



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

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Docket No. 50-346
License No. NPF-3
EA 85-107

DEC 13 1985

Toledo Edison Company
ATTN: Mr. John P. Williamson
Chairman and Chief
Executive Officer

Edison Plaza
300 Madison Avenue
Toledo, OH 43652

Gentlemen:

This refers to the report of the NRC Team sent to Davis-Besse by the NRC Executive Director for Operations as a result of the loss of main and auxiliary feedwater event on June 9, 1985 and the inspections conducted by the Region III staff during the period March 26 - September 9, 1985 of activities authorized by NRC Operating License No. NPF-3 for the Davis-Besse Nuclear Power Station. As a result of these efforts, violations of NRC requirements were identified. The results of the inquiry by the NRC Team were published in July 1985 in NUREG-1154, "Loss of Main and Auxiliary Feedwater Event at the Davis-Besse Plant on June 9, 1985." This June 9, 1985 loss of feedwater event at the Davis-Besse facility is significant because a safety system designed to prevent or mitigate a serious safety event did not perform its intended safety function when actually called upon to work. By the time the event ended (approximately 30 minutes after it began), there had been 12 malfunctions of major components or subsystems.

Item I described in the enclosed Notice of Violation and Proposed Imposition of Civil Penalties involves two violations which resulted in the failure of a major safety system to perform its intended safety function when it was actually called upon to work on June 9, 1985. The violations described in Item I resulted from the failure of your staff to identify that torque switch bypass settings for certain safety-related motor-operated valves were improper and that the auxiliary feedwater pump turbines would not operate properly with steam supplied through the crossover steam piping. Both of these conditions prevented the auxiliary feedwater system from performing its intended safety function when actually called upon to work.

Item II described in the Notice includes six separate violations involving failures in your maintenance, testing, training, analysis, and corrective action programs which led to the June 9, 1985 event. Some of these failures resulted from inadequate preoperational and surveillance test procedures, inadequate maintenance procedures, and your failure to follow those procedures that were adequate.

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RETURN RECEIPT REQUESTED

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Item III described in the Notice involve generic problems related to maintenance and troubleshooting identified separately from the June 9 event. Item III includes a violation of a Technical Specification Limiting Condition for Operation caused by improper wiring of an auxiliary feedwater flow rate instrument. This condition existed from April 13 to June 2, 1985. The other violation involves an example of a failure to follow procedures and an inadequate procedure for performing safety-related activities.

Item IV described in the Notice involves violations related to your failure to verify that hanger installations were carried out in conformance with design drawings. When substantial defects were identified by your Davis-Besse site staff during March and April 1985 in the Auxiliary Feedwater Pump Turbine Steam Supply hangers, your staff used sketches instead of nonconformance reports as required to report these deficiencies and failed to adequately assess individual and collective hanger failures to ensure adequate evaluation of the root cause of the problem. In addition, your failure to report to the NRC within 30 days the total extent of degradation of the piping system after you became aware of these failures is also described.

The NRC Team concluded that "the underlying cause of the loss of main and auxiliary feedwater event of June 9, 1985 was the licensee's lack of attention to detail in the care of plant equipment. The licensee has a history of performing troubleshooting, maintenance and testing of equipment, and of evaluating operating experience related to equipment in a superficial manner and, as a result, the root causes of the problems are not always found and corrected." The NRC Team further stated that, "Engineering design and analysis effort to address equipment problems has frequently either not been utilized or has not been effective."

Over the past two years, the NRC has directed considerable time and resources toward improving the regulatory performance at the Davis-Besse facility. This increased attention by the NRC staff was initiated as a direct result of prior poor performance by Toledo Edison Company concerning activities at Davis-Besse. Your poor performance resulted in the issuance of a Category 3 rating for Maintenance activities in the Systematic Assessment of License Performance (SALP) period. Frequent management meetings were also held to discuss and emphasize the need for improved regulatory performance. This included three separate meetings between senior NRC management and the Chief Executive Officer of Toledo Edison Company during the seven month period preceding the event. In addition, the NRC took escalated enforcement action in November 1984 for violations related to a breakdown in Toledo Edison Company's management control system. That enforcement action resulted in the proposal of a \$90,000 civil penalty. Another \$100,000 civil penalty was proposed in July 1985 for violations involving the licensee's failure to properly control plant activities, effectively communicate, identify root causes of problems, and take adequate corrective actions - based on issues which took place prior to the June 9, 1985 event.

Although the Toledo Edison Company has initiated corrective actions for the specific findings referenced above, and has continued working on a Performance Enhancement Program, the equipment failures that occurred during the June 9,

1985 event and the violations identified in the attached Notice indicate that its corrective actions were ineffective in precluding this event. These problems apparently stemmed from a long history of ineffective and inadequate management attention and direction over the operation and maintenance of the Davis-Besse facility.

The NRC staff acknowledges that since the June 9, 1985 event, the licensee has taken significant initiatives to correct the problems identified in the Notice of Violation. However, to emphasize the seriousness with which the NRC views the occurrence of these violations and to ensure that the Toledo Edison Company maintains an effective and aggressive management system to prevent such violations and their adverse consequences to public health and safety, the NRC is proposing extraordinary enforcement actions. Accordingly, I have decided, after consultation with the Commission, to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalties in the amount of Nine Hundred Thousand Dollars (\$900,000) for the violations set forth in the enclosed Notice. These violations have been categorized in accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1985).

The two violations described in Item I and the six violations in Item II have been categorized collectively as a Severity Level I problem because they resulted in the failure of the auxiliary feedwater system to perform its intended safety function when actually called upon to work on June 9, 1985. The base civil penalty for a Severity Level I violation is \$100,000. However, as the NRC intends to apply its full enforcement authority as a result of this serious breakdown in management controls, the statutory limit of \$100,000 per violation is being proposed for these eight violations.

The two violations in Item III have been categorized as a Severity Level III problem. The base civil penalty for a Severity Level III violation or problem of \$50,000 is being proposed. The violations in Item IV have been categorized as a Severity Level III problem and the base civil penalty of \$50,000 is also being proposed.

You are required to respond to the enclosed Notice, and you should follow the instructions specified therein when preparing your response. Your response should specifically address the corrective actions you will take or have taken to increase management attention and direction over the operation and maintenance of the Davis-Besse facility. You may reference previous correspondence in your response. Your reply to this letter and the results of future inspections will be considered in determining whether further enforcement action is warranted.

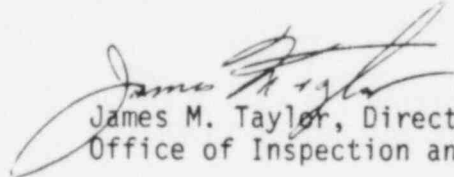
In accordance with 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and its enclosure will be placed in the NRC Public Document Room.

Toledo Edison Company

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The responses directed by this letter and the enclosed Notice are not subject to the clearance procedure of the Office of Management and Budget, as required by the Paperwork Reduction Act of 1980, PL 96-511.

Sincerely,


James M. Taylor, Director
Office of Inspection and Enforcement

Enclosure:
Notice of Violation and
Proposed Imposition of
Civil Penalties

cc w/enclosure:
L. Storz, Plant Manager