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LATED CORRESPONDENCE

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

October 16, 1984

DOCKETED
USNRC

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Peter B. Bloch, Esq., Chairman
Administrative Judge
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Dr. Jerry R. Kline
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

In the Matter of
CLEVELAND ELECTRIC ILLUMINATING COMPANY, ET AL.
(Perry Nuclear Power Plant, Units 1 and 2)
Docket Nos. 50-440 OL, 50-441 OL

Dear Administrative Judges:

By means of this letter I am forwarding to you the information requested by Judge Bloch during a September 28, 1984 telephone conference. The subject of the conference was paragraphs 1.b and 1.c of the Appendix to Inspection Report 84-07 concerning PNPP dated August 14, 1984, a portion of which was attached to OCRE's September 26, 1984 Supplemental Filing on Issue 6. Judge Bloch wished to know the judgment of the inspectors as to whether the documentary discrepancies described in the referenced paragraphs of the Appendix were accidental or willful.

The attached NRC Region III letter provides the Staff's judgment on the matter. Region III has found acceptable CEI's response to the inspection report explaining (a) inadvertent mistakes in the documents described in paragraph 1.b, and (b) CEI routine practice (since changed) which allowed different dates for inspections and reviews noted in paragraph 1.c of the Report.

If the Board wishes further information on this matter, I shall attempt to provide it.

Sincerely,

Colleen P. Woodhead
Counsel for NRC Staff

Enclosure: As stated

cc: Service list

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Docket No. 50-440
Docket No. 50-441

The Cleveland Electric Illuminating
Company

ATTN: Mr. Murray R. Edelman
Vice President
Nuclear Group
Post Office Box 5000
Cleveland, OH 44101

Gentlemen:

Thank you for your letter dated September 13, 1984, informing us of the steps you have taken to correct the noncompliance which we brought to your attention in our letter dated August 14, 1984. Pending further inspection of the issues addressed in your September 13, 1984 response, the following is Region III's commentary on the identified item of your response letter:

- a. In your response to item 8d(4) you note that ECN 12734-33-2405, issued July 20, 1982, indicates a floating shield at TB-BB-3 in panel 1H22-P018. During our inspection no reference was given to this ECN on drawing D-209-055, Sheet 10, Revision C, which indicates that the shield is connected to TB-BB-3.

The technical aspects of the other areas of your response appear acceptable.

We will examine these matters during a subsequent inspection.

Sincerely,

R. D. Walker
10/15/84
W. S. Little, Chief
Engineering Branch

cc w/ltr dtd 9/13/84:
J. Waldron, Plant Manager
L. Beck, General Supervisor
Licensing and Fuels Management
DMB/Document Control Desk (RIDS)
Resident Inspector, RIII
Harold W. Kohn, Ohio EPA
Terry J. Lodge, Esq.
James W. Harris, State of Ohio
Robert H. Quillin, Ohio
Department of Health

RIII <i>CW</i> Naidoo 10/1/84	RIII <i>CW</i> Falebits 10/2	RIII <i>CW</i> Gauyam 10/2	RIII <i>CW</i> Tan 10/2	RIII <i>CW</i> Christnot 10/2	RIII <i>CW</i> Williams 10/2	RIII KCK Knop	RIII <i>W.S.L.</i> Little 10-7-84	1/1
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MURRAY R. EDELMAN
VICE PRESIDENT
NUCLEAR

September 13, 1984

Mr. W. S. Little, Chief
Engineering Branch
Division of Reactor Safety
USNRC, Region III
799 Roosevelt Road
Glen Ellyn, IL 60137

Re: Perry Nuclear Power Plant
Docket Nos. 50-440; 50-441

Dear Mr. Little:

This letter is to acknowledge receipt of Inspection Report Number 50-440/84-07; 50-441/84-07 attached to your letter dated August 14, 1984. This report identifies areas examined by Messrs. K. R. Naidu, Z. Falevits, A. Gautam, K. Tani and E. Christnot during their inspection conducted April 9-12 and June 4-7, 1984, at the Perry Nuclear Power Plant.

Attached to this letter is our response to the Notice of Violation dated August 14, 1984. This response is in accordance with the provisions of Section 2.201 of the NRC's "Rules of Practice", Part 2, Title 10, Code of Federal Regulations.

Our response has been submitted to you within thirty days of the date of the Notice of Violation as you required. If there are additional questions, please do not hesitate to call.

Very truly yours,

Murray R. Edelman
Vice President
Nuclear Group

MRE:nb
DW165/G/1
Attachment

cc: Mr. J. A. Grobe
USNRC Site

USNRC
c/o Document Management Branch
Washington, DC 20555

Mr. R. F. Warnick, Chief
Projects Branch I
Division of Reactor Projects
USNRC, Region III
799 Roosevelt Road
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RESPONSE TO ENFORCEMENT ITEMS

Below is our response to the Notice of Violation appended to United States Regulatory Commission I.E. Report 50-440/84-07; 50-441/84-07.

I. Noncompliance 440/84-07-01; 441/84-07-01

A. Severity Level V Violation

10CFR50, Appendix B, Criterion X, as implemented by CEI Corporate Nuclear Quality Assurance Program Manual, Section 1000, Revision 3, requires that a program for inspection of activities affecting quality shall be established and executed by or for the organization performing the activity to verify conformance with the documented instructions, procedures and drawings for accomplishing the activity. The following examples were contrary to the above:

- a. Inspection Reports documenting inspections performed on rework done on the Power Generation Control Console are in some instances not clear and do not specify what was inspected and what was acceptable. Examples include inspection reports on FDI-WNBE and Engineering Changes Notices 245B.
- b. Inspection Reports verifying corrective action taken on LKC Nonconformance Report 2375 contained discrepancies such as the date of review being a day earlier than the date of inspection and the date of calibration of crimping tools used to crimp the termination lugs.
- c. Inspection Reports verifying corrective action on LKC Nonconformance Reports 2568 and 2569 contained misleading CEI "Hold" point stamps which were signed and dated several days after the actual inspection was performed. Such a practice renders it difficult to readily verify whether the hold point was honored.
- d. General Electric Product Quality Certificates (PQC) certifying compliance of Namco Limit Switches intended for mounting on the Control Valves for the steam turbine, were accepted during receipt inspection even though the serial numbers of the limit switches were not furnished on the PQC to establish traceability.

B. Response

The following responses correspond to each of the subitems a through d that are listed above:

1. Corrective Action Taken and Results Achieved

- a. The inspection reports which the inspector reviewed had been generated prior to October 1983. In-process Audit 990 was performed to review the documentation generated after that date. Results of the audit were favorable and greater clarity has been provided since October 1983. This audit was performed in response to the NRC recommendation

as stated in the cover letter to I.E. Inspection Report 440/84-07; 441/84-07.

A review of the inspection reports generated prior to October 1983 has also been completed and a comprehensive list of reports which may lack clarity has been compiled. Because each of these documents reflects only a portion of the history of an installation, they may appear unclear if the document is not reviewed in context with the balance of the record package. Currently, a review with the balance of the record package is being conducted to determine the adequacy of these inspection reports.

- b. There were two discrepancies that appeared within the documentation attached to Nonconformance Report LKC 2375. The first discrepancy was that the inspection checklist was generated and signed by an inspector on November 23, 1983, but the reviewer's signature and date was November 22, 1983.

It was explained that this occurred during a period when the reviewer was working extended hours and inadvertently signed the previous day's date.

The second discrepancy was that the calibration date for a tool was incorrectly recorded as September 14, 1983, instead of September 14, 1982.

Both of these discrepancies have been corrected.

- c. The CEI Hold Point stamp was placed on documents only after the document was considered complete. Documents were not considered complete until a secondary review was performed by an L. K. Comstock supervisor or lead inspector. This review may occur several days or more after the actual date on which the inspection was performed.

Since this practice was a concern to the Region III Inspectors, the Electrical Unit's Surveillance Inspection Plan SIP 35 has been revised. The Plan now states that the documents are to be stamped and signed at the time of the installation. All unit personnel have been apprised of the change of procedure.

- d. The basis for this finding was presented in Section 5 of Inspection Report 50-440/84-07; 50-441/84-07, in which the inspector discussed his review of the receipt inspection process for pressure and limit switches mounted on control valves and stop valves of the main steam lines. As a result of our review of the inspector's concerns the following responses are provided:

1. Relative to NAMCO Limit switches, Master Parts List Numbers (MPL) 1C71-N006A-H, these items were not

required to be individually serialized by procurement requirements. NAMCO, therefore, identified the switches with their date code and the Master Parts List number only. Adequate traceability of the C71 limit switches is maintained by the Master Parts List number which is referenced in the applicable Material Receipt package.

2. Relative to the pressure switches MPL C71-N005A-D, as referenced on Receiving Inspection Report (RIR) for Material Receipt Number 14201, it was determined that no serial numbers were present on these pressure switches. Further investigation identified that the supplier, General Electric, had furnished pressure switches of an incorrect part number. Field Deviation Disposition Request KL1-3208 was initiated on April 16, 1984 to return these switches to GE and to authorize shipment of the correct pressure switches to the site. No additional action regarding the lack of serial numbers on C71-N005A-D was performed as these switches are being returned to GE. Upon receipt of the correct switches, receiving inspection will be performed as required and the new Material Receipt package will provide adequate traceability of the switches.

2. Corrective Action Taken to Prevent Recurrence

- a. The inspector's concerns have been discussed with the contractor and the In-process Audit 990 has been performed verifying that this condition has been corrected since October 1983.

The current program requires a series of documentation reviews, one of which is a comprehensive review of completed work packages by the Contractor prior to turnover to the owner. Subsequent to the turnover another required comprehensive review of completed work packages is performed by the Project Organization prior to acceptance of the work. It is important to note that the records which the inspector reviewed had not yet received the contractor's turnover review.

- b. The document reviews performed in series serve to identify these discrepancies on a case by case basis.
- c. The CQS Electrical Surveillance Inspection Plan SIP 33 has been revised to apply the CEI Hold Point stamp on the contractor's documentation immediately after completion of the construction activity. CQS Electrical Unit personnel have been informed of this change of procedure.
- d. A memo was circulated to receiving inspection personnel on April 23, 1984, to reinforce understanding of the

requirements in NQ1-0711 relative to ensuring that documentation in the Material Receipt Package provides a unique method of traceability for items received, as appropriate.

3. Date of Full Compliance

All the above actions have been completed with the exception of the review of the inspection reports which may lack clarity referenced in 1.a. The assessment of these inspection reports will be completed by November 15, 1984.

II. Noncompliance 440/84-07-03

A. Severity Level IV Violation

10CFR50, Appendix B, Criterion III, as implemented by CEI Corporate Nuclear Quality Assurance Program Manual, Section 0300, requires that, CEI perform a design coordination function consisting of selected reviews and design control monitoring programs verifying that these procedures shall assure that design activities are conducted in a planned and systematic manner; that the Perry Safety Analysis Report requirements have been appropriately addressed in design documents; and that design requirements can be controlled and inspected and/or tested to specified acceptance criteria.

Contrary to the above, CEI failed to assure that Gilbert Associates, Inc. (GAI) adequately reviewed and verified that safety related schematic and wiring diagrams relating to Standby Liquid Control, Residual Heat Removal and Process Radiation Systems were correct in that numerous design errors and inconsistencies were identified.

B. Response

1. Corrective Action Taken and Results Achieved

The basis for this finding was presented in Section 8 of Inspection Report 50-440/84-07; 50-441/84-07. A review was conducted of the individual items referenced in the final paragraph of Section 8 on page 13. An evaluation of each follows:

Inspection Report
paragraph ref.

Evaluation

8b(1)

Drawing error was a cross-reference note to provide additional drawings clarification. Cable routing and termination are correct in panel 1H22-P055. The prescribed cable routing is identified on approved construction cards (i.e., pull slips). Drawing D-209-055, Sheet 9 will be revised to correct this cross-reference.

This is a minor discrepancy that does not affect construction nor compromise system design.

8b(2) The elementary drawing B-208-055 Sheet 10, Revision J, is incorrect. The designation for SRU3B was not shown on this drawing revision. The missing designation is minor and does not reflect a lack of design coordination between General Electric and Gilbert Engineering.

An Engineering Change Notice (ECN) will be developed to replace this designation and terminal board point assignments on TB-DD.

8b(3) Elementary diagram B-208-055 Sheet 10, Revision J is incorrect in designating two wires with the same wire markers. The drawing will be revised through the issuance of an Engineering Change Notice.

8b(4) This item concerns the status of lifted leads to a device and is not associated with Gilbert Engineering's design control.

Device SRU2B does not have any lifted lead tags dated September 1983 as stated in the NRC Inspection Report.

Device SRU3B was found to have lifted lead tags dated September 1983. The lifted lead log indicates these tags as still being active. Leads are lifted in support of a functional check and a loop calibration for the E12 system.

No design or programmatic problems could be identified with respect to this item.

8b(5) There was no discrepancy with drawing D-209-055 Sheet 12, Revision A, as stated in the Inspection Report. The wire markers were incorrect and have been identified on Nonconformance Report CQC-3493.

No design discrepancy could be identified with respect to this item.

8d(3) The vendor wire marker designation in the field is correct as it currently exists. The vendor used the B-208 elementary drawings to designate internal wire mark identification. During the transfer of

information from the B-208 to the D-209 wiring diagrams, transfer of this one wire designation was inadvertently omitted.

Earlier this year, Project Internal Audit 84-27 was conducted at Gilbert Engineering offices in Reading, Pennsylvania to review the interface between the two respective engineering groups working on the B-208 and D-209 drawings. Results of the audit were positive and reflected that a controlled interface is established. Based upon this assessment, an occurrence of this type of error is isolated and not considered indicative of a systematic problem.

Drawing D-209-055, Sheet 10, will be revised to correct the wire marker designation.

8d(4)

Engineering Change Notice 12734-33-2405 issued July 20, 1983 against drawing D-209-055, Sheet 10, Revision C, indicates a floating shield at TB-BB-3 in panel 1H22-P018. A shielded twisted pair cable was installed. In accordance with the installation procedure, the shield jacket was cut back and taped. This configuration conforms to design requirements.

There is no design or installation discrepancy with this item.

8d(5)

The reference to circuit 1C71R7XA in the Inspection Report was incorrect. The circuit identification number should have been 1C61R7XA. This circuit was determined at the time of the inspection due to work being performed to correct a nonconforming condition. The work was being performed in accordance with the engineering disposition provided on Nonconformance Report P033-931.

There is no design or program violation associated with this item.

8f(2)

This item, had also been previously identified during the Safety System Functional Capability review performed by GDS Associates. The initial response from General Electric was received in January 1984.

Subsequently, General Electric provided

further response on this item in August 1984. Their response stated that during the last revision of the Standby Liquid Control elementary it was decided that the valve position lights, in conjunction with the administrative controls, were sufficient to indicate C41-F036 position.

This item, therefore, has been identified and was being addressed.

8f(3)

The switch development shown on B-208-030, Sheet 1 depicts switches in the "stop" position which is their normal operating position. Contacts 1-2 of S1A and S1B should therefore be normally closed as shown.

No design error could be identified with respect to this item.

8f(4)

Based upon the observations in the Inspection Report, an Engineering Change Notice for this drawing is being issued to correct the identified discrepancy.

8f(5)

Engineering Change Notice 21080-33-3436 was being processed at the time of the inspection. At completion of its processing the ECN was posted on the appropriate drawing. The ECN does address the technical concerns of the Inspection.

No design concerns or errors could be identified with respect to this item.

Corrective Actions Taken to Prevent Recurrence

All Engineering groups are being apprised of the concerns raised from this inspection. The thoroughness of design reviews will be re-emphasized.

Date of Full Compliance

All engineering actions described in the above response to 440/84-07-03 will be completed by September 26, 1984.

DW165/G/9/dlh