Northern States Power Company

414 Nicollet Mall
Minneapolis, Minnesota 55401
Telephone (612) 330-5500

June 7, 1984

Mr R D Walker, Chief
Engineering Branch 1, Region III
U S Nuclear Regulatory Commission
799 Roosevelt Road
Glen Ellyn, IL 60137

Dear Mr. Walker:

Monticello Nuclear Generating Plant
Docket No. 50-263 License No. DPR-22

In response to your letter dated May 8, 1984 which transmitted Inspection Report No. 50-263/84-07 (DE), the following information is provided:

VIOLATION

A. 10 CFR 50 Appendix B, Criterion XVI, as implemented by the Northern States Power's Operational Quality Assurance Plan, requires that measures be established to assure that conditions adverse to quality are promptly identified and corrected. That for significant conditions adverse to quality, the measures shall assure that the cause of the condition is determined, corrective action is taken to preclude repetition with the corrective action documented and reported to appropriate levels of management.

Contrary to the above, the following examples showed that a determination of the need for corrective action was not being performed as prescribed in procedure NOP-10-GFI, "Corrective Action", paragraph 6.1. Moreover, prompt effective correction of safety-related problems were not assured:

1. Review of the Quality Assurance Open Audit Findings Index provided the following information:

   a. Sixteen (16) open audit findings were listed which have remained open for more than one year.

   b. Twenty-nine (29) open audit findings were listed with overdue scheduled completion dates. Seventeen (17) were more than two months past due and one was more than a year past due. The scheduled completion date had been extended nine times on one of the findings and six times on three others.

c. Twelve (12) open audit findings were past the 30 day response time required by Northern States Power Company procedures without responses having been received.

The NRC inspector further learned that this problem had been noted in an audit of Power Supply Quality Assurance conducted November 28-December 1, 1983, although an audit finding was not issued. Subsequent actions taken by Northern States Power Company appear to have reduced the number of open findings but have not provided a timely and effective solution to the problem.

RESPONSE

Corrective Action and Results Achieved

A meeting was held on May 30, 1984, attended by Power Supply officers, department managers, and QA personnel.

All open Findings were reviewed and appropriate personnel were assigned followup to assure adequate resources are dedicated to provide prudent and timely closeout.

A review of the open findings showed problems to be minor in nature and not involving safety issues.

The status of the findings identified during the March NRC audit were reviewed with the following results:

March Status	May 30 Status
16-remained open for more than 1 year.	3-have been closed with an additional 6 in the process of being closed.
29-overdue scheduled completion dates.	7-overdue scheduled completion date.
17-more than two months past due.	4-more than two months past due.
12-past the 30 day response time.	1-past the 30 day response time.

Status reports and trend reports were reviewed with respect to open findings. It was verified that a significant, positive trend is continuing in the direction of resolving the above problem.

It was concluded that a specific time frame should not be arbitrarily established for finding close-out. Prudent corrective action for some findings may in fact take a year or more, e.g. modification to a storage area. Corrective action for other findings may be accomplished in a short period of time.

Corrective Action to Avoid Further Noncompliance

A review of the governing Administrative Work Instruction, 1AWI 2.2.1, Nuclear Operations Quality Assurance Findings, will be performed by appropriate management. This review will assure that the process contains appropriate controls and management involvement to assure prudent and timely corrective action for findings.

Date of Full Compliance

The review of governing administrative controls and any identified changes to the administrative controls will be completed by August 31, 1984.

VIOLATION

A. 2. Review of corrective action reports adverse to quality has not been done, as prescribed in procedure NOP-10-GF1, "Corrective Action," paragraph 6.1 (e.g. there have been 27 NCRs issued for the recirculation piping modifications in a 10 week period beginning December 22, 1983).

RESPONSE

Corrective Action and Results Achieved

Individual NCRs and CARs are assessed for 10CFR21 significance as they are issued. This continues to be the immediate or first priority in their administration.

As a minimum, the need for corrective action is always determined on the merits of each case. At the time of the NRC Inspection, a collective review had not been made of all NCRs since this is normally done at the end of each Quarter. This approach is consistent with NSP Procedure NOP-10-GF1.

As a parallel effort, NSP Management established a special Task Force dedicated to review and guide the Recirculation System Replacement Project in June 1983. The Task Force consists of the General Manager Nuclear Engineering & Construction Department (Chairman) and other Managers from NSP. The quality of the manufactured piping has been addressed in several meetings of the Task Force from December 1983. This management overview reinforces the intent of NOP-10-GF1 and is sufficiently documented. Any concerns are also addressed in weekly reports to Management. The 27 NCRs observed by the NRC are an expected result from previously known manufacturing difficulties and added measures introduced by NSP after manufacture. An aggressive effort was made to ensure the highest possible surface and dimensional quality, using current information derived from EPRI, NSP Consultants, and similar projects elsewhere. In brief, additional nondestructive examination and electropolishing of internal surfaces is being done to eliminate all indications of surface blemishes as a post manufacturing treatment. The resulting rework identified in the 27 NCRs is combined with NSP's receipt inspection process for resolution and acceptance of each pipe spool.

The first quarter 1984 NCRs (40) were reviewed and addressed by NSP QA in the Quarterly Report to Management. No specific Corrective Action Report (discretionary) was made at that time since individual corrective action pursued under each NCR was considered sufficient. Objective trending on data for the first quarter, for each type of problem and degree of incidence, was identified for QA Administration. A similar review is slated for each quarter.

Corrective Action to Avoid Further Noncompliance

Follow up action based on collective analysis of all NCRs will be addressed in future reviews and may be consolidated at the end of the Project. Refer to trend analysis covered separately in our response.

Date of Full Compliance

Refer to the Notice of Deviation Response

VIOLATION

A. 3. An NSP surveillance, dated September 9, 1983, identified that electrical contractor purchase orders were not being reviewed as required in that the purchase orders were not receiving quality assurance approval prior to procurement. Corrective action for this deficiency had not been taken.

RESPONSE

Corrective Action Taken and Results Achieved

Procurement by both Electrical Contractors was reviewed and approved from March 8, 1984, through April 26, 1984, completing 95% of the total.

The two Contractors are limited to procuring commercial grade off-the-shelf items. These are receipt inspected and dedicated for use by NSP Quality Control as the next control measure for quality assurance. NSP receipt inspection includes checking the item for compliance to Project Specifications in addition to the Purchase Order.

Corrective Action to Avoid Further Noncompliance

NSP and Contractor supervision were informed via Corrective Action Reports toward ensuring compliance with QA Program requirements on procurement reviews. Procedural interfaces between NSP and the two Electrical Contractors are being reevaluated. Reinstruction of personnel will follow. The status of current procurement will be rechecked and reported under NSP's QA Program for verifying sustained compliance.

Date of Full Compliance

Completion of any resulting procedure changes and reindoctrination of personnel is scheduled for June 30, 1984.

VIOLATION

B. 10 CFR 50, Appendix B, Criterion V, as implemented by Section 7 of the Northern States Power Operational Quality Assurance Plan, requires activities affecting quality to be accomplished in accordance with instructions, procedures, or drawings.

Contrary to the above:

1. NSP Procedure NOP-2-GF2, Revision 1, "Project QA", required the Project Analysis to designate the Section Work Instructions (SWI) which were to be applied to a specific project; however, the Project Analysis, E-82M003, Revision 3, December 15, 1983, did not identify the SWIs applicable to the Recirculation System Replacement.

RESPONSE

Corrective Action Taken and Results Achieved

Rev 4 to the Project Analysis has been issued and it references NSP NE&C Section Work Instructions as applicable for the project.

Corrective Action to Avoid Further Noncompliance

Other Project Analyses are being reviewed for similar deficiencies.

Date of Full Compliance

March 7, 1984

VIOLATION

B. 2. Administrative Work Instruction 4AWI-5.1.1 required the Preventative Maintenance Schedule to be reviewed by the Operations Committee for verification of adequacy and completed PM schedules submitted for record storage by records management. Preventative Maintenance (PM) schedule dated January 23, 1984, was not reviewed by the Operations Committee and completed PM schedules were not being submitted to Records Management for record retention as required.

RESPONSE

Corrective Action Taken and Results Achieved

The current Preventive Maintenance (PM) Schedule has been reviewed by the Operations Committee. Completed PM schedules are now being submitted to Records Management for record retention.

Corrective Action to Avoid Further Noncompliance

Administrative Work Instruction 4AWI 5.1.1 is being revised to assure appropriate PM Schedule review and approvals are completed.

Date of Full Compliance

The AWI revision will be issued by August 31, 1984.

VIOLATION

B. 3. The licensee issued a change number 002 to the Purchase Order A-97313 CQ to add Pipe Whip Restraints for the Recirculation System Replacement Piping without obtaining the required Quality Assurance review and signature of approval.

RESPONSE

Corrective Action Taken and Results Achieved

During the NRC Inspection, 2 facts were shown to the NRC Inspector who agreed there are mitigating circumstances:

a. The QA terms of the Original Purchase Order, containing NSP QA approval, were not affected.

b. Coinciding with all Purchase Orders to General Electric Company is the standing General Agreement between NSP and General Electric. This Agreement contains QA provisions and invokes the NSP and NRC approved Topical QA Program used by General Electric for nuclear work.

All 35 Purchase Orders for the Project wer re-examined for QA approval and no other discrepancies were found. This is considered an isolated incident.

Corrective Action to Avoid Further Noncompliance

The General Manager (NE&C Department) was contacted on this incident. Responsible personnel were re-instructed on routing procurement documents for QA approval.

Date of Full Complaince

The foregoing is sufficient to sustain compliance with NSP's QA Program. This is considered completed as of March 21, 1984.

VIOLATION

B. 4. The licensee issued revisions 2 and 3 of the Bechtel Design Specification 10040-M-401(Q) for replacement of the Reactor Recirculation System Piping without obtaining the required review and signature of approval by the Professional Engineer who prepared and certified the original specification and revision number 1.

RESPONSE

Corrective Action Taken and Results Achieved

Rev 2 and 3 of the Bechtel Design Specification 10040-M-401(Q) were issued without the signature of the Professional Engineer who prepared and certified the original specification. Rev 2 added "Equalizer Load Histograms" and rev 3 added "Minor Miscellaneous Updates". These were approved by the Professional Engineer's assistant project engineer. Rev 5 was issued 4-24-84. It corrected the above nonconformance by adding the correct Professional Engineer's review to Rev 2 and 3.

Corrective Action to Avoid Further Noncompliance

Bechtel has been advised of this deficiency and will be alert to future problems in this area.

Date of Full Compliance

April 24, 1984

VIOLATION

C. 10CFR50 Appendix B, Criterion XV, as implemented by the Northern States Power's Operational Quality Assurance Plan, requires that nonconforming materials, parts, or components be controlled to prevent their inadvertent use or installation. This control must include, as appropriate, procedures for identification, documentation, segregation, disposition and notification to affected organizations.

The Northern States Power Operational Quality Assurance Plan commits to ANSI N18.7-1976 with listed exceptions. Section 5.2.14 of this document states in part, "Measures which control further processing, delivery or installation of a nonconforming or defective item pending a decision on its disposition shall be established and maintained. ...Such measures shall provide assurance that the item is identified as nonconforming and controlled."

Contrary to the above, Northern States Power Company Procedure NOP-9-GF1 entitled "Nonconformance Control" allowed nonconforming items to be accepted for use by: (1) Engineering Change Requests, (2) NDE Records, (3) punch lists, or (4) other record forms. The procedure required mandatory use of

the nonconformance control system only after an item or installation has been accepted by quality control. The alternate methods for controlling nonconforming items did not require identification and documentation of the item as nonconforming nor did they provide controls for segregation, disposition, notification and measures to prevent further processing or installation.

RESPONSE

Corrective Action Taken and Results Achieved

The comments of the NRC Inspector were considered and factored into Revision 2 of NOP-9-GF1, Nonconformance Control, effective April 1, 1984. Its provisions are restructured to allow use of the Nonconformance Report (NCR) regardless of inspection status. Furthermore, its terms also stipulate that when an item is constructed in clear disregard of the design document or Process Traveller, an NCR shall be used to cite the condition, notwithstanding eventual recourse to an Engineering Change Request as the remedy.

Other terms in NOP-9-GF1 for segregation/disposition of installed items were clarified to remove any ambiguity. For example, HOLD TAGS are required in those cases where continued use/handling would deny access for rework or reinspection.

Recourse to the Engineering Change Request continues to be an acceptable approach as it ensures involvement of Engineering in the as-built status and reconciliation of any discrepancies. Engineering approval of all repair or accept-as-is situations continues to be a principal element of NSP's QA Program.

We believe the above procedures satisfy NRC Regulations. Collective review of NSRs, ECRs and other data for collateral trend analysis is addressed separately in response to the NRC Inspection.

Corrective Action to Avoid Further Noncompliance

NSP Quality Assurance and Quality Control supervision are informed through participation in revising the Procedure. Both groups are monitoring the NCR and ECR processes to ensure that nonconformances are addressed correctly.

Date of Full Compliance

This matter is considered to be satisfactorily resolved. The procedures and current results for handling nonconformances are available on site for your review.

DEVIATION

The Northern States Power Company Operational Quality Assurance Plan commits to ANSI N18.7-1976 with listed exceptions. Section 4.1 of this document states in part, "Programs for reviews and for audits of activities affecting plant safety shall be established by the owner organization to:

(4) Detect trends which may not be apparent to a day-to-day observer."

Section 4.7, Item 4 of the Northern States Power Company Operational Quality Assurance Plan states, " Program administration shall include the following activities:

e. Reporting to management concerning:

2) Program discrepancies including quality trends."

Section 17.5, Item 2 of the Northern States Power Company Operational Quality Assurance Plan states, "Nonconformance reports shall be periodically analyzed to show quality trends and the results of this review shall be reported to the appropriate level of management for review and assessment."

Contrary to the above requirements Northern States Power Company has neither a quality trending program nor an implementing trend procedure. It was noted that Administrative Control Directive 1ACD 2.2, Revision 4, entitled "Audits" contains a paragraph entitled "Trend Review" (para. 6.13). Reports based on this paragraph, prepared and issued once a year, address only audit findings and appear to provide a project status with problem areas noted rather than specific trending information. Nonconformance reports, surveillance reports, inspection records and other quality documents are not addressed for trending in this or other procedures.

RESPONSE

Present trending processes and reports were reviewed. NSP is currently addressing the commitments of ANSI N18.7-1976 and section 4.7 item 4 of the Operational Quality Assurance Plan in the following manner:

1. Issuing comprehensive annual trend reviews at the corporate and plant level. These reviews include results of audits, non-conformances, non-NSP audits (such as NRC and INPO), receipt inspections, inspections, and other quality indicators.

2. Issuing quarterly status reports at the corporate and plant level that include trends adverse to quality.

3. Issuing annual evaluations at the corporate level of each functional area (i.e. document control, calibration, records, etc.) within the QA program.

4. Findings issued at the corporate level are trended by responsible manager, with status presented to appropriate line management monthly. Corporate findings are also trended by functional area monthly and presented to appropriate management if adverse trends are detected.

5. Corporate directives and department procedures were reviewed and found lacking in describing NSP's trending program. A corporate directive will be established and implemented to more accurately describe the program.

The final corporate directive is scheduled to be issued by October 31, 1984. Full implementation should be achieved by December 31, 1984.

Please contact us if you have any questions related to the actions we have taken or have planned to address these matters.

Respectfully yours,

C E Larson

C E Larson
Vice President, Nuclear Generation

CEL:bjd

cc: Resident Inspector, NRC
G Charnoff