

September 21, 1988

Docket No. 50-286
License No. DPR-64
EA 88-148

Power Authority of the State of New York
Indian Point 3 Nuclear Power Plant
ATTN: Mr. John C. Brons
Senior Vice President
Nuclear Generation
123 Main Street
White Plains, New York 10601

Gentlemen:

Subject: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY
(NRC INSPECTION REPORTS NOS. 50-286/86-10; 50-286/86-24;
50-286/87-20; and 50-286/87-22)

This refers to several NRC inspections conducted between August 16, 1986 and September 25, 1987 to review the program for the environmental qualification (EQ) of equipment at Indian Point 3. The inspection reports were sent to you on May 30, 1986, February 10, 1987, September 22, 1987 and January 7, 1988. During the inspections, violations of NRC requirements were identified involving the lack of qualification of certain items of electric equipment used at the facility. Furthermore, the inspectors also reviewed other EQ violations identified by your staff. On July 19, 1988, an enforcement conference was conducted with you and members of your staff to (1) discuss the extent and significance of the violations, causes of the violation, and the corrective actions taken or planned, and (2) discuss several other factors in light of the Modified Enforcement Policy for EQ requirements which is described in the enclosure to NRC Generic letter 88-07.

The violations, which are described in the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice), included the failure to maintain, for certain items of electric equipment, sufficient records to demonstrate that the items were qualified to perform their intended function(s) during the postulated environmental conditions, and/or the failure to ensure that the equipment was installed in a qualified configuration. These items, the majority of which were identified by your staff, included a cable connector assembly for High Range Radiation Monitors, Marathon Terminal Blocks, 480 volt motor lead splices, and Lewis Thermocouple cable.

These deficiencies clearly should have been known by you prior to November 30, 1985, the deadline for being in compliance with EQ requirements, because it was reasonable to assume that (1) licensees would perform adequate field verification to ensure that qualified equipment was used at the facility and was

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installed in a manner that maintained its qualification, and (2) adequate documentation existed in the qualification files to support the qualifications. In the case of the High Range Radiation Monitor cable connector assembly, which was installed in an unqualified configuration, you clearly should have known of this condition because your equipment qualification documentation recognized the need for heat shrink tubing at the coaxial cable connection to the radiation monitor. With respect to the Marathon Terminal Blocks, which were not qualifiable for inside containment use, you clearly should have known of the deficiency because the installation instructions specifically identified the type of terminal block that was to be installed. You clearly should have known of the deficiency with the 480 volt motor lead splices because the need to perform an evaluation to establish differences between installed and tested configurations and to perform an analysis of the effect on qualification for these differences is a basic requirement of any environmental qualification program. Finally, with respect to the Lewis Thermocouple cable, you clearly should have known that the similarity analysis between the tested and the installed cable was inadequate because the differences in the cable materials was great and the extrapolation of test data too large to reasonably justify qualification by similarity analysis.

The violations described in this Notice of Violation and Proposed Imposition of Civil Penalty (Enclosure 1) demonstrate that Power Authority of the State of New York's management did not provide sufficient attention to the EQ program at Indian Point 3 to assure that the program was completely in compliance with NRC requirements as of November 30, 1985. Accordingly, I have been authorized, after consultation with the Director of Enforcement and the Deputy Executive Director for Regional Operations, to issue a civil penalty in the amount of Seventy Five Thousand Dollars (\$75,000) for Violation I described in the enclosed Notice of Violation and Proposed Imposition of Civil Penalty. In accordance with the "Modified Enforcement Policy Relating to 10 CFR 50.49," contained in Generic Letter 88-07 (Enclosure 2), the extent of the problem described in Violation I of the enclosed Notice has been determined to be moderate and to have affected some systems and components, and therefore is considered to be an EQ Category B violation. The base value of a civil penalty for an EQ Category B violation is \$150,000.

In determining the civil penalty amount, the NRC considered the four factors set forth in the "Modified Enforcement Policy Relating to 10 CFR 50.49", for escalation and mitigation of the base civil penalty amount. These factors consist of (1) identification and prompt reporting of the EQ deficiencies ($\pm 50\%$); (2) best efforts to complete EQ within the deadline ($\pm 50\%$); (3) corrective actions to result in full compliance ($\pm 50\%$); and (4) duration of a violation which is significantly below 100 days (-50%).

With respect to the first factor, 25% mitigation is warranted since a majority of the items in the Notice were identified by your staff. However, full 50% mitigation based on this factor is not warranted since some of the items (the 480V motor splices and the Lewis Thermocouple cable) were identified by the NRC. With respect to the second factor, although the NRC recognizes efforts were made by the Power Authority of the State of New York to comply with the EQ

rule within the deadline a number of EQ files were found to be incomplete with missing documentation needed to establish qualification; difficulty was encountered by the NRC in auditing the EQ files and there was indication at the time of the inspection of last minute reviews and approval signatures for EQ files; therefore, these efforts form no basis for escalation or mitigation of the civil penalty. With respect to the third factor, 25% mitigation is warranted for your corrective actions because you quickly corrected the qualification deficiencies associated with the HRRM cable connector assembly and the Marathon Terminal Blocks. However, full 50% mitigation based on this factor is inappropriate since at the time the 480 volt motor lead splice deficiencies were identified by the NRC, aggressive resolution of this issue by your staff was not initiated. In addition, numerous deficiencies identified by your EQ audits in January 1985 and August 1987 took an excessive time to be resolved. With respect to the fourth factor, mitigation is inappropriate since these EQ violations existed in excess of 100 days. Therefore, on balance a 50% reduction to the base civil penalty amount is appropriate.

Certain items of unqualified equipment were able to be qualified during the inspection, or shortly thereafter and these items constitute a separate violation which is classified at Severity Level IV in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Action, 10 CFR 2 Appendix C (Enforcement Policy) (1988) and is set forth in Section II of the enclosed Notice. Though not the subject of a Notice, as mentioned above, the NRC staff is concerned that at the time of the inspections, numerous EQ files were incomplete and file auditability was poor even though the files had been significantly improved in the weeks immediately preceding the inspection.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and its enclosure will be placed in the NRC Public Document Room.

The responses directed by this letter and the enclosed Notice are not subject to the clearance procedures of the Office of Management and Budget, otherwise required by the Paperwork Reduction Act of 1980, Pub. L. No. 96-511.

Sincerely,

Original Signed By
WILLIAM T. RUSSELL
William T. Russell
Regional Administrator

Enclosures:

1. Notice of Violation and Proposed
Imposition of Civil Penalty
2. Generic Letter 88-07

cc w/encls:

J. Phillip Bayne, President
J. C. Brons, Executive Vice President - Nuclear Generation
Gerald C. Goldstein, Assistant General Counsel
A. Klausmann, Senior Vice President, Appraisal and Compliance Services
F. X. Pindar, Quality Assurance Superintendent
G. M. Wilverding, Chairman, Safety Review Committee
Jude G. Del Percio, Manager, Regulatory Affairs
R. E. Beedle, Vice President Nuclear Support
R. Burns, Vice President Nuclear Operations
S. S. Zulla, Vice President Nuclear Engineering
P. Kokolakis, Director Nuclear Licensing - PWR
Dept. of Public Service, State of New York
Licensing Project Manager, NRR
State of New York, Department of Law
Public Document Room (PDR)
Local Public Document Room (LPDR)
Nuclear Safety Information Center (NSIC)
NRC Resident Inspector
State of New York

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P. Kokolakis, Director Nuclear Licensing - PWR
Dept. of Public Service, State of New York
Licensing Project Manager, NRR
State of New York, Department of Law
Public Document Room (PDR)
Local Public Document Room (LPDR)
Nuclear Safety Information Center (NSIC)
NRC Resident Inspector
State of New York

bcc w/encls:

- Region 1 Docket Room (with concurrences)
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- SECY
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- Enforcement Officers, RII-III
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- F. Ingram, PA
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Anderson

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