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 Writer's Direct Dial Number:

June 30, 1989

Director
 Office of Enforcement
 U. S. Nuclear Regulatory Commission
 Attn: Document Control Desk
 Washington, DC 20555

Dear Sir:

Subject: Oyster Creek Nuclear Generating Station
 Docket No. 50-219
 Response to Notice of Violation
 and Proposed Imposition of Civil Penalty

Your letter dated June 2, 1989 transmitted a Notice of Violation and Proposed Imposition of Civil Penalty regarding the environmental qualification of equipment at Oyster Creek Nuclear Generating Station. In accordance with 10 CFR 2.201, enclosed is GPU Nuclear's response to the Notice of Violation.

It should be noted that the violations are based on inspections in late 1985 and early 1986. Consequently, they reflect the environmental qualification (EQ) program as it existed in early 1986. GPU Nuclear believes the program has been considerably improved since that time. As indicated in the Response, corrective actions necessary for full compliance for each violation identified by the Notice were completed by the second quarter of the calendar year 1988. We believe that the steps already taken since 1985 (i.e., reorganization of the GPU Nuclear EQ group with new leadership, establishment of improved guidelines for EQ documentation and the increased attention by GPU Nuclear engineers and management on EQ matters) will ensure our continued compliance with NRC regulatory requirements.

Also enclosed is a check payable to the Treasurer of the United States in the amount of fifty thousand dollars (\$50,000) for the civil penalty assessed. GPU Nuclear appreciates the NRC's recognition of mitigation factors which were based on our actions.

*IE14 w/ check # 371903
 \$50,000
 7042526878*

P. R. Clark

P. R. Clark
 President

SWORN AND SUBSCRIBED BEFORE ME

ON THIS 30th DAY OF June, 1989

Bethann Carley

PRC/crb
 Attachment
 (cc's on next page)
 8907100062 890630
 PDR ADOCK 05000219
 Q FDC

cc: Regional Administrator
Region I
U. S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

Resident Inspector
Oyster Creek Nuclear Generating Station

Mr. Alex Dromerick
U.S. Nuclear Regulatory Commission
Mail Station P1-137
Washington, DC 20555

NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTY

I. EQ CATEGORY C VIOLATION

10 CFR 50.49 (f), and (j), respectively require that (1) each item of electric equipment important to safety shall be qualified by testing and/or analysis of identical or similar equipment, and the qualification based on similarity shall include a supporting analysis to show that the equipment to be qualified is acceptable; and (2) a record of the qualification shall be maintained in an auditable form to permit verification that each item of electrical equipment important to safety is qualified and that the equipment meets the specified performance requirements under postulated environmental conditions.

Contrary to the above, from November 30, 1985, until approximately March 27, 1986, the qualification of sixteen Namco (Model EA740) limit switches (associated with the four Main Steam Isolation Valves, and used as inputs to the Reactor Protection System and the Primary Containment Isolation System) was not established in that required moisture seals were not installed, and there was no analyses or testing performed to demonstrate that the switches were qualified without the moisture seals.

This is a Category C violation.

Civil Penalty - \$50,000

II. SEVERITY LEVEL IV VIOLATION

10 CFR 50.49 (f), and (j), respectively require that (1) each item of electric equipment important to safety shall be qualified by testing and/or analysis of identical or similar equipment, and the qualification based on similarity shall include a supporting analysis to show that the equipment to be qualified is acceptable; and (2) a record of the qualification shall be maintained in an auditable form to permit verification that each item of electrical equipment important to safety is qualified and that the equipment meets the specified performance requirements under postulated environmental conditions.

Contrary to the above, at various times after November 30, 1985, certain environmental qualification files did not include the required documentation to demonstrate environmental qualification of the related equipment, as evidenced by the following examples.

1. As of March 27, 1986, the qualification of six PVC tape splices, associated with six high drywell pressure switches and used to actuate the Containment Spray, Core Spray and Auto Depressurization Systems was not established in that documentation set forth in the file did not demonstrate that the equipment functional performance requirements were met.

Specifically, the insulation resistance requirements were not addressed;

2. As of March 27, 1986, the qualification of the Namco (Mode D 1200G) limit switch (located in the Reactor Building and associated with valve V-23-18) was not established in that there was no analysis to justify that the limit switch would perform its intended function for specified functional performance requirements, specifically, a 100% relative humidity environment;
3. As of March 27, 1986, the qualification of Rockbestos Firewall III SIS Cables used at the facility was not established in that severe cable degradation which occurred during the qualification test was not adequately addressed in the EQ file, and functional performance criteria were not established and compared to the measured parameters during the type test; and,
4. As of December 5, 1985, the qualification of four Stanwick Electric Type SLS Terminal Blocks (associated with the RE-23A, B, C, and D main steam line low pressure switches) was not established in that a qualification file did not exist to verify that the terminal blocks would perform their intended function during postulated environmental conditions.

This is a Severity Level IV violation.

Response to Notice of Violation

I. EQ Category C Violation

GPU Nuclear concurs with the violation as stated. This violation was the result of an error in judgement regarding the adequacy of the switch to survive under harsh environmental conditions, based upon the existing test data. At the October 20, 1988 enforcement conference with the NRC, GPU Nuclear provided an extensive discussion regarding this issue.

Corrective Steps/Results Achieved

GPU Nuclear took prompt action to seal all sixteen NAMCO (Model EA 740) limit switches associated with the four Main Steam Isolation Valves during the 11R outage which began on April 12, 1986. The EQ file was revised to reflect these changes prior to restart from that outage, thereby achieving compliance with 10CFR50.49 (f) and (j).

Corrective Steps to Avoid Further Violation

The evaluation in question was part of a file that was developed in 1984. Since that time there has been increased management attention within GPU Nuclear to the generation and maintenance of EQ files with particular emphasis on auditability and clarity as required by 10CFR50.49. Guidelines have been established to focus attention on evaluating equipment interfaces, i.e. moisture seals, that are required for qualification. This effort as well as the increased awareness by GPU Nuclear to the EQ program should ensure future compliance.

Date of Full Compliance

Corrective actions necessary for full compliance were completed by September 12, 1986.

II. Severity Level IV Violation

GPU Nuclear concurs with the violation as stated. This violation reflects the state of the EQ program and files as they existed prior to complete implementation of the reorganized and improved EQ program. The root causes of this violation were inadequacies in the following areas: a) prioritization of GPU Nuclear resources, b) understanding of NRC requirements by the EQ Group and c) supervision of the EQ Group by management. Based upon recent inspections by NRC Regional Inspectors, on April 25 through 26, 1989 and May 8 through 12, 1989, it was concluded that all the issues identified in this violation have been satisfactorily addressed.

With respect to the terminal blocks for the RE-23 pressure switches, GPU Nuclear shares the NRC's concern about the accuracy of information provided to the NRC by the GPU Nuclear Manager of EQ during the telephone call on December 5, 1985. However, GPU Nuclear agrees with the Office of Investigations' conclusion that the EQ Manager did not knowingly or intentionally provide inaccurate information. GPU Nuclear did not know until after the telephone call that Stanwick terminal blocks were in use with the RE-23 pressure switches. Because a TMI-1 file on Stanwick terminal blocks was available at GPU Nuclear headquarters, within a matter of hours GPU Nuclear had reasonable assurance that the blocks could perform their safety function. On December 6, 1985, GPU Nuclear documented the conclusion that the Stanwick terminal blocks were operable and qualifiable, and on December 13, 1985, completed the EQ file for Stanwick terminal blocks.

Corrective Steps/Results Achieved

GPU Nuclear took prompt action to address the four items in this violation. One of those items, qualification of four Stanwick Terminal Blocks, was reviewed by your staff and found acceptable in March 1986 (see paragraph 4.F(7) of Inspection Report 86-08). The corrective steps for the remaining (3) three issues were documented in GPU Nuclear's letter of January 8, 1987 and these actions have been completed. As a result these four items are in compliance with 10CFR50.49 (f) and (j).

Corrective Steps to Avoid Further Violations

These items were originally evaluated prior to complete implementation of the reorganized and improved EQ program. Since that time within GPU Nuclear there has been increased Management attention to the EQ program and steps have been taken which include:

- (1) A new and improved, dedicated staff and leadership for the EQ program.
- (2) Augmented management attention to the EQ program.
- (3) New guidelines were established to upgrade the format and technical depth of the EQ files to include industry understanding of EQ documentation and to improve clarity, consistency and structure.

These corrective steps should ensure future compliance.

Date of Full Compliance

Corrective actions necessary for full compliance were completed by April 30, 1988.