

November 17, 1997

EA 97-462
EA 97-488

Southern Nuclear Operating Company, Inc.
ATTN: Mr. D. N. Morey
Vice President
P. O. Box 1295
Birmingham, AL 35201-1295

SUBJECT: NRC INTEGRATED INSPECTION REPORT NOS. 50-348/97-11 AND 50-354/97-11, NOTICE OF VIOLATION, AND EXERCISE OF ENFORCEMENT DISCRETION

Dear Mr. Morey:

On October 18, 1997, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection at your Farley Nuclear Plant (FNP). The findings related to this inspection were discussed with you and members of your staff at an exit meeting on November 5, 1997. The enclosed report presents the results of that inspection.

During the 6-week inspection period, your conduct of activities at FNP was generally characterized by safety-conscious operations, sound engineering and maintenance practices, and careful radiological work controls. However, seven violations of NRC requirements were identified. We are particularly concerned about the number of violations in the engineering area. Although the overall safety significance of these violations is low, they indicate a weakness in your engineering organization's ability to conduct effective self-assessments. The violations are cited in the enclosed Notice of Violation (Notice), and the specific circumstances surrounding them are described in detail in the enclosed report.

Based on the information developed during the inspection, two additional violations of NRC requirements were also identified as described in Sections E.8.4 and E.8.5, and E.8.14, E.8.21, and E.8.24 of the enclosed inspection report. The first violation involves the failure to protect certain piping, level transmitters, transmitter tubing, cables, and conduit associated with the Unit 1 and Unit 2 Condensate Storage Tanks from tornado-generated missiles, as described in the Updated Final Safety Analysis Report (UFSAR), and an adequate safety evaluation was not performed to provide the basis that the changes in the facility did not involve an unreviewed safety question (USQ). Based on NRC's subsequent determination that a USQ did exist, due to the possibility for equipment malfunction of a different type than previously evaluated in the UFSAR, it was concluded that a violation of 10 CFR 50.59 occurred. However, in accordance with Section VII.B.6 of the "General Statement of Policy and Procedures for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600, the NRC may refrain from issuing a Notice of Violation for violations involving special circumstances. After review of

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this violation and consultation with the Director, Office of Enforcement, the NRC has concluded that, given NRC's previous regulatory determinations regarding this issue, the low risk significance, and the your planned corrective actions scheduled for completion by March 15, 1998, the criteria for enforcement discretion have been met and issuance of a violation is not warranted in this case.

The second violation involves seven NRC-identified examples of the failure to update the UFSAR to assure that it contained the latest material developed as required by 10 CFR 50.71(e). The violation includes discrepancies between the as-built plant configuration and the UFSAR description for the auxiliary feedwater, the component cooling water, and electrical systems. In accordance with the Enforcement Policy, this violation would normally be categorized as a Severity Level IV violation. However, as discussed in VII.B.3 of the Enforcement Policy, the NRC may refrain from issuing a Notice of Violation for a violation that involves a past problem, such as an old engineering, design, or installation deficiency, provided that certain criteria are met. After review of this issue and consultation with the Director, Office of Enforcement, the NRC has concluded, that while a violation did occur, enforcement discretion is warranted in this case. Therefore, to encourage your efforts to identify and correct UFSAR discrepancies, no Notice is being issued in this case. The specific bases for this decision were (1) your docketed UFSAR review program would likely have identified the discrepancies; (2) there had been no prior notice where you could have reasonably identified the discrepancies earlier; (3) timely and appropriate corrective action was taken or planned; (4) timely and effective long-term corrective actions are being implemented to review and identify similar design deficiencies; and (5) the design deficiencies were considered old design issues.

With regard to Violations A through F in the enclosed Notice, please note that you are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements. However, with regard to Violation G for inadequate control of safeguards information, the NRC has concluded that information regarding the reason for the violation, and the corrective actions taken and planned to correct the violation and prevent recurrence, are already adequately addressed on the docket in the enclosed inspection report. Therefore, you are not required to respond to this violation unless the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room.

Sincerely,

(Original signed by Loren R. Pless
for Jon R. Johnson)

Jon R. Johnson, Director
Division of Reactor Projects

Docket Nos.: 50-348 and 50-364
License Nos.: NPF-2 and NPF-8

Enclosures:

1. Notice of Violation
2. Inspection Report 50-348/97-11
and 50-364/97-11

cc w/encls:

M. J. Ajluni, Licensing
Services Manager, B-031
Southern Nuclear Operating
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42 Inverness Center Parkway
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R. D. Hill, Jr.
General Manager, Farley Plant
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J. D. Woodard
Executive Vice President
Southern Nuclear Operating
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Birmingham, AL 35201

State Health Officer
Alabama Department of Public Health
434 Monroe Street
Montgomery, AL 36130-1701

cc w/encls cont'd: (See Page 4)

Notice of Violation

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cc w/encls: Continued
M. Stanford Elanton
Balch and Bingham Law Firm
P. O. Box 306
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Birmingham, AL 35201

Chairman
Houston County Commission
P. O. Box 6406
Dothan, AL 36302

Distribution w/encls:
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NRC Resident Inspector
U.S. Nuclear Regulatory Commission
7388 N State Hwy 95
Columbia, AL 36319

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SIGNATURE	<i>CA</i>					<i>W</i>	<i>RII:DRP</i>
NAME	CWRapp:dka	TWRoss	JHBartley	RKCalchell	JACanady	MMerivueather	P SKINNER
DATE	11/17/97	11/ /97	11/ /97	11/ /97	11/17/97	11/17/97	11/ /97
COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

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DOCUMENT NAME: G:\FARLEY\1997-11.WPD

* No technical input;
editorial change only.

RII:DE per teleph.
A Boland 11/17/97
yes

To: Pierce Skinner

Notice of Violation

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OFFICE	RTT:DRP	RTT:DRP	RTT:DRP	RTT:DRP	RTT:DRP	RTT:DRS	
SIGNATURE			TR	TR			
NAME	CWRepp:dk	THROSS	JHEB:ley	KKC:ldwell	JACenady	RMerr:leather	
DATE	11/ /97	11/ 17 /97	11/ 17 /97	11/ 17 /97	11/ /97	11/ /97	11/ /97
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