

MAR 11 1986

Docket No. 50-528

Arizona Nuclear Power Project
P. O. Box 52034
Phoenix, Arizona 85072-2034

Attention: Mr. E. E. Van Brunt, Jr.
Executive Vice President

Gentlemen:

Thank you for your letter dated January 17, 1986, informing us of the steps you have taken to correct the items which we brought to your attention in our letter dated December 19, 1986. Your corrective actions will be verified during a future inspection.

Your cooperation with us is appreciated.

Sincerely,

Original signed by

D. F. Kirsch
D. F. Kirsch, Director
Division of Reactor Safety and
Projects

bcc w/copy of letter dated 1/17/86:

G. Cook, RV
B. Faulkenberry, RV
J. Martin, RV
Resident Inspector
Project Inspector
RSB/Document Control Desk (RIDS)

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ANPP-34681-REG/TAP/98.05

T. Young
State Response
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COPY

U. S. Nuclear Regulatory Commission
Region V
1450 Maria Lane, Suite 210
Walnut Creek, CA 94596-5368

Attention: Mr. D. F. Kirsch, Deputy Director
Division of Reactor Safety and Projects

Subject: Palo Verde Nuclear Generating Station (PVNGS)
Unit 1
Docket No. STN 50-528 (License NPF-41)
Response to Notice of Violations: 50-528/85-31-09, 50-528/85-31-06;
and Response to Notice of Deviation: 50-528/85-31-04.
File: 86-070-026; D.4.33.2

Reference: NRC Inspection Report 50-528/85-31, letter from D. F. Kirsch to
E. E. Van Brunt, dated 12/19/85

Dear Sir:

This letter is provided in response to the inspection conducted by Mr. S. Richards and other members of the NRC staff on October 28 through November 8, 1985 of activities authorized by NRC, License No. NPF-41. Based on the results of the inspection, two violations of NRC requirements (administration of temporary modifications) and one deviation (design verification) were identified. The two violations were discussed in Items A and B in Appendix A of the referenced letter. The deviation was discussed in Appendix B of the referenced letter. The Arizona Nuclear Power Project (ANPP) responses to these items are submitted herewith in Attachments A and B to this letter.

With respect to the general areas of perceived weakness identified by the NRC in the referenced Inspection Report, ANPP will address these areas and include its responses to these areas along with the transmittal of the final response to Item B which is discussed in Attachment A to this letter.

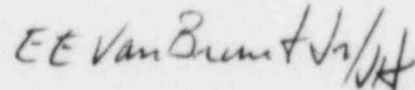
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Mr. D. F. Kirsch
PVNGS Unit 1 Notice of Violations and Deviation
50-528/85-31-09, 50-528/85-31-06 and 50-528/85-31-04
Page 2
ANPP- 34681

Should there be any further concerns, ANPP will be pleased to discuss them with you.

Very truly yours,



E. E. Van Brunt, Jr.
Executive Vice President
Project Director

EEVB/TAP/dlm
Attachments

cc: A. C. Gehr
R. P. Zimmerman
E. A Licitra
L. F. Miller

ATTACHMENT A
NOTICE OF VIOLATION

Arizona Public Service Company
P. O. Box 21666
Phoenix, Arizona 85036

Docket No. 50-528
License No. NPF-41

As a result of the inspection conducted during the period of October 28 through November 8, 1985, two violations of NRC requirements were identified. The violations involved failure to follow the procedure controlling temporary modifications and failure to properly evaluate a change to a plant system. In accordance with the NRC Enforcement Policy, 10 CFR Part 2, Appendix C, the following violations are listed below:

- A. 10 CFR 50 Appendix B, Criterion V, as addressed in Section 17 of the Final Safety Analysis Report (FSAR), requires that activities affecting quality be prescribed by and accomplished in accordance with documented procedures.

Station Manual Procedure Number 73AC-92205, "Temporary Modification Control," Section 5.1.13, requires that independent verification of quality related temporary modifications be performed within 8 hours of the time the temporary modification is implemented.

Contrary to the above, temporary modifications 1-85-CH-320, which altered the capacity of various snubbers on quality related systems and was installed on July 27, 1985 but not verified until October 25, 1985 and temporary modification 1-85-RC-181, which altered a pipe support for the pressurizer spray line was installed but not independently verified (at the time of the inspection) to be properly implemented within 8 hours of their implementation.

This is a Severity Level IV Violation (Supplement I).

- B. 10 CFR 50.59, paragraph (b) requires in part that changes to the facility as described in the Safety Analysis Report include a written safety evaluation which provides the basis for the determination that the change does not involve an unreviewed safety question.

Contrary to the above, on October 31, 1985, the independent air receiver tanks of the "A" emergency diesel generator air start system were cross connected by a temporary jumper hose without a written safety evaluation being performed.

This is a Severity Level V Violation (Supplement I).

RESPONSE TO NOTICE OF VIOLATION (50-528/85-31-09)
ITEM A

I. CORRECTIVE STEPS TAKEN AND RESULTS ACHIEVED

As a result of this violation, a review of Temporary Modifications (TMs) 1-85-RC-181 and 1-85-CH-320 was performed which revealed:

- 1) Only one TM was required to be installed to Revision 3 of 73AC-9ZZ05, and
- 2) On the date of each TMs installation, there were at least three verifications of each modification.

Temporary Modification 1-85-RC-181 was installed to Revision 2 of 73AC-9ZZ05 per Contractor Work Order (CWO) 86071 on 5/15/85. Since Revision 3 of this procedure did not become effective until 6/20/85, Revision 2 was required to be used for this modification. Revision 2 of 73AC-9ZZ05 Paragraph 5.3.3 required the installer to have an independent verifier designated. This paragraph required verification of installation by signing page 4 of Appendix A of the Temporary Modification Request, but not within the 8 hour time restriction presently in Revision 3 of 73AC-9ZZ05. The revision of the procedure in effect at the time of the modification (Revision 2) did not require the 8 hour time limit. Additionally, the Temporary Modification was installed per CWO 86071 which required the Bechtel Area Field Engineer (AFE) and Quality Control Engineer (QCE) to verify the work performed. The work was verified upon completion by the Bechtel AFE and QCE in the CWO and by ANPP Ops Engineering in Block 34 of the Temporary Modification Request; all signed on 5/15/85. ANPP, therefore, believes the Notice of Violation cited for this temporary modification is inappropriate.

Temporary Modification 1-85-CH-320 was installed to Revision 3 of 73AC-9ZZ05 per CWO 98018 on 7/27/85. The CWO required a verification and signature for the installation by the Bechtel Area Field Engineer and Quality Control Engineer. These steps were signed upon completion of the installation on 7/27/85. The ANPP Ops Engineer signed on Block 34 of the TMR also on 7/27/85. A discussion with the ANPP Outage Management Engineer (OME) revealed he did not realize the requirement of Paragraph 5.1.10 of 73AC-9ZZ05 Rev. 3 at the time of installation. This paragraph states that an ANPP Outage Management Group (OMG) member is responsible for compliance to the Procedure for Temporary Modifications installed or removed by use of CWO's. The OME erred in not ensuring Block 35 was signed within the 8 hour time limit because the procedure had been recently revised from Revision 2 to Revision 3 prior to the work. This temporary modification was ultimately independently verified by an ANPP Ops Engineer on 11/25/85. (Note: The Notice of Violation states 10/25/85).

The information presented above indicates that no procedural violation occurred during installation of 1-85-RC-181, however, a minor procedural violation did occur during the installation of 1-85-CH-320.

he conditions stated in this violation have been addressed and the following corrective steps have been taken.

1. OMG will review all Temporary Modifications installed or restored using a Contractor Work Order to ensure compliance with 73AC-9ZZ05 Rev. 3. This review will include all Temporary Modifications installed/restored since 6/20/85.

II. CORRECTIVE STEPS WHICH WILL BE TAKEN TO AVOID FURTHER ITLMS OF NONCOMPLIANCE

1. ANPP Memo ANPM-00449/PLB-94.05 has been issued to require retraining to 73AC-9ZZ05 Rev. 3 by all Outage Management Personnel.
2. A Procedural Change Notice (PCN) is being initiated to 73AC-9ZZ05 to further clarify the Outage Management Department responsibility with respect to this issue.

III. DATE WHEN FULL COMPLIANCE WILL BE ACHIEVED

1. The review of Temporary Modifications installed as 6/20/85 is expected to be completed by 2/15/86.
2. Retraining of Outage Management Personnel to 73AC-9ZZ05 will be completed by 1/31/86.
3. The PCN issued to clarify 73AC-9ZZ05 is expected to be completed by 2/1/86.

RESPONSE TO NOTICE OF VIOLATION (50-528/85-31-06)
ITEM B

I. CORRECTIVE STEPS TAKEN AND RESULTS ACHIEVED

ANPP is currently investigating the implications of this violation with respect to the approach in the performance of written safety evaluation as required by 10CFR50.59 and with respect to operational activities.

I did not say this →
As discussed in a telephone conversation between Mr. L. F. Miller (Region V) and Mr. T. A. Petersen (ANPP) on January 14, 1986, Mr. Miller explained that it would be acceptable to transmit a final response to this violation to the NRC at a later date provided a justification and a proposed schedule for resolution be provided in the initial 30 day response letter required. The preceding information provides the ANPP justification for a subsequent final response; the final response is scheduled to be submitted as provided below.

II. CORRECTIVE STEPS WHICH WILL BE TAKEN TO AVOID FURTHER ITEMS OF NONCOMPLIANCE

This item will be fully addressed in the ANPP final response to this violation.

III. DATE WHEN FULL COMPLIANCE WILL BE ACHIEVED

The ANPP final response to this violation is scheduled to be submitted by February 5, 1986.

ATTACHMENT B
NOTICE OF DEVIATION

Arizona Public Service Company
P. O. Box 21666
Phoenix, Arizona 85036

Docket No. 50-528
License No. NPF-41

As a result of the inspection conducted October 28 through November 8, 1985, a deviation involving inadequate control of the design process was identified. In accordance with the NRC Enforcement Policy, 10 CFR Part 2, Appendix C, 47 FR 9887 (March 9, 1982) the deviation is described below:

Section 1.8 of the Palo Verde Nuclear Generating Station FSAR endorses Regulatory Guide 1.64 (Revision 2) for operations phase activities with the following exception to position C.2 of the regulatory guide:

"Supervisory personnel may perform design verification under exceptional circumstances as documented and approved by the next level of supervision, if the justification...is individually documented and approved in advance."

Contrary to the above commitment, the Bechtel engineering organization has used their supervisors to perform design verification reviews without documented individual justification being approved in advance for each and every design change package since commencement of Unit 1 operations activities (i.e., January 1985).

This is a deviation.

Please submit to this office within thirty days of the date of this notice a written statement or explanation regarding the above item, describing corrective steps taken, the results achieved (or corrective steps that are planned), and the date when corrective actions will be completed.

RESPONSE TO NOTICE OF DEVIATION (50-528/85-31-04)

I. CORRECTIVE STEPS TAKEN

FSAR Section 1.8 imposes the requirements of Regulatory Guide 1.64, Revision 2 after the issuance of an Operating License. It also allows (as discussed in the Notice of Deviation) the exception to position C.2 of the regulatory guide. For activities to be performed prior to the issuance of an operating license, the Bechtel program complies with ANSI N45.2.11-1974, Section 6.1, which allows design verification to be performed by the originator's supervisor without prior documented approval. Regulatory Guide 1.64, Revision 2, effectively takes exception to ANSI N45.2.11, Section 6.1, by not allowing the originator's supervisor to perform design verification. Since Bechtel Engineering was neither fully aware of the programmatic impact of Regulatory Guide 1.64, Revision 2, on operations phase activities nor that portion of the ANPP Operational QA Program which endorses Regulatory Guide 1.64, Revision 2 and complies with the FSAR, the requirement of ANSI N45.2.11-1974, Section 6.1, which had been used for construction phase activities continued to be used since commencement of Unit 1 operations activities. The regularly scheduled audit, by ANPP QA, of Bechtel's on site design activities in January, 1985 did not identify this inconsistency since Bechtel had not yet performed safety related design activities under the newly issued operating license for Unit 1. The audit scoping matrix for ANPP requires that the Design Change Packages (DCPs) looked at during the on-site audit of Bechtel be used for the ANPP QA audit of Bechtel's design office (NORWALK). Since no safety related DCPs had been generated, as stated above, this area was not examined during the design office audit, therefore, ANPP QA did not discover this inconsistency. Because of this inconsistency between the design review requirements for operations phase activities and the design review requirements that were actually being performed, the following corrective steps were taken:

1. ANPP QA initiated CAR No. CAB5-0252 on 11/12/85 that required Bechtel to address the issue of supervisors performing design verifications. *low?*
2. A complete review of FSAR Section 1 has been completed by Bechtel Quality Assurance for other impacts to the ANPP Operational QA Program.
3. Bechtel has completed a review of all their project procedures which involve design verification in accordance with Regulatory Guide 1.64, Revision 2 and ANSI N45.2.11. Only the following procedures were found to be in need of revision or clarification to demonstrate compliance with the Operational QA Program with respect to supervisors performing design verifications:

IP-4.12, "Project Engineering Drawings and Drawing Change Notices";

I. CORRECTIVE STEPS TAKEN (Cont'd)

- IP-4.14, "Specification Change Notice"; and
- IP-5.15, "Supplier Deviation Disposition Requests".
4. Bechtel issued to responsible personnel an Inter-Office Memorandum, dated 12/9/85 which described interim changes to their Internal Procedures necessary to ensure documented independent design verification and to preclude the immediate supervisor from this activity.

II. RESULTS ACHIEVED OR CORRECTIVE STEPS PLANNED

Based on the corrective steps taken, the following results have been achieved:

1. The review of FSAR Section 1.8 by Bechtel Quality Assurance concluded that no other conditions similar to the design verification problem were found to exist.
2. Bechtel has initiated changes to procedures IP-4.12, IP-4.14, and IP-5.15, as discussed in Item I.2, above, to provide independent design verification separate from the immediate supervisor to comply with Regulatory Guide 1.64, Revision 2, requirements.
3. The interim changes described in Bechtel's Inter-Office Memorandum, dated 12/9/85, brought the Internal Procedures into compliance with the ANPP Operational QA Program.
4. ANPP QA/QC have reviewed and accepted Bechtel's response to CAR No. CAB5-0252. This response concluded that the deficiency was purely programmatic, and had no impact on the design work performed by Bechtel since issuance of the Unit 1 Operating License. ANPP is currently verifying the response.
5. ANPP QA will perform a review of major design contractor programs and procedures to ensure applicable design control regulatory requirements are adequately addressed.

III. DATE WHEN CORRECTIVE ACTIONS WILL BE COMPLETED

Corrective actions that remain to be completed are scheduled to be completed as follows:

1. The changes to Bechtel Internal Procedures IP-4.12, IP-4.14, and IP-5.15 were approved for use by Bechtel on January 8, 1986.
2. The verification of the conclusion that there was no impact on the design work performed by Bechtel since the issuance of the Unit 1 Operating License is scheduled to be completed by the end of first quarter 1986.
3. The review of major contractor design programs and procedures is scheduled to be completed by the end of second quarter 1986.