

January 6, 1997

Mr. J. E. Cross  
President  
Generation Group  
Duquesne Light Company  
Post Office Box 4  
Shippingport, Pennsylvania 15077

SUBJECT: INSPECTION REPORT 50-334/96-07 AND 50-412/96-07

Dear Mr. Cross:

This letter refers to your December 9, 1996 correspondence, in response to our November 8, 1996 letter.

Thank you for informing us of the corrective and preventive actions documented in your letter. These actions will be examined during a future inspection of your licensed program.

Your cooperation with us is appreciated.

Sincerely,

Original Signed By:

Peter W. Eselgroth, Chief  
Projects Branch 7  
Division of Reactor Projects

Docket Nos. 50-334; 50-412

cc w/o cy of Licensee's Response:

Sushil C. Jain, Vice President, Nuclear Services  
T. P. Noonan, Vice President, Nuclear Operations  
L. R. Freeland, Manager, Nuclear Engineering Department  
B. Tuite, General Manager, Nuclear Operations Unit  
K. L. Ostrowski, Manager, Quality Services Unit  
R. Brosi, Manager, Nuclear Safety Department

cc w/cy of Licensee's Response

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Commonwealth of Pennsylvania  
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Mr. J. E. Cross

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# Duquesne Light Company

Beaver Valley Power Station  
P.O. Box 4  
Shippingport, PA 15077-0004

SUSHIL C. JAIN  
Division Vice President  
Nuclear Services  
Nuclear Power Division

(412) 393-5512  
Fax (412) 643-8069

December 9, 1996

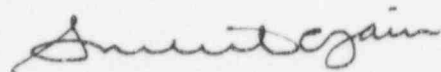
U. S. Nuclear Regulatory Commission  
Attention: Document Control Desk  
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**Subject: Beaver Valley Power Station, Unit No. 1 and No. 2**  
**BV-1 Docket No. 50-334, License No. DPR-66**  
**BV-2 Docket No. 50-412, License No. NPF-73**  
**Integrated Inspection Report 50-334/96-07 and 50-412/96-07**  
**Reply to Notice of Violation**

In response to NRC correspondence dated November 8, 1996, and in accordance with 10 CFR 2.201, the attached reply addresses the Notice of Violation transmitted with the subject inspection report.

If there are any questions concerning this response, please contact Mr. Roy K. Brosi at (412) 393-5210.

Sincerely,



Sushil C. Jain

- c: Mr. D. M. Kern, Sr. Resident Inspector  
Mr. H. J. Miller, NRC Region I Administrator  
Mr. D. S. Brinkman, Sr. Project Manager  
Mr. P. W. Eselgroth, Chief, Projects Branch No. 7  
Division of Reactor Projects, Region I



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DUQUESNE LIGHT COMPANY  
Nuclear Power Division  
Beaver Valley Power Station Unit No. 1 and Unit No. 2

Reply to Notice of Violation

Integrated Inspection Report 50-334/96-07 and 50-412/96-07  
Letter dated November 8, 1996

**VIOLATION A** (Severity Level IV, Supplement III)

**Description of Violation** (50-334/96-07-07 and 50-412/96-07-07)

10 CFR 73.21 requires that, "Each Licensee...shall ensure that Safeguards information is protected against unauthorized disclosure."

The Beaver Valley Power Station (BVPS) Physical Security Plan, section 13.7, requires that, "a system shall be established and maintained for the protection of Safeguards Information."

These requirements were implemented by Nuclear Power Division Administrative Procedure (NPDAP) 2.8, "Protection of Safeguards Information." The requirements of NPDAP 2.8 include the following:

- (1) Safeguards Information Custodians are responsible for the protection of Safeguards Information within their department.
- (2) Personnel who handle or use Safeguards Information are responsible for protecting the information as required by 10 CFR 73.21 and this procedure.
- (3) Personnel who possess Safeguards Information shall control the information while it is in use so that only persons who have a need-to-know are permitted access to the information.
- (4) Department Managers shall develop a method to inventory their section's Safeguards Information at a minimum of annually.

Contrary to the above, safeguards information was not adequately protected in accordance with the above procedures as evidenced in the following examples:

- a. On August 28, 1996, a Safeguards Information custodian discovered three missing safeguards drawings during an inventory. Further investigation revealed a total of seven drawings that were unaccounted for.

- b. An annual inventory of the Instrumentation and Controls Section Safeguards Information was not conducted in 1995.
- c. On August 30, 1996, the Instrumentation and Controls Section safeguards file lock combination was found to be uncontrolled.

#### **Reason for the Violation**

The root cause of this event was determined to be inadequate enforcement by management of Standards, Policies and Administrative Controls for the protection of Safeguards Information (SI) within the Maintenance Department.

#### **Corrective Actions Taken and Results Achieved**

1. Security performed inspections by September 3, 1996, which verified that there were no known compromises to security areas, systems, or components addressed by the unaccounted for SI.
2. Evaluations of the potentially compromised SI were performed by September 3, 1996, which determined that the unaccounted for documents could not have allowed unauthorized or undetected access to protected or vital areas.
3. Lock combinations were changed at each SI storage location by September 15, 1996.
4. A comprehensive inventory of site SI files was completed by September 14, 1996.
5. The number of site SI storage locations and custodians and the quantity of SI materials was reduced by September 15, 1996. The reduction in the number of SI storage locations removed the Maintenance Department SI storage facility.
6. Training and management expectations regarding the control of SI were provided to SI custodians by September 13, 1996.
7. Maintenance Department management and supervisory personnel were counseled and performance expectations pertaining to the control of SI were reinforced by Corporate Management by September 3, 1996.

**Actions Taken to Prevent Recurrence**

1. General Employee Refresher Training was revised on November 11, 1996, to include a description of the event, root cause and corrective actions.
2. NPDAP 2.8, "Protection of Safeguards Information," will be revised to enhance controls on transmitting and receiving SI by December 31, 1996.
3. Implementing procedures will be revised to reflect changes made to NPDAP 2.8 by January 31, 1997.
4. The control of SI was addressed in the Plant Manager's Standard of the Week, for the week of September 30, 1996.

**Date When Full Compliance Will be Achieved**

As described above, Duquesne Light Company is in full compliance at this time.

The above actions will be completed by January 31, 1997.

**VIOLATION B (Severity Level IV, Supplement I)**

**Description of Violation (50-334/96-07-03 and 50-412/96-07-03)**

10 CFR 50, Appendix B, Criterion XVIII requires in part that a comprehensive system of planned and periodic audits be performed to verify compliance with all aspects of the quality assurance (QA) program.

10 CFR 50.34(b)(6)(ii) requires in part that the Final Safety Analysis Report describe the managerial and administrative controls to be used to assure safe operation. This shall include discussion of how the applicable requirements of 10 CFR 50, Appendix B will be satisfied.

Technical Specification 6.5.2.8.d requires that audits of facility activities be performed under the cognizance of the offsite review committee (ORC). The audits shall encompass the performance of activities required by the QA program to meet the criteria 10 CFR 50, Appendix B.

BVPS Updated Final Safety Analysis Report (UFSAR) 13.4 states that the onsite safety committee (OSC) reviews various activities that have nuclear safety significance and



advises the General Manager, Nuclear Operations, on all matters related to nuclear safety.

The BVPS QA program commits to NRC RG 1.33 and ANSI N18.7 as described in Operations QA procedure OP-1, "Operations Quality Assurance Program," Rev. 6 and the UFSAR.

NRC Regulatory Guide (RG) 1.33, "QA Program Requirements (Operation)," Rev. 2, conditionally endorses American National Standards Institute (ANSI) N18.7/American Nuclear Society (ANS)-3.2 as an acceptable method to comply with 10 CFR 50, Appendix B. Section 4 of ANSI N18.7/ANS-3.2 requires that programs for reviews and for audits of activities affecting safety shall be established, and that such programs for reviews and audits shall, themselves, be periodically reviewed for effectiveness. Audits of selected aspects of operational phase activities shall be performed with a frequency commensurate with their safety significance and in a manner to ensure that an audit of all safety-related functions is complete within a period of two years. Periodic reviews of the audit program shall be performed by an independent body.

10 CFR 50.54(a)(3) requires in part that changes to the QA program description that reduce commitments must be submitted to the NRC and receive NRC approval prior to implementation.

Contrary to the above, the licensee failed to perform required periodic audits of activities performed by the OSC under the cognizance of the ORC since March 1992. Additionally, failure to perform OSC audits constituted a reduction in QA program commitments which was implemented without prior NRC approval.

#### **Discussion of the Violation**

From 1980 to 1990, annual compliance based audits of the OSC were performed. During this period, only four minor deficiencies were identified. In 1991, based on NUREG/CR-5151, "Performance Based Inspections," and the OSC's audit performance, it was determined that the review of OSC activities could be integrated into other applicable audits. This method was implemented and provided the opportunity for a performance based review of the OSC, since audits would reflect the extent to which the OSC's activities were effectively accomplished. In this manner from 1992 to present, OSC activities were reviewed in 15 separate audits which audited the areas of Operations, Maintenance, Engineering, Training, Health Physics, Chemistry, Emergency Planning, Environmental and Corrective Actions.

In June of 1996, a Cooperative Management Audit Program (CMAP) audit was conducted meeting the requirements of Technical Specification 6.5.2.8.d. During this audit (SPEC-96-01), the function of plant oversight groups, including the OSC, was reviewed at the request of the ORC.

#### **Reason for the Violation**

The reason for the violation was a misinterpretation of the audit requirement. An audit of the OSC was not considered a requirement of Technical Specification 6.5.2.8.a.

#### **Corrective Actions Taken and Results Achieved**

A self assessment of the Quality Services Unit's overview of the OSC and Section 6 of the Technical Specifications was completed on September 30, 1996. The Quality Services Unit will perform biennial audits of site oversight groups. These groups will include the OSC, ORC, and the Nuclear Safety Review Board (NSRB). Surveillances of these groups will also be performed to supplement the audit process.

The audit of the site oversight groups has been included in the 1997 audit schedule.

#### **Actions Taken to Prevent Recurrence**

Quality Services Procedure (QSP) 18.1 "Audit Schedules" will be revised to include a biennial audit of Section 6 of the Technical Specifications including site oversight groups.

#### **Date When Full Compliance Will be Achieved**

Surveillances of the site oversight groups will begin in December 1996. The first biennial compliance based audit of these groups will be completed by March 31, 1997.

The revision to QSP 18.1 will be issued by January 31, 1997.