

DCS

June 2, 1989

Docket No. 50-219  
License No. DPR-16  
EA 88-203

GPU Nuclear Corporation  
ATTN: Mr. P. R. Clark  
President  
Oyster Creek Nuclear Generating Station  
P. O. Box 388  
Forked River, New Jersey 08731

Gentlemen:

Subject: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY  
(NRC Inspection Report Nos. 50-219/85-39 AND 50-219/86-08, and  
NRC Office Of Investigation Synopsis I-87-006)

This refers to the NRC inspection conducted on December 2-6, and 19, 1985 and March 24-27, 1986 to review the program for the environmental qualification (EQ) of equipment at the Oyster Creek Nuclear Generating Station. The inspection reports were sent to you on February 14, 1986 and August 8, 1986. During the inspections, violations of NRC requirements were identified, including violations identified by your staff. The violations involve the lack of qualification of certain items of electric equipment.

This also refers to the investigation conducted by the NRC Office of Investigations (OI) regarding a inaccurate statement made by the GPU Manager of EQ during a conference call with the NRC on December 5, 1985. The inaccurate statement concerned the type of terminal block in place in the control circuit of certain pressure switches associated with the main steam isolation valves. The synopsis of the OI Report was sent to you on September 16, 1988.

On October 20, 1988, an enforcement conference was conducted with Mr. E. E. Fitzpatrick, Mr. R. F. Wilson, and other members of your staff to discuss the significance and extent of the violations, their causes and the corrective actions taken or planned, as well as the circumstances surrounding the inaccurate statement and the actions taken or planned to prevent recurrence. Further, the enforcement considerations set forth in Generic Letter 88-07 were also considered.

One of the violations, which is described in Section I of the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice), included the failure to maintain, for an item of electric equipment, a complete file of documentation to demonstrate that the item was qualified to perform its intended function during postulated environmental conditions. This item, which was identified by the NRC, involved sixteen limit switches associated with the Main Steam Isolation Valves. These switches, which provide inputs to the Reactor Protection System and the Primary Containment Isolation System,

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were unqualified in that they did not have the required moisture seals installed, and the documentation in the qualification file did not support qualification without these seals.

This deficiency clearly should have been known and corrected by you prior to November 30, 1985, which was the deadline for being in compliance with the EQ requirements. You chose to install these components without the moisture seals which had been used by the manufacturer to demonstrate qualification. In this case, the equipment qualification test report clearly assigns responsibility to the customer to prevent the intrusion of the hostile environment through the conduit entrance. With regard to your argument that the installed condition would have precluded moisture intrusion, the NRC staff concludes that the installed configuration was so different from that qualified by the vendor that qualification could not be demonstrated without proper testing and analysis.

This violation demonstrates that sufficient attention was not provided to the EQ program at Oyster Creek prior to November 30, 1985, as evidenced by inadequate consideration of vendor installation information, and inadequate quality control of these activities. Accordingly, I have been authorized, after consultation with the Director of Enforcement, the Deputy Executive Director for Nuclear Materials Safety, Safeguards and Operations Support, and the Commission to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Enclosure 1) in the amount of Fifty Thousand Dollars (\$50,000) for the violation described in Section I of the enclosed Notice. In accordance with the "Modified Enforcement Policy Relating to 10 CFR 50.49," contained in Generic Letter 88-07 (Enclosure 2), the violation described in Section I of the enclosed Notice has been determined to be isolated affecting one system and a few components, and therefore, is considered to be an EQ Category C violation. The base value of a civil penalty for an EQ Category C violation is \$75,000.

In determining the civil penalty amount, the NRC considered the four factors set forth in the "Modified Enforcement Policy Relating to 10 CFR 50.49", for escalation and mitigation of the base civil penalty amount. These factors consist of (1) identification and prompt reporting of the EQ deficiencies ( $\pm 50\%$ ); (2) best efforts to complete EQ within the deadline ( $\pm 50\%$ ); (3) corrective actions to result in full compliance ( $\pm 50\%$ ); and (4) duration of a violation which is significantly below 100 days ( $-50\%$ ).

With respect to the first factor, 50% escalation is appropriate since the violation was identified by the NRC. With respect to the second factor, 50% mitigation is appropriate, notwithstanding the failure to detect the limit switch installation deficiency and a number of less significant concerns, because your voluntary shutdown of the reactor for one month prior to November 1985 demonstrated best efforts to comply with the EQ requirements within the deadline. With respect to the third factor, 50% mitigation is appropriate since your corrective actions, upon identification, were both prompt and extensive. With respect to the fourth factor, mitigation is inappropriate since this EQ violation existed in excess of 100 days. Therefore, on balance, 50% mitigation of the base civil penalty is appropriate. However, in accordance with Section IV.B of the Enclosure to Generic Letter 88-07, the minimum civil penalty of \$50,000 is being assessed.

In addition to the violation assessed a civil penalty, we are also issuing a Severity Level IV violation for several other items that were found to be unqualified at the time of the inspection. Since the NRC finds that the licensee was able to demonstrate these items as qualified or qualifiable within a reasonable period after identification, classification of this violation at Severity Level IV is appropriate.

In addition to these EQ deficiencies, the NRC is also concerned about the inaccurate information provided to the NRC by the GPUN Manager of EQ during the telephone call on December 5, 1985. The GPUN Manager of EQ informed the NRC, during that telephone call, that either GE, States, or Weidmuller Terminal Blocks were in place in the control circuit of certain pressure switches associated with the main steam isolation valves, and that any of the three types of terminal blocks were still environmentally qualified, despite the known deficiencies with the terminal boxes that housed those terminal blocks which were identified by your staff on November 26, 1985. This statement was, in fact, inaccurate since your staff determined, during a subsequent "walkdown" of the four terminal blocks involved on that date, that Stanwick Terminal Blocks were being used in these control circuits, and these Stanwick Terminal Blocks were not listed on the EQ Master List nor was there any documentation establishing the qualification of these terminal blocks. The NRC notes that such a statement could constitute a violation of the "accurate and complete information" requirement set forth in 10 CFR 50.9. However, a violation is not being cited in this case since the requirement set forth in 10 CFR 50.9 did not become effective until February 1, 1988. Nonetheless, we emphasize that any inaccurate information provided to the NRC in the future may result in a violation of 10 CFR 50.9 and escalated enforcement action.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with Section 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.

The responses directed by this letter and the enclosed Notice are not subject to the clearance procedures of the Office of Management and Budget, otherwise required by the Paperwork Reduction Act of 1980, Pub. L. No. 96-511.

Sincerely,

Original Signed By  
WILLIAM T. RUSSELL

William T. Russell  
Regional Administrator

See next page for enclosures and cc's.

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Enclosures:

1. Notice of Violation and Proposed Imposition of Civil Penalty
2. Generic Letter 88-07

cc:

M. Laggart, BWR Licensing Manager  
Public Document Room (PDR)  
Local Public Document Room (LPDR)  
Nuclear Safety Information Center (NSIC)  
NRC Resident Inspector (w/SGI)  
State of New Jersey

bcc w/encls:  
 Region I Docket Room (with concurrences)  
 Management Assistant, DRMA (w/o encl)  
 DRP Section Chief  
 Robert J. Boras, DRSS  
 SECY  
 H. Thompson, DEDS  
 J. Taylor, IEDR  
 J. Lieberman, OE  
 W. Russell, RI  
 T. Murley, NRR  
 S. Varga, NRR  
 D. Holody, RI  
 L. Chandler, OGC  
 T. Martin, DEDRO  
 Enforcement Officers, RII-III  
 Enforcement Officers, RIV-RV  
 F. Ingram, PA  
 J. Bradburne, CA  
 E. Jordon, AEOD  
 B. Hayes, OI  
 F. Herr, OIA  
 V. Miller, SLITP  
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*Rec'd by phone for RE 6/1. Commission concurred. To be issued 6/2 DJM*