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August 17, 1984

Docket Nos. 50-277
50-278

Inspection No. 50-277/84-14
50-278/84-12

Mr. Thomas T. Martin, Director
Division of Engineering and Technical Programs
U.S. Nuclear Regulatory Commission
Region I
631 Park Avenue
King of Prussia, PA 19406

REFERENCE: Letter from M. J. Cooney, PECo to
T. T. Martin, NRC, dated April 4, 1984:
Response to Combined Inspection Report
50-277/84-02 and 50-278/84-02

Dear Mr. Martin:

Your letter of July 18, 1984, forwarded Combined Inspection Report 50-277/84-14 and 50-278/84-12. The report cited one apparent violation of NRC requirement. This letter will restate the violation and provide our response.

10 CFR 50, Appendix B, Criterion XVI, "Corrective Action" requires that measures be established to assure that conditions adverse to quality are promptly identified and corrected and in the case of significant conditions adverse to quality, the measures shall assure that the corrective action precludes repetition.

Peach Bottom Quality Assurance Plan, Volume III, Program Section, Paragraph 16.1, "Corrective Action" states, in part, that "measures be established to assure that conditions adverse to quality are promptly identified and corrected." PECo defines conditions adverse to quality as "...nonconformances to specified requirements."

Contrary to the above as of May 11, 1984, the licensee had not established measures to assure prompt corrective actions,

for identified conditions adverse to quality, to preclude repetition as evidenced by the following:

1. The licensee's Storage Area Surveillance Reports dated March 30, 1982, July 1, 1982, September 24, 1982 and December 20, 1982 identified nonconformances in the Mechanical Outdoor Storage Area. These nonconformances included inadequate access control to storage area, inadequate identification of stored material, Q-listed piping uncapped and rusted, inadequate segregation of Q-listed items and inadequate definition of storage area. Similar nonconformances continued to exist at the time of this inspection.

   Specifically:

   A. The following items were identified in the Mechanical Outdoor Storage Area (MOSA):

      1. Access to the area was not controlled and limited to designated personnel. There were two open access points into the controlled access areas with no controls. The only barrier at a third portal was a locked chain hanging about one foot off the ground.

      2. Nine "Q" listed pipes were uncapped and uncovered. Rust was evident in about half of them. One of the pipes had water lying in it.

      3. "Q" listed items and "non-Q" items were stored in the same area.

      4. The controlled access area was not clearly defined. The perimeter consisted of a combination of chain link fence, broken snow fence, and a metal guard rail. There was only a single sign to indicate that the area was a controlled access area and it was on the ground leaning against the chain described in 1 above.

   B. In addition, the site "Q" Hold Area was located inside the warehouse at the receiving dock. The area was clearly defined by a chain link floor to ceiling fence on three sides and the warehouse wall on the fourth side. A sliding gate with a key lock was used until recently to control access into the "Q" hold area, access control procedures were recently changed and the gate remained open. Access is now controlled at the entrance to the receiving dock. Warehouse personnel working in the

dock area were to monitor and control the activities inside the "Q" Hold Area. However, the inspector identified PECo construction workers working in the area without supervision from the warehouse personnel.

2. The licensee's Engineering and Research QA Section Audit No. OP200, in July 1982, identified that a substantial number of Engineering Review Request Forms (ERRF's) remained open past the due date. At the time of this inspection 250 ERRF's had not been closed, including one issued in 1976, one issued in 1981, thirty issued in 1982, 145 issued in 1983 and 73 issued in 1984.

Response to Item 1A:

The Construction Division maintains an outdoor storage area for the storage of various "Q" structural steel shapes and plates, large pipe and fittings, and other items which may be stored under Level D storage conditions as defined by ANSI N 45.2.2. The original storage yard consisted of a four foot (4') high snow fence enclosure with a locked chain across the entrance. All items stored within the yard were sufficiently heavy to require a forklift to handle them and the chain across the entrance prevented an unauthorized forklift from entering the yard and removing (or depositing) material. Keys to the locked chain were controlled by the Construction Division QC Group. Adjacent to the "Q" storage yard the Construction Division had another storage area that was used for the outdoor storage of "non-Q" material. The two storage areas were separated by a four foot (4') high snow fence.

As part of the plan to improve the parking facilities at Peach Bottom, a new exit road from the main parking lot was designed. The route of the proposed exit road went through the middle of the Construction Division outdoor storage facilities and necessitated relocation of both the "Q" and "non-Q" yards. On the day of the NRC inspection, two sections of the perimeter fence and the fence separating the "Q" and "non-Q" storage yards had been removed to facilitate movement of materials to the new storage areas. Construction Division began to move its stored materials from the original storage yard to the new area designated for the storage of "Q" material. Consequently, there were temporarily two uncontrolled access points to the "Q" storage yard and no separation of "Q" and "non-Q" materials. At the end of each work day, these open sections were replaced with a locked chain.

The transfer of all material to the new storage locations, which took approximately 2 weeks, has been completed. The new Construction Division outdoor storage area for "Q"

material consists of a 70' by 110' area enclosed by a 7' high aluminum chain link fence. Access to the area is through a locked 24' wide gate. The Construction Division QC Group has the only keys to the gate and is present whenever anyone is moving material into or out of the yard. Large signs are mounted on the fence on each side of the yard to clearly identify the area as being Construction Division's Controlled Storage Area and stating that the QC Group must be contacted for access.

As a result of this NRC inspection, an investigation by Construction Division QC has discovered that the marking of stored steel equipment was being performed with a "crayon-like" marker which has the tendency to wash off. Subsequently, these markers have been replaced with an approved "paint-type" marker and all items in the "Q" yard are clearly marked with appropriate identification to provide traceability.

All pipes and fittings are internally clean, dry, and fitted with end caps. Construction QC has requested the Mechanical Engineering Division to review piping specifications and revise them to require that all "Q" pipe be supplied with end caps.

The new "Q" outdoor storage meets the requirements of ANSI N 45.2.2.

All Construction Division "non-Q" material is stored in a separate location that is approximately twenty-five feet (25') away from the outer fenced perimeter of the "Q" Storage Area.

The Storage Area Surveillance Reports will be revised by the Construction QC section to require that distribution of the report be expanded to include the General Superintendent of the Construction Division. In addition, the response to the items identified as being deficient will be required to be sent to the General Superintendent of the Construction Division. The response will include corrective actions proposed to resolve the deficiencies and will provide an expected completion date.

Full implementation of the above procedural modifications is anticipated by October 15, 1984.

Response to Item 1B:

The Quality Assured material stored in the "Q" Hold Area has been, is and was segregated in strict compliance with ANSI N 45.2.2-1972 at the time of the inspection. Access to this area by James Clifford, Thomas Ruiz, and Robert Person on the day of the inspection was authorized by Robert L. Cole, a

Stores Senior Stockman. All three workers were under direct visual observation by Mr. Cole.

Response to Item 2:

An ERRF is used to process field initiated changes to specifications and the design of modifications. The ERRF has three sections. The first section is filled out by the originator of the request for an engineering review. The second section is the documented review, and independent verification of this suggested change by Engineering. The third section provides for incorporation of the change into the as-built drawings. The Engineering and Research Department procedures allow the field change work to progress so long as Section 2 of the ERRF is complete, indicating Engineering approval. In circumstances requiring prompt action, the E&R Department procedures allow for a verbal approval followed by the normal completion of Section 2.

The Audit No. OP200, performed in July 1982, had identified 242 ERRF's with various problems concerning Sections 1 and 2. The final closure of these ERRF's, i.e., completion of Section 3, was not addressed in OP200. Due to the varied nature of ERRF's, it is not appropriate to specify a time period for closure of the ERRF's and because of this, there is no due date. As a result of OP200, however, the E&R Department procedures have been changed to require a prompt disposition of Sections 1 and 2.

The finding cited a number of open older ERRF's, the majority of these are those which have been dispositioned by Engineering, i.e. Section 2 has been completed and drawing changes remain to be completed.

The majority of open ERRF's since late 1983 concern our modification on Unit 2 torus attached piping. This work is still in progress and these ERRF's will be closed as the work is completed and the design is finalized.

The two oldest ERRF's cited, one from 1976 and one from 1981, we assume to be ERRF-169 and ERRF-623. Both of these ERRF's are in the nature of recommendations from Construction for improvements which have not been authorized for implementation. These potential improvements will be re-evaluated for possible implementation and final disposition of the ERRF by the end of 1984.

The E&R QA Section tracked the open findings of OP200 from issuance to closure in accordance with procedure QAI 18-6.

Periodic follow-up letters were issued and status reports were received. The PECo corrective action program is effective in that only one finding has remained open for more than one year. This one finding remained open because 242 ERRF's required Engineering disposition ,i.e. Section X completed, prior to QA acceptance of the finding.

We do not feel that the number of open ERRF's constitutes a lack of control and management attention, but rather reflects the backlog in our drawing as-building program which has been previously addressed with the Commission in response to a previous Combined Inspection Report (see reference). Below is an excerpt from the referenced response:

> "Philadelphia Electric Company has been concerned about the need to expeditiously update modification drawings for some time. In August 1982, a special branch was formed within our Engineering Design Division to expedite the drawing revision process. At that time, the major workload was related to the investigative efforts associated with I.E. Bulletins 79-02 and 79-14. More recently, as a result of NRC commentary and our internal auditing, we have revised our procedures to remove certain administrative and technical review sign-offs in the interest of expediting revisions. Further, we have subdivided the revision workload into those that are of particular interest to personnel in operating the plants and those of a construction/design orientation. The piping and instrument drawings (P&ID's) and electrical single-line diagrams, which are of keen interest to the operating staff, are essentially up-to-date and will continue to receive the highest priority.
>
> In order to expedite the as-built revisions for the balance of the mechanical and electrical drawings, this dedicated group of designers, currently numbering 14, will be expanded by the reassignment of manpower, temporary use of contractors, and the use of overtime where necessary. We estimate that the current backlog of drawing revisions will be eliminated by June 1985. Additionally, the necessary manpower will be assigned to future revisions to preclude the creation of another significant backlog."

If there are further questions, please do not hesitate to contact us.

Very truly yours,

John S. Kemper

MBR:vdw

cc: A. R. Blough, Site Inspector
Document Control Desk