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

MAY 03 1986

Docket Nos. 50-445
50-446
License Nos. CPPR-126
CPPR-127
EA 86-09

Texas Utilities Electric Company
ATTN: Mr. W. G. Council
Executive Vice President
400 North Olive, Lock Box 81
Dallas, Texas 75201

Gentlemen:

This refers to the extensive review of construction activities at the Comanche Peak Steam Electric Station (CPSES), Unit 1, performed by the Technical Review Team (TRT) that began on July 9, 1984. This effort was designed to complete a portion of the review necessary for the staff to reach its decision regarding the licensing of CPSES. The review encompassed a number of areas, including allegations of improper construction practices at the facility. A separate special inspection to evaluate the CPSES Unit 1 as-built cable tray inspection program was also conducted by Mr. T. F. Westerman, members of the Region IV Comanche Peak Group, and NRR during the period November 18 - December 18, 1985. Discussions of this issue were held with Mr. R. E. Camp and other members of your staff on November 22, 1985 and December 5, 1985, and with you and Mr. J. W. Beck on December 18, 1985. The inspection report describing this matter was sent to you on March 26, 1986. Another special inspection was conducted to evaluate procurement and installation practices involving electrical penetration assemblies furnished by the Bunker Ramo Corporation during the period January 1 - March 14, 1986. Discussions of this issue were held with Mr. J. F. Streeter and other members of your staff on February 5, 1986. The inspection report describing this matter was sent to you on March 27, 1986. As a result of these efforts, violations of NRC requirements were identified. An Enforcement Conference to discuss the violations was held in the Region IV office on April 3, 1986.

The NRC has devoted substantial resources to evaluating the adequacy of construction at the CPSES facility. In addition to the routine and special inspections conducted by NRC Region IV, a Construction Appraisal Team inspection was conducted by the Office of Inspection and Enforcement (IE) on January 24 - February 4, 1983 and February 14 - March 3, 1983 (Reference NRC Inspection Report 50-445/83-18 and 50-446/83-12). From April 13 - 18, 1984 a review by the Special Review Team (SRT) was conducted by representatives of NRC Region II. Subsequently, the TRT was assembled which consisted of approximately 50 specialists from NRC headquarters, NRC Regional Offices, and consultants, to evaluate and resolve technical issues and issues identified as a result of allegations. The results of the review of the issues by the TRT are documented in Safety Evaluation Report (SER) NUREG-0797, Supplements 7, 8, 9, 10, and 11.

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The violations referenced in Part I of the first enclosed Notice of Violation and Proposed Imposition of Civil Penalties (NOV) (Appendix A) were identified as a result of the TRT efforts and are considered significant by the NRC staff. These violations have been discussed with you in numerous oral and written communications and your views on these issues have been provided in the "Comanche Peak Response Team Program Plan and Issue-Specific Action Plans." Other violations of NRC requirements were identified as a result of the considerable inspection time expended by the TRT that were evaluated as isolated instances of minor safety significance and were not included in this package because you have addressed the technical concerns elsewhere. In addition, several of the concerns identified by the TRT regarding the construction of the CPSES facility were not included in this package because they did not involve violations of NRC requirements. However, these concerns are discussed in detail in the referenced Supplements to the SER (NUREG-0797).

Violation IA in the enclosed NOV (Appendix A) involves your failure to ensure that quality control inspectors were properly qualified and certified in accordance with NRC requirements and the CPSES FSAR commitments. The TRT found numerous deficiencies in the site inspector qualification and certification programs including no verification or work experience for approximately twenty percent of 102 quality control inspectors training records reviewed, and questionable qualification records for seven quality control inspectors in the sample of inspection records reviewed. The TRT also noted that eighty percent of all site line quality control inspectors were qualified to the leniency allowed by the ANSI standard, establishing the "exception to the rule" clause as a practice at CPSES.

Violation IB involves multiple examples of problems identified by the TRT due primarily to ineffective interactions between the various engineering and construction groups. This is reflected by examples where (1) design requirements were not translated into instructions, (2) design criteria used in construction procedures and instructions were not appropriate or were not approved, (3) design analyses of field changes were not commensurate with the original designs, and (4) seismic analyses were not appropriately performed.

Violation IC involves deficiencies identified in your quality control program. These deficiencies were identified by the TRT inspections after your quality inspection (or in most cases, reinspections) were completed, and are indicative of a failure on the part of your inspectors to follow design documents and quality procedures for inspection. While many of the as-built hardware deficiencies identified by the TRT may not have an effect on the safe operation of CPSES, they do reflect significant weaknesses in the implementation of your quality control program.

Violation ID involves three significant examples of your failure to properly implement the site's corrective action program which are indicative of a failure to ensure that conditions adverse to quality were promptly identified and corrected, and appropriately evaluated. These examples, in conjunction

with the fact that the TRT identified approximately forty different forms and reports other than formalized Nonconformance Reports to document deficiencies that may require evaluation, are indicative of an ineffective and poorly applied corrective action program. It appears from these examples as well as other weaknesses identified that your corrective action program did not provide the necessary confidence that nonconformances requiring evaluation were appropriately evaluated or promptly corrected.

Each of these violations represent significant weaknesses that have existed in the implementation of your quality programs during construction. Some of these are similar to violations previously identified by Region IV, as well as the Construction Appraisal Team. Inspector qualification issues have been previously discussed with you and have existed throughout the construction phase of the CPSES facility. The Construction Appraisal Team, in early 1983, found a number of instances where nonconforming conditions were identified; however, various methods were used to address and resolve these nonconformances that did not comply with requirements to identify nonconforming conditions and provide corrective actions to prevent recurrence. Document control and inspection program deficiencies have also been previously identified. Although you apparently took extensive actions to correct document control program deficiencies, inspection program deficiencies existed as you could not ensure inspections were being performed to the latest design document.

The staff acknowledges that you are currently taking extensive actions to verify the adequacy of construction at CPSES. Construction activities are now under new management, and the "Comanche Peak Response Team Program Plan and Issue-Specific Action Plans" is being implemented. In fact, the charter of the Comanche Peak Response Team (CPRT) is to respond and to resolve these past issues, and to advise current management whether CPSES has been designed, constructed, and tested such that it is capable of being operated without undue risk to the public.

Notwithstanding your more recent efforts to address serious deficiencies in your performance, to emphasize the significance of the weaknesses in your quality assurance program that existed during construction and that were discovered during the NRC's inspections, I have decided to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalties in the amount of Two Hundred Thousand Dollars (\$200,000) for the violations in Appendix A. The violations described in Part I of the Notice have each been categorized as a Severity Level III problem in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1985). In determining the civil penalty amount, we have considered when the violations occurred, the duration of the violations, the potential safety significance of the violations, the existence of prior notice of many of these violations, and the fact that many of the violations contain multiple examples. The cumulative civil penalties for the violations are distributed equally among the violations.

The violations in Part II of the Notice have been characterized as a Severity Level IV problem. No civil penalty is being proposed for these violations.

Part I of the second Notice of Violation and Proposed Imposition of Civil Penalties (Appendix B) describes significant violations identified during recent NRC inspections of the as-built cable tray inspection program and the procurement and installation of electrical penetration assemblies. Apparently, because of your philosophy to continue construction installation and quality inspection processes prior to "final" design, many reinspections have been required to establish confidence in the "final" hardware installations at CPSES. Violation IA of Appendix B involves one of these reinspection efforts and describes your failure to properly reinspect and document as-built cable tray attributes, and involves your failure to conduct audits of the as-built cable tray inspection program as required. We recognize that after these violations were identified, you took extensive actions to address the problems, but are concerned that these problems existed so late in the process.

Violation IB in the second Notice describes significant weaknesses we identified in your procurement and installation of electrical penetration assemblies in both Units 1 and 2. These significant weaknesses, like those in Appendix A, have existed during the construction of CPSES. However, these violations were discovered during our review of your implementation of the CPRT and are also applicable to Unit 2.

To emphasize the need for increased attention to the control and oversight of your reinspection activities, I have decided to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalties in the amount of Fifty Thousand Dollars (\$50,000) for the violations in the second enclosed Notice (Appendix B). The violations described in Part I of the second Notice have been categorized as a Severity Level III problem in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1985). The base civil penalty for a Severity Level III problem is \$50,000, and neither escalation nor mitigation of the base civil penalties was considered appropriate in this case.

The violation in Part II of the Notice was characterized as a Severity Level IV violation for which no civil penalty is being proposed.

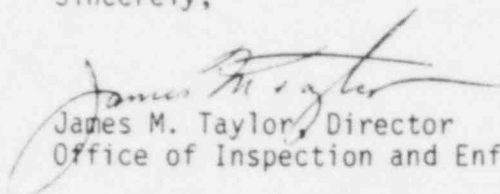
You would be normally required to respond to the enclosed Notices within 30 days. However, because of the extensive nature of the Notices, we are extending the period for response to 60 days. Your response should follow the instructions contained in the Notices and should be directed to the following areas: first, you should confirm the completeness of the actions you have taken to correct the examples cited in the Notices; second, you should address how you have changed or strengthened the implementation of your quality assurance program and implementing procedures so that there will not be similar violations in these subject areas during future construction activities; and third, since the enforcement action deals with weaknesses in your program for assuring quality in your approved Quality Assurance program for construction, you should describe the steps you have taken to ensure that a similar failures will not occur during your verification efforts, and that continuing attention by management will be provided to prevent recurrence of these failures. Your responses to these three areas may be submitted separately and you may reference previous submittals where appropriate.

Texas Utilities Generating Company - 5 -

The responses directed by this letter and the enclosure is not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

Should you have any questions concerning this letter, we will be glad to discuss them with you.

Sincerely,


James M. Taylor, Director
Office of Inspection and Enforcement

Enclosures:

1. Appendix A - Notice of Violation and Proposed Imposition of Civil Penalties
2. Appendix B - Notice of Violation and Proposed Imposition of Civil Penalties

cc w/encls: J. W. Beck, Vice President, TUGCO