



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

June 9, 1992

Docket No. 50-298

Mr. Guy R. Horn
Nuclear Power Group Manager
Nebraska Public Power District
P. O. Box 499
Columbus, Nebraska 68602-0499

Dear Mr. Horn:

SUBJECT: INSPECTION OF THE PROCUREMENT AND COMMERCIAL GRADE DEDICATION
PROGRAMS AT THE COOPER NUCLEAR STATION, (REPORT NO. 50-298/92-201)

This letter transmits the report of the inspection conducted February 24 through 28, 1992, at Nebraska Public Power District's (NPPD's) Cooper Nuclear Station (CNS) by R. Pettis, S. Alexander, W. Gleaves, and B. Rogers of the Nuclear Regulatory Commission's (NRC's) Vendor Inspection Branch and L. Ellershaw and R. Evans of NRC Region IV. The inspection was related to activities at the plant site authorized by NRC license DPR-46. At the conclusion of the inspection, we discussed our findings with you and the members of your staff identified in Section 5 of the enclosed inspection report.

The inspection was conducted to review the implementation of the NPPD programs for the procurement and dedication of commercial grade items (CGIs) used in safety-related applications at CNS. The results of the inspection indicate that CNS failed to properly dedicate certain CGIs procured for use in safety-related applications. Consequently, CGIs of indeterminate quality were installed or accepted for installation in plant safety systems. The specific deficiencies contributing to this condition included failure to identify safety functions of the CGI, failure to identify critical characteristics relating to the specific safety functions of the CGI, failure to adequately verify the critical characteristics that were identified when using the commercial grade specification approach, and the failure to identify and verify methods for the seismic qualification of most CGIs.

The most significant area requiring increased attention was NPPD's extensive reliance on the use of the essential-commercial grade (ECG) approach, which relies on the performance of broad-based, programmatic surveys, and post-installation testing, for product acceptance of suppliers who do not maintain or commit to having a 10 CFR Part 50 Appendix B quality assurance program. This approach does not provide a sufficient basis for verifying that the supplier's activities control the required critical characteristics. It should be noted that audits conducted in accordance with Criterion XVIII, "Audits," of Appendix B to 10 CFR Part 50 and the guidance provided in NRC Regulatory Guide 1.144 and American National Standards Institute (ANSI) N45.2.12-1977, can be used as an alternative to Electric Power Research Institute (EPRI) Method 2, "Commercial Grade Survey," provided that the audit

9206170135 920609
PDR ADOCK 05000298
Q PDR

NRC FILE CENTER COPY

confirms, by direct observation, that procedures are in place for controlling the required critical characteristics identified by the purchaser. CNS procedures did not recognize the need to perform commercial grade specific surveys until Revision 17 of CNS Quality Assurance Instruction (QAI-16), "Supplier Approval," May 17, 1991, addressed commercial grade surveys and required the use of the Nuclear Procurement Issues Committee commercial grade survey checklist. However there was no technical evaluation required as part of the EOG process and therefore, no mechanism for formally determining critical characteristics to be used in such surveys. Furthermore, it was noted that only a few commercial grade specific surveys have been utilized by CNS to date. A review of these surveys identified some implementation deficiencies.

Additionally, post-installation testing performed under the EOG approach was generally not sufficient to verify the full range of design conditions, including seismic, necessary for the item to perform its safety functions. Utilization of this approach does not ensure compliance with 10 CFR Part 50 Appendix B.

We recognize that NPPD identified certain program and implementation deficiencies itself, as evidenced by NPPD's commitments to strengthen the program by July 1, 1992 (Appendix), and consider this self-identification a positive action. However, the majority of NPPD's program improvements appeared to be initiated at about the time of NRC's announcement of its inspection on January 15, 1992; our preinspection site visit in late January; and NPPD's retaining a consultant to review its program before our inspection commenced. All licensees are committed to reviewing and improving their programs in accordance with the Nuclear Management and Resources Council's first initiative on the dedication of CGIs by January 1, 1990. This initiative stated that licensee programs should meet the intent of the guidance provided in the EPRI Final Report NP-5652, "Guideline for the Utilization of Commercial Grade Items in Nuclear Safety Related Applications (NCIG-07)," by January 1, 1990.

The inspection findings presented to your representatives during the exit meeting at CNS on February 28, 1992, and discussed in this letter and in the enclosed report, are considered deficiencies in your procurement and commercial grade dedication activities, and will be referred to the NRC Region IV office for any appropriate enforcement action.

In accordance with 10 CFR 2.790(a), a copy of this letter and the enclosure will be placed in the NRC Public Document Room.

Mr. Guy Horn

-3-

Should you have any questions concerning this inspection, we will be pleased to discuss them with you. Thank you for your cooperation in this inspection.

Sincerely,



Bruce A. Boger, Director
Division of Reactor Projects III, IV, V
Office of Nuclear Reactor Regulation

Enclosure:
Inspection Report 50-298/92-201

cc: See next page

Should you have any questions concerning this inspection, we will be pleased to discuss them with you. Thank you for your cooperation in this inspection.

Sincerely,

/s/

Bruce A. Boger, Director
Division of Reactor Projects III, IV, V
Office of Nuclear Reactor Regulation

Enclosure:

Inspection Report 50-298/92-201

cc: See next page

DISTRIBUTION

Docket Files 50-298/Central Files/RIDS IE:09

PDR

LPDR

VIB R/F

DRIS R/F

BBoger

WRussell

FMiraglia

BGrimes

INorthholm

UPotapovs

RPettis

SAlexander

BRogers

WGleaves

RBevan

GCwalina

CHehl, RI

WHodges, RI

IReyes, RII

AGibson, RII

FJape, RII

HMiller, RIII

EGreenman, RIII

ICallan, RIV

SCollins, RIV

IBarnes, RIV

LEllershaw, RIV

REvans, RIV

RZimmerman, RV

GGrant, OEDO

ILarkins

MVirgilio

CVanDenburgh, OE

OFC	:RIS1:VIB:DRIS	:RIS2:VIB:DRIS	:RIS1:VIB:DRIS	:RIS2:VIB:DRIS	:REGION IV:	REGION IV
NAME	:RPettis	:SAlexander	:WGleaves	:BRogers	:REvans	:LEllershaw
DATE	:5/18/92 *	:04/26/92 *	:04/20/92 *	:5/18/92 *	:5/8/92 *	:5/8/92 *

OFC	:SC:RIS1:VIB	:VIB:DRIS:NRR	:TECH EDITOR	:D:DRIS:NRR	:PM:NRR	:PD:PD4-1:NRR
NAME	:UPotapovs	:INorthholm	:RSanders	:BGrimes	:RBevan	:ILarkins
DATE	:5/19/92 *	:5/17/92	:04/24/92 *	:5/27/92	:5/18/92	:6/2/92

OFC	:AD:R4-5:DRPE	:D:DREW:NRR
NAME	:MVirgilio	:BBoger
DATE	:6/3/92	:6/9/92

OFFICIAL RECORD COPY
* Previously concurred

Document Name: [PROINSP.WP]

100059

Mr. Guy R. Horn
Nuclear Power Group Manager

Cooper Nuclear Station

cc:

Mr. G. D. Watson, General Counsel
Nebraska Public Power District
P. O. Box 499
Columbus, Nebraska 68602-0499

Cooper Nuclear Station
ATTN: Mr. John M. Meacham
Division Manager of Nuclear Operations
P. O. Box 98
Brownville, Nebraska 68321

Randolph Wood, Director
Nebraska Department of Environmental
Control
P. O. Box 98922
Lincoln, Nebraska 68509-8922

Mr. Larry Bohlken, Chairman
Nemaha County Board of Commissioners
Nemaha County Courthouse
1824 N Street
Auburn, Nebraska 68305

Senior Resident Inspector
U.S. Nuclear Regulatory Commission
P. O. Box 218
Brownville, Nebraska 68321

Regional Administrator, Region IV
U.S. Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76011

Mr. Harold Borchert, Director
Division of Radiological Health
Nebraska Department of Health
301 Centennial Mall, South
P. O. Box 95007
Lincoln, Nebraska 68509-5007