UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

MAY 27 1997

EA 96-466

Harold B. Ray, Executive Vice President
Southern California Edison Co.
San Onofre Nuclear Generating Station
P.O. Box 128
San Clemente, California 92674-0128

SUBJECT: NRC INSPECTION REPORT 50-361/96-14; 50-362/96-14

Dear Mr. Ray:

Thank you for your letter of April 1, 1997, in response to our letter and Notice of Violation dated March 3, 1997. We have reviewed your reply and find it responsive to the concerns raised in our Notice of Violation. We will review the implementation of your corrective actions during a future inspection to determine that full compliance has been achieved and will be maintained.

We noted that your response letter stated that the NRC Maintenance Rule Baseline Team inspection was scheduled for July 28, 1997. We understand that your staff has been informed that our currently scheduled inspection date is the week of December 1, 1997.

Sincerely,

Dwight D. Chamberlain

for Arthur T. Howell III, Director
Division of Reactor Safety

Docket Nos.: 50-361; 50-362
License Nos.: NPF-10; NPF-15

cc:
Chairman, Board of Supervisors
County of San Diego
1600 Pacific Highway, Room 335
San Diego, California 92101

9705300137 970527
PDR ADOCK 05000361
Q PDR

Alan R. Watts, Esq.
Woodruff, Spradlin & Smart
701 S. Parker St. Suite 7000
Orange, California 92868-4720

Sherwin Harris, Resource Project Manager
Public Utilities Department
City of Riverside
3900 Main Street
Riverside, California 92522

R. W. Krieger, Vice President
Southern California Edison Company
San Onofre Nuclear Generating Station
P.O. Box 128
San Clemente, California 92674-0128

Dr. Harvey Collins, Chief
Division of Drinking Water and
Environmental Management
California Department of Health Services
P.O. Box 942732
Sacramento, California 94234-7320

Terry Winter, Manager
Power Operations
San Diego Gas & Electric Company
P.O. Box 1831
San Diego, California 92112

Mr. Steve Hsu
Radiological Health Branch
State Department of Health Services
P.O. Box 942732
Sacramento, California 94234

Mayor
City of San Clemente
100 Avenida Presidio
San Clemente, California 92672

Mr. Truman Burns\Mr. Robert Kinosian
California Public Utilities Commission
505 Van Ness, Rm. 4102
San Francisco, California 94102

E-Mail report to T. Boyce (THB)
E-Mail report to NRR Event Tracking System (IPAS)
E-Mail report to Document Control Desk (DOCDESK)
E-Mail report to Richard Correia (RPC)
E-Mail report to Frank Talbot (FXT)

bcc to DCD (IE01)

bcc distrib. by RIV:
Regional Administrator
DRP Director
Branch Chief (DRP/F, WCFO)
Senior Project Inspector (DRP/F, WCFO)
Branch Chief (DRP/TSS)
WCFO File
OE Case File: EA 96-466
Resident Inspector
DRS-PSB
MIS System
RIV File
M. Hammond (PAO, WCFO)
G. Sanborn
M. Vasquez

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An EDISON INTERNATIONAL Company

R. W. Krieger
Vice President
Nuclear Generation

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APR 22 1997
REGION IV

April 1, 1997

U. S. Nuclear Regulatory Commission
Document Control Desk
Washington, D.C. 20555

Subject: Docket Nos. 50-361 and 50-362
Reply to a Notice of Violation
San Onofre Nuclear Generating Station, Units 2 and 3

References: (1) Letter from Mr. J. E. Dyer (NRC) to Mr. Harold B. Ray (SCE), dated March 3, 1997 (Notice of Violation, NRC Special Inspection Report 50-361/362 96-14)

(2) Letter from Mr. T. P. Gwynn (NRC) to Mr. Harold B. Ray (SCE), dated December 6, 1996 (NRC Inspection Report 50-361/362 96-14)

(3) Letter from Mr. Dwight E. Nunn (SCE) to Mr. S. J. Collins, dated January 8, 1997 (Request for Additional Information - Maintenance Rule Implementation San Onofre Nuclear Generating Station, Units 2 and 3)

(4) Letter from Mr. G. T. Gibson (SCE) to Mr. K. E. Brockman (NRC), dated October 31, 1996 (San Onofre Nuclear Generating Station's Response to NRC Inspectors Follow-up on Unresolved Item (50-361 (362)/96009-03))

Reference 1 transmitted a Notice of Violation resulting from NRC Inspection Report (IR) No. 50-361/362-96-14 (Reference 2), conducted by Messrs. C. J. Paulk and J. E. Wittemore on October 20 through November 15, 1996, at the San Onofre Nuclear Generating Station, Units 2 and 3. The Notice of Violation contains two cited violations (9614-02 and 04). The violations involve: (1) a failure to have adequate smoke exhaust damper performance criteria; and (2) a failure to have adequate performance criteria to monitor reliability for risk significant structures, systems, and components (SSC).

In accordance with Reference 1, the Enclosure to this letter provides Edison's reply to the Notice of Violation.

9704080312 970401
PDR ADOCK 05000361
Q PDR

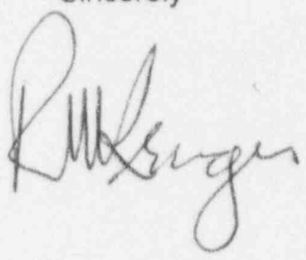
P. O. Box 128
San Clemente, CA 92674-0128
714-368-6255
Fax 714-368-6183

The Reference 1 cover letter states, "In addition, you should address what corrective actions you have taken to enhance management controls over, and awareness of, implementation of your Maintenance Rule program in response to your self-evaluation findings." The self evaluation conducted by San Onofre identified weaknesses in the Maintenance Rule project's management and oversight in monitoring associated activities and schedules.

To address the project management concerns, an inter-divisional middle management team was established to review the existing Maintenance Rule program and identify enhancements to the program. This team (Maintenance Rule Implementation Team) is continuing to identify and implement program enhancements based on industry experience. To enhance management oversight of the Maintenance Rule, a steering committee of division managers was established. This committee provides guidance to and reviews program policies developed by the implementation team.

If you have any questions, please contact me.

Sincerely



Enclosure

cc: E. W. Merschoff, Regional Administrator, NRC Region IV
A. T. Howell III, Director, Division of Reactor Safety, NRC Region IV
K. E. Perkins Jr., Director, Walnut Creek Field Office, NRC Region IV
J. A. Sloan, NRC Senior Resident Inspector, San Onofre Units 2 & 3
M. B. Fields, NRC Project Manager, San Onofre Units 2 & 3

ENCLOSURE

VIOLATION A

The enclosure to Mr. J. E. Dyer's letter dated March 3, 1997, states, in part:

"10 CFR 50.65(a)(1) states, in part, that each holder of an operating license . . . shall monitor the performance or condition of structures, systems, or components (SSCs) against licensee-established goals . . . and that such goals shall be established commensurate with safety.

"10 CFR 50.65(a)(2) states, in part, that monitoring under (a)(1) is not required where it has been demonstrated that the performance or condition of an SSC is being effectively controlled through the performance of appropriate preventive maintenance such that the SSC remains capable of performing its intended function. Paragraph (c) states that `[t]he requirements of this section shall be implemented by each licensee no later than July 10, 1996.'

"San Onofre Nuclear Generating Station Procedure S0123-XIV-5.3, `Maintenance Rule Program Implementation,' Revision 0, Temporary Change Notice 0-3, Section 6.3.3, implements, in part, the requirements of (a)(2) above. Section 6.3.3 states, in part, that for nonrisk-significant SSCs the plant level performance criteria will be unplanned automatic reactor scrams, unplanned capability loss factor, unplanned safety system actuation, unplanned shutdown safety functional events, abnormal radiological releases, and core damage frequency.

"Contrary to the above, since September 20, 1 996, the licensee failed to adequately monitor the performance of the Common Control Room Complex Smoke Exhaust Dampers in that none of the performance criteria designated in Procedure SO123-XIV-5.3 were adequate to demonstrate that the dampers' performance was effectively controlled through appropriate preventive maintenance. (01014)

"This is a Severity Level IV violation (Supplement 1). (50-361/9614-02; 50-362/9614-02)"

RESPONSE TO VIOLATION A

1. Reason for the Violation

As noted in References 3 and 4, the Smoke Dampers were initially scoped within the Control Room HVAC Emergency System. The Control Room HVAC Emergency System was identified as risk significant based on Expert Panel judgment. However, after a more detailed review, the Expert Panel concluded the smoke dampers did not

support functions for which the Control Room HVAC Emergency System was judged risk significant. Consequently, the smoke dampers were reclassified as non-risk significant. As such, they were to be monitored under plant level performance criteria.

The reason for the violation was Edison believed the smoke dampers did not require any specific performance criteria because they were non-risk significant. In Reference 3, Edison agreed that the use of plant level performance criteria (i.e., unplanned automatic reactor scrams, unplanned capability loss factor, unplanned safety system actuation, unplanned shutdown safety functional events, abnormal radiological releases, and core damage frequency) was not sufficient to ensure the smoke damper's function would be maintained.

2. Corrective Actions Taken and Results Achieved

As noted in Reference 3, Edison has taken corrective action to revise the preventive maintenance program for the smoke dampers. As these are newly initiated activities, the corrective action effectiveness can not yet be assessed.

3. Corrective Actions That Will Be Taken to Avoid Further Violations

As committed to in Reference 3, Edison agreed to develop specific criteria for the smoke dampers. In addition, Edison agreed to reexamine our use of plant-level performance criteria. This review will confirm that non-risk significant functions provided by SSCs within the maintenance rule scope are monitored by appropriate plant level or specific performance criteria.

4. Date When Full Compliance Will be Achieved

As noted in Reference 3, Edison will be prepared to discuss the smoke damper criteria, and the results of our reexamination of the use of plant-level performance criteria, during the NRC Maintenance Rule baseline inspection currently scheduled for July 28, 1997.

VIOLATION B

The enclosure to Mr. J. E. Dyer's letter dated March 3, 1997, states, in part:

"10 CFR 50.65(a) (1) states, in part, that each holder of an operating license . . . shall monitor the performance or condition of SSCs against licensee-established goals . . . and that such goals shall be established commensurate with safety.

"10 CFR 50.65(a)(2) states, in part, that monitoring under (a)(1) is not required where it has been demonstrated that the performance or condition of a SSC is being effectively

controlled through the performance of appropriate preventive maintenance such that the SSC remains capable of performing its intended safety function. Paragraph (c) states that `[t]he requirements of this section shall be implemented by each licensee no later than July 10, 1996.'

"Regulatory Guide 1.160, `Monitoring the Effectiveness of Maintenance at Nuclear Power Plants,' Revision 1, endorses NUMARC 93-01, `Industry Guidelines for Monitoring the Effectiveness of Maintenance at Nuclear Power Plants,' Revision 0, as an acceptable method for implementing the requirements of 10 CFR 50.65. Regulatory Guide 1.160 states that the methods described in the guide will be used in the evaluation of the effectiveness of maintenance activities of licensees who are required to comply with 10 CFR 50.65 unless a licensee has proposed an acceptable alternative method of compliance.

"NUMARC 93-01, Section 9.3.2, states, in part, that performance criteria for evaluating SSCs are necessary to identify the standard against which performance is to be measured. Criteria are established to provide a basis for determining satisfactory performance. . . (for SSCs monitored under (a)(2)). Additionally, Section 9.3.2 states that performance criteria for risk significant SSCs be established to assure that reliability and availability assumptions used in the plant specific probabilistic risk assessment, individual plant examination, or other risk determining analysis are maintained or adjusted when necessary.

"Contrary to 10 CFR 50.65(a)(2), as of October 22, 1996, the licensee, in choosing the NUMARC approach, failed to demonstrate that the performance or condition of SSCs was effectively controlled through the performance of appropriate preventive maintenance in that the licensee did not demonstrate that the performance criteria used to monitor reliability would ensure that the SSCs remained capable of performing their intended safety function. Specifically, in accordance with NUMARC 93-01, for those risk significant SSCs within the scope of 10 CFR 50.65, the licensee established performance criteria to monitor reliability that neither considered, nor were bounded by, the safety significance defined by the licensee's plant-specific probabilistic risk assessment, individual plant examination, or other risk determining analysis for those SSCs. The licensee had not proposed an acceptable alternative to demonstrate compliance with 10 CFR 50.65(a)(2). (02014)

"This is a Severity Level IV violation (Supplement 1).
(50-361/9614-04;50-362/9614-04)"

RESPONSE TO VIOLATION B

1. Reason for the Violation

As noted in References 3 and 4, the Maintenance Rule is the first performance-based rule and, as a result, acceptable methods to achieve compliance with the rule were not completely understood between the industry and the NRC. Edison believed it implemented the rule in accordance with industry guidance acceptable to the NRC.

Edison notes, as evidenced by similar violations at other facilities, the misunderstanding of NRC expectations was generally industry-wide. Edison notes these expectations were not delineated in either 10 CFR 50.65 or Regulatory Guide 1.160, "Monitoring the Effectiveness of Maintenance at Nuclear Power Plants." Therefore, the reason for the violation was misunderstanding of NRC expectations.

2. Corrective Actions Taken and Results Achieved

A review of recent NRC and industry guidance on the subject was performed. As a result, an understanding was gained of the NRC expectations regarding the linking of reliability performance criteria to the PRA/IPE/IPEEE. Edison now understands a more exact correlation between reliability performance criteria and the PRA is expected.

In order to determine reliability performance criteria commensurate with safety, a plan has been developed to determine the link between counting functional failures and the reliability assumptions used in the PRA for risk significant SSCs at San Onofre. This requires determining the ratio of allowed functional failures to an estimated number of demands and operating hours during a given time period. For those risk significant SSCs having reliability performance criteria not bounded by the PRA, a calculation will be performed to demonstrate that use of the selected reliability performance criteria results in insignificant increases in risk.

3. Corrective Actions That Will Be Taken to Avoid Further Violations

Edison continues to maintain initiatives to better understand the NRC's expectations for maintenance rule compliance, including:

- o attending or monitoring industry meetings (NEI and NRC);
- o active networking with industry peers; and
- o monitoring results of the maintenance rule baseline inspections.

4. Date When Full Compliance Will be Achieved

The linking of the reliability performance criteria to the PRA/IPE/IEEE, and associated procedure changes, are anticipated to be completed by the NRC baseline inspection at San Onofre currently scheduled to begin July 28, 1997.