Wisconsin Electric
POWER COMPANY

Point Beach Nuclear Plant
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NPL 98-0099

10 CFR 2.201

February 11, 1998

Document Control Desk
U. S. NUCLEAR REGULATORY COMMISSION
Mail Station P1-137
Washington, DC 20555

Ladies/Gentlemen:

DOCKETS 50-266 AND 50-301
REPLY TO A NOTICE OF VIOLATION
NRC INSPECTION REPORT NOS. 50-266/97025 AND 50-301/97025
POINT BEACH NUCLEAR PLANT, UNITS 1 AND 2

In a letter from Mr. John A. Grobe dated January 12, 1998, the Nuclear Regulatory Commission forwarded the results of an inspection conducted by your staff at our Point Beach Nuclear Plant. The inspection was completed on December 15, 1997. The purpose of the inspection was to review our implementation of 10 CFR 50.65 "Requirements for Monitoring the Effectiveness of Maintenance at Nuclear Power Plants." The inspection report included a Notice of Violation which identified three violations of NRC requirements.

We have reviewed the Notice of Violation and, pursuant to the provisions of 10 CFR 2.201, have prepared a written response to the violations as requested by your letter of January 12, 1998. Our written response to the violations is included as an attachment to this letter.

We believe that the attached reply is responsive to the Notice of Violation and fulfills the requirements identified in your January 12, 1998, letter.

New commitments that have not been previously docketed are identified by italics.

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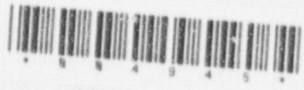

If you have any questions or require additional information regarding this response, please contact me.

Sincerely,

Scott A. Patulski
Site Vice President
Point Beach Nuclear Plant

Attachment

cc: NRC Regional Administrator
NRC Resident Inspector
NRC Project Manager
PSCW

DOCKETS 50-266 AND 50-301
REPLY TO A NOTICE OF VIOLATION
NRC INSPECTION REPORTS 50-266/97025 AND 50-301/97025
POINT BEACH NUCLEAR PLANT UNITS 1 AND 2

During an NRC inspection completed on December 15, 1997, three violations of NRC requirements were identified. Inspection Reports 50-266/97025 and 50-301/97025 and the Notice of Violation (Notice) transmitted to Wisconsin Electric on January 12, 1998, provide details regarding the violations.

In accordance with the instructions provided in the Notice, our reply to the violation includes: (1) the reason for the violation, or if contested, the basis for disputing the violation; (2) the corrective action taken and the results achieved; (3) corrective action to be taken to avoid further violations; and (4) the date when full compliance will be achieved.

Violation A:

"10 CFR 50.65(b) establishes the scope of the monitoring program for selection of safety-related and non-safety related structures, systems, or components to be included within the maintenance rule program. The monitoring program shall include safety-related structures, systems, or components (SSC) that are relied upon to remain functional during and following design basis events to ensure the integrity of the reactor coolant pressure boundary, the capability to shut down the reactor and maintain it in a safe shutdown condition, and the capability to prevent or mitigate the consequences of accidents that could result in potential offsite exposure comparable to the 10 CFR, Part 100 guidelines. The monitoring program shall also include non-safety related structures, systems, or components that are relied upon to mitigate accidents or transients, or are used in the plant emergency operating procedures, or whose failure could prevent safety-related structures, systems, and components from fulfilling their safety-related function, or whose failure could cause a reactor scram or actuation of a safety-related system.

Contrary to the above, as of November 17, 1997, the licensee failed to include two SSCs within the scope of the maintenance rule as required. Specifically, the following SSCs should have been included within the scope of the maintenance rule but were not:

1. Facade Freeze Protection System - This non-safety related system was not included in the licensee's program for monitoring the effectiveness of maintenance at nuclear power plants even though its failure could prevent the refueling water storage tank water level instrumentation from performing its safety-related function.

2. 345 KV Switchyard Control Building - This non-safety related structure was not included in the licensee's program for monitoring the effectiveness of maintenance at nuclear power plants even though it's part of an SSC relied upon to mitigate accidents, used in plant emergency operating procedures, and its failure could cause actuation of a safety-related system.

This is a Severity Level IV violation (Supplement 1)."

Response to Violation A:

Reason for Violation A.1:

We concur that this is a violation of NRC requirements as characterized in the inspection report. The initial scoping of the facade freeze protection system was based upon a QA scoping determination record for the facade freeze protection, Revision 1, dated March 16, 1992, that states, "The failure of the facade freeze protection system would not prevent any safety-related system from functioning...." The need to include the facade freeze protection for the refueling water storage tank level instrumentation was also not identified by the emergency operating procedure review conducted for maintenance rule scoping. When the issue of facade freeze protection was raised during a QA audit conducted prior to this inspection, the scoping determination record for facade freeze protection (SFR-S-FF) was used as justification for not including it within the scope of the rule.

Corrective Actions Taken:

The Maintenance Rule Overview Expert Panel meeting of November 20, 1997, concluded that the freeze protection circuit for refueling water storage tank level indication should be within the scope of the rule. In addition, the panel asked that the rest of the system be reviewed to determine if other parts (functions) of the system should be considered within the scope of the rule.

Corrective Action To Be Taken:

The remainder of the facade freeze protection system has been evaluated. Preliminary results indicate that there are several additional functions that should be added to the maintenance rule database.

The performance review of the facade freeze protection system and establishment of performance criteria for that system will be completed by March 31, 1998.

Date Of Full Compliance:

Full compliance will be achieved by March 31, 1998.

Reason for Violation A.2:

We concur that this is a violation of NRC requirements as characterized in the inspection report. The violation occurred as a result of the structural system engineer not being fully cognizant of maintenance rule scoping requirements associated with the 345 kV system.

Corrective Actions Taken:

Condition Report CR 97-3866 was initiated on November 21, 1997, to document corrective actions. Quality Condition Report, QCR 97-0090 had previously been initiated regarding the scope of structural monitoring. The corrective action taken to address the Quality Condition Report was not fully responsive to the generic issue of structural monitoring since it only addressed safety-related buildings.

As a result of this inspection and Condition Report 97-3866, however, nondestructive examination procedure NDE-751 was revised and issued on December 11, 1997, to reference NP 7.7.4 for the list of structures included within the scope of the maintenance rule.

Corrective Actions to be Taken:

1. *A review will be performed of the list of structures included in the maintenance rule scope. This review will be completed by April 30, 1998.*

2. *Procedure NP 7.7.4, "Scope and Risk Significant Determination for the Maintenance Rule," will be revised by April 30, 1998, to include the 345 kV switchyard control building within the scope of the maintenance rule.*

3. *A baseline walkdown of all new structures added to nondestructive examination procedure NDE-751 will be completed by April 30, 1998.*

Date of Full Compliance:

Full compliance with NRC requirements will be achieved by April 30, 1998.

Violation B:

"10 CFR 50.65(a)(1) requires, in part, the holders of an operating license shall monitor the performance or condition of structures, systems or components (SSCs), against licensee-established goals, in a manner sufficient to provide reasonable assurance that such SSCs as defined in 10 CFR 50.65(b), are capable of fulfilling their intended functions. Such goals shall be established commensurate with safety. When the performance or condition of an SSC does not meet established goals, appropriate corrective action shall be taken.
Contrary to the above:

1. As of October 31, 1997, the licensee failed to monitor the performance and establish goals commensurate with safety for the reactor coolant system, a system classified as (a)(1) by the licensee. Specifically, the goals for the reactor coolant system failed to address the reactor vessel level indication function and allowed an unacceptably high failure rate for the low temperature overpressure protection function.

2. As of November 3, 1997, the licensee failed to monitor the performance and establish goals commensurate with safety for the residual heat removal system, a system classified (a)(1) by the licensee. Specifically, the goals for the residual heat removal system failed to address all unavailabilities incurred during periods when a train of the residual heat removal system was out of service. In particular, the unavailabilities incurred when a residual heat removal heat exchanger was taken out of service were not addressed.

This is a Severity Level IV violation (Supplement I)."

Response to Violation B

Reason for Violation B.1:

We concur that this is a violation of NRC requirements as characterized in the inspection report. Goals were set for the reactor coolant system when the system was classified as (a)(1). The goals failed to carry over the performance criteria for "balance of system" functional failures and only addressed the parts of the system that caused the system to be classified as (a)(1). In setting performance criteria/goals for the system, it was not recognized that because the low temperature overpressure system is only in service for a short time each operating cycle, that allowing one failure in a two year period was not appropriate.

Corrective Actions Taken:

Reactor coolant system performance criteria/goals were revised and approved on December 5, 1997. The revised criteria reinstate the "balance of system" functional failure criteria and do not allow failures of the low temperature overpressure system.

Corrective Actions to be Taken:

The performance criteria for all maintenance rule systems will be re-reviewed to ensure that appropriate criteria have been established based on system functions and operating modes.

1. *Re-review of system performance criteria by the maintenance rule coordinator will be completed by March 31, 1998.*

2. *Following review by the maintenance rule coordinator, performance criteria will be re-reviewed by the system engineers. This review will be completed by July 15, 1998.*

Date of Full Compliance

Full compliance with NRC requirements will be achieved by July 15, 1998.

Reason for Violation B.2:

We concur this is a violation of NRC requirements as characterized in the inspection report. The system engineer did not count unavailability time for one of the heat exchangers because this heat exchanger's out of service time was associated with the failure of the component cooling water system, rather than the residual heat removal system.

Corrective Action Taken:

The unavailability time for this heat exchanger has been included in the annual performance assessment for the residual heat removal system. This assessment was completed and documented on January 23, 1998.

Corrective Action to be Taken:

Procedure NP 7.7.5, "Determining, Monitoring and Evaluating Performance Criteria for the Maintenance Rule," will be revised to include guidance for considering unavailability of support systems versus supported systems.

The performance criteria will also be reviewed to ensure unavailability as a result of support system failures is assessed. The revision to NP 7.7.5 will be completed by April 30, 1998.

Date of Full Compliance:

Full compliance with NRC requirements will be achieved by April 30, 1998.

Violation C:

"10 CFR 50.65(a)(1) requires, in part, that holders of an operating license shall monitor the performance or condition of structures, systems or components as defined by 10 CFR 50.65(b), against licensee-established goals, in a manner sufficient to provide reasonable assurance that such structures, systems and components are capable of fulfilling their intended functions. When the performance or condition of a structure, system or component does not meet established goals, appropriate corrective action shall be taken.

10 CFR 50.65(a)(2) states that the monitoring as specified in 10 CFR 50.65(a)(1) is not required where it has been demonstrated that the performance or condition of a structure, system, or component is being effectively controlled through the performance of appropriate preventive maintenance, such that, the structure, system, or component remains capable of performing its intended function. 10 CFR 50.54(c) states that, the requirements of this Section shall be implemented by each licensee no later than July 10, 1996.

Contrary to 10 CFR 50.65(a)(2), as of October 1997, the time that the licensee elected to not monitor the performance or condition of the 120 Volt AC electrical system and associated emergency lighting, the licensee failed to demonstrate that the performance or condition of the 120 Volt AC electrical system and associated emergency lighting system had been effectively controlled by performing appropriate preventive maintenance in accordance with the requirements of 10 CFR 50.65(a)(2). Specifically, the licensee failed to establish adequate measures to evaluate the effectiveness of the preventive maintenance on these systems. The licensee's sole basis for demonstrating effective preventive maintenance for the 120 Volt AC electrical system and associated emergency lighting was the criterion that no more than two adjacent emergency lights could fail an 8-hour surveillance test within a 2-year period. This criterion would allow an excessive failure rate of 50% for emergency lighting units without being evaluated for (a)(1). Multiple failures of emergency lighting units would not demonstrate effective preventive maintenance such that the system remained capable of performing its intended function. Therefore, the licensee's basis for placing the 120 Volt AC electrical system and associated emergency lighting under the requirements of 10 CFR 50.65(a)(2) was inadequate and these systems should have been monitored in accordance with Section (a)(1).

This is a Severity Level IV violation (Supplement 1)."

Response to Violation C:

Reason For Violation:

We concur this is a violation of NRC requirements as characterized in the inspection report. The performance criteria for the 120 V ac and associated emergency lighting system were established by giving consideration to the function of the system to provide light in certain areas. As long as two adjacent lights have not failed, an operator could perform required duties upon a loss of normal lighting. The performance criteria did not consider the system reliability effect of failure of several lights in different areas.

Corrective Actions Taken:

Performance criteria for the 120 V ac and associated emergency lighting system were reviewed and revised to evaluate the total number of system failures. Revised performance criteria were approved on October 22, 1997.

Corrective Action To Be Taken:

None

Date of Full Compliance:

Full compliance with NRC requirements was achieved on October 22, 1997.