

ENCLOSURE 2

U.S. NUCLEAR REGULATORY COMMISSION
REGION IV

Inspection Report: 50-267/96-01 2

License: DPR-34

Licensee: Public Service Company of Colorado (PSCo)
P.O. Box 840
Denver, Colorado 80201-0840

Facility Name: Fort St. Vrain Nuclear Generating Station (FSV)

Inspection At: FSV, Platteville, Colorado

Inspection Conducted: March 18-21, 1996

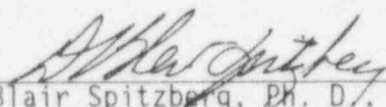
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4/23/96
Date

Inspection Summary

Areas Inspected: Special, announced team inspection was conducted to assess the licensee's implementation of the Quality Assurance Program (QAP) for Decommissioning Plan and Final Survey Plan activities. This assessment included evaluating FSV's quality assurance/quality control programs as implemented by PSCo, the Westinghouse Team, and Scientific Ecology Corporation. Also, the inspector closed out a followup item identified in the March 1995 inspection.

Results:

- All PSCo QA positions identified in the Decommissioning Plan were filled. Few performance based surveillances had been conducted by PSCo QA (Section 1.2.1).
- The licensee had not written a clear definition of a "Release Record" and a "Final Survey Package." The inspectors determined that not all of the documentation elements of the Final Survey Package, as identified in Procedure FSV-SC-FRS-114, were included as part of the final survey packages. PSCo expressed the intent to develop and implement a procedure that clearly defines a "Release Record" and "Final Survey Package" prior to submitting any final records (Section 1.2.2).
- The inspector concluded that the failure to comply with Section 5.5.3 of Procedure SEG/QA-10.1 regarding QA Acceptance Tags represented the first example of a violation of License Condition 2.0 (267/9602-01(1))(Section 2.2).
- The inspection team identified five instances of failure to follow the Nonconformance Report (NCR) procedure which were of minor significance and were determined to be noncited violations (Sections 2.3.2 and 2.3.3).
- The inspectors concluded that the failure to follow the NCR procedure for entering Probable Cause Codes and trending analysis represented the second example of a violation of License Condition 2.0 (267/9602-01(2))(Section 2.3.4).
- The inspector concluded that four instances of the SEG QA staff's failure to follow the SEG QA Corrective Action Report (CAR) procedure were identified. Two instances of failure to comply with Sections 5.7.1 and 5.7.4 of the CAR Procedure SEG/QA-16.1 constitutes violations of minor significance and are being treated as a noncited violation consistent with Section IV of the NRC Enforcement Policy. Two instances of failure to comply with Sections 5.7.2 and 5.8.2 led to the premature closure of the only SEG CAR written against FSV and represents the third example of a violation of License Condition 2.0 (267/9602-01(3))(Section 2.4.2).
- Two instances of licensee failure to comply with Procedure SEG/QA-18.1, "Audit Program," represented the fourth example of a violation of License Condition 2.0 (267/9602-01(4))(Section 2.5).

Summary of Inspection Findings:

- Violation 50-267/9602-01 was opened (Section 2).
- Inspection Followup Item 267/9502-01 was closed (Section 3).

Attachment:

- Persons Contacted and Exit Meeting

DETAILS

1 REVIEW OF THE FSV PROJECT QUALITY ASSURANCE MANUAL (35100) AND QUALITY ASSURANCE PROGRAM (35701)

1.1 Regulatory Basis and Scope for the QAP

Section 7 of the NRC approved FSV Decommissioning Plan requires Public Service Colorado (PSCO) to establish and implement a QAP for the FSV Decommissioning Project. This plan is based on the requirements of 10 CFR Part 50, Appendix B, as they apply to decommissioning activities.

License Condition 2.0 for License DPR-34, states, in part, that the license shall be deemed to contain and is subject to 10 CFR 50.54(a)(1), which requires the licensee to implement a quality assurance program as described in the Safety Analysis Report [Decommissioning Plan] and in accordance with 10 CFR Part 50, Appendix B, "Quality Assurance Criteria for Nuclear Power Plants and Fuel Reprocessing Facilities."

Criterion II of Appendix B to 10 CFR Part 50 states, in part, that the licensee shall establish, consistent with the schedule for accomplishing the activities, a QA program which complies with the requirements of this appendix. This program shall be documented in written policies, procedures, or instructions and shall be carried out throughout plant life in accordance with those policies, procedures, or instructions.

Criterion V of Appendix B to 10 CFR Part 50 states, in part, that activities affecting quality shall be prescribed by documented procedures, of a type appropriate to the circumstances, and shall be accomplished in accordance with these procedures.

PSCO developed the Project Quality Plan (PQP) to define the QAP which includes program manuals and implementing procedures that will be applied by the Westinghouse Team (WT) in planning and implementing FSV's decommissioning activities. The PQP references the Westinghouse Scientific Ecology Group Incorporated (SEG) Quality Assurance (QA) Manual (SEG/QA-100). QAP-122, "Westinghouse Team FSV Decommissioning Project Radiation Protection Program and Final Site Survey Quality Plan," which was being implemented by SEG, identifies the sections of SEG/QA-100 that apply to final site survey activities.

QAP-122 identifies the following sections of SEG/QA-100 as applicable to final site survey activities:

- Organization
- QA program
- Procurement Document Control
- Instructions, Procedures and Drawings
- Document Control

- Control of Purchased Material, Equipment, and Services
- Inspection
- Control of Measuring and Test Equipment
- Nonconformance Reporting
- Corrective Action
- Audits

In addition, site-specific project-generated quality records are controlled by Decommissioning QA Manual (DQAM) Procedure DP-17.0, "Quality Records", and associated Implementing Procedures.

1.2 PSCo's QA Program

Quality Assurance/Quality Control (QC) activities were reviewed to ensure that the commitments made in the Final Survey Plan were incorporated into the final survey program. Section 3.5 of the Final Survey Plan, "Quality Assurance," required the licensee to have a Decommissioning Project Quality Plan that is based on 10 CFR Part 50, Appendix B.

During the inspection, the NRC conducted an assessment of the PSCo QA Program for the Final Survey Plan. The focus of the assessment was an evaluation of PSCo's QA organization and document control procedures that support their final survey effort. As a result of the inspection, the NRC has identified concerns related to the PSCo's QA Program that are discussed below.

1.2.1 QA Staffing and Performance

As defined in the FSV Decommissioning Organization Chart dated March 6, 1996, the QA staff includes a Senior QA Engineer and a QA Engineer who both report to a Project Assurance Manager. In addition, a part-time monitoring team of six individuals supplemented the QA staff in the evaluation of final surveys. The inspector verified that all QA positions identified in the Decommissioning Plan were filled. The inspector determined that current QA staffing could be strained by an increase in QA efforts required to support the Final Survey Plan or by any brief reduction in the current PSCo QA staff level. The inspectors found that over 90 percent of the final survey QA monitoring activities conducted since November 1995 were focused on record reviews. Few performance-based surveillances had been conducted by QA. Inspectors noted that the QA program's effectiveness could be enhanced with the conduct of more performance-based monitoring. PSCo expressed the intent to maintain the current QA staffing level of effort until the project is complete. PSCo also expressed their intent to increase performance-based QA activities.

1.2.2 Final Records Defined

While reviewing the document control/records management element of the PSCo QA Program, the NRC was unable to find written definitions of what "Release Records" and the "Final Survey Packages" included for the Final Survey Report. Procedure FSV-SC-FRS-114, entitled "Fort St. Vrain Decommissioning Project

Survey Design and Package for Plant Systems," identified in Section 6, "Attachments," what the NRC considered as the elements of the Final Survey Package. However, after a review of a Final Survey Package and discussions with PSCo, the NRC determined that all of the elements identified in Section 6 of the procedure were not always part of a Final Survey Package. In addition, Procedure FSV-SC-FRS-102, entitled "Fort St. Vrain Decommissioning Project Survey Design and Package Preparation," also identified in Section 6, "Attachments," the elements of a Final Survey Package. Procedure FSV-SC-FRS-102 focuses on surfaces, structures and open land, while FSV-SC-FRS-114 focuses on plant systems.

As a result of the inspection of the document control/records management element, PSCo representatives expressed an intent to provide the NRC written definitions for "Release Records" and "Final Survey Package" within 2 weeks and prior to submitting to NRC any approved "Release Record" for review. Both the "Release Records" and "Final Survey Packages" are part of the final records. Therefore, PSCo agreed to develop and implement a written procedure to define how the final records will be controlled after they have been submitted to NRC in order to address the NRC's document control concern. PSCo also expressed the intent to have this procedure implemented prior to submitting any final records to the NRC.

1.3 Conclusions

All PSCo QA positions identified in the Decommissioning Plan were filled. Few performance based surveillances had been conducted by PSCo QA. The licensee had not written a clear definition of a "Release Record" and a "Final Survey Package." The inspectors determined that not all of the documentation elements of the Final Survey Package, as identified in Procedure FSV-SC-FRS-114, were included as part of the final survey packages. PSCo expressed the intent to develop and implement a procedure that clearly defines a "Release Record" and "Final Survey Package" prior to submitting any final records.

2 **AUDIT OF APPLICANT'S SURVEILLANCE OF CONTRACTOR QA/QC ACTIVITIES (35020) AND IN-DEPTH QA INSPECTION OF PERFORMANCE (35061)**

2.1 Contractors and the SEG QA Inspection

This inspection examined the implementation of selected areas of FSV's QA program with respect to final site survey activities. Specifically, NRC inspectors focused on SEG's QA program implementation at FSV in the following areas:

- Inspections
- Nonconformance Reporting
- Corrective Action
- Audits

A summary of NRC's examination of each of these areas is presented below.

2.2 SEG Inspections

An overview of the SEG inspection program and procedural requirements was obtained by interviewing the Westinghouse Electric Corporation Senior QA Engineer. From this discussion, it was determined that the only inspections performed by SEG are acceptance inspections on survey instruments received from calibration vendors. A review of SEG's inspection log indicated that 28 inspections had been conducted on final site survey instrumentation, including dataloggers and associated detectors. Based on a review of the inspection log, ten inspection packages were selected for examination. Inspection dates for the sample population selected ranged from July 1994 to the present. This range ensured that inspection activities throughout the final site survey were examined.

Licensee Procedure SEG/QA-10.1, "Inspection," was developed pursuant to 10 CFR Part 50, Appendix B, Criteria I, II, V, and X. Based on the inspection records reviewed, two examples of procedural noncompliance were identified. Section 5.5.3 of SEG/QA-10.1, requires, in part, that if the item is in compliance with acceptance criteria (Section 5.5.1), the QA Inspector attaches a completed and stamped, or signed, QA acceptance tag (Enclosure 7.2) to the item. At the time of the inspection, SEG QA inspectors had not prepared QA acceptance tags for equipment which complied with acceptance criteria. SEG QA personnel stated that it was decided to stop placing QA acceptance tags on equipment that passed QA inspection in 1995. However, SEG QA further stated that they had not revised Section 5.5.3 of the inspection Procedure SEG/QA-10.1. The inspector concluded that the failure to comply with Section 5.5.3 of Procedure SEG/QA-10.1 regarding QA Acceptance Tags represented the first example of a violation of License Condition 2.0 (267/9602-01(1)).

Section 5.2.1 (b) of SEG/QA-10.1, requires, in part, that upon issuance of a purchase order, an inspection checklist is developed to provide attributes to be inspected, hold points, and acceptance criteria. At the time of the inspection, SEG inspectors had not developed specific inspection checklists. Instead, SEG inspectors used copies of purchase orders (POs) to compare inspection receipt paperwork against the PO requirements. Inspectors determined that without inspection checklists, there was no record to verify that all criteria on the POs were inspected. Licensee management agreed that developing specific inspection checklists would enhance the credibility of QA inspection receipt records. This failure to comply with Section 5.2.1(b) of Procedure SEG/QA-10.1 constitutes a violation of minor significance and is being treated as a noncited violation consistent with Section IV of the NRC Enforcement Policy.

The inspection team also identified several incomplete quality records. These documentation errors did not have a significant impact on the quality of final site survey activities conducted. Further, the NRC staff informed SEG that Maintenance History Cards associated with final site survey instruments did not contain the necessary information to indicate when final site survey

instruments were taken out of service for calibration. The NRC will examine documentation in future inspections to assure that procedures for developing and controlling quality records are being effectively implemented.

2.3 SEG Nonconformance Reports

2.3.1 Regulatory Basis for Nonconformance Reports

The inspector reviewed the implementation of the SEG QA NCR program at FSV. According to a memorandum dated January 24, 1996, the responsibility for NCRs generated at FSV was delegated to the Westinghouse Senior QA Engineer. Inspectors reviewed 55 SEG NCRs that were written at FSV by SEG in 1994, 1995, and 1996. Licensee Procedure SEG/QA-15.1, "Nonconformance Reporting," was developed pursuant to 10 CFR Part 50, Appendix B, Criteria I, II, V, and XV.

2.3.2 NCR Logs and NCR Records

Inspectors requested that the licensee provide the NCR Log for 1994 through 1996. The licensee originally provided the inspectors a copy of the NCR Log that was kept by the group responsible for implementing the SEG QA NCR program. Because the FSV site SEG QA NCR log was incomplete, the inspector requested copies of the 1994 through 1996 NCR logs that were maintained by the SEG QA corporate office in Oak Ridge, Tennessee. The licensee provided copies of three other NCR logs that were maintained by SEG corporate. These logs included all NCRs that were written by SEG for all SEG operations in the United States.

Based on the NCR entries in the various NCR logs, the inspectors determined that the NCR logs had not been maintained up-to-date as required by Sections 5.7.2 and 5.12.10 of the NCR Procedure SEG/QA-15.1. For example, the FSV SEG NCR log was missing some of the NCRs that were written at SEG corporate. Likewise, the corporate SEG NCR log was missing NCRs that were generated at FSV and was also missing the description of at least four NCRs that were generated at FSV. In one case, the FSV SEG NCR Log and the SEG corporate NCR Log had two different descriptions for NCR 95-237. Based on a telephonic conversation that the inspector held with the SEG QA representative and the SEG QA corporate staff on March 20, 1994, the inspector determined the following:

- Not all of the appropriate supervisors/managers at FSV and SEG corporate had copies of NCRs.
- Corporate staff was unaware that FSV QA maintained a separate NCR Log.

Section 5.7.3 of the NCR Procedure SEG/QA-15.1 requires, in part, that once the NCR is logged, the manager, quality verification or designee shall transmit the NCR to the manager of the organization responsible for corrective action and distribute copies to the originator and all appropriate supervisor/managers. As of March 19, 1996, the manager, quality verification

or his designee at the SEG QA corporate office had not transmitted and distributed copies of NCRs 95-204 and 96-026 to all appropriate supervisor/managers at FSV, once the NCRs were logged.

During the inspector's review of completed NCRs that were on file at FSV, it was noted that the NCRs were not complete with all pertinent attachments in some cases. Section 5.12.9, requires, in part, that prior to closure, all NCR pages be sequentially numbered. NCRs on record and closed by QA from 1994 and 1995 were not sequentially numbered.

Section 5.14 of the NCR Procedure SEG/QA-15.1, requires, in part, that, if after validation, it is determined that the NCR is not valid, the originator of the NCR, their responsible manager, or QA shall initiate the following steps to invalidate the NCR:

- Retain the invalidated NCR as a record.
- Enter the word "Invalidated" in bold letters on the NCR form and include on the NCR a statement of justification for invalidating the NCR.
- The NCR coordinator shall update the NCR Log by entering "Invalidated" and the date in the "Closure" column.

In August 1994 and July 1995 the licensee cancelled NCR 94-092 and NCR 95-128 and did not retain the invalidated NCRs as a record to reflect that the NCRs were "Invalidated." The NCR coordinator did not update the NCR Log by entering "Invalidated," and the "Closure" date was not entered in the closure column.

The four instances noted above of failure to maintain NCR logs and to distribute NCR records as required by Sections 5.7.2, 5.7.3, 5.12.10, and 5.14 of the NCR Procedure SEG/QA-15.1 constitutes violations of minor significance and are being treated as a noncited violation consistent with Section IV of the NRC Enforcement Policy.

2.3.3 NCR QA Hold Tags

Inspectors asked SEG QA personnel if QA hold tags had unique numbers assigned to them when an NCR required multiple tags attached to the nonconforming items. Site SEG QA personnel stated that they had never assigned unique numbers to QA hold tags, although SEG QA acknowledged that the procedure provided direction to do so. On March 21, 1996, the inspector toured the segregation area where nonconforming items were stored. Inspectors observed that two nonconforming items had a QA Hold Tag with the same NCR No. NCR 96-037, and there was no unique number that identified the items. Section 5.8.5, requires, in part, that QA hold tags shall have unique control numbers applied at the time of their attachment to the nonconforming item. The inspectors determined that the licensee had not assigned unique control numbers to QA hold tags prior to March 21, 1996. This instance of failure to assign unique

numbers to QA hold tags as required by Sections 5.8.5 of NCR Procedure SEG/QA-15.1 constitutes a violation of minor significance and is being treated as a noncited violation consistent with Section IV of the NRC Enforcement Policy.

2.3.4 Probable Cause Codes and Trend Analysis

Inspectors noted that in 1994, seven NCRs were written against radiation detection instruments, sources, and calibrations. In 1995, the number was twelve NCRs. For 1996, all six of the NCRs written by SEG against FSV were related to radiation detection instruments, sources, and calibrations. The Probable Cause Code and trending information was not filled out on some of the NCRs.

SEG NCR forms included a section for entering a code to identify the probable cause of a nonconforming condition. The Probable Cause Code was an alphabetical designation (A-J) and included violations of procedures, incorrect calibrations, and vendor deficiencies as some of the reasons for a nonconforming condition. Procedure SEG/QA-15.1, Section 5.12.7, requires, in part, that QA shall enter a Probable Cause Code on the NCR form per the instructions provided in Enclosure 7.3, "Instructions for Completing the NCR Form." Inspectors found that QA did not enter a Probable Cause Code on six completed NCRs forms per the instructions provided in Enclosure 7.3 between July 1994 and December 1995.

In October 1994, FSV site QA, Westinghouse staff and SEG staff tried to resolve the NCR problems that were associated with one particular radiation detection instrument vendor by changing to a different vendor. However, the instrument vendor problems continued and remained unresolved. Discussions with SEG corporate QA revealed that NCR information from the FSV site was not trended in 1994. Also, FSV site QA personnel did not make the problems associated with radiation instruments vendors obvious to corporate QA personnel. According to the FSV manager, quality verification for NCRs and trending was the responsibility of SEG corporate QA. The inspectors noted that Procedure SEG/QA-15.1, "Nonconformance Reporting," did not state that trending duties were the responsibility of corporate QA. Trend analysis of FSV NCRs was performed in September 1995 by SEG corporate QA. This led to the issuance of NCR 95-204 and Corrective Action Report (CAR) 95-002 in order to resolve the Ludlum instrument vendor problems.

Licensee Procedure SEG/QA-15.1, "Nonconformance Reporting," Section 5.12.11, requires that QA perform trend analysis of NCRs per SEG/QA-15.3 "Trend Analysis." From January 1994 to September 1995 QA did not perform trend analysis of FSV NCRs. The inspector concluded that the failure to follow the NCR procedure for entering Probable Cause Codes and trending analysis represented the second example of a violation of License Condition 2.0 (267/9602-01(2)).

2.3.5 Conclusions of the SEG NCR Program

The inspection team identified seven instances of failure of the licensee's QA contractor to comply with the SEG QA NCR procedure. Five of the instances of failure to follow the NCR procedure were of minor significance and are being treated as noncited violations consistent with Section IV of the NRC Enforcement Policy. While none of the noncompliances represented a significant issue, collectively they represent inattention to detail by the SEG QA representatives for the NCR program. The inspectors concluded that the failure to follow the NCR procedure for entering Probable Cause Codes and trending analysis represented the second example of a violation of License Condition 2.0 (267/9602-01(2)).

2.4 SEG Corrective Action Reports

2.4.1 Regulatory Basis for Corrective Action Reports

Inspectors reviewed the licensee's CAR program that was implemented by SEG to determine compliance with Criterion XVI of Appendix B to 10 CFR Part 50, License Condition 2.0, and the Decommissioning Plan. Licensee Procedure SEG/QA-16.1 "Corrective Action," was developed pursuant to 10 CFR Part 50, Appendix B, Criteria I, II, V, and XVI to implement the corrective action program.

2.4.2 CAR Logs and Premature Closure of CAR 95002

The inspector reviewed SEG's CAR logs from 1994 to present. It was determined that no CARs were written in 1994, and as of this inspection, no CARs had been written in 1996. Four CARs had been written by SEG in 1995, and according to the CAR Log all four CARs were closed. Inspectors noted that the CAR Log was incomplete in that the columns labelled "Disposition Approved Date" and "Actions Complete" were not filled in prior to entering the CAR "Closure Date."

The inspectors asked to review closed CAR 95-002 written against the FSV project on August 10, 1995. However, the FSV site did not have a copy of the closed CAR 95-002. Additionally, when the SEG QA representative finally provided a copy of CAR 95-002 to the inspectors on March 20, 1996, a new CAR Log was provided that had been revised by the Vice President, SEG QA on March 19, 1996, to indicate that CAR 95-002 was not closed, as indicated by the previous CAR Log.

Procedure SEG/QA-16.1, Section 5.8.2 requires, in part, that the Corrective Action Report Log is updated to indicate the status of the CARs and shall be used as a tool to trigger followup. As of March 21, 1996, the CAR log was not adequately updated to indicate the status of CARs and inaccurately indicated that CAR 95-002 was closed on February 7, 1996. The failure to update the Corrective Action Report Log was identified as a violation of Procedure SEG/QA-16.1, Section 5.8.2 and represented part of the third example of the violation of License Condition 2.0 (267/9602-01(1)).

On review of CAR 95-002 the inspectors found that on March 19, 1996, the Vice President, SEG QA reopened the CAR. On March 20, 1996, the inspectors conducted a telephonic conversation with the Vice President, SEG QA, SEG QA staff, and the FSV SEG QA representative to discuss the premature closure of CAR 95-002, the CAR Procedure, and the CAR program at FSV. The inspector asked if the Vice President, SEG QA's review of completed item for CAR 95-002 had been performed based on the review of the SEG QA staff. The Vice President, SEG QA stated that a full verification and validation was performed to ensure that CAR 95-002 was complete before closure. However, the SEG QA staff did not maintain full communication with the FSV staff to validate that all issues concerning CAR 95-002 were complete. The inspector explained that the FSV site did not have a closed copy of CAR 95-002 until the inspectors requested a copy. The inspector further explained that the CAR Log was not maintained as required by the procedure, which may have led to the premature CAR closure. The inspector noted that a memorandum dated February 7, 1996, from the CAR coordinator to the Vice President, SEG QA was attached to CAR 95-002 which stated, in part, that:

"Based on my review of the corrective actions and objective evidence derived from the root cause analysis, I believe this CAR can be closed. The recommended actions have been implemented and no further nonconformance [NCR] have been initiated concerning Ludlum Instruments."

The inspector noted that between August 10, 1995, and February 7, 1996, the NCR log at FSV indicated that seven NCRs were written against Ludlum Instruments at FSV. The SEG QA log maintained by the Corporate SEG QA staff only indicated that NCR 95-204 was written against Ludlum Instruments, in September 1995. The inspector further noted that the FSV site did not have a copy of NCR 95-204. The inspector determined that the CAR coordinator and the Vice President, SEG QA did not conduct a thorough review of FSV NCRs and the CAR 95-002 corrective action items. The Vice President, SEG QA stated that she was assigned to this position in 1995, and she noticed that CARs were not being generated by the SEG QA staff prior to 1995. However, the Vice President, SEG QA stated that "Verbatim Compliance" was expected regarding following SEG QA procedures, and acknowledged the inspector's findings. The Vice President, SEG QA issued NCR 96-039 on March 20, 1996, which stated that:

"CAR 95-002 was improperly closed due to a lack of supporting documentation to justify closure."

Procedure SEG/QA 16.1, Section 5.7.1 requires, in part, that the Vice President, QA evaluate the completed corrective action(s), as stated on the Corrective Action Report (CAR) to assure that the Significant Condition Affecting Quality (SCAQ), as well as the identified root cause was corrected. On February 7, 1996, the Vice President, QA closed CAR 95-002 without adequately evaluating that the corrective actions were completed as stated on the CAR.

Section 5.7.2 requires, in part, that the Vice President, QA verifies acceptable implementation of the corrective action. Results of the

verification are documented and included with the CAR. On February 7, 1996, the Vice President, QA closed CAR 95-002 without adequately verifying the acceptable implementation of the corrective actions. The closure of a Corrective Action Report 95-002 without verifying acceptable implementation of the corrective action was a violation of Procedure SEG/QA-16.1, Section 5.7.2 and represented part of the third example of a violation of License Condition 2.0 (267/9602-01(1)).

2.4.3 Nontransmittal to FSV

Section 5.7.4 requires, in part, that if the corrective action is acceptably completed, the CAR is signed by the QA verifier and is closed by the Vice President, QA. A copy of the closed CAR is transmitted to the responsible organization and department/project manager. On February 7, 1996, the Vice President, QA and the QA verifier closed CAR 95-002. A copy of CAR 95-002 was not transmitted to the FSV site until March 20, 1996, which was at the request of the NRC inspector. This failure to comply with Section 5.7.4 of Procedure SEG/QA-16.1 constitutes a violation of minor significance and is being treated as a noncited violation consistent with Section IV of the NRC Enforcement Policy.

2.4.4 CAR Program Conclusion

The inspector concluded that four instances of the SEG QA staff's failure to follow SEG QA CAR procedure were identified. Two instances of failure to comply with Sections 5.7.1 and 5.7.4 of the CAR Procedure SEG/QA-16.1 constitutes violations of minor significance and are being treated as a noncited violation consistent with Section IV of the NRC Enforcement Policy. Two instances of failure to comply with Sections 5.7.2 and 5.8.2 led to the premature closure of the only SEG CAR written against FSV and represents part of the third example of a violation of License Condition 2.0 (267/9602-01(3)).

2.5 SEG Audits

The inspectors examined SEG's audit program by evaluating compliance with SEG/QA-18.1, Audit Program, Revision 5, which was developed pursuant to 10 CFR Part 50, Appendix B, Criteria I, II, V, and XIII. As a result of discussions with the Westinghouse Electric Corporation senior QA engineer, and verified by the SEG annual audit schedule, it was determined that SEG had conducted one internal audit (SEG Audit 95-06) of their FSV final site survey activities on April 24, 1995. A second internal audit of final site survey activities was planned for April 1996.

Based on discussions with SEG staff and an examination of the quality records associated with SEG Audit 95-06, the NRC staff had identified two examples of procedural noncompliance and concerns. Section 5.1.1, SEG/QA 18.1, "Audit Program," requires that: "The schedule for internal audits includes all aspects of the quality assurance program." The inspectors found no evidence to show that SEG Audit 95-06 evaluated all aspects of SEG's final site survey QA Program.

The Audit Report for SEG Audit 95-06 indicated that the audit scope included; (1) radiochemistry; (2) records; (3) employee training; (4) equipment calibration; (5) nonconformance reporting; (6) procurement document control; (7) document control; (8) control of purchased material, equipment, and services; and (9) inspections. QAP-122 described the administrative and technical aspects of the SEG QA program which were applicable to the FSV final site survey activities. There was no evidence that the following applicable aspects of the SEG QA program, identified in QAP-122, were evaluated as a part of Audit 95-06;

- Organization - The audit report did not demonstrate that the SEG QA organization was evaluated. Training records for personnel responsible for implementing and verifying compliance with the SEG QA were not examined.
- QA Program - The audit report did not demonstrate that the requirements of SEG/QA-100 Part A, Section 2, or SEG/QA-2.1, "Personnel Training, Indoctrination, and Qualification" were evaluated during the audit. The report did indicate that the training records for four employees were reviewed. However, a review of four training records was not adequate to determine the effectiveness of QA Program implementation.
- Instructions, Procedures, and Drawings - The audit report did not demonstrate that procedures and instructions generated in support of the FSV project were evaluated for compliance with SEG/QA-100, Part B, Section 2.1 or SEG/QA-5.1. The audit report did note that the controlled distribution list for FSV site-specific instructions and procedures was reviewed. However, the audit report and checklists do not provide adequate evidence to determine what procedural requirements were evaluated.
- Corrective Actions - The audit report did not demonstrate that the requirements of SEG/QA-100, Part B, Section 12, SEG/QA-16.1, or SEG/QA-15.2 were evaluated during the audit.

The inspectors concluded that failure to evaluate the above aspects of the SEG QA program was a violation of Procedure SEG/QA-18.1 and represented part of the fourth example of a violation of License Condition 2.0 (267/9602-01(2)).

Section 5.4.2 of Procedure SEG/QA-15.2, requires auditors to examine objective evidence to determine if appropriate QA requirements are effectively implemented. The auditors did not evaluate nonconformance reporting. SEG Audit 95-06 stated that there were "no nonconformances associated with the repower area survey activities documented." NCR-95-013 was generated on January 25, 1995, to document deficiencies identified during receipt inspection of six dataloggers. Four of these six dataloggers were used in the repower area final survey, and the calibration status of these dataloggers were examined in Audit 95-06. The audit report indicates that the auditors evaluated the QA surveillance log and determined that surveillances were

conducted in the areas of personnel training and qualification, instrumentation, unconditional release of material, survey design, and closure of Survey Package 002. There is no evidence that the auditors evaluated the surveillances for compliance with DQAM DP-18.0. The audit scope did not include an evaluation of the SEG receipt acceptance inspections for survey equipment for compliance with SEG\QA-100, Part B, Section 7, and Implementing Procedure SEG/QA-10.1. This finding was a failure to comply with Procedure SEG/QA-18.1 and represented part of a fourth example of a violation of License Condition 2.0 (267/9602-01(4)).

2.6 Conclusions on SEG's QA Program at FSV

One violation was identified by the inspectors documenting examples of procedural noncompliance in four SEG QA areas. Based on the information reviewed, SEG was not implementing all requirements of Procedures, SEG/QA-10.1, "Inspection"; SEG/QA-15.1 "Nonconformance Reporting"; and SEG/QA-16.1, "Corrective Actions"; and Procedure SEG/QA 18.1, "Audit Program."

3 FOLLOWUP (92701)

3.1 (Closed) Inspection Followup Item 50-267/9502-01: Review of the Third-Party Independent Verification Program

Section 4.7 of the Decommissioning Plan states that a third-party independent verification of the final survey will be performed as an audit of the final survey plan. This independent verification would include selected measurements, sampling, and analysis as required to confirm the validity of the final survey. In addition, this independent verification program was to be developed with a structure similar to the final survey plan. Section 3.5.1(i) of the Final Survey Plan required the licensee to have a third independent party to perform confirmation surveys on final survey packages, and required that survey packages be independently reviewed.

During inspections conducted in March and December 1995, the licensee did not have copies of the third-party's program, plan, or procedures available for review. The Inspection Followup Item was created to ensure that NRC reviewed the program.

The licensee is using General Public Utilities (GPU) to implement the third-party program. Inspectors reviewed the GPU third-party proposal "Consultant Specification to Perform a Review and Independent Verification Survey of FSV Decommissioning" for consistency with the NRC-approved final survey plan. Inspectors had previously questioned whether the third party was capable of performing "quality-related" work, because the third party had not been inspected by the licensee's quality assurance organization. The licensee could not clearly indicate whether the third party was or was not subject to oversight by their quality assurance organization. The licensee's decommissioning safety review committee decided that the GPU third party was subject to a quality assurance audit and was not exempt from the audit

requirements. Inspectors reviewed the licensee's February 7-9, 1996, Vendor Audit Report 96-001 on GPU's ability to conduct "quality related" work. Based on the inspector's review of the GPU third-party proposal and audit, it was concluded that GPU third-party's program was capable of ensuring compliance with the Decommissioning Plan's Final Survey Plan.

ATTACHMENT

1 PERSONS CONTACTED

1.1 Licensee Personnel

- *T. Borst, PSCo Program Manager
- *S. Chesnutt, Senior Project Assurance Engineer
- *M. Holmes, Project Assurance Manager
- D. Seymour, Senior QA Engineer

1.2 Contractor Personnel

- *R. Argall, Radiochemistry/Training Supervisor Scientific Ecology Group (SEG)
- D. Blain, Field Operations Coordinator, SEG
- M. Buring, Radiation Protection Operations Supervisor, SEG
- *W. Dender, Westinghouse QA Technician
- *B. Dyck, Licensing Engineer, Westinghouse
- *B. Gunnerson, PSCo Engineering
- *T. Howard, Project Director, Westinghouse
- *W. Hug, Operations Manager, MK-Ferguson
- *M. Kachun, Westinghouse Team Lead Site QA Engineer
- *M. Lambert, SEG Radiological Engineer
- *B. Mann, PSCo Project Assurance Consultant
- *M. Miles, Field Operations Coordinator
- R. McGinley, ALARA Supervisor, SEG
- G. Policastro, Technical Support Projects Supervisor, SEG
- *J. Rood, Final Survey Lead Engineer, SEG
- *H. Story, Project Radiation Protection Manager, SEG
- *M. Zachary, Final Survey Operations Supervisor, SEG

1.3 NRC, Office of Nuclear Materials Safety and Safeguards

- *D. Fauver, Senior Project Manager, Division of Waste Management
- *J. Buckley Project Manager, Division of Waste Management
- *C. Pittiglio, Senior Project Manager, Division of Waste Management

1.4 NRC Region IV Personnel

- *L. Carson II, Health Physicist, Division of Nuclear Materials Safety
- *B. Spitzberg, Branch Chief, Nuclear Materials Licensing Branch

* The personnel listed above attended the exit meeting. In addition to the personnel listed above, the inspectors contacted other members of the site staff during this inspection.

2 EXIT MEETING

An exit meeting was conducted on March 21, 1996. During the meeting, the inspectors reviewed the scope and findings of the inspection. The licensee did not identify as proprietary any information provided to, or reviewed by, the inspectors.