

December 11, 2001

EA-01-248

Mr. Mano Nazar  
Site Vice-President  
Prairie Island Nuclear Generating Plant  
Nuclear Management Company, LLC  
1717 Wakonade Drive East  
Welch, MN 55089

SUBJECT: FINAL SIGNIFICANCE DETERMINATION FOR PRELIMINARY WHITE  
FINDING; (NRC INSPECTION REPORT 50-306/01-13) (PRAIRIE ISLAND  
NUCLEAR GENERATING PLANT, UNIT 2)

Dear Mr. Nazar:

The purpose of this letter is to provide you with the final results of our significance determination of the preliminary White finding identified in the subject inspection report. The inspection finding was assessed using the significance determination process and was preliminarily characterized as White, an issue with low to moderate increased importance to safety, which may require additional NRC inspections. This White finding involved the possible unavailability of the D6 emergency diesel generator (EDG) as a result of an incompatibility between the lubricating and fuel oils.

At your request, a Regulatory Conference was held on Tuesday, November 27, 2001, to further discuss your views on this issue. A copy of the handout you provided at this meeting is attached. During the meeting, your staff and consultants described your assessment of EDG availability, including the root cause evaluation, the significance of the finding, and the detailed corrective actions you had taken or planned to take.

Specifically, your assessment concluded that piston ring and cylinder wall degradation caused by the incompatibility between the EDG lubricating and fuel oils would not have prevented a combination of the D5 and D6 EDGs from operating for the 21-day minimum required in case of a flood. The fact that the EDGs only needed to operate between 45 percent and 48 percent of rated load during the limiting design basis accident also factored into this conclusion. In addition, you concluded from your probabilistic risk analysis that the degradation of the D6 EDG was not risk significant because of the ability to cross-tie to the Unit 1 D2 EDG. We have

reached a similar conclusion in our independent risk analysis following the Regulatory Conference. You have taken appropriate organizational and programmatic corrective actions based on the root cause evaluation of this issue and have performed an acceptable review of the other diesels onsite with respect to the extent of the lubricating oil and fuel oil incompatibility condition.

No problems with any other diesels were identified. Finally, at the Regulatory Conference you agreed to submit a revision of Licensee Event Report (LER) 2-01-03, pertaining to the potential inoperability of the EDGs, to include pertinent information that became available to you after the LER was originally submitted and to clarify information in the original LER. The revision to LER 2-01-03 will be reviewed by the resident inspectors as part of a baseline inspection.

After considering the information developed during the inspection, and that provided in LER 2-01-03, dated July 9, 2001; the letter from you dated November 20, 2001; and at the Regulatory Conference, the NRC has concluded that the inspection finding is appropriately characterized as Green, an issue with very low safety significance.

You have 10 business days from the date of this letter to appeal the staff's determination of significance for the identified finding. Such appeals will be considered to have merit only if they meet the criteria given in NRC Inspection Manual Chapter 0609, Attachment 2.

The NRC has also determined that the failure to promptly identify and correct a condition adverse to quality regarding the incompatibility between the fuel oil and lubricating oil in the D5 and D6 EDGs was a violation of Criterion XVI, "Corrective Action," of 10 CFR Part 50, Appendix B. This failure occurred despite previous industry and NRC notifications of similar oil incompatibility problems. The circumstances surrounding the violation are described in the subject inspection report. However, because of its very low safety significance and because it has been entered into your corrective action program, the NRC is treating the issue as a Non-Cited Violation, in accordance with Section VI.A.1 of the NRC's Enforcement Policy. Accordingly, Unresolved Item 50-306/01-13-01 from the subject inspection report is closed. At the Regulatory Conference, you admitted to this violation. However, if you decide that you now would like to deny this Non-Cited Violation, you should provide a response with the basis for your denial, within 30 days of the date of this letter, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001; with copies to the Regional Administrator, Region III; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington DC 20555-0001; and the NRC Resident Inspector at the Prairie Island facility.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response, if you provide one, will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records System (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

Original signed by  
Geoffrey E. Grant

Geoffrey E. Grant, Director  
Division of Reactor Projects

Docket Nos. 50-282; 50-306  
License Nos. DPR-42; DPR-60

Enclosure: Licensee Handouts from  
11/27/01 Regulatory Conference

cc w/encl: Plant Manager, Prairie Island  
R. Anderson, Executive Vice President  
and Chief Nuclear Officer  
Site Licensing Manager  
Nuclear Asset Manager  
J. Malcolm, Commissioner, Minnesota  
Department of Health  
State Liaison Officer, State of Wisconsin  
Tribal Council, Prairie Island Indian Community  
J. Silberg, Esquire  
Shawn, Pittman, Potts, and Trowbridge  
A. Neblett, Assistant Attorney General  
Office of the Attorney General  
S. Bloom, Administrator  
Goodhue County Courthouse  
Commissioner, Minnesota Department  
of Commerce

**See Previous Concurrences**

DOCUMENT NAME: G:\PRAI\REGCONSUM.wpd

To receive a copy of this document, indicate in the box: "C" = Copy without enclosure "E" = Copy with enclosure "N" = No copy

OFFICE	RIII		RIII		RIII		RIII	
NAME	M.Kunowski/rle/dtp		RLanksbury		BClayton		GGrant	
DATE	12/07/01		12/07/01		12/10/01		12/11/01	

**OFFICIAL RECORD COPY**

ADAMS Distribution:

WDR

DFT

TJK3

FJC

MCN

RWB1

MDS1

RidsNrrDipmlipb

GEG

HBC

SPR

KJL

DRPIII

DRSIII

PLB1

JRK1

OEMAIL