



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

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C (R.D.S)

JUL 02 1992

Docket No. 50-440

Centerior Service Company
ATTN: Mr. Mike Lyster
Vice President
Nuclear - Perry
c/o The Cleveland Electric Illuminating
Company
10 Center Road
Perry, OH 44081

Dear Mr. Lyster:

This refers to the special inspection conducted by Messrs. W. Stearns, P. Hiland, and Ms. M. Khanna of this office on May 27 through June 15, 1992. The inspection included a review of activities authorized for your Perry Nuclear Power Plant, Unit 1, facility. At the conclusion of the inspection, the findings were discussed with those members of your staff identified in the enclosed report.

The inspection was conducted in response to three loss of water inventory events that occurred between May 23 and 26, 1992. In addition, your identification of an improperly seated fuel bundle, after an initial plant startup, was also considered in our decision to conduct this inspection.

Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of a selective examination of procedures, representative records, interviews with personnel, and observation of activities in progress.

Based on the results of this inspection, certain of your activities appeared to be in violation of NRC requirements, as specified in the enclosed Notice of Violation (Notice). The violation is of concern because it directly led to the unexpected loss of water inventory from the reactor vessel.

In addition to the violation described in the enclosed Notice, several examples of failure to follow plant administrative procedures were identified as discussed in paragraph 4 of the enclosed report. While these procedural deviations occurred during a nonsafety-related work activity, the same administrative procedures are required to be followed during safety-related work efforts. Of particular concern was the failure to enforce administrative controls for entry into a confined space.

During this inspection, several additional items appeared to be in violation of NRC requirements. However, as described in the enclosed inspection report, you identified these violations. Therefore, the violations will not be subject to enforcement action because your efforts in identifying and

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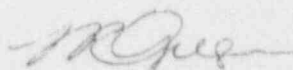
correcting the violations meet the criteria specified in Section VII.B of the "General Statement of Policy and Procedures for NRC Enforcement Actions," (Enforcement Policy, 10 CFR Part 2, Appendix C (1992)).

We plan to discuss the results of this special inspection further with you at the next routine management meeting.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements. In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter, enclosures, and your response to this letter will be placed in the NRC Public Document Room.

We will gladly discuss any questions you have concerning this inspection.

Sincerely,



L. Robert Greger, Chief
Reactor Projects Branch 3

Enclosure:

1. Notice of Violation
2. Inspection Report
No. 50-440/92011(DRP)

See Attached Distribution

Distribution

cc w/enclosures:

F. R. Stead, Director, Nuclear
Support Department

R. A. Stratman, General Manager,
Perry Nuclear Power Plant

K. P. Donovan, Manager,
Licensing and Compliance Section

S. F. Kensicki, Director, Perry
Nuclear Engineering Dept.

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Superintendent Nuclear Operations

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