

CP&L

Carolina Power & Light Company

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10CFR50.49
10CFR2.201
10CFR2.205

LYNN W. EURY
Senior Vice President
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Dr. J. Nelson Grace, Regional Administrator
United States Nuclear Regulatory Commission
101 Marietta Street, NW
Atlanta, GA 30303

BRUNSWICK STEAM ELECTRIC PLANT, UNIT NOS. 1 AND 2
DOCKET NOS. 50-325 & 50-324/LICENSE NOS. DPR-71 & DPR-62
ENVIRONMENTAL QUALIFICATION OF ELECTRICAL EQUIPMENT
REPLY AND ANSWER TO A NOTICE OF VIOLATION

Dear Dr. Grace:

On May 5, 1988 the NRC issued a Notice of Violation and Proposed Imposition of Civil Penalty (Notice) for deficiencies identified by Carolina Power & Light Company (CP&L) relating to environmental qualification (EQ) of electrical equipment. On June 3, 1988 CP&L requested and received a 30-day extension to respond to the Notice. CP&L has reviewed the Notice and disagrees with the imposition of the civil penalty. In accordance with 10CFR2.201, CP&L submits this Reply to the Notice of Violation. Pursuant to 10CFR2.205, CP&L hereby protests the proposed civil penalty as set forth below in the Answer to the Notice of Violation.

I. INTRODUCTION

On August 12-16, 1985 NRC had conducted an inspection of the EQ Program at Brunswick Steam Electric Plant (BSEP) as part of the first round of NRC EQ inspections. No violations resulted from that inspection. On July 6-10, 1987 the NRC staff conducted a second inspection of the Program to review several deficiencies identified by CP&L and previously reported to the Staff. The results of this inspection are documented in a report dated August 27, 1987.

As a result of the July 6-10, 1987 inspection, the NRC staff identified eight potential violations and requested that CP&L attend an enforcement conference to discuss the potential violations on September 17, 1987. In the conference CP&L agreed that the deficiencies constituted violations of regulatory requirements; however, based upon the enforcement guidance in effect at the time¹, we contended that no escalated enforcement was warranted. Our presentation was documented in a letter dated October 15, 1987.

On April 7, 1988 the NRC staff issued a modified enforcement policy relating to violations of 10CFR50.49 (Generic Letter 88-07) which replaces the previous guidance. Based on this new policy, the NRC issued the Notice and proposed a \$50,000 civil penalty.

¹ Generic Letter 85-15, dated August 6, 1985; Generic Letter 86-15, dated September 22, 1986; and Memorandum from James Taylor, Director of the Office of Inspection and Enforcement, to Regional Administrators, dated April 10, 1987.

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II. REPLY TO THE NOTICE OF VIOLATION

Pursuant to 10CFR2.201, CP&L agrees that the identified deficiencies violate regulatory requirements. Attachment I provides the reasons for the violations, the corrective steps which have been taken and the results achieved, the corrective steps which will be taken to avoid further violations, and the date when full compliance will be achieved. This information had been previously submitted to the NRC in our October 15, 1987 letter.

III. ANSWER TO THE NOTICE OF VIOLATION

CP&L agrees that the deficiencies violate regulatory requirements. However, based on the facts that surround each deficiency and based on the provisions of the new enforcement policy, no civil penalty should be imposed. Therefore, pursuant to 10CFR2.205, CP&L protests the civil penalty. Set forth below are the factors that we believe should be considered.

A. Admission of the Violation

CP&L agrees that the deficiencies violate regulatory requirements.

B. Error in the Notice

CP&L submits that the Notice fails to establish that CP&L "clearly should have known" of the violations prior to November 30, 1985. Accordingly, pursuant to Generic Letter 88-07, no enforcement action should be taken. In any event, CP&L maintains that the notice also (1) incorrectly classifies the violations as significant and (2) incorrectly groups the violations as an EQ Category B problem. These points are discussed below.

I. "Clearly Knew or Should Have Known" Test

The Notice states that the staff has determined CP&L "clearly should have known" of the alleged deficiencies. In reaching this critical finding, however, the staff has failed to specifically analyze the factors set forth in Generic Letters 88-07 and 86-15, and has failed to describe in detail, for each alleged deficiency, the facts relied upon in concluding that CP&L "clearly should have known" of the deficiencies.

This failure is contrary to law and violates the spirit of the "tough but fair" enforcement policy announced by the Commission in Generic Letter 88-07. Fairness and equity require that the staff provide a thorough explanation of the factual basis for its finding on each alleged violation of 10CFR50.49 requirements. Without this factual basis, CP&L is deprived of a meaningful opportunity to respond to the Notice, even though a response is required by 10CFR2.201(a).

The NRC is required by Section 558(c) of the Administrative Procedure Act, 5 U.S.C. §558(c), to provide to a licensee against whom a sanction is being considered:

- (1) notice by the agency in writing of the facts or conduct which may warrant the action; and

- (2) opportunity to demonstrate or achieve compliance with all lawful requirements.²

To exercise its statutory power to impose civil penalties, the NRC is required by Section 234b of the Atomic Energy Act, 42 U.S.C. §2282b., to:

...notify such person in writing (1) setting forth the date, facts, and nature of each act or omission with which the person is charged ...³

A mere recitation of the conclusion that the licensee "clearly should have known" is not sufficient. A Notice of Violation that imposes civil penalties must contain a discussion of the facts and reasoning upon which the staff's conclusion is based. This is required not only by §234 of the Atomic Energy Act and §558 of the Administrative Procedure Act, but also by fundamental principles of fairness and notice. In Matlovich v. Secretary of the Air Force, 591 F.2d 852, 857 (D.C. Cir. 1978), the Court of Appeals explained why such notice is essential to the administrative process:

The fundamental principle of reasoned explanation ... serves at least three interrelated purposes: enabling the court to give proper review to the administrative determination; helping to keep the administrative agency within proper authority and discretion, as well as helping to avoid and prevent arbitrary, discriminatory, and irrational action by the agency; and informing the aggrieved person of the grounds of the administrative action so that he can plan his course of action (including the seeking of judicial review).

To the same effect, the District Court in Schwebel v. Orrick, 153 F. Supp. 701, 705-06 (D.D.C. 1957), aff'd, 251 F.2d 919 (D.C. Cir.), cert. denied, 356 U.S. 927 (1958) stated:

The pertinent sentence of [§558] is in essence a restatement of the content of fair play legislatively applied to administrative proceedings through the Administrative Procedure Act. It requires only that before [a sanction is imposed] ... the licensee shall be given written notice of the charges against him and an opportunity to meet such charges No particular form or duration of notice is specified, so that a fair notice and opportunity to reply must be inferred.

These statutory principles have been incorporated by the Commission in its guidance on application of the "clearly should have known" test. This guidance states that a detailed factual inquiry by the staff is required in each case:

- In the Enclosure to Generic Letter 86-15, the staff lists four specific criteria to be considered in each case where the "clearly should have known" issue is raised. These factors are then applied by the staff to a hypothetical case involving valve operator internal wiring. The staff concludes thus:

2 Codified in NRC regulations at 10CFR2.201.

3 Codified in NRC regulations at 10CFR2.205.

"After consideration of all these factors, the staff has concluded that in the case of the wiring, licensees 'clearly should have known' that the vendor documentation was not adequate to support qualification."
Enclosure to G.L. 88-15 at page 2 (emphasis added).

- In Generic Letter 88-07, issued April 7, 1988, the staff restates the four factors to be applied in each case and adds additional guidance on the relevance of information supplied by the NRC or by industry (top of page 2 of enclosure). The staff then states that it would:

"carefully consider these criteria when evaluating whether a licensee clearly should have known of a deficiency prior to the deadline." Id.
(emphasis added).

While it is possible that the staff has conducted such a detailed inquiry in this case, the Notice provides only a cursory summary of the conclusions reached.

The enforcement action resulting from the BSEP findings of "clearly should have known" proposes a \$50,000 civil penalty. While the Commission has endeavored to provide objective criteria for determining whether a utility "clearly should have known," the issue nonetheless requires a subjective judgment which ultimately hinges on (1) one's selection of relevant facts and (2) one's interpretation of those facts. In these circumstances, basic fairness dictates that CP&L be informed of all facts relied upon by the staff in concluding that the test has been met and the staff's reasoning in determining that CP&L "clearly should have known" of the violation. Each of the four factors should be applied--as was done by example in Generic Letter 86-15--to each of the violations alleged to meet the test.

When this information is provided, CP&L will be able to provide an adequate written response to the NOV which identifies (1) any factual errors in the NOV and (2) areas where the facts may be subject to more than one interpretation. The Notice issued in this case does not provide an adequate factual basis on which a reasoned and complete response can be formulated.

In summary, CP&L maintains that the NRC has failed to provide a legally sufficient factual basis for each and every "clearly should have known" finding and, thus, (1) cannot conclude that CP&L "clearly should have known" of the violations and (2) has deprived CP&L of a meaningful opportunity to respond to the Notice.

While CP&L cannot speculate on the Staff's undocumented analysis regarding whether CP&L "clearly should have known" of the violations, we provide examples where the Staff should be clearly incorrect in such a conclusion. As an example, we have applied the four factors noted in Generic Letter 88-07 to two violations, and have determined that CP&L should not have "clearly known" of the violation. These examples are discussed in Attachment 2.

2. EQ Violations not Sufficiently Significant to Merit a Civil Penalty Under the Modified Policy

We submit that Violation Nos. 1, 2, 3, 4, 5, 6, and 8 and part of Violation No. 9 are in a category analogous to the category described in Part III of Generic Letter 88-07, which addresses those violations of 10CFR 50.49 found not to be sufficiently significant as to warrant a civil penalty under the policy. This

modified policy addresses the situation in which a licensee is able to timely correct a deficiency identified during an inspection (by demonstrating equipment to be qualified or qualifiable). The BSEP violations differ only in that they were discovered by CP&L personnel instead of an inspector. Given two identical EQ deficiencies that are promptly resolved, CP&L maintains that it is inappropriate to apply escalated enforcement for the case where the violations are discovered by the licensee and no escalated enforcement for the case discovered by an NRC inspector. This inconsistency leads to the undesirable result that licensees are in a better enforcement posture if they rely simply on an NRC inspection to identify and correct potential deficiencies, rather than pursue efforts that may result in self-identification of deficiencies. The NRC has encouraged self-identification in the past (see 10CFR2, Appendix C, V.B). It should continue to encourage self-identification.

For Violation Nos. 1, 2, 3, 4, 5, 6, and 8 and part of Violation No. 9, we were able to demonstrate, based on data available to the engineers evaluating the conditions, that the components were qualified or qualifiable. The resolution had been performed in a time period commensurate with the time that a licensee would have had during an inspection to respond to an inspector. Given these considerations, the violations should be classified as not sufficiently significant for assessment of civil penalties.

Attachment 3 provides a description and chronology of events related to the discovery and resolution of the deficiencies and demonstrates that the qualified or qualifiable determination occurred shortly after discovery of the deficiencies.

3. Categorization of the Violation

The modified EQ enforcement policy calls for significant violations to be classified into three severity categories. As noted above, only two deficiencies are significant violations in accordance with the provisions of the modified policy, and they affect only two components in two systems. Therefore, only two deficiencies should be placed in the "basket" used to determine a category and, thus, a violation of Category C should be cited.

C. Other Reasons Why the Civil Penalty Should Not be Imposed

We concur with the staff that our "identification and prompt reporting of the deficiencies, our best efforts to be in compliance within the EQ deadline, and [our] initiation of vigorous and extensive corrective actions ... [to be] in full EQ compliance" warrant mitigation of the civil penalty.

Generic Letter 88-07 provides for full mitigation (no civil penalty) for those EQ violations which satisfy each of five specified criteria. The Notice indicates that full mitigation was not applied in this BSEP enforcement action because "the violations were not isolated and affected more than a limited number of systems and components." As we indicated in a previous section, after review of the violations, CP&L maintains that only two could be classified as "significant" and subject to escalated enforcement action pursuant to Generic Letter 88-07. Further, these two violations, affected only two components in two systems. Accordingly, the EQ violations subject to enforcement actions must be considered "isolated." Therefore, since the five criteria noted in the modified policy are met, full mitigation is warranted.

Furthermore, in three cases (Violation Nos. 1, 2, and 9), the NRC is taking escalated enforcement for an issue where it is on the record as saying that it would take no enforcement action: deficiencies involving Limatorque motor operator wiring qualification. In SECY-87-32, dated February 6, 1987, the Staff indicated, in reference to the Limatorque motor operator wiring issue:

In view of [the] extenuating circumstances and the extensive staff and industry resources required to document in detail, discuss in an enforcement conference, develop and respond to notices of violations or notices of proposed imposition of civil penalties as well as the limited additional safety of resources so expended, the Staff proposes to exercise its discretion and take no enforcement action for this class of deficiencies.

Considering CP&L's prompt and extensive corrective actions and that there was no safety significance associated with these deficiencies, the Staff should adhere to the stated policy as it has done for other plants.

More fundamentally, because all of these violations were identified by CP&L and promptly corrected, as a matter of sound enforcement policy, a civil penalty should not be imposed. Thereby, the NRC will continue to encourage all licensees to continually evaluate their plants' regulatory compliance. This sort of incentive will act in harmony with the NRC's goal of protecting the public health and safety.

Because these violations were not of the sort that would have been apparent to the NRC upon inspection, for in fact none of them were identified in the NRC's original 1985 EQ audit, CP&L should not be penalized for having subsequently ferreted out these deficiencies on its own.

IV. SUMMARY

Carolina Power & Light Company agrees that the deficiencies noted in the Notice constitute violations of 10CFR50.49. However, due to the circumstances that apply to the specific violations and following the guidance of the modified enforcement policy, CP&L contends that no civil penalty should be levied for these EQ violations.

If you have any questions, please contact Mr. Pedro Salas at (919) 836-8015.

Yours very truly,

E. E. Utley
~~L. W. Eury~~

PSA/lah (5427PSA)

Attachments

cc: Mr. J. Liberman
Mr. W. H. Ruland
Mr. B. C. Buckley

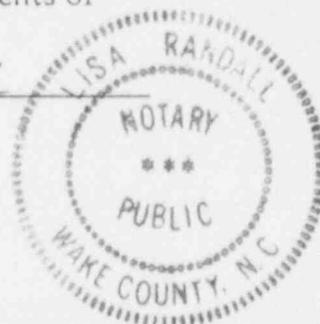
E. E. Utley
Mr. J. M. Taylor
Document Control Desk

E. E. Utley

~~L. W. Eury~~, having been first duly sworn, did depose and say that the information contained herein is true and correct to the best of his information, knowledge and belief; and the sources of his information are officers, employees, contractors, and agents of Carolina Power & Light Company.

My commission expires: 5-7-93

Lisa M. Randall
Notary (Seal)



Attachment 1

CAROLINA POWER & LIGHT COMPANY

BRUNSWICK STEAM ELECTRIC PLANT

Summary of Significant Information Presented at the
September 17, 1987, Enforcement Conference Regarding
NRC Inspection Report Nos. 50-325/87-22 and 50-324/87-22
Environmental Qualification of Electric Equipment

I. INTRODUCTION

On September 17, 1987, Carolina Power & Light Company (CP&L) attended an NRC Staff Region II enforcement conference to discuss the potential violations regarding environmental qualification of electrical equipment raised in Inspection Report Nos. 50-325/87-22 and 50-324/87-22, dated August 27, 1987, for the Brunswick Steam Electric Plant, Units 1 and 2 (BSEP). A summary of the major points addressed in that meeting is presented in the following sections. Section II, Background and Summary, provides an executive overview of CP&L's perspective regarding the potential violations raised in the Inspection Report and CP&L's programmatic corrective actions. The next two sections provide a more detailed discussion of each potential violation and categorize the potential violations into those involving either Limitorque motor operators (Section III) or skid-mounted components (Section IV).

II. BACKGROUND AND SUMMARY

A. Background

In response to Commission direction issued in the late 1970's (e.g., IE Bulletin 79-01B), CP&L initiated development of a formal electrical equipment qualification program at BSEP based upon the DOR Guidelines. Because the program related to two units with unique containment design considerations, the scope of the effort was more expansive than at many other utilities. The Program involved approximately 3000 components with approximately 70 equipment types.

In the period 1980-1985, the BSEP EQ program was subjected to close scrutiny by the NRC Staff via EQ audits, the Franklin Research Center/NRC review process, and subsequent meetings and written exchanges between the Staff and CP&L. At the conclusion of the review process, the Staff stated that the information supplied to the NRC and its consultants during the process "was evaluated for the Staff by Franklin Research Center (FRC) in order to (1) identify all cases where the licensee's response did not resolve the significant qualification issue, (2) evaluate the licensee's qualification documentation in accordance with established criteria to determine which equipment had adequate

documentation and which did not, and (3) evaluate the licensee's qualification documentation for safety-related electric equipment located in harsh environments required by "TMI Lessons Learned Implementation" (March 5, 1985, SER to CP&L, Attachment at 2). Deficiencies noted by the Staff during that period were addressed and closed by CP&L on the BSEP docket.

In addition, in August of 1985, the NRC Staff audited BSEP for compliance with 10 C.F.R. §50.49 requirements. Open items resulting from that inspection were evaluated by CP&L and subsequently were closed by the NRC. Based on these interactions, by the end of November 1985, CP&L reasonably believed that the EQ program at BSEP met applicable regulatory requirements.

B. NRC Findings

NRC Region II conducted an audit in July of 1987 to review environmental qualification at BSEP. The resulting inspection report noted eight potential violations of NRC requirements. Significantly, each potential violation had been previously identified by CP&L prior to the NRC audit.

CP&L agrees that these eight items violated regulatory requirements. However, CP&L believes that escalated enforcement action is not appropriate for any of these deficiencies. The deficiencies were identified by CP&L, did not reflect a breakdown in the EQ program, and were related to only two equipment types, i.e., Limitorque motor operators and skid-mounted equipment. Further, in accordance with the Memorandum from James Taylor, Director of the Office of Inspection and Enforcement, to Regional Administrators dated April 10, 1987, each of the eight items reviewed during the 1987 audit were "qualifiable for the application in question." Therefore, these deficiencies are not "sufficiently significant for assessment of civil penalties." More detailed information regarding each deficiency is set forth below in Sections III and IV.

C. Program Assessment

CP&L believes that the Brunswick EQ program has been, and continues to be, fundamentally sound. The deficiencies identified by CP&L (the potential violations noted in the Staff's inspection report) do not, in CP&L's view, indicate a breakdown in the EQ program at BSEP. To the contrary, the process through which CP&L identified these issues proves that the existing program does work. After careful analysis of the

issues, CP&L determined that two specific areas associated with our initial compliance efforts were in need of improvement: (1) field verification and, (2) design interface control for skid-mounted components. To provide additional confidence in these two areas, CP&L took the following actions:

- o Field verification of Limitorque actuators (wire and terminal blocks) has been expanded to 100% of all actuators not replaced by the EQ compliance project (ongoing).
- o Sampling-based field verification to determine if unqualified wire in non-Limitorque equipment is an issue (completed).
- o Reassessment of skid-mounted component qualification (completed).

The corrective actions taken and ongoing have resulted in enhanced confidence in the EQ program. Details of the deficiencies identified by CP&L and corrective actions taken are set forth below.

III. Findings Involving Limitorque Motor Operators

- A. Staff Finding: The Inspection Report identified four potential violations associated with Limitorque motor operators: Vulkene wire in one operator (50-324/87-22-02), Whitney-Blake wire in one operator (50-325/87-22-02), one Kulka Terminal Block (50-325/87-22-04), and one Cinch Terminal Block (50-325/87-22-04), which were not supported by qualification documentation at the time that CP&L identified the problems.

B. CP&L Perspective: CP&L agrees that each Staff finding identifies a violation. However, CP&L maintains that in view of the history associated with Limitorque motor operators, the self-identification of the violations, the fact that each item was qualifiable, and CP&L's actions in the wake of identification to include keeping the Staff well informed of CP&L's actions, these violations do not merit escalated enforcement action.

C. Background:

The Staff is well aware that the qualification issues associated with Limitorque motor operators are an industry-wide problem. The testing/qualification information provided by Limitorque, while initially viewed by industry, Franklin Research Center, and the Staff to be acceptable was, at best, misleading in retrospect. See for example SECY-87-32 dated February 6, 1987 (at 2), where Victor Stello noted that Limitorque-related deficiencies were industry-wide and stated that "extenuating circumstances such as inadequate vendor-supplied documentation also contributed to the [Limitorque motor operator] deficiencies." Indeed, this was one of the reasons that the Staff in SECY-87-32 elected not to take enforcement action on Limitorque deficiencies related to internal wiring.

The issue of Limitorque-related problems was raised in January 1986 by IN86-03 which questioned identification of internal wiring. In response, CP&L conducted an inspection of 40 Limitorque actuators in BSEP Unit 2, which had been shut down since November 30, 1985. The inspection was designed to obtain a representative cross-section of Limitorques in the plant with emphasis on those in more severe environments and those needed for longer operation. During the inspection, the only deficiency that was discovered was wire unsupported by qualification documentation on one valve operator (Valve 2-E11-F024A). The wire, Vulkene, was a cross-linked polyethylene and was considered to be qualifiable. However, it was replaced before restart with wire for which full qualification documentation was on file. (Although the unit was shut down from November 30, 1985, until after replacement of this wire, this finding resulted in the potential violation 50-324/87-22-02.)

The Limitorque inspection on Unit 2 yielded no safety-significant findings on a 35% sample. In view of these results, CP&L decided that it was reasonable to defer inspection of Unit 1 until its outage, scheduled for early 1987. Significantly, the detailed results of the Unit 2 sample and plans regarding Unit 1 inspection were conveyed to the Staff orally on August 21 and 25, 1986, and by letter to Dr. Grace on September 19, 1986. In short, the Staff was aware of CP&L's findings and schedule for subsequent inspection.

During this period, CP&L worked closely with the Nuclear Utility Group on Equipment Qualification reviewing the implications of the Limitorque issues and providing information to industry and the Staff to assist in assessment and resolution of the evolving Limitorque issues.

During and following the 1987 Unit 1 outage (early 1987), CP&L conducted a similar inspection. The findings from this inspection were not unlike earlier findings for Unit 2. Specifically, virtually all items were acceptable. Those where additional questions were raised, are as follows:

- o Vulkene wire was found in the Limitorque on the same valve as in Unit 2 (Valve 1-E11-F024A). In that the Vulkene wire had previously been found to be qualifiable, and qualification documentation was being prepared, it was not replaced.
- o Whitney-Blake wire was also found in valve 1-E11-F024A. This wire was replaced with qualified wire. Shortly after replacement, CP&L developed an engineering evaluation, which provided a record of qualification that demonstrated that the wire was qualifiable for its application. The evaluation is currently being revised to note that it contains sufficient information to conclude that it meets the performance requirements of the DOR Guidelines. (This finding became potential violation 50-324/87-22-02.)
- o A Kulka 672 terminal block was found in valve 1-E51-F045. As with the Whitney-Blake wire, CP&L elected to replace the Kulka terminal block with a fully qualified Marathon 300 terminal block, and developed an evaluation to demonstrate

qualification to the DOR Guidelines. (This finding resulted in potential violation 50-325/87-22-04.)

While CP&L's review of roughly 35% of Limitorques required to be qualified at BSEP (conservatively emphasizing the more severe installations) reflected no safety significant issues, CP&L elected to continue the inspections coincident with maintenance related activities. Significantly, the Resident Inspector was made aware of the Limitorque findings and CP&L's future plans.

In the continuation of inspections, in early July 1987, CP&L found a Cinch Terminal Block in another Limitorque motor operator, for which qualification documentation was not initially on file. (This finding became potential violation 50-324/87-22-04.) This issue was handled consistent with the Kulka terminal block: the terminal block was replaced with a fully qualified terminal block, and subsequently was qualified to the DOR Guidelines by an engineering evaluation.

The findings associated with the Whitney-Blake wire and Cinch Terminal block were made three days before the NRC Staff inspection. CP&L's preliminary assessment made during the Staff inspection reflected that the Whitney Blake wire and Cinch terminal block were qualifiable. Within a few weeks after the inspection, the documentation reflecting acceptable qualification was in place.

While none of the discrepancies identified by CP&L during its sample Limitorque audit were ultimately safety significant, CP&L recognized that the findings represented conditions which were not expected. The NRC inspection team was apprised by CP&L that an assessment was being made regarding the need to expand the inspections to include the remaining actuators. This assessment was completed subsequent to the NRC's inspection. The assessment concluded that inspection of remaining EQ actuators was warranted.

During the enforcement conference, CP&L provided its plan for expanded Limitorque inspections. The current inspection schedule calls for inspection of accessible actuators to be completed during non-outage times by December 31, 1987, and the remainder by April 30, 1988.

- D. Root Cause: The precise root causes of the Limitorque-related violations is difficult to determine. Certainly, two of the primary problems were (1) misleading vendor-supplied documentation and information and (2) inadequate field verification of the qualified status of internal wiring and terminal blocks in Limitorque motor operators. With regard to the first root cause, the Staff and industry are now well aware of problems associated with Limitorque vendor-supplied information that have come and are coming to light. With regard to field verification, CP&L initially conducted field inspections of Limitorques and other equipment in 1981/1982 and 1985. The focus of these inspections was not on verification of internal wiring or terminal blocks. It was felt at the time that these had been appropriately qualified by the vendor-supplied reports.
- E. Corrective Actions: Immediately after CP&L discovered each of the four items (i.e., Kulka Terminal Blocks, Cinch Terminal Blocks, Whitney-Elake wire, and Vulkene wire in 2-E11-F024A), the equipment in question was replaced. Each of the four items removed were evaluated and were determined to be qualifiable. In addition, CP&L noted during the enforcement conference that it planned to perform a 100% inspection (except for those actuators replaced as part of the BSEP 50.49 compliance activities) on the schedule previously stated in Section III.C. As previously noted, CP&L has also been working actively with the Nuclear Utility Group on Equipment Qualification and the Staff to address issues associated with the Limitorque test reports.

With regard to the root cause of inadequate field verification of internal wiring and terminal blocks, CP&L conducted field walkdowns of other equipment to determine if this was a problem outside of the Limitorque context. CP&L chose for the walkdown a high-risk population of equipment with high maintenance activity and numerous interconnecting wires. This walkdown included Standby Gas Treatment System (SBGT) skid-mounted local control panels, SRV pre-amp panels, Hydrogen/Oxygen analyzer cabinets, a sampling of instrument racks, and a sampling of motor control center breaker compartments, relay compartments, and wireways. No other unidentified wire was found; scattered application of Vulkene was discovered, but it presented no concern since qualification of Vulkene had been established. The

results of this further walkdown provide additional assurance of the adequacy of the EQ program at BSEP.

F. Summary:

- o Each discrepancy was identified by CP&L.
- o Each discrepancy was evaluated and determined to be qualifiable either well before the Staff inspection or shortly thereafter. Accordingly, no safety function was compromised.
- o From the discovery of the first discrepancy, the NRC Staff was kept fully informed of CP&L's findings and schedule for inspection.
- o CP&L took prompt and extensive corrective action regarding these discrepancies, including root cause assessment.
- o CP&L has worked closely with industry groups to attempt to assist the Staff in resolving the Limatorque issues on a generic basis.

IV. Findings Involving Skid-Mounted Components

- A. Staff Finding: The Inspection Report identifies four potential violations associated with skid-mounted components, i.e., at the time CP&L identified the problems, the following components were not environmentally qualified: HPCI speed sensors (50-325, 50-324/87-22-01); HPCI float switches (50-325, 50-324/87-22-06); SGBT temperature switch leads (50-325, 50-324/87-22-05); and SGBT relays (50-325, 50-324/87-22-03).
- B. CP&L Perspective: CP&L agrees that each Staff finding identifies a violation. However, CP&L maintains that in view of the self-identification of the violations, the fact that each item was determined to be qualifiable, and CP&L's prompt reporting and corrective actions in the wake of identification, these violations should not be the subject of escalated enforcement action.
- C. Background: In October 1986, CP&L identified a deficiency related to lack of qualification documentation associated with the skid-mounted HPCI speed sensors. While it was determined that the

sensors were qualifiable, CP&L elected to replace them with equipment whose qualification was fully documented in CP&L files. (This finding resulted in the potential violation 50-325, 50-324/87-22-01.)

After fully reviewing the issue, CP&L questioned whether EQ problems existed with other skid-mounted components. Accordingly, CP&L began a program to review these components. Significantly, while the problem was not reportable, CP&L kept the NRC Resident Inspector fully informed of the issue and CP&L's scheduled activities.

In late November 1986, during review of the skid-mounted SBT system, CP&L identified control relays that were not supported by qualification documentation. (This finding resulted in potential violation 50-325, 50-324/87-22-03.) It was quickly determined that the relays were qualifiable and would have performed their intended functions. (They perform their function during the first seconds of an event.) CP&L developed a Justification for Continued Operation which remains in effect. In addition, actions are being taken to obtain qualification documentation or to change out the relays. Again, the Resident Inspector was informed and kept advised of progress.

The review of qualification of skid-mounted equipment continued into the first part of 1987. The final phase of the review focused on verifying that skid design changes required for §50.49 compliance were performed in the plant modification installed. This effort required extensive documentation review at a time when resources were being consumed by the early 1987 Unit 1 outage. Accordingly, this final phase review was scheduled consistent with existing resources and overall priorities.

As the review of skid-mounted components came to a close in April 1987, CP&L identified the fourth and final discrepancy, EPCI condensate float switches for which qualification documentation was not on file (potential violation 50-325, 50-324/87-22-06). As in each of the other cases, a review reflected that the items were qualifiable and qualification documents were available at the vendor's location (CP&L is currently procuring the qualification documentation). Again, the Resident Inspector was promptly informed.

Coincident with the skid-mounted component review, CP&L discovered in March 1987 unidentified blue-colored wire in the SBTG system. (This finding resulted in potential violation 50-325, 50-324/87-22-05.) This discovery resulted from a decision to inspect all SBTG temperature switches following the additional discovery of Vulkene wire on the Unit 2 SBTG "A" skid temperature switches. CP&L assessed that no other vulnerability existed for other EQ-related temperature switches, since they had been replaced as part of the BSEP \$50.49 compliance activities.

The blue-colored wire was immediately replaced with qualified wire. CP&L determined that the wire was qualifiable based on testing of the blue wire. As with all other instances, the Resident Inspector was fully informed of the issue and the schedule for action.

- D. Root Cause: There are two root causes for these violations: inadequate coordination of design information for skid-mounted components and, in the case of the blue-colored wire, inadequate field verification. Contributing to the root causes were the following factors:
- o The list of skid-mounted subcomponents to be environmentally qualified was developed with extensive vendor and A/E input.
 - o Some components were eliminated from EQ considerations by skid-mounted modifications.
 - o The qualification files and modification scopes were developed by different CP&L groups.
 - o The consolidation of these efforts required extensive communications between CP&L groups, the A/E, and vendors.

We have determined that the complexity of the qualification process followed for skid-mounted components, although fundamentally sound, introduced opportunities for communication and interface problems.

- E. Corrective Action: Immediately after CP&L discovered each of the items, the equipment in question was replaced, determined to be qualified, or a JCO was prepared. Further, each of the discrepancies was

analyzed and all equipment was determined to be either qualifiable or qualified.

After identifying the initial problem in late 1986, CP&L conducted an analysis of the possible root cause and began a detailed review of all skid-mounted components. The Resident Inspector was kept informed of the review schedule and findings.

The results of this corrective action provide substantial assurance that skid-mounted components are fully qualified.

F. Summary:

- o Each discrepancy associated with skid-mounted components was identified by CP&L. Each item questioned was immediately replaced, qualified, or a justification for continued operation was prepared.
- o Each discrepancy was evaluated and determined to be qualifiable.
- o From the discovery of the first discrepancy, the NRC Staff was kept fully informed of CP&L's findings and schedule of corrective actions.
- o CP&L took prompt and extensive corrective actions regarding these discrepancies.

ATTACHMENT 2

CAROLINA POWER & LIGHT COMPANY

BRUNSWICK STEAM ELECTRIC PLANT

Protest of Certain "Clearly Knew or Should Have
Known" Findings Noted in a May 5, 1988
Notice of Violation and Proposed Imposition
of Civil Penalty (EA 87-165)

I. INTRODUCTION

CP&L contends that the NRC Staff has failed to establish that CP&L "clearly should have known" of the violations noted in the May 5, 1988 Notice of Violation and Proposed Imposition of Civil Penalty (EA 87-165) for environmental qualification (EQ) deficiencies. While CP&L cannot speculate as to the Staff's bases for its position regarding "clearly should have known," CP&L provides below, by way of example, several violations that are not appropriately categorized as "clearly should have known" based on the four factors presented in Generic Letter 88-07.

II. EVALUATION OF THE FINDINGS

A. Findings

1. Violation No. 5

From November 30, 1985 to March 10, 1987, for Unit 1, the licensee did not have: (1) Kulka terminal blocks, for components required to be environmentally qualified, on the Master List of qualified equipment, (2) the terminal block tested for qualification, and (3) documentation to verify qualification of the terminal block.

2. Violation No. 6

From November 30, 1985 to July 7, 1987, for Unit 2, the licensee did not have: (1) Cinch terminal blocks, for components required to be environmentally qualified, on the Master List of qualified equipment, (2) the terminal blocks tested for qualification, and (3) documentation to verify qualification of the terminal blocks.

B. Evaluation of Findings

Violation Nos. 5 and 6 are violations associated with Limitorque motor operators. Therefore, the discussion of each factor applies equally to both.

1. Factor 1: "Did the licensee have vendor-supplied documentation that documented that the equipment was qualified?"

CP&L maintains that the regulatory standard required to "demonstrate" qualification of a piece of equipment is the familiar "reasonable assurance" standard. Further, reasonable assurance of qualification is demonstrated by a number of factors which, depending on the circumstances, may include the vendor qualification report, the vendor quality assurance program, audits by a licensee and the staff of the quality assurance program, and analysis by the licensee. For example, if a vendor has an audited quality assurance program that complies with Appendix B, a vendor qualification report on its own product that addresses the pertinent environmental parameters and provides information on the model numbers of the products which are qualified by the report should provide reasonable assurance of qualification.

With regard to vendor-supplied documentation, CP&L should also not be held to a standard of "20/20 hindsight." Instead, this factor should be evaluated on the basis of the vendor-supplied information available to the licensee at the time the decision was made as to the qualified status of the equipment.

CP&L procured the Limatorque valve actuators as complete assemblies. Therefore, it is reasonable that this factor should be interpreted to mean that CP&L was required to conduct receiving and/or field verification in accordance with current quality assurance procedures (which the Staff has reviewed on many occasions in the past). CP&L does not consider this factor to mean that each component of a piece of equipment must be inspected to determine if it conforms to some listing and description in a qualification report supplied by the vendor. The practical effect of such a requirement would be the complete dismantlement, inspection, and reassembly of a piece of equipment to verify the vendor's test report representation regarding qualification. Such a requirement would fail to recognize proper reliance on a vendor's quality assurance program or elements of assurance specified in Answer 16 of Supplement 2 to IE Bulletin 79-01B. Further, the requirement is impractical in that (1) some pieces of equipment cannot be dismantled without invalidating qualification and (2) qualification reports (as noted above) rarely have this detailed information. CP&L submits that the vendor report need not list and provide detailed information regarding each and every subcomponent part as tested or analyzed piece of equipment, and CP&L is not required to verify qualification of each such subcomponent part.

In summary, CP&L relied on the vendor-supplied documentation to demonstrate qualification. This information did not list or provide detailed information regarding each and every subcomponent part as tested nor took any exception with regard to the qualification of such subcomponent part. Therefore, application of this factor does not support a clearly should have known finding.

2. Factor 2: "Did the licensee perform adequate receiving or field verification inspections to determine that the configuration of the installed equipment matched the configuration of the equipment that was qualified by the vendor?"

CP&L agrees, in hindsight, that additional field verifications could have revealed the existence of these deficiencies earlier. However, as noted earlier, "20/20 hindsight" is not the test that should be applied for enforcement purposes. We believe that the need for additional inspection of equipment supplied by certain vendors is part of the evolving nature of equipment qualification.

In summary, CP&L believes that the initial field verifications were consistent with the knowledge on November 30, 1985. Upon receipt of specific information from the Staff, CP&L conducted additional inspections. Therefore, application of this factor does not support a clearly should have known finding.

3. Factor 3: "Did the licensee have prior notice from any source that equipment qualification deficiencies might exist?"

CP&L is concerned that the phrase "prior notice from any source" has been improperly and unreasonably interpreted in the Notice of Violation. This factor has become unbounded and has unreasonably subjected CP&L to elevated enforcement action based on vague, informal information that CP&L has no safety or legal obligation to pursue, e.g., newspaper articles, casual conversations between utilities, and trade press articles. Further, this overly broad interpretation of this phrase has penalized CP&L for aggressively seeking information that could impact safety and might even encourage the philosophy "the less you know the better you are," an attitude that is in neither the interest of NRC licensees nor the interest of the public. CP&L maintains that the phrase "from any source" must be reasonably limited and should not be defined to discourage licensees from seeking or exchanging information.

The Notice cites that CP&L "had information available which discussed environmental qualification concerns of similar components." While not stated, CP&L presumes that reference is to Limitorque motor operators and I&E Information Notice No. 83-72 (IN 83-72). The Notice implies that the 1983 notice provided strong evidence that each licensee "clearly should have known" before November 30, 1985 of any qualification problem which may have surfaced regarding terminal blocks in Limitorque motor operators.

While IN 83-72 provided detailed information regarding Buchanan 0524 and 0824 terminal blocks, the only reference to other terminal blocks is as follows:

Unidentifiable terminal blocks (nonpower lead connectors inside the operators) were observed in other Limitorque operators. It is not presently known whether these components are qualified for the service conditions.

Attachment 1 to IN 83-72 at 16.

CP&L submits that the limited information presented in IN 83-72 regarding identification of Limitorque terminal blocks other than Buchanan 0524 and 0824, without more, cannot be said to have put recipients on notice (at peril of escalated enforcement) of a potential generic problem regarding qualification of Limitorque and terminal blocks.¹

In any event, in response to the 1983 notice, Limitorque provided a "form-type" letter (sent to many licensees, if not all licensees) that addressed this issue and concluded that "Limitorque does not recommend that any corrective action be taken as a result of this Information Notice." Letter of

1 In this regard, lack of specific identifying marks on each subcomponent part does not equate to lack of qualification.

Daniel S. Warsing, Technical Manager of Limitorque Corporation, to, among others, Cliff Reynolds of Babcock and Wilcox dated July 19, 1984 at 4. Licensees certainly could reasonably have relied on this information as the basis for their response to the identification concern noted in IN 83-72.

Further, starting in late 1984, the staff began 10CFR50.49 audits of licensees. During this time, many NTOL qualification inspections and audits were also conducted by the Staff and its consultants. Significantly, despite these efforts to assure the adequacy of utility equipment qualification programs, the concern regarding Limitorque terminal blocks was not recognized by either industry or the Staff to be a possible generic problem.

In summary, after the issuance of IN 83-72, there was widespread belief (held by architect/engineers, consultants, vendors, utilities, and NRC Staff) that the Limitorque terminal blocks had been qualified as an integral part of the actuators in a fashion similar to other wiring, e.g., motor leads. This belief was reasonable in light of, among other things, Limitorque's response to IN 83-72, the clear acceptance of that response by the Staff and industry, lack of any similar concern raised during the exhaustive Staff and Staff consultant reviews of qualification status of each licensee during the 1983-1984 time frame, and the lack of any similar concern raised during the numerous NTOL qualification audits and 50.49 inspections prior to late 1985. From the foregoing, CP&L submits that there is no rational basis for concluding (as strongly implied in the Enforcement Criteria Enclosure) that before the November 30, 1985 deadline CP&L clearly should have known that they had unqualified terminal blocks in their plants.

In summary, considering that the information provided to CP&L with regard to Limitorque should not constitute notice of the terminal block issue since the information does not clearly relate to the conditions stated in the Notice. In addition, other Information Notices for a particular condition for certain terminal blocks should not be construed to give notice of documentation concerns regarding Kulka and Cinch terminal blocks. Therefore, application of this factor does not support a clearly should have known finding.

4. Factor 4: "Did some licensees identify similar problems and correct them before the deadline?"

With regard to the fourth factor, CP&L recognizes that some licensees may have identified and corrected specific qualification problems as a result of focused inspections. However, CP&L submits that for this to be relevant for enforcement purposes, (1) the identification must be in a process which reflects a systematic, planned inspection or review effort which led to identification and (2) a substantial number of licensees must have identified the problem. If a licensee "stumbled on" the problem, this provides little basis for concluding that the reasonable licensee should also have so "stumbled." Further, if only a few licensees discovered the problem, this likewise provides little evidence that the reasonable licensee should have been focusing on that particular item at that particular time.

With regard to the Limitorque issue, it is CP&L's understanding that only a few licensees identified and corrected the problem before November 30, 1985 and that most, if not all, such licensees identified the problem by "stumbling on" it. Accordingly, CP&L maintains that this factor likely has little bearing on the problem associated with the Limitorque terminal block issue.

Therefore, application of this factor does not support a clearly should have known finding.

III. CONCLUSION

CP&L submits that in applying the factors to the concerns raised in the Notice regarding qualification of terminal blocks in Limitorque motor operators there is little evidence to conclude that CP&L clearly should have known prior to November 30, 1985 of the specific qualification problems specified in the Notice. In fact, the bulk of the evidence available before that time fairly indicated that no such problems existed.

ATTACHMENT 3

CAROLINA POWER & LIGHT COMPANY

BRUNSWICK STEAM ELECTRIC PLANT

Protest of Classification as Significant of Certain EQ Deficiencies in a May 5, 1988 Notice of Violation and Civil Penalty (EA 87-165)

I. INTRODUCTION

We submit that Violation Nos. 1, 2, 3, 4, 5, 6, and 8 and part of Violation No. 9 are in a category analogous to the category described in Part III of Generic Letter 88-07, which addresses those violations of 10CFR50.49 found not to be sufficiently significant as to warrant a civil penalty under the policy. This modified policy addresses the situation in which a licensee is able to timely correct a deficiency identified during an inspection (by demonstrating equipment to be qualified or qualifiable). The BSEP violations differ only in that they were discovered by CP&L personnel instead of an inspector. Given two identical EQ deficiencies that are promptly resolved, CP&L maintains that it is inappropriate to apply escalated enforcement for the case where the violations are discovered by the licensee and no escalated enforcement for the case discovered by an NRC inspector. This inconsistency leads to the undesirable result that licensees are in a better enforcement posture if they rely simply on an NRC inspection to identify and correct potential deficiencies, rather than pursue efforts that may result in self-identification of deficiencies. The NRC has encouraged self-identification in the past (see 10CFR2, Appendix C, V.B). It should continue to encourage self-identification.

For Violation Nos. 1, 2, 3, 4, 5, 6, and 8 and part of Violation No. 9, we were able to demonstrate, based on data available to the engineers evaluating the conditions, that the components were qualified or qualifiable. The resolution had been performed in a time period commensurate with the time that a licensee would have had during an inspection to respond to an inspector. Given these considerations, the violations should be classified as not sufficiently significant for assessment of civil penalties.

II. EVALUATION OF THE FINDINGS

A. Violation No. 1: Woodward Speed Sensors for the High Pressure Coolant Injection (HPCI) System

(1) Issue

The originally supplied Woodward speed sensors for the HPCI turbine speed control were not specifically qualified within the General Electric qualification program; the GE qualification report documented that Electro Corporation sensors were installed in the test specimen. The qualification data package for the HPCI turbine skid did not have an adequate qualification basis for the Woodward sensors at the time of CP&L's discovery in BSEP Unit 1 and Unit 2 installations.

(2) Chronology

- October 16, 1986 Existing installation of Woodward speed sensors identified by BSEP maintenance personnel.
- October 17, 1986 Initial assessment (by BSEP EQ Group) concluded that the nonmetallic parts within the sensor would not be expected to degrade as a result of postulated post-accident radiation levels in the HPCI room, i.e., that the existing Woodward speed sensors were qualifiable. Began preparation of formal engineering evaluation report (EER) to document past operability/qualification basis.
- October 27, 1986 GE materials analysis completed, with conclusion that nonmetallic materials are satisfactory with regard to required environmental conditions.
- November 5, 1986 EER preparation and review completed by EQ Group, which documented that the Woodward sensors were qualifiable and would have performed satisfactorily.

(3) Summary

Prompt determination and corrective actions were taken immediately upon the identification of this issue. Based on information available, the engineers in the BSEP EQ Group determined within one day after discovery that the Woodward speed sensors were qualifiable. Therefore, this issue is not sufficiently significant as to warrant a civil penalty.

B. Violation No. 2: Vulkene Wire Installed in Limitorque Valve Actuators

(1) Issue

GE Vulkene single-conductor wires were found installed in Limitorque motor-operated valves (MOVs); however, a generic qualification data package had not been established prior to its discovery.

(2) Chronology

- November 30, 1985 Beginning of Unit 2 10CFR50.49 compliance outage.
- February 28, 1986 Field inspection in response to IN 86-03 found one Unit 2 MOV (of 40 MOVs inspected) with Vulkene wiring used as a torque switch jumper.

- March 3, 1986
Jumper wiring was determined to be a cross-linked polyethylene material and to be qualifiable for its expected Reactor Building post-accident conditions, based upon existing documentation in place at the time of the discovery. Component in question was not required to be in compliance until the end of outage.
- June 15, 1986
End of Unit 2 10CFR50.49 compliance outage.
- March 1, 1987
First discovery of Vulkene wiring after Unit 2 compliance.
- March 2, 1987
Began preparation of EER to demonstrate that Vulkene wiring and qualifiable for its application as previously determined in March 1986.
- March 4, 1987
Formal engineering evaluation completed to document that Vulkene wire is qualifiable for Reactor Building post-accident conditions.

(3) Summary

Vulkene wire was originally identified in only one of 40 MOVs inspected so the problem was determined to be isolated. No formal EER was initiated because the actuator in question was not required to be in compliance at the time of discovery. Upon discovery of another Vulkene wire after the 10CFR50.49 compliance deadline, the problem no longer was considered isolated and the initial qualifiable determination was formalized within three days after discovery. Therefore, this issue is not sufficiently significant as to warrant a civil penalty.

C. Violation No. 3: Whitney-Blake Wire Installed in Limitorque Valve Actuators

(1) Issue

PVC-insulated wiring manufactured by Whitney-Blake was found to be installed in Limitorque MOVs; however, a generic qualification data package had not been established prior to its discovery.

(2) Chronology

- August 26, 1986
BSEP documents the qualifiability of PVC-insulated wire at BSEP. "Summary Report of Inspection and Evaluation of Limitorque Motor Operators in Response to IEN 86-03"

presented to and approved by BSEP Plant Nuclear Safety Committee (PNSC). This document included an assessment of PVC-insulated wiring [one of the issues within IN 86-03], and concluded that PVC-insulated wiring (if installed in BSEP applications) would be at least qualifiable to BSEP post-accident environmental conditions.

- July 2, 1987
During Unit 1 MOV field inspections in response to IN 86-03, Whitney-Blake jumper wiring was found. Considered at that time to be qualifiable based upon previous assessment.
- July 10, 1987
EQ Group began preparation of EER to address operability/qualification of equipment with Whitney-Blake wiring installed.
- August 21, 1987
EER approved, which documented the generic acceptability of Whitney-Blake (PVC-insulated) wire in EQ applications.

(3) Summary

Technical assessments and corrective actions were completed in a timely manner to properly address this issue. PNSC approved assessment (of the qualifiability of PVC-insulated wiring) existed in plant files prior to the discovery of the installation of PVC-insulated wiring within Limitorque MOVs. Therefore, this issue is not sufficiently significant as to warrant a civil penalty.

D. Violation No. 4: Control Relays for the Standby Gas Treatment (SBGT) System

(1) Issue

Four relays located on the SBGT skid were inadvertently omitted from the BSEP EQ Program, and their corresponding qualification was not documented in the report prepared for the SBGT skid prior to the discovery of the program omission.

(2) Chronology

- November 21, 1986
During a review of skid systems, it was discovered that four relays were not covered by the qualification documentation in place at that time for the SBGT skids. Field verification

of Unit 1 and Unit 2 skids confirmed manufacturer/model number data for installed relays.

- November 22, 1986

An EER was approved by BSEP Plant Nuclear Safety Committee (PNSC), which documented that these relays were qualifiable for the time duration in which they would complete their required safety function.

(3) Summary

Immediate actions (i.e., in one day) were taken (upon discovery of this issue) to assure that this issue was adequately resolved (i.e., qualifiable for its application). Therefore, this issue is not sufficiently significant as to warrant a civil penalty.

E. Proposed Violation No. 5: Kulka Terminal Blocks Installed in Limitorque Valve Actuator

(1) Issue

Terminal blocks manufactured by Kulka were found to be installed in Limitorque MOVs; however, generic MOV qualification data packages (QDPs) did not account for their similarity to qualified terminal blocks.

(2) Chronology

- March 7, 1987
During field inspections in response to IN 86-03, the first discovery of installed Kulka terminal blocks was made. Initial engineering assessment by the EQ Group determined, based upon existing documentation in place at the time of discovery, that the terminal blocks were qualifiable. Began preparation of a formal EER to address operability/qualification concerns.
- March 11, 1987
Information was received from Kulka to confirm its physical and material properties.
- March 23, 1987
Completed formal EER that included a detailed similarity analysis to document that the Kulka terminal blocks were qualified and suitable for Reactor Building MOV applications.

(3) Summary

Prompt determination and corrective actions were taken immediately upon the identification of this issue. Based on information available to the engineers in the BSEP EQ Group, upon discovery (i.e., in one day) the Kulka terminal blocks were determined to be qualifiable. Therefore, this issue is not sufficiently significant as to warrant a civil penalty.

F. Violation No. 6: Cinch Terminal Blocks Installed in Limitorque Valve Actuator

(1) Issue

Terminal blocks manufactured by Cinch (TRW) were found to be installed in Limitorque MOVs; however, generic MOV qualification data packages did not account for their similarity to qualified terminal blocks.

(2) Chronology

- July 6, 1987
During field inspections in response to IN 86-03, the first discovery of installed Cinch terminal blocks was made by BSEP maintenance personnel. Initial engineering assessment by the EQ Group determined, based upon existing documentation in place at the time of discovery, that the terminal blocks were qualifiable. Discussed issue briefly with NRC inspectors with respect to the methodology to be used and received concurrence on our approach.
- July 10, 1987
Initiated preparation of a formal EER to address operability/qualification concerns.
- July 17, 1987
Information was received from Cinch to confirm its physical and material properties.
- August 11, 1987
Completed formal EER that included a detailed similarity analysis to document that the Cinch terminal blocks were qualified and suitable for Reactor Building MOV applications.

(3) Summary

Prompt determination and corrective actions were taken shortly after the identification of this issue. Based on information available to the engineers in the BSEP EQ Group, upon discovery (i.e., in one day) the Cinch terminal blocks were determined to be qualifiable. Therefore, this issue is not sufficiently significant as to warrant a civil penalty.

G. Violation No. 8: HPCI Condensate Float Switches

(1) Issue

A float switch located on each unit's HPCI skid was inadvertently omitted from the BSEP EQ Program, and its corresponding qualification was not documented in the BSEP-specific qualification report (despite the fact that the HPCI test skid has this component installed).

(2) Chronology

- April 15, 1987

During a review of HPCI skid design documents, it was discovered that the condensate float switch was powered from an essential circuit and was not covered by the qualification documentation in place at that time for the HPCI skids. Initial engineering assessment determined that no loss of function of the HPCI system would result due to either a (single) ground that could develop as a result of switch failure or due to failure of the HPCI barometric condenser condensate pump, i.e., that the HPCI was qualifiable. Began preparation of a formal EER.

- April 28, 1987

Formal EER completed, which indicated that the operability status of the HPCI system was not compromised (consistent with the above-noted initial assessment) and established a qualifiable status for the switch (based upon its postulated post-LOCA environmental conditions).

(3) Summary

Prompt determination and corrective actions were taken shortly after the identification of this issue. Based on information available to the engineers in the BSEP EQ Group, upon discovery (i.e., in one day), the HPCI skid was determined to be qualifiable. Therefore, this issue is not sufficiently significant as to warrant a civil penalty.

H. Proposed Violation No. 9: Allen-Bradley Nylon Terminal Blocks, GE Phenolic Terminal Blocks, Electrical Butt Splices, and Collyer PVC Wire Installed in Limitorque Valve Actuators

(1) Issue

The subject components were found to be installed in Limitorque MOVs during BSEP maintenance field inspection in response to IN 86-03; however, generic MOV qualification data packages did not include a qualification assessment for these components.

(2) Chronology

(i) Allen-Bradley Nylon Terminal Blocks

- September 28, 1987 First identification of installed Allen-Bradley terminal blocks.
- September 29, 1987 Obtained manufacturer's technical data from the blocks (including specific materials of construction, construction standards, and temperature limits). Initial engineering assessment (i.e., in one day) determined that Allen-Bradley terminal blocks were qualifiable. Began preparation of a formal EER to defend past operability/qualification.
- October 26, 1987 Completed EER which documented this terminal block to be qualified for the Reactor Building general areas.

(ii) GE Phenolic Terminal Blocks

- October 26, 1987 First identification of installed GE (CR2960) terminal block. Initial engineering assessment (i.e., in one day) determined that GE phenolic terminal blocks were qualifiable. Began preparation of a formal EER to defend past operability/qualification.
- December 18, 1987 Completed EER which documented this terminal block to be qualified for the Reactor Building general areas.

(iii) Collyer PVC Wire

- September 28, 1987 First identification of installed Collyer PVC-insulated wire. Initial engineering assessment determined this issue to be identical to previously evaluated/qualified PVC-insulated

wiring installed in Reactor Building MOVs. Began preparation of a formal EER past operability/qualification.

- October 16, 1987 Completed EER which documented this wiring to be qualified for the Reactor Building general areas.

(3) Summary

Prompt determinations were performed utilizing qualification experience and data that were pertinent to other previously qualified BSEP equipment/components. Based on information available to the engineers in the BSEP EQ Group, upon discovery (i.e., in one day), Allen-Bradley nylon terminal blocks, GE phenolic terminal blocks, and Collyer PVC wires were determined to be qualifiable. Therefore, these issues are not sufficiently significant as to warrant a civil penalty. The remaining item, electrical butt splices, was also determined qualifiable but in a period longer than a week.

III. CONCLUSION

CP&L submits that Violation Nos. 1, 2, 3, 4, 5, 6, 8, and part of 9 should be reclassified as not sufficiently significant to warrant civil penalty on the basis that CP&L made determinations that the components in question were qualified or qualifiable in a time frame similar to the time a licensee would have to present the arguments during an inspection. As noted above, we submit that these violations are in a category analogous to the category described in Part III of the modified policy which addresses those violations of 10CFR50.49 found not to be sufficiently significant to warrant a civil penalty under the policy.