewart D. Ebnetter
Regional Administrator

Enclosure:
Notice of Violation and Proposed
Imposition of Civil Penalty

cc w/encl:
M. Runyon, Chairman
Tennessee Valley Authority
ET 12A 7A
400 West Summit Hill Drive
Knoxville, TN 37902

J. B. Waters, Director
Tennessee Valley Authority
ET 12A 9A
400 West Summit Hill Drive
Knoxville, TN 37902

W. F. Willis
Chief Operating Officer
ET 12B 16B
400 West Summit Hill Drive
Knoxville, TN 37902

cc w/encl cont'd: (see page 4)

cc w/enc1 cont'd:

D. Nunn, Vice President
Nuclear Engineering
Tennessee Valley Authority
6N 38A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

Dr. M. O. Medford
Vice President, Nuclear Assurance,
Licensing and Fuels
Tennessee Valley Authority
6N 38A Lookout Place
Chattanooga, TN 37402-2801

County Judge
Hamilton County Courthouse
Chattanooga, TN 37402

C. A. Vondra, Plant Manager
Sequoyah Nuclear Plant
Tennessee Valley Authority
P. O. Box 2000
Soddy-Daisy, TN 37379

E. G. Wallace, Manager
Nuclear Licensing and
Regulatory Affairs
Tennessee Valley Authority
5N 157B Lookout Place
Chattanooga, TN 37402-2801

M. Cooper
Site Licensing Manager
Sequoyah Nuclear Plant
P. O. Box 2000
Soddy-Daisy, TN 37379

TVA Representative
Rockville Office
11921 Rockville Pike
Suite 402
Rockville, MD 20852

General Counsel
Tennessee Valley Authority
400 West Summit Hill Drive
ET 11B 33H
Knoxville, TN 37902

cc w/enc1 cont'd: (see page 5)

Tennessee Valley Authority

- 5 -

DEC 28 1990

cc w/encl cont'd:
Michael H. Mobley, Director
Division of Radiological Health
T.E.R.R.A. Building, 6th Floor
150 -9th Avenue North
Nashville, TN 37247-3201

Joseph Bynum, Acting Site Director
Sequoyah Nuclear Plant
Tennessee Valley Authority
P. O. Box 2000
Soddy-Daisy, TN 37379

State of Tennessee

Distribution:

PDR
LPDR
SECY
CA
JSniezek, DEDR
SEbnetter, RII
JLieberman, OE
TMurley, NRR
JPartlow, NRR
Enforcement Coordinators
RI, RII, RIII, RIV, RV
B. A. Wilson, TVAP/RII
W. S. Little, TVAP/RII
J. B. Brady, TVAP/RII
J. Rutberg, OGC
J. N. Donohew, NRR
NRC Resident Inspector
BHayes, OI
FIngram, GPA/PA
EJordan, AEOD
DWilliams, OIG
JLuehman, OE
EA File
Day File
DCS

RII
BAW
BAWilson
12/29/90

RII
GRJ for
GRJenkins
12/27/90

RJL
JLMilhoan
12/28/90