

FEB 21 1984

Docket No. 50-266

Docket No. 50-301

Wisconsin Electric Power Company

ATTN: Mr. Sol Burstein

Executive Vice President

Power Plants

231 West Michigan

Milwaukee, WI 53201

Gentlemen:

This refers to the special inspection of quality assurance program activities conducted by Messrs. R. Hasse, N. Choules, M. Jordan and R. Westberg of this office on October 11-14, October 25-28, November 1-4 and November 16, 1983, and January 11, 1984, of activities at Point Beach Units 1 and 2 authorized by Operating Licenses DPR-24 and DPR-27 and to the discussion of our findings with Mr. Fay and members of the plant staff at the conclusion of the inspection. This also refers to the January 4, 1984, management meeting between you and members of your staff and Mr. Keppler and members of his staff which was conducted at your request to discuss the findings of this inspection.

The purpose of this inspection was two-fold: (1) to assess the effectiveness of the quality assurance program relative to the steam generator replacement task which was in progress; and (2) to conduct an in-depth inspection of portions of the overall quality assurance program in support of the Point Beach operation. The enclosed copy of our inspection report identifies areas examined during the inspection. Within these areas, the inspection consisted of a selective examination of procedures and representative records, observations, and interviews with personnel.

With respect to the steam generator activities, our inspection revealed that Wisconsin Electric Power Company (WEPCo) had delegated responsibility for quality assurance program controls to Westinghouse and that those controls were being implemented effectively by Westinghouse and audited effectively by WEPCo. With respect to our inspection of selected portions of your overall quality assurance program, this is the first time we have conducted an in-depth inspection of the Point Beach operational quality assurance program. Based on the Point Beach plant's good operational performance record since commencing operation, coupled with the strong leadership at the site, we did not consider it necessary to conduct an in-depth programmatic inspection. However, with the change in plant management and the increased turnover of personnel at the plant, we believed it was important to inspect key elements of the program. Although it was anticipated that an inspection of this scope

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and depth would identify some programmatic deficiencies, the number of violations and program weaknesses identified in the Appendix to this report was larger than expected. However, our inspection and subsequent review of past operational problems did not indicate that the programmatic deficiencies manifested themselves in equipment and operational problems. Notwithstanding, we believe that the programmatic problems increase the potential for equipment and operational problems and warrant your comprehensive and thorough evaluation. Pending your final actions to correct the identified program deficiencies, your staff indicated that the following actions had been taken or would be taken on an expedited basis:

1. Procedure PBNP 5.5 has been fully implemented including the requirement to log the use of all measuring and test equipment. (Reference Violation No. 2, Example a)
2. A temporary instruction will be issued to assure that the installation and removal of temporary modifications are independently verified. (Reference Violation No. 2, Example b)
3. The Maintenance and Construction Department has in effect a system that identifies the revision status of its procedures. (Reference Violation No. 1, Example d)
4. A temporary instruction will be issued clarifying when a documented safety evaluation pursuant to 10 CFR 50.59 must be made. (Reference Violation No. 3)
5. Personnel will be instructed to assure that shift supervision is notified whenever maintenance on safety related equipment is performed. (Reference Open Item 266/83-21-05; 301/83-20-05, third example)

The items of identified noncompliance are specified in the enclosed Appendix. A written response is required. The report also identifies a number of program weaknesses that we believe are deserving of your attention and correction.

During the January 4 meeting you and your staff described corrective actions being taken. We are encouraged by the corrective actions and plans you have initiated to correct not only the noncompliances but to address the program weaknesses as well. Correction of these problems will enhance your overall higher than average level of performance rating which was reflected in our most recent SALP report.

In addition to this inspection, your Quality Assurance Program submitted to this office dated June 10, 1983, in accordance with 10 CFR 50.54(a)(2) is currently under review. Should this review identify additional weaknesses in your Quality Assurance Program, we will resolve them with you at the conclusion of our review.

In accordance with 10 CFR 2.790(a), a copy of this letter and the enclosure(s) will be placed in the NRC Public Document Room unless you notify this office, by telephone, within ten days of the date of this letter and submit written application to withhold information contained therein within thirty days of the date of this letter. Such application must be consistent with the requirements of 2.790(b)(1). If we do not hear from you in this regard within the specified periods noted above, a copy of this letter, the enclosure(s), and your response to this letter will be placed in the Public Document Room.

The responses directed by this letter (and the accompanying Notice) 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.

We will gladly discuss any questions you have concerning this inspection.

Sincerely,

Original signed by R.L. Spessard

R. L. Spessard, Director
Division of Engineering

Enclosures:

1. Appendix, Notice
of Violation
2. Inspection Reports
No. 50-266/83-21(DE);
No. 50-301/83-20(DE)

cc w/encls:

C. W. Fay, Vice President -
Nuclear Power
J. J. Zach, Plant Manager
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John J. Duffy, Chief
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Commission

RIII

Hasse/db
02/09/84

RIII

Choules

RIII

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RIII

Westberg

RIII

Hunter

RIII

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RIII

Shafer

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2/21/84