ENCLOSURE 1

NOTICE OF VIOLATION

Union Electric Company
Callaway Plant

Docket No.: 50-483
License No.: NPF-30
EA No.: 97-469

During an NRC inspection conducted from August 18 through December 19, 1997, three violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, the violations are listed below:

A. 10 CFR 50.65(a)(1) states, in part, that holders of an operating license shall monitor the performance or condition of structures, systems, and components, as defined by 10 CFR 50.65(b), against licensee established goals, in a manner sufficient to provide reasonable assurance that such structures, systems, and components are capable of fulfilling their intended functions. When the performance or condition of a structure, system, or component does not meet established goals, appropriate corrective action shall be taken.

10 CFR 50.65(a)(2) states that the monitoring as specified in 10 CFR 50.65(a)(1) is not required where it has been demonstrated that the performance or condition of a structure, system, or component is being effectively controlled through the performance of appropriate preventive maintenance, such that, the structure, system, or component remains capable of performing its intended function. 10 CFR 50.65(c) states that, the requirements of this Section shall be implemented by each licensee no later than July 10, 1996.

Contrary to 10 CFR 50.65(a)(2):

1. As of July 10, 1996, the licensee failed to demonstrate that the reliability of the containment integrity function was assured by appropriate preventive maintenance on the containment isolation valves. The integrity function was not adequately monitored by the licensee's program because a maintenance rule functional failure of a containment isolation valve, due to test leakage, was not recognizable until the limit of 0.6 L_a imposed by Technical Specification 6.8.4.g was reached. Therefore, the ability of preventive maintenance to assure the reliability of the containment isolation valves to maintain the containment integrity function was not demonstrated because it did not allow for early detection of degradation.

2. As of July 10, 1996, the licensee failed to demonstrate that the performance or condition of nonsafety-significant systems and components, whose failure could impose a plant transient, was effectively controlled through the performance of

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appropriate preventive maintenance, in that the licensee had not demonstrated that adequate reliability measures were in place to assure that the structures, systems, and components remained capable of performing their functions identified in the licensee's Maintenance Rule Program. Specifically, the low pressure feedwater heaters and the heater drain pump mechanical seals were operated in a run to failure mode, without an evaluation to determine the consequences of their failure or degradation on plant safety.

This is a Severity Level IV violation (Supplement I) (50-483/9711-01).

B. 10 CFR 50.65(a)(1) states, in part, that holders of an operating license shall monitor the performance or condition of structures, systems, and components, as defined by 10 CFR 50.65(b), against licensee established goals, in a manner sufficient to provide reasonable assurance that such structures, systems, and components are capable of fulfilling their intended functions. When the performance or condition of a structure, system, or component does not meet established goals, appropriate corrective action shall be taken.

10 CFR 50.65(a)(2) states that the monitoring as specified in 10 CFR 50.65(a)(1) is not required where it has been demonstrated that the performance or condition of a structure, system, or component is being effectively controlled through the performance of appropriate preventive maintenance, such that, the structure, system, or component remains capable of performing its intended function. 10 CFR 50.65(c) states that, the requirements of this section shall be implemented by each licensee no later than July 10, 1996.

Contrary to 10 CFR 50.65(a)(2), the licensee failed to demonstrate that the performance of the following structures, systems, and components, that are within the scope of 10 CFR 50.65, had been effectively controlled through the performance of appropriate preventive maintenance activities. Specifically, the licensee did not adequately evaluate the failures of the equipment listed below such that the effectiveness of preventive maintenance was no longer demonstrated.

1. Essential Service Water Valve EFV0090 experienced a through-wall crack in the yoke on April 14, 1997.

2. High pressure safety injection pump miniflow recirculation Valve EMHV8814A failed to open while performing Surveillance OSP-EM-V001A on June 4, 1997.

3. Valve EMHV8814A was inadvertently closed and not immediately reopened during a functional check for troubleshooting on June 11, 1997.

This is a Severity Level IV violation (Supplement I) (50-483/9711-02).

C. 10 CFR 50.65(a)(1) states, in part, that holders of an operating license shall monitor the performance or condition of structures, systems, and components, as defined by 10 CFR 50.65(b), against licensee established goals, in a manner sufficient to provide reasonable assurance that such structures, systems, and components are capable of fulfilling their intended functions. When the performance or condition of a structure, system, or component does not meet established goals, appropriate corrective action shall be taken.

10 CFR 50.65(a)(2) states that the monitoring as specified in 10 CFR 50.65(a)(1) is not required where it has been demonstrated that the performance or condition of a structure, system, or component is being effectively controlled through the performance of appropriate preventive maintenance, such that, the structure, system, or component remains capable of performing its intended function. 10 CFR 50.65(c) states that, the requirements of this section shall be implemented by each licensee no later than July 10, 1996.

Contrary to 10 CFR 50.65(a)(2), as of July 10, 1996, the time that the licensee elected to not monitor the performance or condition of certain structures, systems, and components against licensee-established goals pursuant to the requirements of 10 CFR 50.65(a)(1), the licensee failed to demonstrate that the performance or condition of structures, systems, and components within scope of 10 CFR 50.65 had been effectively controlled through the performance of appropriate preventive maintenance in accordance with the requirements of 10 CFR 50.65(a)(2). Specifically, the licensee failed to establish adequate measures to evaluate the appropriateness of the performance of preventive maintenance on certain structures, systems, and components prior to placing them under Section (a)(2).

1. The licensee failed to demonstrate that the reactor protection system performance was adequately controlled through preventive maintenance or surveillance, in that, only unavailability due to corrective maintenance and not preventive maintenance or surveillance testing was evaluated. During periods of unavailability, while performing surveillance testing, the licensee relied on the expeditious restoration of systems and components and, therefore, did not evaluate them as unavailable. However, rapid restoration was not possible in all situations. Therefore, the licensee failed to demonstrate that the performance of safety-significant structures, systems, and components was effectively controlled by preventive maintenance because excessive unavailability would not assure that the structures, systems, or components would remain capable of performing their intended functions when they were impaired due to the performance of surveillance testing.

2. The licensee failed to demonstrate that the emergency diesel generator and the residual heat removal systems' performance were adequately controlled through preventive maintenance, in that, unavailability for these systems was only evaluated when the plant was in Mode 1. Without evaluating unavailability in other reactor modes (Modes 2-6) when the systems were required to be operable, the appropriateness of the preventive maintenance activities was not demonstrated to be effective because excessive unavailability would not assure that the systems remained capable of performing their intended functions.

This is a Severity Level IV violation (Supplement I) (50-483/9711-03).

Pursuant to the provisions of 10 CFR 2.201, Union Electric Company is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with a copy to the Regional Administrator, Region IV, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas 76011, and a copy to the NRC Resident Inspector at the facility that is the subject of this Notice, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

Because your response will be placed in the NRC Public Document Room (PDR), to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

Dated at Arlington, Texas
this 24th day of December 1997