



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION III  
801 WARRENVILLE ROAD  
LISLE, ILLINOIS 60532-4351

March 12, 1999

EA 99-002

Mr. M. E. Reddemann  
Site Vice President  
Point Beach Nuclear Plant  
6610 Nuclear Road  
Two Rivers, WI 54241

SUBJECT: POINT BEACH INSPECTION REPORT 50-266/99004(DRP)

Dear Mr. Reddemann:

On February 22, 1999, the NRC completed a special inspection at your Point Beach Unit 1 reactor facility. The purpose of the inspection was to examine the circumstances associated with the identification of an ice-induced flow blockage in the normal minimum flow path for the two safety injection (SI) pumps. The enclosed inspection report presents the results of that inspection.

On January 5, 1999, the NRC identified that SI system operability could be affected by a degraded material condition in the facade freeze protection (FF) system for which your staff had initiated a work order on December 22, 1998. Your staff followed up on this concern and identified that the normal minimum flow recirculation line from the discharge of the two SI pumps to the refueling water storage tank was blocked. Following the identification of the flow blockage, your staff's short- and intermediate-term corrective actions were generally considered appropriate, with one exception described below. As the result of detailed tests and evaluations performed subsequent to this event, your staff determined that the SI system was not rendered inoperable by the ice blockage. However, your staff's operability conclusion was based upon the structural failure of low pressure system boundary valves that were not designed to fail. The design and licensing basis does not credit the structural failure of low pressure system boundary valves to ensure that an emergency core cooling system is operable.

On January 8, 1999, the NRC identified that your staff response to another FF system alarm was focused on the wrong pipe. In discussing this issue with your staff, the inspectors were informed that the FF system operating procedure was known to contain inaccurate and incomplete information, in part because of the failure to update the procedure following a FF system modification. Only after discussion with the inspectors did your staff update the FF system operating procedure to more accurately reflect the known discrepancies.

Numerous other program and performance weaknesses were identified by the NRC inspectors. These findings were consistent with the preliminary findings of your event investigation team. Examples of the weaknesses included the failure to adequately maintain the material condition

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of the FF system, the failure to provide adequate engineering design and installation drawings for the FF system, and the failure to establish minimum operability criteria for the FF system prior to the onset of cold weather.

Based on the results of this inspection, the NRC has determined that one violation of NRC requirements occurred. This violation is being treated as a Non-Cited Violation, consistent with Appendix C of the Enforcement Policy. The NCV is described in the subject inspection report. If you contest the violation or severity level of the NCV, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington D.C. 20555-0001, with copies to the Regional Administrator, Region III, and the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, D.C. 20555-0001

In addition, one apparent violation was identified and is being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600. This apparent violation involves the failure of your staff to take prompt corrective action on December 22, 1998, when they received an alarm indicating that a safety-related pipe was at a temperature near freezing. As described above, the potential safety significance of this condition was not recognized until the NRC intervention on January 5, 1999. Accordingly, no Notice of Violation is presently being issued for this inspection finding. In addition, please be advised that the number and characterization of the apparent violation described in the enclosed inspection report may change as a result of further NRC review.

An open predecisional enforcement conference to discuss this apparent violation has been scheduled for March 26, 1999, at 9:00 a.m. (CST), in the NRC Region III Office in Lisle, Illinois. The decision to hold a predecisional enforcement conference does not mean that the NRC has determined that a violation has occurred or that enforcement action will be taken. This conference is being held to obtain information to enable the NRC to make an enforcement decision, such as a common understanding of the facts, root causes, missed opportunities to identify the apparent violation sooner, corrective actions, significance of the issues and the need for lasting and effective corrective action. In particular, we expect you to discuss: 1) the test on the diaphragm valve, including the methodology used and why the test is bounding, from which you concluded that the safety injection system remained operable, 2) operator performance, including the decision-making process, involved with the response to the low temperature alarm on December 22, 1998, and 3) the process used to classify the freeze protection system as nonsafety-related and to establish the maintenance and operational controls (e.g., how are failures evaluated for the effect on safety-related components/systems). In addition, this is an opportunity for you to point out any errors in our inspection report and for you to provide any information concerning your perspectives on: 1) the severity of the violation, 2) the application of the factors that the NRC considers when it determines the amount of a civil penalty that may be assessed in accordance with Section VI.B.2 of the Enforcement Policy, and 3) any other application of the Enforcement Policy to this case including the exercise of discretion in accordance with Section VII.

You will be advised by separate correspondence of the results of our deliberations on this matter. No response regarding the apparent violation is required at this time.

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

Sincerely,

/s/ Marc L. Dapas

Marc L. Dapas, Deputy Director  
Division of Reactor Projects

Docket No.: 50-266  
License No.: DPR-24

Enclosure: Inspection Report 50-266/99004(DRP)

cc w/encl: R. Grigg, President and Chief  
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**\*See previous concurrences**

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