

Omaha Public Power District  
1623 Harney Omaha, Nebraska 68102-2247  
402/536-4000

LIC-88-760

U. S. Nuclear Regulatory Commission  
Attn: Document Control Desk  
Mail Station P1-137  
Washington, DC 20555

References: 1. Docket No. 50-285  
2. Letter from NRC (L. J. Callan) to OPPD (K. J. Morris) dated July 27, 1988

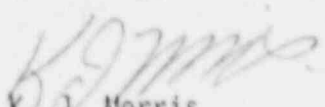
Gentlemen:

SUBJECT: Response to Notice of Violation - NRC Inspection Report  
50-285/88-21

Omaha Public Power District (OPPD) received the subject inspection report on corrective action programs. The report identified one violation on failure to establish procedural controls in regard to conditional release of nonconforming items. Please find attached OPPD's response to the Notice of Violation in accordance with 10 CFR Part 2.201. The submittal date of September 6, 1988 was discussed between Mr. R. Mullikin of Region IV and Mr. J. J. Fisicaro of my staff.

If you have any questions concerning this matter, please contact us.

Sincerely,

  
K. J. Morris  
Division Manager  
Nuclear Operations

KJM/mc

Attachment

cc: LeBoeuf, Lamb, Leiby & MacRae  
R. D. Martin, NRC Regional Administrator  
P. D. Milano, NRC Project Manager  
P. H. Harrell, NRC Senior Resident Inspector

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## ATTACHMENT

During an NRC inspection conducted on June 27 through July 1, 1988, a violation of NRC requirements was identified. The violation involved failure to establish procedural controls in regard to conditional release of nonconforming items. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions", 10 CFR Part 2, Appendix C (1988), the violation is listed below:

Criterion XV of Appendix B to 10 CFR Part 50 and the licensee's approved quality assurance program description requires that measures be established to control materials, parts, or components which do not conform to requirements, in order to prevent their inadvertent use or installation. The Quality Assurance Plan for Fort Calhoun Station, Unit No. 1, Section 7.4, paragraph 4.2.3 provides for a "conditional release basis", for use of nonconforming items which can be corrected if a statement documenting the authority and technical justification is prepared. Paragraph 4.3.1 of the same plan also requires that procedures for the control of nonconforming items shall be contained in the Quality Assurance Department Manual.

Contrary to the above, the Quality Assurance Department Manual procedures for control of nonconforming items did not address a "conditional release basis" although the process was being implemented.

This is a Severity Level IV Violation (Supplement I.D.) (285/8821-21)

### OPPD RESPONSE

#### The Reason for the Violation if Admitted

OPPD admits the violation as stated. As described in Section 7.4 of the Quality Assurance Plan for Fort Calhoun Station, OPPD has the ability to provide a "Conditional Release Basis" for nonconforming material. The procedures that implement this provision center on nonconforming material at the point of receipt inspection. Items that were in operation and then found to be nonconforming are not addressed in the implementation procedures in sufficient detail.

#### The Corrective Steps Which Have Been Taken and the Results Achieved

OPPD has admitted that this method is a procedurally inadequate control mechanism. Therefore, OPPD has retained a consultant to restructure the Fort Calhoun Nonconformance Program. This project was initiated in July 1988. The major elements of this program include revisions to Quality Assurance Department Procedure QADP-13, Standing Orders G-18 and G-22, along with revisions to the QA Plan.

Technical justifications for use of nonconforming items were documented to ensure safe plant operation. Although the justifications are adequate, the cited NRs are still open, pending long term follow-up on these items. This will ensure proper corrective actions on the root causes are accomplished, and will ensure tracking until the revised procedure is in place and in use. QA Plan, Section 7.4, Rev. 1, now provides clear authority concerning who may perform technical justifications.

Any new NRs initiated for items already in operation (e.g., not receipt inspection identified) will remain open until the revised procedures are in place.

Attachment (Continued)

The Corrective Steps Which Will Be Taken

Each of the six cited NRs will be closed as expeditiously as possible over the next 90 days.

OPPD is undertaking a general programmatic upgrade of procurement and storage practices for safety-related material and services to bring them into compliance with currently accepted NRC and INPO criteria, and to maintain the practices and procedures at the required quality level on a continuing basis to support safe operation at Fort Calhoun Station. The improvement program will incorporate the following major elements of the restructured NR program:

1. Revise Standing Order G-18 to include a separate dedicated section for processing nonconformances for operational "Conditional Release Basis" material.
2. Ensure Standing Order G-18 still clearly addresses the control of nonconforming material discovered during receipt inspection.
3. Establish a new vehicle for the resolution of minor or questionable receipt inspection discrepancies.
4. Provide proper "flagging" that the NR is a "Conditional Release Basis" NR on both the revised form and in the technical justification used for release.
5. Provide administrative controls to limit the scope of an NR such that if additional concerns are identified at a later date, they will become the subject of a separate NR.
6. Provide clear authority as to who shall authorize the release of the material for use.
7. Revise QADP-13 and Standing Order G-22 to include provisions for engineering review.

Date of Full Compliance

OPPD will be in full compliance by December 1, 1988.