



Point Beach Nuclear Plant  
6610 Nuclear Rd., Two Rivers, WI 54241

PRIORITY ROUTING

First	Second
RA	RC
DRA	EIC
DRP	SGA
DRS <i>has</i>	OI
DNMS	PAO
DRMA	

ORIG + 1

*Public*

(920) 755-2321

FILE *has*

September 2, 1997

Mr. John A. Grobe  
Acting Director, Division of Reactor Safety  
U. S. Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, Illinois 60532-4351

Dear Mr. Grobe:

Response to Request for Information  
Point Beach Nuclear Plant

On August 5, 1997, U. S. Nuclear Regulatory Commission, Region III, forwarded a request for information concerning activities at Point Beach Nuclear Plant. You requested that Wisconsin Electric evaluate and respond to the matter enclosed on, or before, September 5, 1997.

The Attachments to this letter contain our response. Because we anticipate certain activities of our evaluation will extend beyond your requested response date of September 5, 1997, we will provide future supplement(s) to this response as further detail is made available.

Sincerely,

*S. A. Patulski*  
S. A. Patulski

Site Vice President

Attachments

9709230274 970902  
PDR ADOCK 05000266  
P PDR



*IE01*

## EVALUATION

On August 5, 1997, Wisconsin Electric Power Company (WEPCO) received notice that information described in Morrison Knudsen Corporation Quality Finding Report (QFR) C-96-022 may call into question the ability of welding procedures, and consequently the associated welds fabricated with these procedures, to meet ASME Code Criteria. These procedures were used in support of the Point Beach Unit 2 Steam Generator Replacement Project (SGRP).

On August 12, 1997, WEPCO received a copy of QFR C-96-022 from Morrison Knudsen. Upon receipt, the Point Beach Manager's Supervisory Staff (onsite safety review committee) conducted an immediate, independent review of the QFR findings and responses. The results of this item-by-item detailed review are contained in the minutes of Manager's Supervisory Staff (MSS) meeting #7-12. The QFR was transmitted to WEPCO via facsimile cover sheet which contained a signed statement from Morrison Knudsen's Executive Vice President, Power Division, that "*We [Morrison Knudsen] found that there were no discrepancies that in anyway affected the quality of welds at Pt. Beach.*" As a result of the MSS review and the position statement from Morrison Knudsen, WEPCO concluded that Point Beach Unit 2 startup could be safely continued.

Although WEPCO concluded that the issues presented in QFR C-96-022 were not safety significant, it was further concluded that they were significant from a regulatory perspective since there appeared to be potential programmatic deficiencies in the control of procedures, code compatibility, and vendor communication aspects of the quality program. A Condition Report was generated on August 13, 1997 to initiate additional evaluation and corrective action. A copy of our evaluation plan is included as Attachment B.

**ACTION PLAN TO ADDRESS  
MORRISON KNUDSEN CORPORATION  
QUALITY FINDING REPORT QFR C-96-022**

A. **Immediate Action**

1. Convene a Manager's Supervisory Staff (onsite safety review committee) meeting to perform a detailed review of MK QFR C-96-022 to assess potential impact on the Unit 2 scheduled approach to criticality.

**COMPLETE.** An MSS meeting (97-12) was held on August 12, 1997. This is the same date WEPCO received a Facsimile copy of the subject QFR and WEPCO's first knowledge of its content. The details are contained in the minutes of MSS meeting #97-12 and conclude that Unit 2 startup may be safely continued.

2. Request that MK provide a statement of their position regarding the quality of the welds performed on the Point Beach SGRP in view of QFR C-96-022.

**COMPLETE.** The Facsimile cover memo transmitting the subject QFR contained a signed statement by Morrison Knudsen's Executive Vice President, Power Division, that "*We found that there were no discrepancies that in anyway affected the quality of welds at Pt. Beach.*"

3. Initiate a Condition Report to assure the QFR is entered into the corrective action system and that operability and reportability are addressed.

**COMPLETE.** A Condition Report was initiated on August 13, 1997.

B. **Follow-up Action**

1. Morrison Knudsen (MK) will be requested to supplement the disposition of each finding of QFR C-96-022 to specifically address the implications to the welding activities performed on the Point Beach project. The current response (attached to the QFR as three pages, originated by Morrison Knudsen's project welding engineer, dated January 22, 1997), appears to address how the QFR findings will be resolved for future projects rather than address the implications of their past use in the welding activities at Point Beach Unit 2. This confusion is generated by several of the finding responses which contain the statement: "*This WPS is no longer being used.*" (It is unclear as to whether this statement means the procedure is no

longer in use by MK and therefore is not a concern for future projects, or whether use was discontinued prior to the Point Beach project).

**NOTE:** In a phone conversation between Point Beach senior managers and Morrison Knudsen's Executive Vice President on August 14, 1997, MK committed to create a matrix containing each weld performed at Point Beach, the corresponding welding procedure used to perform the weld, the QFR finding related to that procedure, and the implications of the finding to the quality and code conformance of the weld. This matrix would appear to address the above request.

**COMPLETE.** This request was communicated to Morrison Knudsen in WEPCO letter NPL 97-0501 dated August 14, 1997. MK responded by letter dated August 21, 1997 and subsequently held a meeting at the Point Beach site on August 26, 1997, to review the matrix of welds performed as mentioned in the NOTE above. This review did not change the conclusion reached by WEPCO discussed in item A.1 above.

2. MK will be requested to render a position regarding the applicability of 10CFR21 concerning the generic implications of the subject QFR findings to have resulted in nonconformances on other projects than Point Beach Unit 2.

**COMPLETE.** MK responded in a letter dated August 21, 1997 that they had performed an evaluation in response to WEPCO letter NPL 97-0501 dated August 14, 1997, and "*it was determined there were no other affected plants.*"

3. A QA audit team will be assembled to perform a supplier audit of MK's quality records and welding program used in support of the Point Beach SGRP. This audit should address the following points:
  - (a) Although QFR C-96-022 was originated in January, 1997, MK did not inform WEPCO of this potential quality assurance issue. WEPCO's first notice of the existence of this report was provided by the NRC letter dated August 5, 1997.
    - (1) The audit team should determine why MK did not inform WEPCO of the subject QFR findings and disposition in January, 1997.

**STATUS:** MK responded directly to this question in their August 27, 1997 letter stating that "*...MK had determined that all of the conditions reported [in the QFR] concerned issues internal to MK and that none of the reported conditions affected*

*work turned over to Point Beach.*" The WEPCO audit team will evaluate this question further.

- (2) The audit team should identify whether or not there are any other relevant QFRs or quality records at the MK offices, that have not been shared with WEPCO, that may impact the quality or acceptability of the steam generators.

**STATUS:** MK responded directly to this question in their August 27, 1997 letter stating that, based on internal conversations, "...there are no other known SGT/MK Point Beach SGRP related QFRs or quality issues." The WEPCO audit team will evaluate this question further.

- (b) Outside welding code expertise should be included on the audit team to review appropriate welding procedures, weld data cards, procedure qualification records, and other information as necessary to render an opinion regarding the conformance and acceptability of the processes used to assure the continued safety, quality, and operability of the Point Beach Unit 2 steam generators.
- (c) The audit team should render their independent opinion as to whether any findings of their audit have 10CFR21 reporting implications.
- (d) The audit team should identify any specific welds performed which were affected by welding procedures that did not meet quality assurance standards and/or ASME code requirements.
- (e) The audit team should verify and validate the accuracy of the MK statements in the attachment to QFR C-96-022 (titled "*Assessment C-96-022 QFR-01*", ...3 pages), by review of appropriate records regarding use of post weld heat treatment, range of weld sizes to which specific procedures were applied, heat inputs, etc.

**STATUS:** Items (b) through (e) above will be addressed by the WEPCO audit team. Onsite audit activities at Point Beach are planned for September 2-3, 1997, and audit activities at the Morrison Knudsen corporate offices are planned for September 24-25, 1997.