



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

July 1, 1997

Mr. Joseph J. Hagan
Vice President, Operations GGNS
Entergy Operations, Inc.
P. O. Box 756
Port Gibson, MS 39150

50-416

SUBJECT: NRC INSPECTION AT SIEMENS POWER CORPORATION

Dear Mr. Hagan:

The NRC recently completed an inspection of Siemens Power Corporation - Nuclear Division (SPC) in Richland, Washington. As a result of the inspection, technical issues were raised that will require action by SPC to resolve. The purpose of this letter is to alert you to the need to compile and maintain specific information pursuant to regulatory requirements pertaining to the computer codes used to perform LOCA analyses for Grand Gulf Nuclear Station, Unit 1. The inspection exit was conducted at the Nuclear Regulatory Commission headquarters in Rockville, Maryland, on May 13, 1997.

The NRC inspection team found significant deficiencies in SPC's documentation of its analysis codes and models, and also determined that SPC performed inadequate verification and validation (V&V) of approved codes after changes were made to them. Regulatory requirements for documentation and V&V of LOCA codes are contained in 10 CFR Part 50, Appendix K, Section II. These requirements are imposed on licensees, since licensees are ultimately responsible for ensuring that their LOCA analyses comply with applicable regulations. In addition, general requirements with regard to quality assurance, which are related to licensee responsibilities in ensuring that LOCA codes and analyses comply with applicable regulations, are discussed in 10 CFR Part 50, Appendix B; for example, Criterion III (Design Control), Criterion V (Instructions, Procedures, and Drawings), Criterion VII (Control of Purchased Material, Equipment, and Services), Criterion X (Inspection), Criterion XVII (Quality Assurance Records), and Criterion XVIII (Audits).

Licensees must maintain documentation that provides adequate assurance that their LOCA analyses comply with the appropriate provisions of 10 CFR Part 50, Appendix B and Appendix K, and that they meet the acceptance criteria of 10 CFR 50.46. This documentation should consist of (but is not limited to) reports of internal or external reviews of LOCA methodologies and results; audit or inspection reports; or independent confirmatory analyses. While the staff does not require at this time that licensees submit this information, the staff will review the documentation as part of its inspections of licensees, such as those conducted in support of the core performance action plan. Failure of licensees to provide adequate oversight of their contractors or to maintain adequate documentation could result in enforcement action.

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The staff further reminds licensees that it is their responsibility to conduct meaningful audits of their contractors. This is discussed in the context of requirements related to LOCA analyses in NRC Information Notice (IN) 97-15; however, it is generally applicable to other contractor activities, as well. If the staff determines that contractor technical and quality assurance deficiencies should have been discovered by licensees' audits, the staff will generally initiate enforcement action against the licensees. The staff is currently reviewing whether enforcement action is warranted as a result of the SPC inspection.

Sincerely,

Jack N. Donohew, Senior Project Manager
Project Directorate IV-1
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation

Docket No. 50-416

cc: See next page

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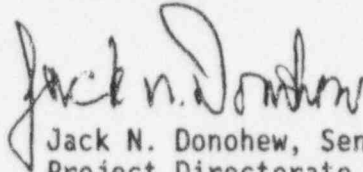


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Grand Gulf Nuclear Station

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