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

JUN 2 1988

Docket No. 50-382

Louisiana Power and Light Company  
ATTN: J. G. Dewease, Senior Vice President  
Nuclear Operation  
317 Baronne Street  
New Orleans, LA 70160

Gentlemen:

SUBJECT: QUALITY VERIFICATION FUNCTION INSPECTION AT WATERFORD 3  
NRC INSPECTION REPORT NO. 50-382/88-200

Enclosed is the report of the special, announced NRC team inspection conducted at Waterford Steam Electric Station, Unit 3, from February 1 through February 12, 1988, of activities authorized by NRC License No. NPF-38. The inspection team consisted of W. E. Scott, B. L. Jorgensen, D. L. Kelley, S. Stasek, J. P. Stewart, and C. A. VanDenburgh of the NRC. The inspection team's findings were discussed with J. G. Dewease, R. P. Barkhurst, N. S. Carns, and other members of your staff at the conclusion of the inspection.

This inspection was the sixth in a series of NRC headquarters-directed quality verification function inspections performed under the guidance of Temporary Instruction 2515/78. The inspection focused on the effectiveness of your quality verification organizations in identifying, resolving, and preventing the recurrence of safety-significant technical deficiencies. The inspection also evaluated the effectiveness of your management in ensuring that identified quality deficiencies were responded to promptly and completely.

Overall, the team found that your quality verification organizations are staffed with individuals who are experienced and capable of conducting in-depth technical verifications. The audits and surveillances they conduct are performance oriented and many times result in the identification of issues that affect plant reliability and safety. The team found that, in the areas of operations and maintenance, your staff is generally effective in identifying specific problems and resolving them. However, your staff does not always as effectively prevent recurrence or occurrence of similar problems. Similarly, your line organization is generally effective in ensuring that deficiencies are promptly addressed, but this does not always ensure that the issues are completely resolved to prevent their recurrence.

Of special concern to the team were your organization's overall weakness in preventing recurrence of significant deficiencies and your organization's threshold for reporting events to the NRC. In spite of repeated efforts to correct failures to follow procedures, several instances of not following

procedures during the B diesel outage resulted in the loss of formal boundary control between the ongoing maintenance activity and the safe operation of the rest of the plant, the inability to formally track and control safety-related work in progress, and the inability to formally and safely restore safety systems upon completion of maintenance activity. Other instances in which which actions to prevent a deficiency's recurrence were unsuccessful include the operators' disregard of the bypassed and inoperable status indication system (BISIS), loose cables on locked valves, and lack of temporary alteration control.


Your corporate goal of reducing licensee event reports by 50 percent in 1988 appears to have adversely influenced the judgments regarding reportability. It was noted that this goal was rescinded midway through this inspection. However, the team identified 20 events which should have been reported to the NRC in 1986-87, but were not reported. Those events are detailed in Section 5 of the inspection report.

The NRC inspection team identified two potential enforcement findings (PEFs) and seven observations; these are described in the inspection report. The PEFs, provided in Enclosure 1, are associated with the failure to report approximately 20 events to the NRC and control room personnel's not responding to signals on the BISIS. Those PEFs will be further evaluated by NRC Region IV staff for possible enforcement action.

In accordance with 10 CFR 2.790(a), a copy of this letter and the enclosures will be placed in the NRC Public Document Room. No reply to this letter is required at this time.

Should you have any questions regarding this inspection, please contact me or the NRC Region IV office.

Sincerely,

  
Dennis M. Crutchfield, Director  
Division of Reactor Projects III, IV,  
V and Special Projects  
Office of Nuclear Reactor Regulation

Enclosures:

1. Potential Enforcement Findings
2. Inspection Report Nos. 50-382/88-200

cc w/encls:

- R. P. Barkhurst, Vice President, Waterford 3 SES
- N. S. Carns, Manager, Waterford 3 SES
- S. A. Alleman, Manager, Nuclear Quality Assurance, Waterford 3 SES
- R. F. Burski, Manager, Nuclear Safety and Regulatory Affairs, Waterford 3 SES

## POTENTIAL ENFORCEMENT FINDINGS

As a result of the NRC quality verification function inspection at Waterford Steam Electric Station, Unit 3, from February 1 through 12, 1988, the following items are being referred to Region IV as potential enforcement findings (PEFs). Section citations refer to the detailed descriptions in the inspection report (Enclosure 2).

1. Section 2.B of Facility Operating License No. NPF-38, issued to Waterford Steam Electric Station, Unit 3, subjects the operating license to the conditions and requirements of 10 CFR Part 50. 10 CFR 50.73, "Licensee Event Report System," specifies matters the licensee must report to the NRC within 30 days.

- a. 10 CFR 50.73(a)(2)(iii) requires reporting of any external condition posing a threat to the safety of the plant or significantly hampering site personnel in the performance of safety duties.

Contrary to the above, potentially reportable event (PRE) PRE-87-015, a valid actuation of the broad range toxic gas detection system (BRTGDS), which Technical Specification bases describe as protection from external threat (toxic gas), was not reported to the NRC within 30 days. (Section 5.0.1)

- b. 10 CFR 50.73(a)(2)(ii)(B) requires reporting of a condition outside the design basis of the plant.

Contrary to the above, PRE-87-019, the hydraulic closing pressure of the main steam isolation valve that could not be monitored with the valve full open because of a design error common to both valves, and PRE-87-039, a non-Class 1E load (telephone cabinet PEC-2) connected to Class 1E circuitry through a single breaker in violation of double isolation protection for such connections, were not reported to the NRC within 30 days. (Sections 5.0.2 and 5.0.3)

- c. 10 CFR 50.73(a)(2)(i)(B) requires reporting of operations or conditions prohibited by the plant's Technical Specifications.

Contrary to the above, two instances were identified in which the licensee failed to report operations prohibited by the Technical Specifications. PRE-87-078, the failure to perform sampling and analysis as required by Technical Specification Table 3.3-13, and PRE-87-099, the failure to test valve CAP-205 for 146 days from May 6 to September 29, 1987 when the maximum permissible test interval was 115 days, were not reported to the NRC within 30 days. (Sections 5.0.5 and 5.0.7)

- d. 10 CFR 50.73(a)(2)(v)(D) requires reporting any event or condition that alone could prevent the fulfillment of safety functions needed to mitigate accident consequences.

Contrary to the above, PRE-87-076, a routine relay replacement wiring error that could have compromised both cooling trains for ac and dc switchgear depended on for accident mitigation had the same error been made in the redundant channel (which was also subject to routine relay replacement), was not reported to the NRC within 30 days. (Section 5.0.4)

Also, Technical Specification 4.8.1.1.3 requires the reporting of all diesel generator failures.

Contrary to the above, PRE 86-113, four overspeed trips of emergency diesel generator (EDG) A during the monthly engineered safety features actuation system testing specified in procedure OP-903-069, were not reported to the NRC within 30 days. Further, since August 1, 1985, PREs 86-007, 86-020, 87-028, 87-047, 87-059, 87-061, 87-073, 87-106, 87-113, 88-005, and 88-015--eleven failures of the EDGs on trips that are bypassed in the emergency mode--were not reported to the NRC within 30 days. (Sections 5.0.8 and 5.0.10)

2. Technical Specification 6.8.1.a requires the implementation of procedures covering activities recommended in Appendix A of Regulatory Guide 1.33, Revision 2, including the procedures for abnormal, offnormal, or alarm conditions. Licensee Procedure OP-4-020, "Bypassed and Inoperable Status Indication System," requires the monitoring of safety equipment status by way of computer and requires operator acknowledgement and evaluation of systems that have been computed to be inoperable.

Contrary to the above, the inspectors observed standing signals, which had not been acknowledged, at various times during the inspection, including February 5 and 9, 1988. Further, the inspectors observed signal actuations at about 1:00 p.m. on February 8 (annunciator no. 6, trains A and B - containment isolation) and at about 3:20 p.m. on February 10 (annunciator no. 1, trains A, B, and AB - emergency feedwater), and on neither occasion was the signal acknowledged as specified by procedure. (Section 2.1)