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PDR

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

March 22, 1985

The Honorable Edward J. Markey, Chairman
Subcommittee on Energy Conservation and Power
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

In response to your letter of March 8, 1985, I am writing to advise you that the NRC staff is issuing the enclosed Notice of Violation and Proposed Imposition of Civil Penalties to Mississippi Power and Light Company for violations involving material false statements regarding technical specifications at the Grand Gulf nuclear plant.

This enforcement action is taken in connection with violations discussed in SECY-84-419 which was previously provided your staff. Matters discussed in SECY-84-420, also previously provided, are still pending before the Department of Justice.

Sincerely,

Nunzio J. Palladino

Enclosure:
As Stated

cc: Rep. Carlos Moorhead

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PDR COMMS NRCC
CORRESPONDENCE PDR

58-416



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

MAR 21 1985

Docket No. 50-416
EA 84-75

Mississippi Power and Light Company
ATTN: William Cavanaugh, III
President
P.O. Box 1640
Jackson, MS 39205

Gentlemen:

The Commission has reviewed your submittals with regard to the technical specifications for Grand Gulf Nuclear Station, Unit 1. As you are aware, these submittals contained numerous errors regarding plant-specific design features. The Commission has concluded that the submittals contained several material false statements which are described below.

On December 15, 1980, you submitted a markup of the Standard Technical Specifications for General Electric Boiling Water Reactors (NUREG-0123) which you stated reflected plant-specific design features. This statement was false because, as described in detail in Item A in the enclosed Notice of Violation (NOV), the technical specifications did not reflect plant-specific design features described in the FSAR. This statement was material in that had the NRC known of the errors in the technical specifications, it would not have issued the license without requiring changes to the technical specifications.

The second violation involves a markup of the technical specifications submitted on June 26, 1981. This submittal contained the same errors as were contained in the December 15, 1980 submittal. Additional submittals and changes were transmitted in letters dated December 31, 1981, January 12, February 25, March 23, April 5, 6, 7, and 30, May 26, June 1, 9 (two letters), and 10, 1982. On June 16, 1982, NRC issued a low power (5%) license to MP&L for Grand Gulf Unit 1 with appended technical specifications based upon the licensee's submittals. The errors contained in the December 15, 1980 submittal were reflected in the technical specifications issued with the license. Each of these submittals was a separate opportunity to discover and correct the false submittal of December 15, 1980. Your failure to do so constitutes a material false statement by omission. The statement was false because you failed to correct your initial false submittal and to ensure that the technical specifications ultimately issued with the license reflected plant-specific design features. The statement was material because the NRC would not have issued the license with erroneous technical specifications.

CERTIFIED MAIL
ENCLOSED RECEIPT REQUESTED

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The third violation involves a letter to Harold Denton dated June 14, 1983, in which Mississippi Power and Light provided additional proposed changes to the Grand Gulf Technical Specifications which you stated were "intended, in general, to enhance clarity or provide consistency with the plant design and operation." Certain statements in this letter were false because:

a. With reference to Technical Specification 4.8.1.1.1.b, the submittal stated, "There is no automatic transfer from the normal to alternate circuit since this bus search and automatic transfer feature was deleted from the load shedding and sequencing (LSS) panel by a pre-operating license design change. Section 8.3 of the FSAR no longer contains a description of the bus search and automatic transfer feature of the LSS panel." However, the LSS panel still performs a search and automatic transfer function even though it is prohibited from auto-transfer hookup to another off-site power source by other features.

b. With reference to Technical Specification 6.5.2.2, the submittal stated that the Manager of Systems Nuclear Operations, Middle South Services, will be replaced by a qualified representative of System Nuclear Operations. However, the organizational entity, Systems Nuclear Operations, did not exist.

The statements were material because an agency reviewer might have made the requested changes to the technical specifications had the reviewer not known that the bases for the changes were wrong.

The fourth violation involves a letter to the Nuclear Regulatory Commission staff dated June 23, 1983, in which Mississippi Power and Light provided additional proposed changes to the Grand Gulf Technical Specifications which MP&L stated were "intended, in general, to enhance clarity or provide consistency with the plant design and operation." A statement in this letter was false because the submittal stated, with reference to Technical Specification Table 4.3.7.5-1, that a note requiring channel calibration does not apply to the instruments used at Grand Gulf and should be deleted. However, the footnote fully applied to the Grand Gulf instruments. The false statement was material because the reviewer might have made the requested change to the technical specifications based upon incorrect information.

The fifth violation involves a letter to Harold Denton dated August 5, 1984, in which Mississippi Power and Light certified that the Grand Gulf Technical Specifications transmitted to the NRC up to and including Amendment 13 accurately reflected the plant, the FSAR and supporting documents, and the SER in all material respects. The statement was false because the technical specifications did not reflect existing plant-specific design features as evidenced by the fact that in a letter to the NRC dated August 14, 1984, MP&L requested additional changes to the Grand Gulf Technical Specifications to add circuit breakers to the list of those circuit breakers performing primary containment penetration conductor overcurrent protection functions for which surveillance was required. The false statement was material because the NRC believed the list of circuit breakers requiring surveillance was complete and might have issued the license with erroneous technical specifications, had the licensee not subsequently corrected the error.

Two inspections of surveillance procedure compliance with technical specifications were conducted between license issuance and the commencement of initial criticality on August 18, 1982. Both of these inspections in the areas of operations and fire protection identified additional technical specification errors requiring correction prior to initial criticality. The NRC was informed by MP&L management at that time that the errors were isolated instances and had all been corrected prior to initial criticality.

During the period of September 27 to October 8, 1982, Region II inspectors identified additional problems with technical specification surveillance requirements. As a result, an enforcement conference was held with MP&L in the Region II Office and a Confirmation of Action Letter was issued by the Region II Regional Administrator confirming licensee commitments to prepare and submit license amendment requests to the NRC. The amendments were to correct administrative and technical deficiencies in the facility technical specifications, as well as to establish a formal Quality Assurance program to assure compliance with the technical specifications, including the associated surveillance requirements. Even after these efforts, submittals regarding technical specifications still contained errors up to and including a submittal of August 5, 1984.

The primary responsibility for ensuring that the license contains appropriate technical specifications clearly rests with the licensee. Your failure to fulfill your obligation to thoroughly know and understand the technical specifications which are a part of your license cannot be excused. The material false statements listed in the Notice are indicative of a failure to exercise your responsibility to ensure the accuracy and completeness of each and every submittal of information made or required to be made as part of the licensing process.

The violations have been categorized as Severity Level III violations in accordance with the General Statement of Policy and Procedure for NRC Enforcement Actions, 10 CFR Part 2, Appendix C. Each of the five material false statements constitutes a separate violation of NRC requirements. To emphasize to you and to other licensees the importance of ensuring that technical specifications accurately reflect plant-specific design features, I have been authorized, after consultation with the Commission, to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalties in the amount of One Hundred and Twenty-five Thousand Dollars (\$125,000). I considered proposing a civil penalty of Two Hundred and Fifty Thousand Dollars for these violations. However, in recognition of the fact that the informality of the NRC's process for review of technical specifications contributed to the problem, I have mitigated the penalty by 50%.

You are required to respond to the enclosed Notice and you should follow the instructions specified therein when preparing your response. The NRC will closely monitor MP&L's corrective actions and failure to carry them out may lead to further enforcement action.

As noted above, numerous inspections involving these matters have been conducted by the NRC and also several management meetings and Enforcement Conferences have been held which concerned these issues. Written commitments have been made by

Mississippi Power and Light
Company

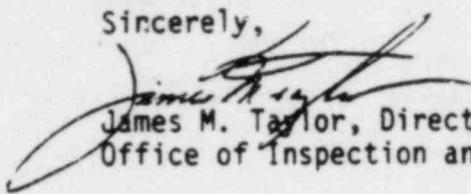
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MP&L as a result of these meetings and inspection reports. In your response to the enclosed Notice of Violation and Proposed Imposition of Civil Penalties, appropriate reference to these previous submittals (by page or paragraph number as appropriate) is acceptable.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosure will be placed in the NRC's Public Document Room.

The responses directed by this letter and accompanying Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

Sincerely,



James M. Taylor, Director
Office of Inspection and Enforcement

Enclosure: Notice of Violation and
Proposed Imposition of Civil Penalties

NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTIES

Mississippi Power and Light Company
Grand Gulf

Docket No. 50-416
License No. NPF-13
EA 84-75

As a result of review of your submittals for the period from December 15, 1980 to August 14, 1984, several material false statements were identified. These false statements are representative of over four hundred errors discovered in the Grand Gulf Technical Specifications. The technical specifications did not reflect plant-specific design features despite the fact that the licensee had numerous opportunities over a four year period to ensure that they did. Some of the errors were significant enough to require correction by Order even for low power operation. The number of errors and the duration of the problem indicate that MP&L has failed to exercise its responsibility to ensure the completeness and accuracy of submittals to the NRC. In accordance with the General Statement of Policy and Procedure for NRC Enforcement Action, 10 CFR Part 2, Appendix C, 49 FR 8583 (March 8, 1984), and pursuant to Section 234 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2282, PL 96-295, and 10 CFR 2.205, the violations and associated civil penalties are described below:

- A. On December 15, 1980 a markup of the Standard Technical Specifications for General Electric Boiling Water Reactors (NUREG-123), revision 2, August 1979 was submitted. The transmittal letter contained the statement that the markup reflected plant specific design features for Unit 1 of the Grand Gulf Nuclear Station.

Contrary to Section 186 of the Atomic Energy Act of 1954, as amended, this statement was a material false statement. The statement was false because, in the following respects, the technical specifications did not reflect existing plant specific design features.

1. In the markup, Technical Specification Table 3.3.5-1, Reactor Core Isolation Cooling System Actuation Instrumentation, pages 3/4 3-45 and 3/4 3-46, specified the minimum operable channels per trip system as "2" and referred to "Action 50." Action 50 stated "with the number of operable channels less than required by the Minimum Operable Channels per Trip System requirement:
 - a. For one trip system, place the inoperable channel in the tripped condition within one hour or declare the RCIC system inoperable.
 - b. For both trip systems, declare the RCIC system inoperable.

The initiation logic of RCIC at Grand Gulf Unit 1 is arranged as one trip system with four water level signals feeding a one-out-of-two-twice logic. The technical specification requirement of 2 minimum operable channels per trip system would not result in RCIC initiation unless the correct two channels are operable. The minimum operable channels per trip system should have been four. Also, the Action

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Statement was intended for a 2-trip system design instead of the one-trip system design at Grand Gulf.

2. In the markup, Technical Specification 3.9.1 stated:

"The reactor mode switch shall be OPERABLE and locked in the Shutdown or Refuel position. When the reactor mode switch is locked in the Refuel position:

- a. A control rod shall not be inserted or withdrawn unless the Refuel position one-rod-out interlock is OPERABLE.
- b. CORE ALTERATIONS shall not be performed using equipment associated with a Refuel position interlock unless the following associated Refuel position interlocks are OPERABLE for such equipment:
 1. All rods in.
 2. Refuel platform position.
 3. Refuel platform hoists fuel-loaded.
 4. Fuel grapple position.
 5. Source range monitor countrate."

However, Grand Gulf does not have a fuel grapple position interlock.

3. In the markup, Technical Specification 4.5.1b ECCS surveillance requirements for operability stated the required flow and discharge pressure to be:

- a. LPCS pump develops a flow of at least 7115 gpm against a test line pressure greater than or equal to 128 psid.
- b. LPCI pump develops a flow of at least 7450 gpm against a test line pressure greater than or equal to 111 psid.
- c. HPCS pump develops a flow of at least 7115 gpm against a test line pressure greater than or equal to 200 psid.

These technical specification discharge line pressure requirements for operability were subsequently changed to read respectively 290 psid, 125 psid, and 445 psid. The original discharge pressure requirements for operability were not consistent with the assumptions in the safety analysis.

4. In the markup, Technical Specification 4.8.1.1.1, Electrical Power Systems Surveillance Requirements, stated:

"Each of the above required independent circuits between the offsite transmission network and the onsite Class IE distribution system shall be:

- * * *
- b. Demonstrated OPERABLE at least once per 18 months during

shutdown by transferring manually and automatically, unit power supply from the normal circuit to the alternate circuit."

Grand Gulf Station did not have the automatic transfer feature for offsite to onsite AC power sources.

The false statement was material because if the NRC had known of the errors in the technical specifications, the NRC would not have issued the license with erroneous technical specifications.

This is a Severity Level III violation (Supplement VII). Civil Penalty - \$25,000.

- B. On June 26, 1981 a second markup of the Standard Technical Specifications for General Electric Boiling Water Reactors (NUREG-123), revision 2, August 1979 was submitted. This submittal contained the same errors as were contained in the December 15, 1980 submittal. Additional submittals and changes were transmitted in letters dated December 31, 1981, January 12, February 25, March 23, April 5, 6, 7, and 30, May 26, June 1, 9 (two letters) and 10, 1982. On June 16, 1982, NRC issued a low power (5%) license to MP&L for Grand Gulf Unit 1 with appended technical specifications based upon the licensee's submittals. The errors contained in Item A were reflected in the technical specifications issued with the license.

Each of these submittals was a separate opportunity to discover and correct the false submittal of December 15, 1980. The licensee's failure to do so constitutes a material false statement by omission. The statement was false because the licensee failed to correct its initial false submittal and to ensure that the technical specifications ultimately issued with its license reflected plant-specific design features. The statement was material because the NRC would not have issued the license with erroneous technical specifications.

This is a Severity Level III violation (Supplement VII). Civil Penalty - \$25,000.

- C. In a letter to Harold Denton dated June 14, 1983, Mississippi Power and Light provided additional proposed changes to the Grand Gulf Technical Specifications which MP&L stated were "intended, in general, to enhance clarity or provide consistency with the plant design and operation."

Contrary to section 186 of the Atomic Energy Act, this letter contained material false statements. The statements were false as shown below:

1. With reference to Technical Specification 4.8.1.1.1.b, the submittal stated, "There is no automatic transfer from the normal to alternate circuit since this bus search and automatic transfer feature was deleted from the load shedding and sequencing (LSS) panel by a pre-operating license design change. Section 8.3 of the FSAR no longer contains a description of the bus search and automatic transfer feature of the LSS panel."

However, the LSS panel still performs a search and automatic transfer function even though it is prohibited from auto-transfer hookup to another off-site power source by other features.

2. With reference to Technical Specification 6.5.2.2, the submittal stated that the Manager of Systems Nuclear Operations, Middle South Services, will be replaced by a qualified representative of System Nuclear Operations.

However, the organizational entity, Systems Nuclear Operations, did not exist.

The statements were material because an agency reviewer would not have made the requested changes to the technical specifications had the reviewer known that the bases for the changes were wrong.

This is a Severity Level III violation (Supplement VII). Civil Penalty - \$25,000.

- D. In a letter to the Nuclear Regulatory Commission staff dated June 23, 1983, Mississippi Power and Light provided additional proposed changes to the Grand Gulf Technical Specifications which MP&L stated were "intended, in general, to enhance clarity or provide consistency with the plant design and operation."

Contrary to Section 186 of the Atomic Energy Act, this letter contained a material false statement. The statement was false as shown below:

The submittal stated, with reference to Technical Specification Table 4.3.7.5-1, that a note requiring channel calibration does not apply to the instruments used at Grand Gulf and should be deleted.

However, the footnote fully applied to the Grand Gulf instruments.

The false statement was material because the reviewer might have made the requested change to the technical specifications based upon incorrect information.

This is a Severity Level III violation (Supplement VII). Civil Penalty - \$25,000.

- E. In a letter to Harold Denton dated August 5, 1984, Mississippi Power and Light certified that the Grand Gulf Technical Specifications transmitted to the NRC up to and including Amendment 13 accurately reflected the plant, the FSAR and supporting documents and the SER in all material respects.

Contrary to Section 186 of the Atomic Energy Act of 1954, as amended, this statement was a material false statement. The statement was false because the technical specifications did not reflect existing plant-specific design features as shown below. In a letter to the NRC dated August 14, 1984, MP&L requested additional changes to the Grand Gulf Technical Specifications to add circuit breakers to the list of those circuit breakers

performing primary containment penetration conductor overcurrent protection functions for which surveillance was required. The false statement was material because the NRC believed the list of circuit breakers requiring surveillance was complete and might have issued the license with erroneous technical specifications, had the licensee not subsequently corrected the error.

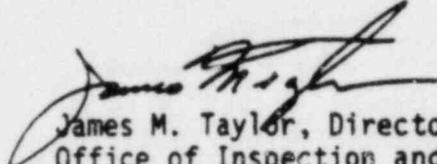
This is a Severity Level III violation (Supplement VII). Civil Penalty - \$25,000.

Pursuant to the provisions of 10 CFR 2.201, Mississippi Power and Light Company is hereby required to submit to the Director, Office of Inspection and Enforcement, USNRC, Washington, D.C. 20555, with a copy to the Regional Administrator, Region II, within 30 days of the date of this Notice, a written statement or explanation, including for each alleged violation: (1) admission or denial of the alleged violations; (2) the reasons for the violations if admitted; (3) the corrective steps which have been taken and the results achieved; (4) the corrective steps which will be taken to avoid further violations; and (5) the date when full compliance will be achieved. Consideration may be given to extending the response time for good cause shown. Under the authority of Section 182 of the Act, 42 U.S.C. 2232, the response shall be submitted under oath or affirmation.

Within the same time as provided for the response required above under 10 CFR 2.201, Mississippi Power and Light Company may pay the civil penalties in the amount of One Hundred and Twenty-five Thousand Dollars (\$125,000) for the violations, or may protest imposition of the civil penalties in whole or in part by a written answer. Should Mississippi Power and Light Company fail to answer within the time specified, the Director, Office of Inspection and Enforcement, will issue an order imposing the civil penalties in the amount proposed above. Should Mississippi Power and Light Company elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalties, such answer may: (1) deny the violations listed in this Notice in whole or in part; (2) demonstrate extenuating circumstances; (3) show error in this Notice; or (4) show other reasons why the penalties should not be imposed. In addition to protesting the civil penalties in whole or in part, such answer may request remission or mitigation of the penalties. In requesting mitigation of the proposed penalties, the five factors addressed in Section IV(B) of 10 CFR Part 2, Appendix C should be addressed. Any written answer in accordance with 10 CFR 2.205 should be set forth separately from the statement or explanation in reply pursuant to 10 CFR 2.201, but may incorporate by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. Mississippi Power and Light Company's attention is directed to the other provisions of 10 CFR 2.205 regarding the procedure for imposing a civil penalty.

Upon failure to pay the penalties due, which have been subsequently determined in accordance with the applicable provisions of 10 CFR 2.205, this matter may be referred to the Attorney General, and the penalties, unless compromised, remitted, or mitigated may be collected by civil action pursuant to Section 234c of the Act, 42 U.S.C. 2282.

FOR THE NUCLEAR REGULATORY COMMISSION


James M. Taylor, Director
Office of Inspection and Enforcement

Dated at Bethesda, Maryland
this ~~21~~ day of March 1985.