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JUN 08 1984

Duke Power Company
ATTN: Mr. H. B. Tucker, Vice President
Nuclear Production Department
422 South Church Street
Charlotte, NC 28242

Gentlemen:

SUBJECT: PROPOSED IMPOSITION OF CIVIL PENALTY: EA 84-37
FAILURE TO IMPLEMENT TECHNICAL SPECIFICATIONS AND INADEQUATE
IMPLEMENTATION OF INDEPENDENT VERIFICATION
(REFERENCE: INSPECTION REPORT NOS. 50-369/83-39 AND 50-370/83-46)

A special NRC safety inspection was conducted by NRC Resident and Region-based inspectors during the period September 29, 1983 through October 9, 1983, and on February 27, 1984, of activities authorized by NRC Operating License Nos. NPF-9 and NPF-17 for the McGuire facility concerning violations identified by the licensee. An Enforcement Conference was held in the Region II office on October 19, 1983 to discuss the significant findings of the inspection. Mr. James P. O'Reilly, Regional Administrator, Region II, and Mr. A. C. Thies, Executive Vice President, Nuclear Production Department, Duke Power Company, and members of their respective staffs, were present.

The first violation concerned the mispositioning of a containment spray recirculation valve. The violation was identified on October 5, 1983 while Unit 2 was operating at 89% power. At this time, the licensee discovered that the A train containment spray recirculation valve (2NS-8) was locked open instead of closed as required by plant procedures. A review of the licensee's records indicated that the valve had last been opened during the performance of test PT/2/A4208/01B on September 14, 1983 and had apparently not been closed at the conclusion of the test. In addition, a second independent valve position verification check failed to identify that the valve was mispositioned. Had a loss of coolant accident occurred, with the system in this configuration, contaminated sump water could have been recirculated back to the fuel water storage tank (FWST) and to the outside environment. Using conservative assumptions, radioiodine venting from the FWST could have subjected the public, at the site boundary, to a thyroid radiation dose above that predicted for the Final Safety Analysis Report postulated accident. This incident resulted primarily from failure of plant personnel to implement the requirements of NUREG-0737 by performing a proper independent verification of a recirculation valve position for a containment spray pump. This violation of NRC requirements has been categorized as a Severity Level III.

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The second violation involved the inoperability of the Unit 1 containment spray system. On September 28, 1983, at 10:30 p.m., while Unit 1 was operating at 100% rated power, train B of the containment spray system was declared inoperable because power was lost to a train B containment pressure transmitter. At 11:30 a.m. on September 29, 1983, train A of the nuclear service water system was declared inoperable. As a result, there was no nuclear service water available to provide cooling to the A containment spray heat exchanger or the A containment spray pump motor cooler. Consequently, train A of the containment spray system was rendered inoperable. With neither train of the containment spray system operable, the provisions of Technical Specification 3.0.3 were applicable, and licensee was required within one hour to initiate action to place the Unit in a mode in which the specification does not apply, but operations personnel failed to recognize this requirement. This violation of NRC requirements has been categorized as Severity Level III.

A third violation relates to the inoperability of the Unit 2 annulus sprinkler system from February to October 1983. At the conclusion of the February 8, 1983 Unit 2 Fire Protection Header Test (PT/2/A/4400/01L), fire protection supply valve 1RF989 was left closed because the test procedure mistakenly called for the valve to be left in a closed position. With this valve closed, the Unit 2 annulus sprinkler system was rendered inoperable. The misposition of the valve was not discovered until a plant-wide audit of locked valves was completed in October of 1983. The audit was conducted in response to finding containment spray valve 2NS-8 mispositioned. A licensee investigation of the matter revealed that the individual who had been responsible for conducting the Fire Protection Monthly Test (PT/0/A/4400/01C) had failed to verify the position of valve 1RF989 and improperly documented his verification. The licensee promptly discharged the employee and verified the position of all valves for which the employee had been responsible. This violation of NRC requirements has been categorized as a Severity Level IV.

The first violation is specifically associated with inadequacies in your independent verification program. In the Duke Power Company response to the Notice of Violation and Proposed Imposition of Civil Penalties dated June 2, 1983 for the Oconee Nuclear Station, you proposed improvements in your existing independent verification program. Those improvements and lessons learned were to be incorporated into the operational activities at McGuire and Catawba. The violation as described above does not indicate that those improvements were effective.

To emphasize this concern and the need for Duke Power Company to provide additional attention to the administrative controls for operation, particularly the need to implement independent verification as provided for by NUREG 0737, I have been authorized, after consultation with the Director, Office of Inspection and Enforcement, to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$40,000 for the Severity Level III violation involving independent verification activities. The base penalty of \$40,000 could have been increased by 25% because the corrective action for previous similar violations at Oconee has not been effective. However, because you identified and reported the violation, I have decided not to escalate the proposed civil penalty.

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The violation of regulatory requirements identified in the enclosed Notice of Violation regarding the inoperability of the containment spray system is categorized as a separate Severity Level III violation. The base value of a civil penalty for a Severity Level III violation is \$40,000. However, a review of the circumstances of the event and your performance history in this general area of concern did not reveal problems similar to those in the area of independent verification. For this reason, and after consultation with the Director of the Office of Inspection and Enforcement, I have been authorized to mitigate the base civil penalty for this violation by 100% and to issue the enclosed Notice of Violation.

You are required to respond to the enclosed Notice and you should follow the instructions specified therein when preparing your response. Your response should specifically address the corrective actions taken or planned with regard to satisfying NUREG 0737 requirement I.C.6. In your response, appropriate reference to previous submittals is acceptable.

In accordance with 10 CFR 2.790 of the NRC's "Rule 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 response directed by this letter and 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.

Sincerely,

ORIGINAL SIGNED BY
ROBERT D. MARTIN

James P. O'Reilly
Regional Administrator

Enclosure:
Notice of Violation and Proposed
Imposition of Civil Penalty

cc w/encl:
M. D. McIntosh, Plant Manager
J. T. Moore, Project Manager

Duke Power Company

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