

JUN 7 1989

In Reply Refer To:
Docket: 50-382/89-02

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

Gentlemen:

Thank you for your letters, dated April 3 and May 18, 1989, in response to our letters, dated March 2 and April 18, 1989. We understand based on discussions with your Mr. D. V. Gallodoro (during a telephone conversation) on June 1, 1989, that the vendor, Okonite, will be placed in your qualified supplier list and subjected to on site requalification audits at least every 3 years. We will review the implementation of your corrective action during a future inspection to determine that full compliance has been achieved and will be maintained.

Sincerely,

orig 15/
Edward T. Baker

James L. Milhoan, Director
Division of Reactor Projects

cc:
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C:MQPS *[Signature]*
IBarnes
6/2/89

D:DRS *[Signature]* 6/2/89
LJCallan
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D:DRP *[Signature]*
JLMilhoan
6/6/89

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Louisiana Power & Light Company

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DRP

MIS System

RSTS Operator

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REC'D
MAY 19 1989



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May 18, 1989

W3P89-3042
A4.05
QA

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555

Subject: Waterford 3 SES
Docket No. 50-382
License No. NPF-38
Violation 8902-02, Failure to Impose 10 CFR Part 21

- References:
1. LP&L Letter No. W3P89-0070 dated 04/03/89 from R.F. Burski to U.S. Nuclear Regulatory Commission
 2. NRC Letter dated 04/18/89 from L.J. Callan to J.G. Dewease

Gentlemen:

Louisiana Power & Light hereby submits the following information on the subject violation as a supplement to the response that was provided in Reference 1. This information, which is contained in Attachment 1, addresses your request expressed in Reference 2 for a description of the process and technical bases used to support dedication of Okonite splice materials at Waterford 3.

If you have any questions concerning this response, please contact T.J. Gaudet at (504) 464-3325.

Very truly yours,

R.F. Burski
Manager
Nuclear Safety & Regulatory Affairs

RFB:TJG:ssf

Attachments

cc: R.D. Martin (NRC Region IV), J.A Calvo (NRC-NRR), D.L. Wigginton (NRC-NRR), NRC Resident Inspectors Office, E.L. Blake, W.M. Stevenson

IC-89-185

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ATTACHMENT 1

Dedication of Okonite Splice Materials for Use
in Class 1E Applications at Waterford 3

History and Technical Bases

The splice materials purchased from The Okonite Company for use at Waterford 3 are Okonite T-95 Insulating Tape, Okonite No. 35 Jacketing Tape and Okonite Nuclear Cement. These materials were first procured for Waterford 3 during construction in 1979 by EBASCO, the Architect Engineer. The EBASCO purchase order (P.O. No. WP3-2005, Specification LOU-1564.249G, Revision 2) invoked nuclear qualifications and 10 CFR Part 21, both of which were accepted by Okonite. The order was subsequently filled on March 12, 1980 as documented on the Certificate of Conformance provided by Okonite (Okonite Order No. 01-81251).

During this time, reviews were performed to ensure suitability of the materials. Test Report No. NQRN 3 was developed by Okonite in June, 1980 to support qualification of the materials. Although the Report has been revised four times through October 1988, it still provides the necessary justification to envelope the Waterford 3 environment. Additional evidence that the materials are suitable is provided in other qualification test reports contained in the Waterford 3 EQ files for Okonite tape splices.

On 04/07/89, LP&L performed a Quality Assurance Surveillance at Okonite (Report No. Q-3-A35.39.A13.89.1). As evidenced by a review of Okonite's records during the Surveillance, the tapes and cement have not changed since 1979.

Dedication Process

The process for dedicating Okonite splice materials consists of including various requirements on the purchase orders and performing a commercial grade Quality Assurance (QA) Surveillance of Okonite.

The purchase orders require Okonite to certify that there has been no changes in design, material manufacturing or interchangeability of the item(s) between 3/12/80 and the date of manufacture of the item(s) furnished on the present purchase order. The orders also invoke Okonite's QA Program and state that LP&L shall be notified of any defect or noncompliance found in the item(s) furnished. Lastly, the orders contain a list of standard requirements that are to be followed for the item(s) furnished by Okonite.

As stated above, LP&L recently performed a commercial grade QA Surveillance of Okonite. The purpose of this surveillance was to verify that proper controls are in effect for ensuring that Okonite's Certificate of Conformance is valid.

Items ordered from Okonite will continue to be purchased as commercial grade and dedicated in the above manner. LP&L is confident that the above approach ensures the acceptability of such material.



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APR 4 1989

April 3, 1989

W3P89-0070
A4.05
QA

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555

Subject: Waterford 3 SES
Docket No. 50-382
License No. NPF-38
NRC Inspection Report 89-02

Gentlemen:

In accordance with 10 CFR Part 2.201, Louisiana Power & Light hereby submits in Attachment 1 the responses to the Violations identified in Appendix A of the subject Inspection Report.

If you have any questions concerning these responses, please contact T.J. Gaudet at (504) 464-3325.

Very truly yours,

R.F. Burski
Manager
Nuclear Safety & Regulatory Affairs

RFB:TJG:ssf

Attachment

cc: R.D. Martin, NRC Region IV
J.A. Calvo, NRC-NRR
D.L. Wigginton, NRC-NRR
NRC Resident Inspectors Office
E.L. Blake
W.M. Stevenson

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ATTACHMENT 1

LP&L Responses to the Violations Identified in Appendix A
of Inspection Report 89-02

VIOLATION NO. 8902-01

Failure to Adhere to Documented Drawings

Criterion V of Appendix B to 10 CFR Part 50 and the licensee's approved quality assurance program description require that activities affecting quality shall be prescribed by and accomplished in accordance with documented instructions, procedures, or drawings, of a type appropriate to the circumstances.

Design Drawing 1564-1539, R26 for pressurizer surge line Sample Isolation Valve 2SL-V2505 specifies that the material for Item 11 (valve gland studs) shall be ASME SA-193 Grade B6 or B7.

Contrary to the above, a valve gland stud for Valve 2SL-V2505 had been incorrectly replaced with ASM SA-193 Grade B8 material.

This is a Severity Level IV violation.

RESPONSE

(1) Reason For The Violation

The root cause of this violation is personnel error. In accordance with UNT-5-015, "Work Authorization Preparation and Implementation," a work authorization (WA 01018888) was prepared to install packing gland fastener material on the pressurizer surge line sample isolation valve. The existing material was badly corroded and needed replacement. Section 5.7.5 of UNT-5-015 states that all replacement parts and materials installed in plant systems shall be "like-for-like" replacements or engineering approved equivalents. It also states that the parts shall be obtained from the warehouse and be traceable to a Requisition on Stores (ROS) number. In an attempt to comply with Section 5.7.5 of UNT-5-015, Design Drawing 1564-1539, the field control drawing for this valve, was obtained. When viewing this drawing, which was a poor quality reproduced copy made from an aperture card (micro-film), the responsible individual misinterpreted the material designation to be SA 193 B8 as opposed to the specified SA 193 B6. Consequently, the incorrect material (SA 193 B8 material) was entered on WA 01018888 and the ROS ticket as a "like-for-like" replacement. On 4/13/88, the incorrect material was then installed.

(2) Corrective Steps That Have Been Taken And The Results Achieved

On 2/9/89, Maintenance generated a quality notice (QN QA-89-037) to formally address and resolve the concern. On 1/12/89, a non-conformance Condition Identification (CI 260888) was issued to disposition the incorrectly installed material. Calculations performed under CI 260888 and the application of the SA 193 B8 material as a gland fastener supported the operability of the pressure boundary. Accordingly, the shift supervisor accepted the use of the material.

Since Engineering has recommended that the replacement material conform to the design drawing, the material will be replaced during the next refueling outage with the correct SA 193 B6 material under CI 260888 and the associated work authorization (WA 01033177). Note: this action is separate from the violation response and, therefore, does not need to be completed to be in full compliance.

The individuals responsible for the violation were counselled on the importance of obtaining clear and legible drawings prior to continuing work when the field control drawing is of poor quality.

(3) Corrective Steps Which Will Be Taken To Avoid Further Violations

To prevent recurrence, Maintenance Procedure MD-1-014, "Conduct of Maintenance," will be revised to address the use of unclear drawings.

(4) Date When Full Compliance Will Be Achieved

Procedure MD-01-014 will be revised by June 1, 1989, at which time LP&L will be in full compliance.

VIOLATION NO. 8902-02

Failure to Impose 10 CFR Part 21

Section 21.31 of 10 CFR Part 21 requires the licensee to specify on each procurement document for a basic component that the provisions of 10 CFR Part 21 apply.

Contrary to the above, since 1985, the licensee has not specified on procurement documents for basic components placed with the Okonite Company, that the provisions of 10 CFR Part 21 were applicable.

This is a Severity Level IV violation.

RESPONSE

(1) Reason For The Violation

The root cause of this violation is programmatic in that the plant procedure that was used for processing procurement documents lacked adequate instructions for ensuring nuclear requirements were not invoked when 10CFR part 21 requirements were not imposed.

Plant Administrative Procedure UNT-8-001, "Processing of Procurement Documents," described the methods used by plant personnel from 1979-1987 to initiate procurement documents for plant station modifications, spare and replacement components, subcomponents, parts, material, tools and services required to support plant operations. Through the use of this procedure, plant personnel, from 1982-1987, requested purchase orders to be placed with The Okonite Company for tape and cement which were to be used as basic components at Waterford 3. (NOTE: A basic component, as defined in 10CFR21.3 means a plant structure, system, component or part thereof necessary to assure (i) the integrity of the reactor coolant pressure boundary, (ii) the capability to shut down the reactor and maintain it in a safe shutdown condition, or (iii) the capability to prevent or mitigate the consequences of accidents which could result in potential offsite exposures comparable to those referred to in 10CFR part 100). Since the procedure lacked adequate instructions for ensuring nuclear requirements were not invoked when 10CFR part 21 requirements were not imposed, six Okonite orders (Purchase Order Numbers 10450, 12403, 14107, 65603, 85303 and 97037) were placed imposing certification to Qualification Test Reports without imposing 10CFR part 21.

(2) Steps That Have Been Taken And The Results Achieved

In November 1987, this procedural problem was corrected. On November 9, 1987, UNT-8-001 was replaced with Nuclear Operations Engineering Procedure NOEP-004, "The Engineering Procurement Process". Step 5.1.3.2 of NOEP-004 requires the procurement engineer to draft procurement documents in accordance with Nuclear Operations Engineering Instruction NOEI-152, "Safety-Related Procurement Methods & Standard Technical & QA Statements." NOEI-152 (Revision 1 dated 9/8/87) provides guidelines and methods for Nuclear Operations Engineering personnel to use when specifying technical and quality requirements on safety-related procurement documents.

Section 5.2 of NOEI-152 describes the method used to obtain safety-related structures, systems, components, parts or services that are subject to unique design or specification requirements or that cannot be procured to the manufacturer's catalog or industry standards alone. This method applies to components ordered from The Okonite Company. Step 5.2.3 specifically states that procurement specifications shall invoke 10CFR part 21 on the supplier. To date, however, The Okonite Company still refuses to accept 10CFR part 21. Consequently, when such action from a supplier occurs, the basic component(s) being purchased will be identified in the order as commercial grade in accordance with Step 5.5.11 of NOEI-152. Items ordered from the Okonite Company have been since November, 1987 and will continue to be purchased as commercial grade.

(3) Corrective Steps Which Will Be Taken To Avoid Further Violations

NOEI-152, as described above, provides adequate instruction to prevent recurrence of a similar type of violation in the future.

(4) Date When Full Compliance Will Be Achieved

LP&L is currently in full compliance.

VIOLATION NO. 8902-03

Failure to Follow Procedures

Criterion V of Appendix B to 10 CFR Part 50 and the licensee's approved quality assurance program description require that activities affecting quality shall be prescribed by and accomplished in accordance with documented instructions, procedures, or drawings, of a type appropriate to the circumstances.

Contrary to the above, the licensee failed to implement procedures as shown in the following examples:

- o Contrary to Section 5.7.7 in Procedure NOEI-152, Revision 1, the licensee failed to identify shelf life requirements in Purchase Order WPO16013 for Buna-N parts.
- o Contrary to Section 5.4.3.2 in Procedure UNT-7-021, Revision 1, the licensee failed to update at least five vendor technical manuals to incorporate data to support replacement AGASTAT relays installed during Modification SM 1701.
- o Contrary to Section 5.2.1.4 in Procedure UNT-8-001, the licensee failed to properly dedicate commercial grade replacement electrical resistors which had been procured on Purchase Order W117408.

This is a Severity Level IV violation.

RESPONSE

(1) Reason For The Violation

The root cause for examples one and three cited in the violation is personnel error. (Note: LP&L denies that example two is a violation of failing to follow procedures. A discussion of the basis for denial is provided on pages 8 and 9.)

Example 1

Nuclear Operations Engineering Instruction NOEI-152, "Safety-Related Procurement Methods & Standard Technical & QA Statements," provides guidelines and methods for specific technical and quality requirements on safety-related procurement documents and for dedicating commercial grade items for safety-related use during the procurement process. Step 5.7.7 of NOEI-152 states that "Other requirements may be noted as part of the Procurement Documents to identify the need for...shelf life..." Using this guidance provided in NOEI-152, a procurement engineer generated a purchase order (P.O. WPO16013) to order seal kits for ASCO solenoid valves on the diesel generator. The Kits contained Buna-N (Butadine/Acrylonitrile) items which have a limited shelf life. (Note: Limited shelf life items are those that have a shelf life of less than 40 years). Based on this information and in accordance with Step 5.7.7 of NOEI-152, shelf life data for the Buna-N items should have been but was not included on the purchase order.

Example 3

Plant Administrative Procedure UNT-7-021 (Revision 4), "Spare Parts Equivalency Evaluation Report (SPEER)/Parts Quality Level Determination (PQD)," provided the methods used to process either a SPEER or a PQD. A SPEER would be used to determine whether a spare or replacement part, not of original design or having a technical difference, is acceptable for use in the original application. A PQD would be used to determine the quality requirements of a part when the quality level is unknown and to provide for the dedication of such commercial grade items in a safety-related application after the quality level has been determined. Plant Administrative Procedure UNT-8-001, "Processing of Procurement Documents," described the methods used by plant personnel from 1979-1987 to initiate procurement documents for plant station modifications, spare and replacement components, subcomponents, parts, material, tools and services required to support plant operations.

Using the guidance provided in UNT-7-021 and UNT-8-001, a purchase order (P.O. W-11794-K) was generated to order thirty replacement electrical resistors. Step 5.1.10 of UNT-7-021 stated that a PQD shall not be required for the use of like for like commodity type items for non-code application or where the code or standard does not specify code material. Since the replacement resistors were like for like commodity type items, the parts were ordered as Commercial Grade (QC-3), and in accordance with step 5.1.10 of UNT-7-021, no PQD was performed. Although this action appeared to be appropriate, it was in direct conflict with step 5.2.1.4 of UNT-8-001 which stated:

"a SPEER/PER (project evaluation request) shall be initiated for all parts or components for use in a safety-related system determined to be 'Commercial Grade' (QC-3) except those items previously approved and included in Reference 2.16 (UNT-7-003, "Control of Expendable Material"), 2.26 (UNT-5-007, "Plant Lubrication Programs"), 2.27 (RAN 457001798, "Plant Expendable Materials Manual") or other approved engineering design or design change documents."

Consequently, the ordered parts were designated as Commercial Grade without the proper dedication. Two of the thirty resistors (under Work Authorization 01017698 and Condition Identification 255518) were installed in a position indicator as a like for like replacement. (NOTE: Post installation tests had been performed to ensure that the indicator operated properly.)

(2) Corrective Steps That Have Been Taken And The Results Achieved

Example 1

A Quality Notice (QN QA-89-009) was issued on 1/13/89 to formally address and track the corrective actions for the procedural violation.

Procurement Engineers, including the individual responsible for the procedural violation, were required to review the quality notice and were instructed to impose shelf life requirements on all orders for items that have a limited shelf life.

The Waterford 3 Materials Management Information System was updated to reflect a five year shelf life for the Buna-N items.

Example 3

A Quality Notice (QN QA-89-004) was issued on 1/13/89 to formally address and track the corrective actions for the procedural violation.

On November 9, 1987, UNT-8-001 was replaced with Nuclear Operations Engineering Procedure NOEP-004, "The Engineering Procurement Process." NOEP-004 addresses commercial grade procurement in greater detail than did UNT-8-001. To ensure consistency with NOEP-004, UNT-7-021 has been revised. In particular, the exemption regarding commodity type items, Step 5.1.10 of UNT-7-021, has been deleted.

The twenty-eight resistors remaining in the warehouse were downgraded to non-safety (QC-2). This action will require that a PQD be performed before the resistors are used in a safety-related application. The two resistors that were installed in the plant were evaluated in accordance with NOEP-004, Section 4.4.3, and NOEI-152, Section 5.5 and found to be acceptable for their intended use.

(3) Corrective Steps Which Will Be Taken To Avoid Further Violations

Example 1

NOEI-152 will be revised to insure that shelf life requirements are imposed on orders for items having a limited shelf life.

An overall program will be established to ensure that shelf life controls are consistently applied in the appropriate plant procedures. A review of items in stores will be done to identify and correct other shelf life data deficiencies. (This effort will be tracked under quality notice QN QA-89-071 dated 3/17/89).

Example 3

Based on the corrective actions that have been taken for this example, further violations of this type should be prevented.

(4) Date When Full Compliance Will Be Achieved

Example 1

Revision to Procedure NOEI-152 will be completed by July 1, 1989. The stores review is expected to be completed by December 31, 1989, at which time LP&L will be in full compliance.

Example 3

LP&L is currently in full compliance.

Basis for Denying Example Two of Violation 8902-03

LP&L denies that Section 5.4.3.2 of UNT-7-021 was violated since the applicable technical manuals were updated. Subsequent to the citing of this apparent violation during an NRC Exit Meeting, LP&L immediately generated a quality notice (QN QA 89-005) to document the finding and address its root cause. Based on a review of Station Modification (SM) No. 1701 and its associated documentation, LP&L determined that the manuals had been adequately updated and no further action was necessary. Consequently, the QN was dispositioned as invalid. The following information substantiates this position.

Using the guidance provided in Plant Administrative Procedure UNT-7-021, Revision 1, "Spare Parts Equivalency Evaluation," Spare Parts Equivalency Evaluation Report (SPEER) No. 85-231 was generated to support the replacement of Commercial Grade Agastat Relays with Class 1E Agastat Relays. Step 5.4.3.2 of UNT-7-021 (Revision 1) required that changes to documents affected by the SPEER are to be initiated in accordance with Procedure PE-2-006, "Plant Engineering Station Modification." Accordingly, SM 1701 was initiated to update the design documents associated with SPEER 85-231. During the processing of SM 1701, evaluations were requested and performed to document the known differences between and applications of the Agastat 7000 Series Relays (commercial grade) and the E7000 Series Relays (1E grade). In general these evaluations (Reference Project Evaluation Requests 60312, 60536 and 70520) concluded that although the 7000 Series Relays were no different from the E7000 Series Relays, the E7000 Series should be used for future replacements of Agastat Timing Relays.

The evaluations became part of the SM 1701 package. Also included in the SM Package was LP&L's documented actions that were taken to use the E7000 Series Relays to replace E7000 or 7000 Relays in safety-related applications. The following actions were taken:

1. ME-7-005, "Time-Delay Relay Setting Check, Adjustment and Functional Test," was revised to require that emergency diesel generator (EDG) agastat relays in safety-related (SR) applications be replaced by SR (E Series) relays. This procedure also requires that E Series relays be replaced every 10 years from date of manufacture. The Waterford 3 Plant Preventive Maintenance Program was revised to include this replacement frequency.
2. Maintenance history was reviewed on both EDGs to verify that no unqualified relays were installed as replacements. This review revealed that only two agastat relays were replaced and both were replaced by safety-related relays.

Based on the above information, the following notice (Reference LP&L Letter No. W3E86-0260 dated 11/3/86) was placed in each of the applicable manuals:

This notice serves to accommodate the recent policy of Amerace Corp. to provide Agastat relays for safety-related applications with the "E" prefix designation.

Agastat 7000 series relays qualified by Amerace Corporation for Nuclear application have model numbers with an "E" prefix.

Part number design discrepancies may exist where agastat relays are shown in a particular design drawing that do not have the "E" prefix where in fact the corresponding field installed relay may now have the "E" designation. Conversely, a field installed relay may be found to be an Agastat relay qualified by a subvendor (instead of Amerace) and found to not be from a subgrade batch of commercially produced relays, that do not have the "E" prefix, in certain applications.

Further information may be obtained from checking the responses to PEIR 70520, PEIR 60312, and PEIR 60536.

The applicable manuals that were updated with this information were: Technical Manuals 457000005, Volume 1 (R [Revision] 0); 457000212 (R2); 457000225, Volume 4 (R1); 457000238 (R0); 457000281 (R5); 457000854 (R1) and 457001225, Volume 3 (R8). (Note: Technical Manual 457000106 was originally listed in SM 1701 as requiring an update, but a revision to this manual was not actually required as indicated on an Engineering Review Comment Resolution Form.)

On January 13, 1989, QN QA-89-005 was issued to address the apparent procedural violation of not updating the noted manuals. After a review of the information contained in SPEER 85-231, SM 1701 and the applicable Technical Manuals, the QN was dispositioned as invalid. (Note: In addition to the manuals stated above, Technical Manuals 457000291 (R0) and 4570002146 (R1) had been included in the QN as needing an update. Both manuals were determined to be not applicable to the issue.)

Consequently, LP&L believes that the appropriate Technical Manuals were adequately updated in accordance with UNT-7-021. Therefore, in light of the information provided above, LP&L requests that this example be reevaluated.