March 10, 1983

James L. Kelley, Chairman
Administrative Judge
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Mr. Glenn O. Bright
Administrative Judge
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Dr. James H. Carpenter
Administrative Judge
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, DC 20555

In the Matter of
Carolina Power and Light Company and
North Carolina Eastern Municipal Power Agency
(Shearon Harris Nuclear Power Plant, Units 1 and 2)
Docket Nos. 50-400 OL & 50-401 OL

Dear Administrative Judges:

Recently the NRC imposed a civil penalty of $600,000 upon the Applicants for certain violations at their Brunswick nuclear facility. Management capability and QA/QC are issues here due to some of the intervenors' contentions and are important due to the Commission's Memorandum CLI-80-12, 11 NRC 514 (1980). For these reasons we are sending you the NRC papers relating to the penalty.

Sincerely,

Charles A. Barth
Counsel for NRC Staff

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Enclosures: Reg. III Report
Nos. 50-325/82-28 & 50-324/82-28
Letter dated Feb. 10, 1983
re: Proposed Civil Penalties: EA-82-106
Notice of Violation
Letter re: Confirmatory Order with Order
cc w/encls: Service List

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
101 MARIETTA ST., N.W., SUITE 3100
ATLANTA, GEORGIA 30303

Report Nos. 50-325/82-28 and 50-324/82-28

Licensee: Carolina Power & Light Company
411 Fayetteville Street
Raleigh, NC 27602

Facility Name: Brunswick Steam Electric Plant

Docket Nos. 50-325 and 50-324

License Nos. DPR-62 and DPR-71

Inspection at Brunswick site near Southport, North Carolina

Inspectors: B. K. Hardin — 8/25/82
A. K. Hardin — Date Signed

D. O. Myers — Date Signed

L. W. Garner — Date Signed

C. W. Hehl — Date Signed

Approved by: C. W. Burger, Section Chief, Division of Project and Resident Programs — Date Signed

SUMMARY

Inspection on July 12-14, 1982 and July 20-22, 1982

Areas Inspected

These special, unannounced inspections involved 137 inspector-hours on site in the areas of review of licensee procedures for implementing changes to technical specifications; scheduling and tracking of surveillance test activities; and review of circumstances surrounding the licensee's failure to implement surveillance tests.

Results

Of the three areas inspected, six violations were found in two areas (Failure to perform surveillance tests - paragraphs 6, 7, 8 and 9). (Failure to prepare procedures - paragraph 10). (Failure to take corrective action - paragraph 11).

DETAILS

1. Persons Contacted

Licensee Employees

+C. R. Dietz, Plant General Manager
*+R. Morgan, Plant Operations Manager
+W. Tucker, Manager of Operations
+C. H. Mosley, Jr., Manager of Operations QA/QC
*+E. A. Bishop, Manager of Technical Support
*+E. R. Coburn, Director QA/QC
+J. L. Harness, Special Assignment - Corporate Oversight
+C. S. Bohanan, Acting Director of Regulatory Compliance
M. D. Hill, Manager of Maintenance
*K. E. Enzor, I&C/Electrical Maintenance Supervisor
*+[illegible] J. Gorman, QA Supervisor
[illegible]ovotny, Regulatory Specialist
[illegible] Poulk, Jr., Regulatory Specialist
*G. A. Thompson, Project Engineer
*O. Moore, Senior Electrical Specialist
*T. G. Martin, Engineer-Transmission

Other licensee employees contacted included engineers, operators, and office personnel.

*Attended exit interview on July 14.
+Attended exit Interview on July 22

2. The inspection scope and findings were summarized on July 14 and July 22 at on-site meetings with those persons indicated in paragraph 1 above. The licensee acknowledged the findings. An enforcement conference was held in the Region II office on July 14, 1982 with L. W. Eury and other members of the CP&L staff to discuss NRC concerns with CP&L's noncompliance with Technical Specifications. On July 16, 1982, Mr. James P. O'Reilly expressed additional NRC concerns regarding CP&L's noncompliance with Technical Specifications in a telephone conference with Mr. J. A. Jones and Mr. S. H. Smith, Jr.

3. Licensee Action on Previous Inspection Findings

Not Inspected.

4. Unresolved Items

Unresolved items are matters about which more information is required to determine whether they are acceptable or may involve noncompliance or deviations. New unresolved items identified during this inspection are discussed in paragraph 12a, b, and c.

5. Failure to Perform Surveillance Tests

a. Circumstances Leading to Event Identification

On June 29, 1982, while starting a circulating water pump, Unit 1 experienced a loss of voltage to Emergency Buses E1 and E2 resulting in a reactor scram. Subsequent licensee evaluation of this event on June 28, 29 and 30 determined that undervoltage relays, which had functioned as designed during this event by separating the E1 and E2 buses from the offsite grid during a degraded voltage condition, had never received periodic tests required by technical specifications. At 3:42 p.m. on June 30, the licensee notified Region II of the missed surveillance tests.

As a result of this notification, Region II issued a confirmation of action letter to the licensee on July 2, which confirmed a commitment by the licensee to the following action on or before July 16, 1982:

(1) Investigate the cause of failure to perform surveillance tests involving degraded voltage relays on emergency electrical buses E-1 and E-2

(2) Review all technical specification surveillance requirements, and administrative control systems for assuring that surveillance requirements are met.

(3) Review management control systems to determine why these surveillance requirements were not incorporated into the plant's surveillance procedures and schedules.

On July 16, the licensee informed Region II that as a result of the surveillance program review, additional surveillance requirements were identified as not being performed and that Unit 1 was being shutdown after determining that a required surveillance test could not be completed prior to exceeding a limiting condition for operation (LCO). Unit 2 had been shutdown for refueling in April, 1982 and remained shutdown during this period.

b. Scope of Inspection

Project and resident inspectors reviewed the details of the licensees program for identifying compliance with all surveillance tests required by the Technical Specifications and the details of missed surveillance tests that were identified by the licensee. The missed surveillance tests reviewed and discussed in paragraphs 6, 7, 8 and 9 consist of the three tests identified by the licensee, and one test identified by the resident inspectors. Identification of each test is given below and each test is discussed in a subsequent paragraph.

c. Identification of Missed Surveillance Tests

(1) Loss of Voltage/Degraded Voltage Relays TS-LCO 3.3.3 and TS-Surveillance Requirement 4.3.3.1. (Failure to perform shift channel checks, monthly functional tests, and 18 month calibration test).

(2) Reactor Water Cleanup System (RWCU) Isolation on Standby Liquid Control (SLC) system initiation, TS-LCO 3.3.2 and TS-Surveillance Requirement 4.3.2.2.1. (Failure to perform 18 month channel functional test).

(3) Primary Containment Integrity, TS-LCO 3.6.1.1 and TS-Surveillance Requirement 4.6.1.1. (Failure to perform 31 day verification of containment penetration).

(4) Primary containment leakage testing, TS-LCO 3.6.1.2.b and TS-Surveillance Requirement 4.6.1.2.d. (Failure to perform type B and C local leakrate test within required 24 month interval).

6. Loss of Voltage/Degraded Voltage Relays

Technical Specifications 3.3.3 and 4.3.3.1 for the loss of voltage and degraded voltage relays became effective for both Brunswick Units on June 11, 1980. Technical Specification 3.3.3 requires that Emergency Core Cooling System (ECCS) actuation instrumentation shown in Table 3.3.3-1 shall be operable. Technical Specification 4.3.3.1 states that each ECCS actuation instrumentation channel shall be demonstrated operable by the performance of a channel check, a channel functional test and a channel calibration during the operational condition and at the frequencies shown in Table 4.3.3-1. Table 4.3.3-1 requires a shift channel check, a monthly functional test and a 18 month calibration of the degraded voltage relays and a 18 month calibration of the loss of voltage relays. The licensee identified on June 30, 1982, as discussed in paragraph 5 of this report, that the relays tests had not been performed since issuance of the Technical Specification. Compliance with the action statement applicable to this Technical Specification requires the instrument channel to be considered inoperable and the inoperable channel to be placed in the tripped condition within one hour. Thus all degraded and loss of voltage relays would be required by the Technical Specifications to be tripped, separating offsite power from the Emergency Buses and initiating a reactor scram.

The licensee contacted Region II at 3:42 p.m. and reported the failure to perform the surveillance test requirement and stated they would have to shutdown Unit 1 within an hour unless they could test the relays (Unit 2 was already down for a refueling outage). The licensee proposed conducting the required relay tests by energizing Emergency Buses E-1 and E-2 with the Emergency Diesel Generators, then separate the offsite power from the Emergency buses. This would permit calibration and functional tests of the relays without shutting down Unit 1. RII did not agree to the proposed test method, and stated that Region II would contact NRR regarding the missed

surveillances and the licensee's proposed action. RII contacted NRR and in conference with NRR concurred that immediate shut down of the reactor could be briefly delayed to permit evaluation of alternate methods for complying with the Technical Specifications. The licensee was called by RII and told to contact NRR.

The licensee contacted NRR at 4:30 p.m. on June 30, 1982 and NRR concurred with their request to delay the immediate action required by the Technical Specification action statement until 7:00 p.m., at which time a conference call between the licensee and NRR would be convened to establish an appropriate course of licensee action. The 7:00 p.m. conference call resulted in NRR granting an emergency technical specification change which provided for temporary relief from the action statement and allowed continued operation of Unit 1, provided that all loss of voltage and degraded voltage relays were tested on Unit 1 during the first outage after July 7 and for Unit 2 prior to startup. Subsequently the licensee and NRR revised the commitment to require tests of the relays prior to July 15 for Unit 1 and prior to startup or prior to July 15 for Unit 2 whichever occurred first. Satisfactory performance of the relay tests for both units was completed by July 15.

The surveillance tests required on the loss of voltage and degraded voltage relays were not performed during the period June 11, 1980 thru June 30, 1982, for either Units 1 or 2, thus missing shift channel checks, monthly functional tests, and one 18-month calibration. The failure to perform the surveillance test required to meet LCO 3.3.3 is identified as a violation (324, 325/82-28-01).

7. Reactor Water Cleanup System Isolation on Initiation of Standby Liquid Control

Technical Specification 3.3.2 requires that the isolation actuation instrumentation channels shown in Table 3.3.2-1 be operable as demonstrated by the surveillance requirements of Technical Specification 4.3.2.1 at the frequencies shown in Table 4.3.2-1.

Technical Specifications 3.3.2 and 4.3.2.1 for the isolation of the reactor water cleanup (RWCU) system upon actuation of the standby liquid control (SBLC) system became effective for Unit 2 on March 20, 1975 and for Unit 1 on October 8, 1976. The specification requires that every 18 months a channel functional test be performed for the SBLC initiated isolation of the RWCU system. The licensee identified on July 16, 1982 that this test had not been performed from the dates specified above, when the Technical Specifications for Unit 1 and Unit 2 became effective, to the event report date. In accordance with the Technical Specification action statements the licensee manually isolated the RWCU, thus placing both units in compliance with Technical Specifications. The surveillance test requirement was not met from October 8, 1976 to July 16, 1982 for Unit 1 and from March 20, 1975 to July 16, 1982 for Unit 2. The failure to perform the RWCU isolation channel functional test is identified as a violation (50-324, 325/82-28-02).

8. Primary Containment Integrity

Technical Specification 3.6.1.1 requires that containment integrity be maintained whenever the reactor is in the operational conditions of Power Operations, Startup or Hot Shutdown except while performing low power physics tests with the thermal power at less than 5% of Rated Thermal Power and reactor coolant temperature at less than 212°F.

One of surveillance requirements to assure primary containment integrity, Technical Specification 4.6.1.1a requires verification, at least once per 31 days, that all penetrations not capable of being closed by operable containment automatic isolation valves and required to be closed during accident conditions are closed by valves, blind flanges or deactivated automatic valves secured in position. The licensee identified on July 15, 1982, that these tests had not been performed since the effective date of conversion to Standard Technical Specifications for both Units 1 and 2 which occurred on December 22, 1977. The Technical Specification action statement allows two hours to demonstrate primary containment integrity or be in at least hot shutdown within the next 12 hours. The licensee initiated and completed the inspection required for outside containment penetrations within the action statement allowance. No entry was made to the drywell to verify penetrations inside containment, however evaluation by the licensee of the specification applicable to inside the containment resulted in a determination by the licensee that there were no penetrations inside containment which required verification. Compliance with Technical Specification 3.6.1.1 and Technical Specification surveillance requirement 4.6.1.1 was achieved on July 15, 1982. However during the period of December 22, 1977 to July 15, 1982, the verification of primary containment integrity required by Technical Specification 4.1.1.a was not performed. The failure to perform surveillance tests required to meet LCO 3.6.1.1 is identified as a violation (324/325/82-28-03).

9. Failure to conduct Primary Containment Penetration Leakage Rate Tests

Technical Specification 3.6.1.2.b establishes a limit on the combined containment leakage rates for all penetrations and valves subject to Type B and C tests. Technical Specification 4.6.1.2.d requires containment leakage tests of penetrations and valves subject to Type B and C tests be conducted at intervals no greater than 24 months.

Periodic test procedure, PT 20.3, "Local Leak Rate Testing of Containment Isolation" Revision 11, written March 31, 1981 and implemented April 20, 1981 removed several containment isolation valves from the Type C test program. Included among these valves were the Transversing Incore Probe (TIP) guide tube isolation valves. Table 3.6.3-1 of Technical Specification 3.6.2 clearly indicates that TIP guide tube isolation valves (ball valves) are primary containment isolation valves. Nevertheless, the required safety analysis, which was submitted to the Plant Nuclear Safety Committee (PNSC) for justification to delete the valves, stated that the revision would not prevent conformance to a Technical Specification.

In June, 1982, a consultant to the licensee recommended that the valves previously deleted in Revision 11 to PT 20.3 be reincluded. Subsequently, PT 20.3 was temporarily changed on June 11 and June 13, 1982 to allow these valves to be local leak rate tested (Type C test) on Unit 2. These temporary procedure changes were submitted to the PNSC for review with the provision that a permanent revision to the procedure was not recommended. The PNSC reviewed the items on June 24, 1982 and approved their use as temporary change applicable to Unit 2 only.

On July 16, 1982, the Resident Inspector reviewed the valves contained in these temporary changes and informed the licensee that some of the valves identified to require Type C testing on Unit 2 reflected similar requirements for Unit 1 and that Type C testing of these valves had not been performed on Unit 1 within the past 24 months as required by Technical Specification 4.6.1.2.d. Included among these missed type C tests were the TIP Ball valves which had not been tested since April, 1979. Subsequent licensee review of the LLRT program for Type B and Type C testing, identified an additional 36 electrical penetrations which had not been tested since February 1980. These missed Type B and Type C tests are a violation of Technical Specification 4.6.1.2.d and are identified as (324, 325/80-28-04).

10. Failure To Provide Required Surveillance Procedures

Technical Specification 6.8.1.a requires that written procedures shall be established, implemented and maintained covering activities referenced in applicable procedures recommended in Appendix "A" of Regulatory Guide 1.33, November 1972. Regulatory Guide 1.33, November 1972, Item H.2 states that specific procedures for surveillance tests, inspections and calibrations should be written for each surveillance test, inspection, or calibration listed in the Technical Specifications.

On June 30, 1982, the licensee informed Region II by telephone that a surveillance test for testing loss of voltage and degraded voltage relays, required by Technical Specification 4.3.3.1, had not been performed at the required frequency nor were there any procedures for performing the tests (Item a). The subsequent licensee's investigation of compliance with the Technical Specifications identified two additional surveillance requirements which had not been performed at the required frequencies nor had procedures for performing the tests been prepared (Items b and c). An additional surveillance requirement was identified as not having a written procedure for performing the test, although the interval for performing this test had not been exceeded (Item d below).

During the inspection periods covered by this report, the inspectors reviewed the details related to the missed surveillance tests and the failure to prepare procedures. The required tests for which no procedures were written are:

a. Undervoltage and Degraded Voltage Relay Testing (TS Table 4.3.3.1, Items 5a. and 5b)

b. Reactor Water Cleanup System Isolation on Standby Liquid Control Initiation (TS 4.3.2.1)

c. Primary Containment Integrity Verification (TS 4.6.1.1)

d. Fire Suppression Foam Concentrate Performance Evaluation (TS 4.7.7.5 b. 4)

The failure to prepare written surveillance tests as required to comply with TS 6.8.1.a is identified as a violation (324/325/82-28-05).

11. Failure to Take Corrective Action - Surveillance No. OQAS-79-4(B)

On March 23, 1979, Site Quality Assurance Surveillance Group personnel completed a Brunswick Steam Electric Plant (BSEP) survey of Technical Specification requirements.

Operations QA personnel reviewed documentation supporting the performance of surveillance requirements during calendar year 1978. This review was performed to verify that approved procedures existed for all surveillance requirements, that surveillance procedures were adequate as written, that surveillance procedures were being controlled adequately, that the procedures were being followed and filled out correctly and completely, and that all surveillance requirements were being performed within the specified frequency.

Under section seven of the surveillance report the auditor stated that Periodic Test 6.2.3 Revision 2 had a discrepancy in that a reference to Technical Specification Table 4.3.2-1, Item 3.d., Channel Functional Test, needed to be added to the periodic test.

Technical Specification Table 4.3.2-1, Item 3.d. specifies that the instrumentation that isolates the reactor water cleanup (RWCU) system, on initiation of standby liquid control (SBLC), shall have an instrument channel functional test performed at least once per 18 months.

On July 16, 1982 the licensee identified that the surveillance specified by Technical Specification 4.3.2-1, 3.d. had not been performed since March 20, 1975 for Unit 2 and October 8, 1976 for Unit 1. (See paragraph 7 of this report). 10 CFR 50 Appendix B, Criterion XVI "Corrective Action" states: Measures shall be established to assure that conditions adverse to quality, such as failures, malfunctions, deficiencies, deviations, defective material and equipment and nonconformances are promptly identified and corrected. The Carolina Power & Light, Corporate Quality Assurance Program, Section 10 page 10-2 Item 10.3.3.5 states: Followup action shall be taken to ensure corrective action for deficiencies identified by the surveillance program is properly implemented and completed in a timely manner. The Carolina Power & Light Quality Assurance Program for BSEP, approved by NRR on September 24, 1981 states on page 17 under "Corrective Action" that the program requires corrective action to be initiated to preclude recurrence of conditions adverse to quality as identified through audits, reports, and Licensee Event

Reports; and that the program requires follow-up reviews, audits, inspections, etc., to be conducted to verify proper implementation of corrective action and to close out the corrective action documentation.

Contrary to the above requirements, the failure to include a Technical Specification surveillance requirement in the surveillance test program was identified by a QA audit on March 23, 1979. No action was taken by licensee management to correct the identified procedure deficiency. This failure is identified as a violation (324, 325/82-28-06).

12. Unresolved Items

a. Investigation of Technical Specification Compliance

During this inspection the inspector identified that the licensees program resulting from the July 2 COA letter, for determining compliance with all surveillance tests listed in the Technical Specifications had been limited to Unit 1 Technical Specifications. The review program has since been extended to cover Unit 2, which is in a refueling outage, but the survey had not been completed at the close of this inspection. Although it is not expected by the licensee that new significant items of failure to perform surveillance tests will be identified, there are differences in the Technical Specifications between Unit 1 and Unit 2 which must be considered to determine if additional failures to perform surveillance has occurred. This item is identified as an unresolved item (324, 325/82-28-07).

b. Periodic Test Cross Reference to Technical Specifications

During early phases of operation at the Brunswick plant the licensee had prepared a document, Administrative Instruction (AI) 33, entitled "Periodic Test Cross Reference to the Technical Specifications" the purpose of the document was to provide a cross reference list between the Technical Specification surveillance requirements and the plant procedures, instructions or other documentation which implemented these requirements. AI-33 was maintained as an up-to-date document until February 1977. Licensee representatives stated that following revision 3, issued in February 1977, changes which would have maintained the document current were no longer made. On December 9, 1980 the licensee deleted document AI-33, stating:

> "Delete this procedure in its entirety. It is no longer required since the PT's now reference the appropriate technical specification steps. There is no requirement to have a cross reference, it was originally designed to ensure the periodic tests were written. This has been accomplished".

The licensee stated that deletion of this procedure in 1980 is now considered to have been inappropriate and either AI-33 or a similar method for maintaining a cross-reference to assist in assuring compliance with Technical Specification requirements will be put in

place. This item is identified as an unresolved item (324/325/82-28-08).

c. Audit of All Provisions of Technical Specification

Technical Specification 6.5.4.1.a requires that the Operations and Maintenance Unit of the Corporate Nuclear Safety and Quality Assurance Audit Section shall perform audits of plant activities. One of the activities is the audit of conformance of facility operations to all provisions contained within the Technical Specifications and applicable licensee conditions at least once per 12 months. The licensee stated that they comply with this specification, relative to surveillance tests, by selecting three or four periodic tests and determining that the facility conforms to the requirements of the tests and the Technical Specification. At the exit interview the inspector informed the licensee that the limited audit conducted represented questionable compliance with this Technical Specification and that a further review of their method of complying with Technical Specification 6.5.4.1.a would be made in consultation with Region II management. This item is identified as an unresolved item (324/325/82-28-09).

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

FEB 17 1983

Carolina Power and Light Company
ATTN: Mr. E. E. Utley
Executive Vice President
411 Fayetteville Street
Raleigh, NC 27602

Gentlemen:

SUBJECT: PROPOSED CIVIL PENALTIES: EA-82-106
(REFERENCE INSPECTION REPORT 50-324/82-28 & 50-325/82-28)

A special inspection was conducted by NRC Region II inspectors on July 12-14, and July 20-22, 1982 to determine the status of compliance of the licensee's operations at the Brunswick facility following the issuance by Region II of a Confirmation of Action Letter on July 2 and a followup letter on July 20, 1982. The findings of the inspection were discussed with Brunswick facility management on July 14 and 22, 1982. NRC safety concerns relating to the findings were expressed by the Region II Administrator to Carolina Power and Light Company (CP&L) management during an enforcement conference held in Region II on August 24, 1982. An additional enforcement conference was conducted in Region II on December 22, 1982, and another at the Brunswick site on January 6, 1983, to further identify our concern for the lack of diligence demonstrated by the licensee in implementation of technical specification requirements. This conference was held because of the detection of additional potential examples of failure to meet limiting conditions for operation and surveillance requirements. On January 23, 1983, an additional event occurred. This event, relating to refueling activities, is still being examined for possible enforcement action.

The chronology of events, the licensee commitments made during the enforcement conferences, and the violations identified are presented in the enclosed Notice of Violation and Proposed Imposition of Civil Penalties. The inspection findings indicate that the Brunswick facility has been operated, in some cases since the issuance of the operating licenses (December 1974 for Unit 2 and September 1976 for Unit 1), without certain surveillance procedures and verification by surveillance tests that a number of safety systems would perform in accordance with design specifications if called upon to operate. Surveillance tests for which procedures had not been developed included: test and calibration of the 4.16 kV emergency electrical bus undervoltage relays; visual verification of the status of primary containment penetrations; verification of the automatic isolation of the reactor cleanup system on actuation of the standby liquid control system; leak rate testing of 36 electrical containment penetrations and containment isolation valves in the transversing incore probe guide tubes. As a result of the failure to develop procedures, the required surveillance tests were not performed. While testing performed subsequent to the identification of the

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missed surveillances demonstrated the affected equipment to be operable, the Brunswick facility was operated for an extended period of time without the necessary assurance that the equipment would function properly if called upon.

In addition, an audit conducted in April 1979, identified the lack of one of these surveillance procedures; however, the audit finding was mischaracterized by the auditor and the licensee failed to correct this problem and take action to preclude recurrence. Further, when the licensee identified in June 1982 the fact that the leak rate testing had not been performed for Unit 2, it failed to recognize that the requirement also applied to Unit 1 and continued to operate in violation of its technical specification until the Resident Inspector brought this to the licensee's attention. The cause of these violations appears to be a breakdown in corporate and facility management controls in the areas of corporate oversight, facility management and operations, and problem identification and correction.

We are concerned about these violations particularly considering the length of time the violations continued undetected and the failure to take action to correct problems that were identified. These violations, when viewed collectively, and in light of the more recent additional examples of failure to meet limiting conditions for operation and surveillance requirements, which we have not yet fully evaluated, suggest a programmatic failure that unless corrected could lead to more serious events.

After consultation with the Commission and to emphasize the need for significant improvement in corporate and facility management controls, both with respect to compliance with technical specifications and quality assurance oversight, I have been authorized to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalties in the cumulative amount of Six Hundred Thousand Dollars.

Item A in the Notice relates to your failure to conduct several surveillance tests required by your technical specifications over an extended period of time. As a result of these violations, the Brunswick facility was operated without verification by surveillance tests that these safety systems would perform in accordance with design specifications. Item B in the Notice relates to the failure of your quality assurance program to detect these missed surveillances and your failure to correct the problem once the lack of one of the surveillance procedures was identified. The violations have been categorized at Severity Level III (Supplement I) pursuant to the NRC Enforcement Policy published in the Federal Register, 47 FR 9987 (March 9, 1982).

For the reasons stated in the Notice of Violation and Proposed Imposition of Civil Penalties, we have concluded that a total penalty of Five Hundred Thousand Dollars for Item A and a total penalty of One Hundred Thousand Dollars for Item B should be assessed. A larger penalty could have been proposed. However, it appears that you recognize the seriousness of the problems at the Brunswick facility, that you are prepared to commit whatever resources are needed to correct these problems, and that you have planned and begun to implement extensive actions to achieve basic improvements in management, operations and quality assurance performance. The effectiveness of these programs has yet to be demonstrated. Accordingly, I believe that the actual proposed penalty is

necessary and sufficient to emphasize the significance which we attach to the continuing violations at Brunswick and the need for corporate management to fully and effectively implement corrective actions.

The details of the long-range improvement program and the results of the near-term corrective actions were furnished to the Commission on October 29, 1982 and discussed in a meeting in Region II with your management on November 10, 1982, in a meeting at the Brunswick site on January 6, 1983, and in a meeting with the Executive Director for Operations in Bethesda, Maryland on January 19, 1983. The actions described in your long-range improvement program were the subject of an NRC Confirmatory Order issued on December 22, 1982. The results of the implementation of this program will be a principal factor in the Commission's determination of the need for further enforcement action.

As I indicated at the meeting on January 6, 1983, it is vital that effective communications with and between all segments of your staff be established and that all segments of your operations staff be involved in identifying programmatic deficiencies and in developing procedures to remedy those deficiencies. I consider these efforts to be no less important than any item in your long-range improvement program addressed in the Confirmatory Order I issued on December 22, 1982. Accordingly, in your response to this Notice of Violation and Proposed Imposition of Civil Penalties, you are directed to describe the efforts you have taken and intend to take to ensure that effective communications between management and staff are established and maintained.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosure will be placed in the NRC's Public Document Room.

The responses directed by this letter and the enclosure 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.

Sincerely,

R. C. DeYoung

Richard C. DeYoung, Director
Office of Inspection and Enforcement

Enclosures:
Notice of Violation and Proposed
Imposition of Civil Penalties

cc w/encl:
C. R. Dietz, Plant Manager

NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTIES

Carolina Power and Light Company
Brunswick Units 1 and 2

Docket Nos. 50-324 & 50-325
License Nos. DPR-62 & DPR-71
EA 82-106

On June 28, 1982, while operating at 80% power, Unit 1 reactor lost voltage to certain emergency electrical busses and tripped. It was returned to power on June 29. The licensee's post-trip evaluation of the event revealed that certain relays associated with the emergency electrical busses of Units 1 and 2, although they functioned properly, had not been tested or calibrated as required by technical specifications. Action statements for the relevant limiting conditions for operation required shutdown of Unit 1 (Unit 2 was shut down for refueling) until test and calibration of the relays was accomplished.

On June 30, the licensee requested and was granted NRC approval for continued operation of Unit 1 while the required tests and calibrations were being performed. On July 2, NRC Region II issued a Confirmation of Action Letter confirming the licensee's commitment to review all technical specification surveillance requirements and the administrative control system for assuring that surveillance requirements were met.

On July 15, Region II was informed that the licensee review of technical specification surveillance requirements had revealed additional missed surveillance requirements that were not covered by procedures. The tests involved limiting conditions for operation and required implementation of action statements for continued operation of Unit 1. Upon discovery of these missed surveillances, the licensee wrote the necessary procedures and conducted the required tests. The test results showed that the equipment would have functioned if called upon.

On July 16, NRC inspectors informed Region II and Brunswick management that containment leakage tests of certain penetrations and valves had not been conducted at the required frequency. Although, the licensee had implemented appropriate procedure changes on Unit 2 in June 1982, no procedure change had been implemented for Unit 1 which had similar requirements. On receipt of this information, Unit 1 was shut down. The Region II Administrator and the Executive Vice President of Carolina Power and Light Company discussed the situation by telephone. It was agreed that neither unit would be operated until the licensee had completed a comprehensive review of technical specification surveillance requirements, corrected such violations as might be disclosed by the review, identified the root causes of the violations, and presented the Commission a proposed revision of its management control program to prevent recurrence of similar violations.

On July 20, NRC Region II issued a Confirmation of Action Letter detailing broad commitments made by the licensee in several previous telecommunications. The letter covered certain specific assignments of review responsibility for the corporate Nuclear Safety and corporate Quality Assurance staffs, implementation of an extensive training program, assignment of a full-time operationally qualified corporate representative on site, assignment of a special corporate panel to review the adequacy of corrective actions which the licensee had committed to take, and formal notification of Region II prior to resumption of Unit 1 or Unit 2 power operation.

On August 24 an enforcement conference was held at the Region II offite. The Region II Administrator reviewed NRC inspection findings relating to facts disclosed since June 28, expressed NRC concerns about the failure of corporate and facility management controls to prevent the violations indicated by the findings, and asked the licensee what actions had been taken or were planned to reestablish satisfactory management control of licensed activities. The Senior Vice President of CP&L presented recommendations and conclusions furnished to CP&L by a panel of senior management officers from the nuclear power industry, retained by CP&L to review the adequacy and completeness of actions taken by CP&L, and to recommend additional management actions needed to assure future compliance with the Brunswick technical specifications. The Senior Vice President detailed the actions taken by CP&L to implement the panel's recommendations and described actions taken or planned to meet each item identified in Region II Confirmation of Action Letters dated July 2 and July 20. Beyond the commitments previously made, the licensee described an improvement program involving extensive assignments of corporate and facility staff responsibilities designed to achieve basic improvement in management, operations, and quality assurance performance. The management structure for monitoring the improvement program was presented. The individual responsible for each program objective was named; each task was stated and the expected date of task completion was specified. The current status of achievement of the program objectives was described. The licensee stated that commitments made during the conference would be incorporated in its improvement program which would be submitted in a comprehensive report to the Region II Administrator by November 1, 1982. This report was submitted on October 29, 1982.

The actions described in the licensee's long-range improvement program were the subject of an NRC Confirmatory Order issued by the Director of the Office of Inspection and Enforcement on December 22, 1982. On that same date another enforcement conference was held in the Region II Office with senior managers of Carolina Power and Light Company. During that meeting, additional events similar in nature to those identified previously and which had recently been revealed at the licensee's Brunswick facility, were discussed. On January 23, 1983, still another event occurred. This event is still being examined for possible enforcement action. These events heightened the NRC's concerns regarding the safe operation of the licensee's facility.

The NRC inspections, conducted by Region II between July 12 and 22, 1982, confirmed the violations in Items A and B below. These violations show that, since the dates of issuance of the Brunswick licenses, the licensee failed to conduct certain surveillance tests. Although subsequent testing proved that the equipment requiring the surveillance tests was operational, the licensee operated the facility without the necessary assurance that the equipment would have functioned as required. The failures to provide surveillance procedures and conduct the required testing identified in Item A represent a significant flaw in management controls which failed to ensure that, as each technical specification change, modification, or revision was issued, the required surveillance procedures were established and implemented. It also indicates a significant flaw in control of the QA audit program for assuring that surveillance tests required by technical specifications were being conducted. Item B relates to the licensee's failure to correct this problem once the lack of the surveillance procedure identified in the third part of Item A was discovered in 1979 and exemplifies a further flaw in the licensee's QA program, specifically with regard to identification and follow-up on audit or operational surveillance findings. The same flaw was brought to the licensee's attention on two previous occasions: as Item C in the Notice of Violation transmitted by Region II letter dated January 9, 1981 and again on page II.B.8 of NRC Investigation Report Nos. 50-324/80-44 and 50-325/80-46 transmitted on October 21, 1981.

To emphasize the need for significant improvement in management control of the Brunswick facility, particularly with respect to compliance with technical specifications and quality assurance oversight, the Nuclear Regulatory Commission proposes to impose civil penalties in the cumulative amount of Six Hundred Thousand Dollars for this matter. In accordance with the NRC Enforcement Policy 47 FR 9987 (10 CFR Part 2, Appendix C) (March 9, 1982), and pursuant to Section 234 of the Atomic Energy Act of 1954, as amended ("Act"), 42 U.S.C. 2282, PL 96-295, and 10 CFR 2.205, the particular violations and associated civil penalties are set forth below:

A. License Condition 2.C(2) of License Nos. DPR-71 and DPR-62 requires the licensee to operate the Brunswick facility in accordance with its technical specifications.

Section 4 of the technical specifications identifies specific checks, tests, and calibrations that must be performed at specified intervals to demonstrate operability of systems and components required by Section 3. Technical Specification 6.8.1.a requires the licensee to establish implementing procedures recommended in Appendix A of Regulatory Guide 1.33-November 1972. Item H.2 of the Guide specifies that procedures are required for each surveillance test, inspection, and calibration listed in the technical specifications.

Contrary to the above, the licensee did not establish and maintain procedures for each surveillance test, inspection, and calibration listed in

the technical specifications. Significant examples of this failure to provide surveillance procedures are cited as Items 1 through 4, below. Furthermore, this failure to provide surveillance procedures resulted in failure to perform the surveillance testing required by technical specifications to demonstrate operability:

1. Technical Specification 3.3.3 requires operability of Emergency Core Cooling System (ECCS) actuation instrumentation shown in Table 3.3.3-1 and Technical Specification 4.3.3.1 requires that the operability of the instrumentation be demonstrated by performance of channel checks (once each shift), channel functional tests (each month), and channel calibrations (once each 18 months). However, between June 1980 and July 1982, the licensee did not perform these checks, tests, or calibrations for the 4.16 Kv Emergency Bus Undervoltage (Loss of Voltage and Degraded Voltage) relays as required by Items 5a and 5b of Table 4.3.3-1.

2. Technical Specification 3.6.1.1 requires maintenance of primary containment integrity and Technical Specification 4.6.1.1.a requires that the integrity be demonstrated once each 31 days by verifying that all penetrations, not capable of being closed by operable containment automatic isolation valves and required to be closed during accident conditions, are closed by either valves, blind flanges, or by deactivated automatic valves that are secured in position. However, between December 1977 and July 1982, the licensee did not perform these 31-day verifications.

3. Technical Specification 3.3.2 and Table 3.3.2-1 requires that isolation actuation instrumentation be operable and Technical Specification 4.3.2.1 requires the licensee to demonstrate operability by certain specified checks, tests, and calibrations, one of which is a channel functional test of the reactor water cleanup system isolation upon actuation of the standby liquid control system. This test is required every 18 months. However, this test was not performed on Unit 2 between March 1975 and July 1982. It was not performed on Unit 1 between October 1976 and July 1982.

4. Technical Specification 3.6.1.2.b establishes the maximum allowable leak rate from primary containment through penetrations and valves, except for the main steam isolation valves, subject to Type B and C tests. Technical Specification 4.6.1.2.d requires that these Type B and C tests be conducted, except for tests involving airlocks, every 24 months. However, between April 1979 and July 1982, the licensee did not conduct Type C tests of the traversing incore probe guide tube isolation valves in Unit 1 even though these valves are identified as being primary containment isolation valves in Technical Specification Table 3.6.3-1. The licensee also failed to conduct Type B testing of 36 electrical penetrations through Unit 1 primary containment between February 1980 and July 1982.

If a licensee should have been aware of the existence of a condition which results in an ongoing violation and fails to initiate corrective action, each day the licensee should have been aware of the condition may be considered a separate violation subject to a separate additional civil penalty. In addition, the licensee has been cited for previous similar violations. (Notices of Violation and Inspection Reports 82-05 and 82-16 were issued March 31 and June 18, 1982.) Furthermore, multiple examples of failures to perform surveillance tests were identified during the inspection period. Even when it identified the fact that certain surveillance tests required for Unit 2 had not been performed, the licensee failed to notice that the same technical specification requirements also applied to Unit 1. As a result, the licensee continued to operate in violation of its technical specifications until the Resident Inspector brought this to the licensee's attention. In this case, the licensee was aware on April 4, 1979 that it did not have a procedure for certain surveillance tests and these tests were not being performed. The licensee failed to take corrective action to develop procedures for these and the other surveillance tests, notwithstanding its opportunity to do so. Consequently, each day the licensee operated after April 4, 1979 is considered a separate Severity Level III violation for purposes of computing a civil penalty. In view of the circumstances of this case, we are proposing a cumulative penalty of Five Hundred Thousand Dollars for these violations.
(Civil Penalty $500,000.)

B. 10 CFR 50, Appendix B, Criterion XVI and the licensee's accepted QA program require the licensee to establish measures to assure that conditions adverse to quality, such as failures, malfunctions, deficiencies, deviations, defective material and equipment, and nonconformances are promptly identified and corrected. It requires, in the case of significant conditions adverse to quality, that the measures assure that the cause of the condition is determined and corrective action taken to preclude repetition. It requires the licensee to document and report to appropriate level of management the identification of the significant condition adverse to quality, the cause of the condition, and the corrective action taken.

Contrary to the above, when the quality assurance program detected the absence of a surveillance test procedure in a report, submitted on April 4, 1979, covering the results of Site Quality Assurance Surveillance OQAS-79-4(B), the identified condition adverse to quality was not corrected; nor did the licensee determine the cause and take action to preclude recurrence.

This is a Severity Level III violation (Supplement I)
(Civil Penalty - $100,000)

Pursuant to the provisions of 10 CFR 2.201, Carolina Power and Light Company is hereby required to submit to the Director, Office of Inspection and Enforcement, U. S. Nuclear Regulatory Commission, Washington, DC 20555, and a copy to the Regional Administrator, U. S. Nuclear Regulatory Commission, Region II, within 30 days of the date of this Notice a written statement or explanation, including for each alleged violation: (1) admission or denial of the alleged violation; (2) the reasons for the violation, if admitted; (3) the corrective steps which have been taken and the results achieved; (4) the corrective steps which will be taken to avoid further violations; and (5) the date when full compliance will be achieved. Consideration may be given to extending the response time for good cause shown. Under the authority of Section 182 of the Act, 42 U.S.C. 2232, this response shall be submitted under oath or affirmation.

Within the same time as provided for the response required above under 10 CFR 2.201, Carolina Power and Light Company may pay the civil penalties in the cumulative amount of $600,000 or may protest imposition of the civil penalties in whole or in part by a written answer. Should Carolina Power and Light Company fail to answer within the time specified, the Director, Office of Inspection and Enforcement will issue an Order imposing the civil penalties proposed above. Should Carolina Power and Light Company elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalties, such answer may: (1) deny the violations listed in this Notice, in whole or in part; (2) demonstrate extenuating circumstances; (3) show error in this Notice; or (4) show other reasons why the penalties should not be imposed. In addition to protesting the civil penalties, in whole or in part, such answer may request remission or mitigation of the penalties. In requesting mitigation of the proposed penalties, the five factors contained in Section IV(B) of 10 CFR Part 2, Appendix C should be addressed. Any written answer in accordance with 10 CFR 2.205 should be set forth separately from the statement or explanation in reply pursuant to 10 CFR 2.201, but may incorporate statements or explanations by specific reference (e.g., giving page and paragraph numbers) to avoid repetition. Carolina Power and Light Company's attention is directed to the other provisions of 10 CFR 2.205, regarding the procedures for imposing a civil penalty.

Upon failure to pay any civil penalty due, which has been subsequently determined in accordance with the applicable provisions of 10 CFR 2.205, this matter may be referred to the Attorney General, and the penalty unless compromised, remitted, or mitigated, may be collected by civil action pursuant to Section 234c of the Act, 42 U.S.C. 2282.

FOR THE NUCLEAR REGULATORY COMMISSION

Richard C. DeYoung, Director
Office of Inspection and Enforcement

Dated in Bethesda, MD
this 18 day of February 1983

UNITED STATES
NUCLEAR REGULATORY COMMISSION

In the Matter of	)	Docket Nos. 50-324
	)	50-325
Carolina Power and Light Company	)	License Nos. DPR-62
Brunswick Steam Electric Plant	)	DPR-71
(Units 1 and 2)	)	EA-82-106

CONFIRMATORY ORDER

I

The Carolina Power and Light Company (CP&L, the "licensee") is the holder of Facility Operating License Nos. DPR-62 and DPR-71 (the "licenses") which authorize the operation of the Brunswick Steam Electric Plant, Units 1 and 2, at steady state reactor core power levels not in excess of 2436 megawatts thermal (rated power). The licenses were originally issued on December 27, 1974 for Unit 2 and September 8, 1976 for Unit 1, and will expire on February 6, 2010 and February 7, 2010 respectively. The facility consists of two boiling light water moderated and cooled reactors (BWRs), located at the licensee's site at Southport, North Carolina.

II

On June 28, 1982, while operating at 80% power, Unit 1 reactor lost voltage to certain emergency electrical busses and tripped. It was returned to power on June 29. The licensee's post-trip evaluation of the event revealed that certain relays associated with the emergency electrical busses of Units 1 and 2, although they functioned properly, had not been tested or calibrated as required by the NRC. On June 30, the licensee requested and was granted, NRC approval for continued operation of Unit 1 while the required tests and calibrations were being performed. On July 2, NRC Region II issued a

Confirmation of Action Letter confirming the licensee's commitment to review Technical Specification testing and calibration requirements and the control systems for assuring that these NRC requirements were met.

On July 15, 1982, Region II was informed that the licensee's review of Technical Specification requirements revealed that additional NRC testing requirements were not met. The testing requirements involved limiting conditions for operation which require plant shutdown within a certain time period if the tests are not conducted satisfactorily. Upon detection of these missed tests, the licensee wrote the necessary procedures and conducted the required tests. The test results showed that the equipment would have functioned properly if called upon to operate.

On July 16, 1982, NRC inspectors on site informed CP&L that containment leakage tests of certain penetrations and valves had not been conducted at the required frequency on Unit 1. On receipt of this information, CP&L determined that the required surveillance testing could not be conducted in a timely manner and Unit 1 was shut down. The licensee had identified in June 1982 its failure to perform the same leakage tests on the same valves on Unit 2. The Region II Administrator and the Executive Vice President of CP&L discussed the situation by telephone. It was agreed that neither unit would be operated until the licensee had completed a comprehensive review of Technical Specification requirements, corrected such violations as might be disclosed by the review, identified the root causes of the violations, and presented the NRC with a proposed revision of its programs to prevent recurrence of similar violations.

On July 20, 1982, NRC Region II issued a Confirmation of Action Letter which confirmed the broad commitments made by the licensee in several previous communications. This letter covered: certain specific assignments of responsibility for the Corporate Nuclear Safety and Corporate Quality Assurance (QA) staffs; implementation of an extensive training program; assignment of a full-time corporate representative on site; establishment of a special corporate panel to review the adequacy of committed corrective actions; and formal notification of Region II before resumption of Unit 1 or Unit 2 power operation.

On August 24, 1982, an Enforcement Conference was held at the Region II office. The Region II Administrator, together with senior Inspection and Enforcement (IE) and Nuclear Reactor Regulations (NRR) officials, reviewed with senior CP&L representatives the NRC inspection findings relating to the facts disclosed since June 28, 1982, expressed NRC concerns about the failure of CP&L controls to prevent the violations indicated by the findings, and asked the licensee what actions had been taken or were planned to establish effective management systems to control safety-related activities. The Executive Vice President of CP&L presented recommendations and conclusions developed by its staff and reviewed by a panel of senior management officers from the nuclear power industry, retained by CP&L to review the adequacy and completeness of actions taken and planned by CP&L and to recommend additional management actions which may be appropriate to assure future compliance with NRC requirements. The Executive Vice President detailed the actions taken by CP&L to implement these recommendations and described actions taken or planned to meet each item identified in Region II Confirmation of Action Letters dated July 2 and July 20, 1982. Beyond the commitments previously made, the licensee described a longer range program

involving extensive re-assignments of corporate and facility staff responsibilities for achieving early and long-range improvement in overall management and operations. The management structure for monitoring the improvement program was presented in detail. The individual responsible for each program objective was named; his task was stated and the expected date of task completion was specified. The current status of achievement of the program objectives was also described. The licensee stated that commitments made during the conference and its improvement program would be further developed to assure completeness, and that the program would be submitted in a report to the Region II Administrator by November 1, 1982.

By letter dated October 29, 1982, the licensee described the improvement program and provided the implementation plan for: ensuring safety and operating efficiency at Brunswick; strengthening management control; reinforcing discipline of operations, procedural compliance, and regulatory sensitivity, focusing attention and resources on long-term needs; and ensuring implementation of specific improvements. In view of the importance of these issues to safe operation, I have determined that these commitments are required in the interest of public health and safety and, therefore, should be confirmed by an immediately effective Order.

III

Accordingly, pursuant to Sections 103, 161i(3), and 182 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR Part 2 and 10 CFR Part 50, IT IS HEREBY ORDERED EFFECTIVE IMMEDIATELY THAT:

1. The licensee shall implement the Brunswick Improvement Program described in the enclosure to its October 29, 1982 letter to the NRC; a copy of the enclosure is included herein as Attachment 1. The scheduled times for completing specific action item tasks described in the enclosure may be shortened, but shall not be extended without prior written approval by the Region II Administrator. The licensee shall notify the Region II Administrator, within 20 days following the effective date of this Order, of any action item tasks for which scheduled completion dates preceding the date of this Order were not met and establish new completion dates, which are acceptable to the Region II Administrator, for those tasks.

2. Following completion of the reviews and assessments identified in Action Items V-5 and VII-1 through VII-5 of the Brunswick Improvement Program, the licensee shall promptly provide copies of all applicable reports on such studies and assessments to the NRC Region II Administrator. Within 60 days from the date that such reports are available to the licensee, the licensee shall inform the Regional Administrator, in writing, of its assessment of each recommendation provided in the reports. The licensee shall include its plans and schedules for implementing each recommendation

and, for any recommendation which the licensee decides not to implement, an evaluation which supports that decision. The licensee's plans and schedules for implementation of the recommendations shall be subject to the approval of the Regional Administrator. The scheduled times for completion of actions may be shortened, but shall not be extended without prior written approval by the Region II Administrator.

IV

The licensee may request a hearing on this Order within 30 days of its issuance. A request for a hearing shall be submitted to the Director, Office of Inspection and Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555. A copy of the request shall also be sent to the Executive Legal Director at the same address. ANY REQUEST FOR A HEARING SHALL NOT STAY THE IMMEDIATE EFFECTIVENESS OF THIS ORDER.

If a hearing is requested, the Commission will issue an Order designating the time and place of any such hearing. If a hearing is held, the issue to be considered at such hearing shall be:

Whether, on the basis of the matters set forth in Sections II and III of this Order, this Order should be sustained.

In the event that a need for further action becomes apparent, either in the course of proceedings on this Order or at any other time, the Director will take appropriate action.

IT IS SO ORDERED.

FOR THE NUCLEAR REGULATORY COMMISSION

Richard C. DeYoung, Director
Office of Inspection and Enforcement

Dated at Bethesda, Maryland
this day of December 1982

Docket Nos. 50-324
50-325
License Nos. DPR-62
DPR-71

Carolina Power and Light Company
ATTN: Mr. E. E. Utley
Executive Vice President
411 Fayetteville Street
Raleigh, NC 27602

Gentlemen:

SUBJECT: CONFIRMATORY ORDER: EA-82-106
(REFERENCE REPORT NOS. 50-324/82-28 and 50-325/82-28)

Based on the results of an NRC inspection conducted at the Brunswick Steam Electric Plant between July 12 and July 22, 1982, and information supplied by the Carolina Power and Light Company, we conclude that the Carolina Power and Light Company has given insufficient attention to assuring adherence at the Brunswick facility to the testing and surveillance requirements of the NRC that are identified in the referenced inspection reports. As you know, you are responsible for developing and assuring meticulous implementation of policies, practices, and guidance sufficient to ensure that the facility is operated in strict compliance with regulatory requirements.

Our inspection findings indicate that, since issuance of the operating licenses for the two Brunswick units, the units have been operated without verification or demonstration by surveillance tests that several safety systems would, if called upon to function, operate in accordance with design specifications. Moreover, because of apparent weaknesses in your program for identifying and correcting problems, the results of audits conducted by your staff, which were themselves insufficient, received inadequate attention. Had this system of audits received adequate attention, this problem might have been recognized and corrected on any number of occasions since 1975, instead of remaining undetected until July 1982. As expressed by the Region II Administrator during the Enforcement Conference with your Executive Vice President and other senior members of your staff in the Region II office on August 24, 1982, the NRC is seriously concerned with the extent of the failure of your control system to prevent the safety violations identified in the referenced correspondence.

In response to the referenced inspection findings, we wish to note that several meetings and telephone conversations were held between representatives of NRC

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Region II and Carolina Power and Light Company. As a result of these communications, Confirmation of Action Letters were issued by Region II on July 2 and July 20, 1982. Together, these two letters confirmed your commitments to: perform a complete review of Technical Specification testing and calibration requirements; perform a complete review of your procedures; perform a complete review of your administrative and management controls; conduct extensive training and testing of operating and other personnel involved in nuclear activities and related matters; assign a full-time corporate representative at the Brunswick site who would report to the Executive Vice President; and establish a Corporate Panel to review the adequacy and completeness of the actions taken before the resumption of power operations.

During the August 24 Enforcement Conference, your Executive Vice President described the actions taken or planned with regard to each item listed in the Confirmation of Action letters. He also described additional actions initiated by Carolina Power and Light Company to achieve basic improvements of a continuing and long-range nature in management, operations, and quality assurance performance. The Carolina Power and Light Company's program and commitment for accomplishing the necessary improvements was forwarded to the Region II Administrator in a letter dated October 29, 1982.

As you are aware, the NRC is currently evaluating this entire matter to determine what further enforcement actions are necessary. The corrective actions which you have undertaken, as described in your October 29 letter are being considered as a part of that evaluation. However, apart from any other decisions as to the appropriate enforcement actions to be taken, we believe that positive and expeditious completion of those initiatives is essential to the continued safe operation of the Brunswick facility. Therefore, a Confirmatory Order, effective immediately, is enclosed to confirm the commitments, including completion dates, contained in your October 29 letter. This action is being taken to assure the disciplined implementation of your commitments on a time schedule commensurate with their safety significance.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosed Confirmatory Order will be placed in the NRC Public Document Room.

The responses directed by the enclosed Order are not subject to the clearance procedures of the Office of Management and Budget, as specified by the Paperwork Reduction Act of 1980, PL 96-511.

Sincerely,

Richard C. DeYoung, Director
Office of Inspection and Enforcement

Enclosure:
Confirmatory Order

cc: See Page 3

cc w/encl:
Sherwood Smith, Chairman of the Board
and Chief Executive Officer