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July 12, 2002

RS-02-131

Mr. H. Brent Clayton
Region III Enforcement/Investigations Officer
U. S. Nuclear Regulatory Commission, Region III
801 Warrenville Road
Lisle, IL 60532-4351

Subject: Exelon Generation Company, LLC
Response to Request for Evaluation [REDACTED] 7C

Reference: Letter from B. Clayton (U. S. NRC) to John L. Skolds (Exelon Generation Company, LLC), dated May 1, 2002

Dear Mr. Clayton,

Pursuant to your request, we are providing you a copy of our evaluation of the matters described in the referenced letter. As requested, this response is not being submitted on the station docket. The referenced letter requested that the response be submitted within 30 days of the date of the letter. Accordingly, this response was due May 31, 2002. However, a discussion between Mr. Jim Heller of the NRC and Mr. Pat Simpson on May 2, 2002, extended the due date to June 21, 2002. In a later telephone conversation between Ms. Andrea Kock of the NRC and Mr. Pat Simpson on June 19, 2002, the response date was extended to July 12, 2002.

The evaluation was conducted independently by members of the Exelon Generation Company (EGC), LLC Mid-West Regional Operating Group (ROG). We have determined that the evaluation was of sufficient depth and scope to address the issues identified in the referenced letter. The attachment does not contain any personal privacy, proprietary, or safeguards information. In summary, and as detailed in the attachment, none of concerns identified in [REDACTED] could be validated. hc

Should you have any questions concerning this letter, please contact Mr. Don Cecchett (630) 657-2826.

Respectfully,

Patrick R. Simpson

Patrick R. Simpson
Manager Licensing
Mid-West Regional Operating Group

Information in this report was prepared in accordance with the Freedom of Information Act, exemptions 7C & outside scope

FOIA- 2003-286

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ATTACHMENT

Evaluation Report - [REDACTED]

7C

Introduction

In a letter from B. Clayton (U. S. NRC) to John L. Skolds (Exelon Generation Company (EGC), LLC), dated May 1, 2002, the NRC, Region III, forwarded the following information for evaluation.

Details

1. "ComEd's Quality Assurance Program requirements were violated in November 1997, in that, the Stop-Work Order against General Electric (GE) Nuclear Energy was lifted without verifying that corrective actions had been implemented.

In addressing this issue, please identify what actions were taken to lift the Stop Work Order from GE in 1997.

2. ComEd's Quality Assurance Program requirements were violated from August 1997 through November 1997, in that, during the Stop-Work Order against GE Nuclear Energy, engineering services were obtained, but approximately 17 associated Procurement Plans were not performed. A specific example relates to an engineering evaluation by GE Nuclear Energy of a discrepancy in the minimum required pressure (800 psig versus 940 psig) for the Control Rod Drive Hydraulic Control Scram Accumulators at Dresden and Quad Cities.

In addressing this issue, please identify what work products were obtained during the 1997 Stop Work Order from GE Nuclear Energy, and for any identified, what Procurement Plans were implemented and how they were accomplished. The Procurement Plans were written by Mr. William Betourne, the ComEd Procurement Manager.

3. ComEd's Quality Assurance Program requirements were violated from November 1997 through May 1999, in that, GE Nuclear Energy never issued the required monthly status updates of their corrective actions related to findings that led to the August 1997 Stop-Work Order. Monthly updates were also not provided for open findings regarding Holtec in July-December 2000.

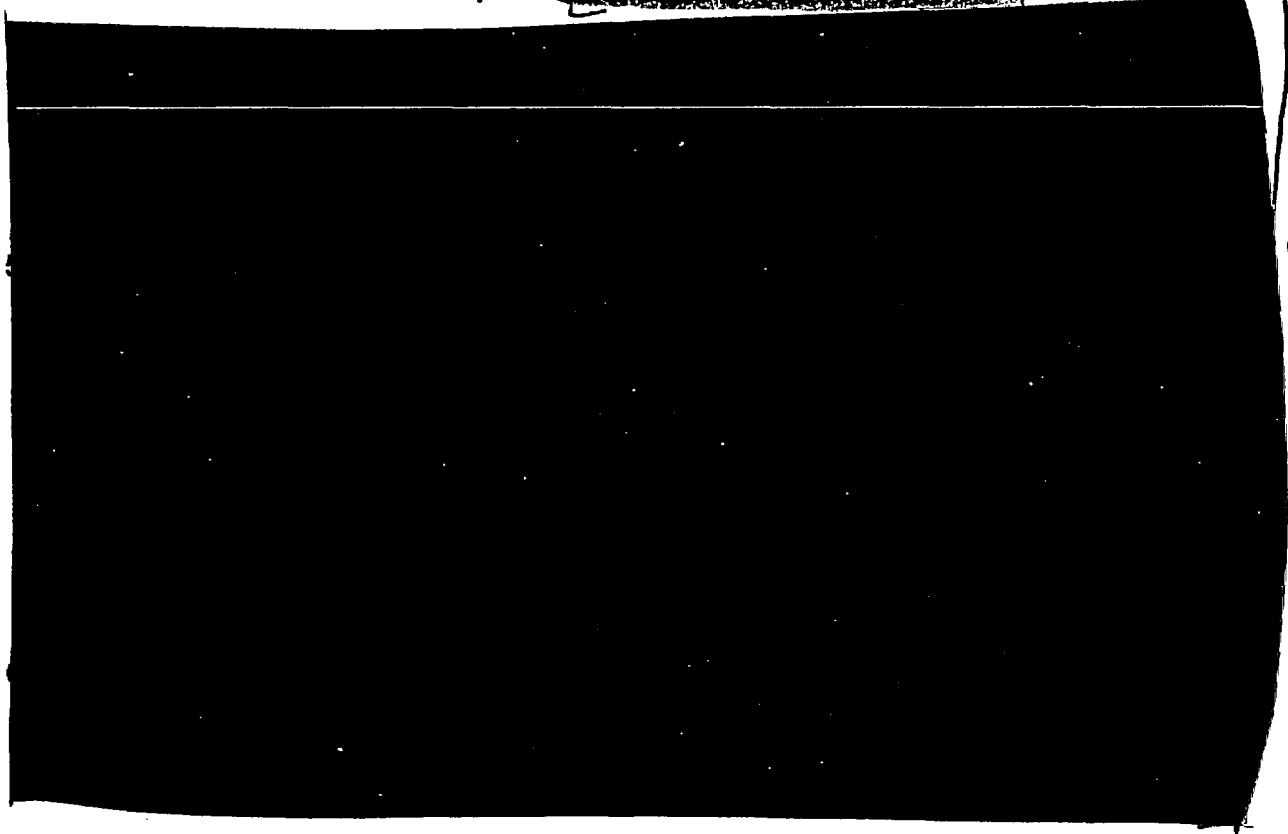
In addressing this issue, please identify whether monthly updates were issued as required and provide the basis for your determination.

4. [REDACTED]

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ATTACHMENT

Evaluation Report - [REDACTED]



Evaluation Details

Detail 1:

"ComEd's Quality Assurance Program requirements were violated in November 1997, in that, the Stop-Work Order against General Electric (GE) Nuclear Energy was lifted without verifying that corrective actions had been implemented.

In addressing this issue, please identify what actions were taken to lift the Stop Work Order from GE in 1997."

Response

There was a Special Audit G-97-120 performed by Commonwealth Edison Company (ComEd) of GE Nuclear Energy on August 18 through August 22, 1997, with the audit report approved on September 18, 1997. The audit resulted in 13 Corrective Action Records (CAR) numbered CAR G-97-120-01 through 13. In addition, a Stop Work Order was issued by ComEd to GE Nuclear Energy in letter from E. Netzel to R. Nicholls (SES-97-261) dated August 29, 1997.

In letter SES-97-339 from E. Netzel to R. Nicholls dated November 19, 1997, the Stop Work Order was lifted for GE Nuclear Energy Nuclear Services Safety-Related Engineering and Design activities performed at San Jose, CA for all ComEd BWR stations. The basis for lifting the Stop Work Order was as follows:

1. The establishment of an additional overview at General Electric for design analysis.

ATTACHMENT

Evaluation Report [REDACTED]

7C

This additional overview will be performed by the functional manager after the product has been through the independent design review and will include a technical review of the design analysis. Discrepancies will be documented for trending purposes. This process will be defined in a GE Technical Services Engineering Instruction.

2. GE QA will perform an independent review of the first six calculational design products in parallel with the functional manager's review using the same checklist the functional managers will be using. QA will compare the results of their review with the functional manager's review to determine consistency and the level of issues. Based upon the results of this review, GE QA will then determine the frequency of subsequent QA reviews.
3. GE will provide ComEd a monthly report on the results of the functional manager reviews.
4. GE has provided acceptable responses to the individual audit findings from ComEd Audit G-97-120."

As a result of the above actions taken by GE in response to ComEd letter SES-97-261, ComEd Supplier Evaluation Services Department lifted the formal Stop Work Order for safety related Engineering and Design activities performed at San Jose, CA, for ComEd BWR stations. ComEd Supplier Evaluation Services scheduled a corrective action follow up to verify corrective actions and their effectiveness.

In letter from O. B. Shirani to L. M. Quintana dated June 15, 1999, the results of the follow up audit were provided to GE Nuclear Energy (GENE). The audit follow up summary is quoted below:

"ComEd performed a follow-up audit (SR-1999-136) on May 3-7, 1999. GENE provided their final response in Letter No. 99-25, dated June 1, 1999. The results of the verification by ComEd for the sample review of the corrective actions are documented in the status portion of the CARs (G-97-120-01 through 13), dated 6/15/99. The root cause, corrective action, and action to prevent recurrence were also verified during the audit.

GENE has provided training for more than 600 engineers and performed over 700 Functional Manager Checklists. As committed, GENE provided ComEd with six months trending data and information regarding their internal review process and Functional Management checklist results. Functional Management Checklist review process includes the review at Engineering and Technology staff meetings, monthly review at services quality council, reviewer feedback sessions, customer reviews and feedback, focus areas linked to Green Belt projects, and lesson learned reviews.

Functional Manager Checklist is an excellent tool in driving quality improvements and reinforces quality expectations. It provides ability to track and trend performance. The multiple quality improvement initiatives and specifically Functional manager Checklists were determined by the audit team to be a strength in the GENE QA program. GENE has adopted to continue this effort not only for ComEd, but the whole nuclear industry.

ATTACHMENT

Evaluation Report - [REDACTED]

7C

The audit team verified that adequate design control processes were in place and this was evident in the new Design Record Files (DRF). Procedures were enhanced to meet the appropriate codes and standards requirements. Procedures have established the responsibilities and interfaces of each organizational unit. Also, the design requirements were defined and design activities carried out in a planned, controlled, and orderly manner as required per GENE QA Manual. GENE has adopted to perform internal design audits with the participation of independent Technical Specialists. GENE assured our team that the frequency of the technical audits would be adjusted based on the importance and complexity of the design activities.

ComEd/SES now finds the GENE's response to all 13 CARs to be acceptable as documented in the GENE's Letter No. 99-25, dated June 1, 1999 and as a result, these CARs are considered CLOSED and no further actions are required."

Conclusion:

Based on a review of the GENE responses, the ComEd SES letter to lift the stop work order, the ComEd follow-up audit and the CARs, this detail was not validated.

Detail 2:

"ComEd's Quality Assurance Program requirements were violated from August 1997 through November 1997, in that, during the Stop-Work Order against GE Nuclear Energy, engineering services were obtained, but approximately 17 associated Procurement Plans were not performed. A specific example relates to an engineering evaluation by GE Nuclear Energy of a discrepancy in the minimum required pressure (800 psig versus 940 psig) for the Control Rod Drive Hydraulic Control Scram Accumulators at Dresden and Quad Cities.

In addressing this issue, please identify what work products were obtained during the 1997 Stop Work Order from GE Nuclear energy, and for any identified, what Procurement Plans were implemented and how they were accomplished. The Procurement Plans were written by Mr. William Betourne, the ComEd Procurement Manager."

Response:

The ComEd procurement process did not allow for the procurement of materials or services from a vendor with a Stop Work Order that was specific to a particular task (i.e. CRD work at Dresden and Quad Cities) without direct involvement in the process which would ensure adherence to the ComEd QA procedures and process. The 1997 Stop Work Order required GENE to expedite their responsiveness to the quality issues addressed by the Stop Work Order. During that period of the stop work order, GENE involvement was limited to performing outage work at Dresden under the guidance of the ComEd QA process and the site technical leads. The closure of the Stop Work Order prevented any interruptions in the issuance of critical to production materials, etc.

ATTACHMENT

Evaluation Report [REDACTED]

7C

Conclusion:

Based on the documentation reviews performed, it has been determined that ComEd properly controlled GENE through their quality processes and the above detail could not be validated.

Detail 3:

"ComEd's Quality Assurance Program requirements were violated from November 1997 through May 1999, in that, GE Nuclear Energy never issued the required monthly status updates of their corrective actions related to findings that led to the August 1997 Stop-Work Order. Monthly updates were also not provided for open findings regarding Holtec in July-December 2000.

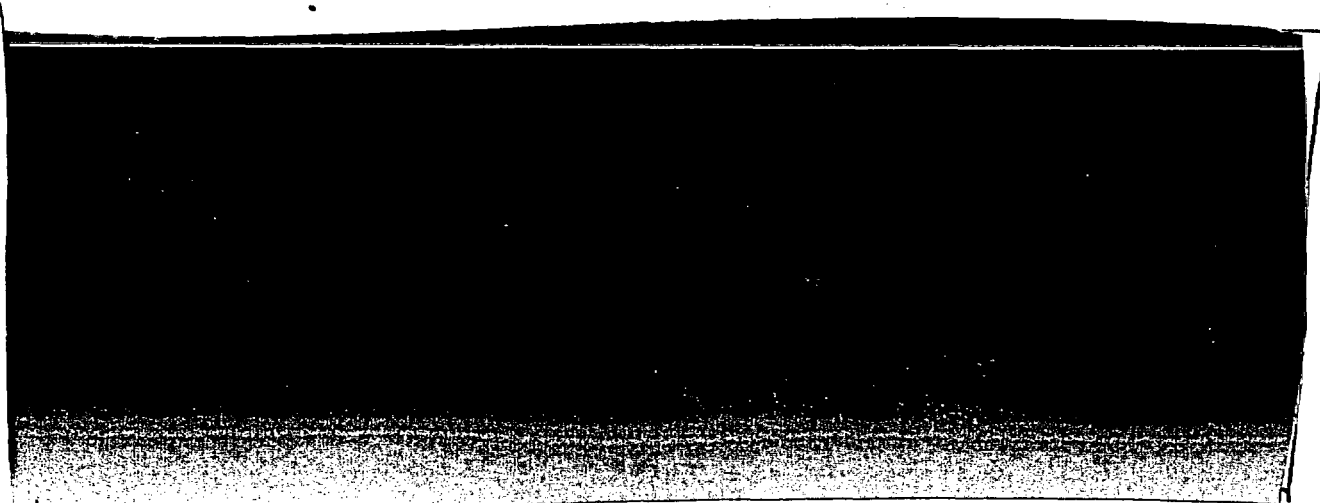
In addressing this issue, please identify whether monthly updates were issued as required and provide the basis for your determination."

Response:

Based on a review of Quality Assurance Requirements in place at the time of the alleged violations the Quality Assurance Program did not require vendors or any other auditees to provide monthly updates for corrective actions. An internal procedure N.O. 09 (Corrective Action Record (CAR)) described follow-up requirements of identified corrective actions based on the severity of the issue. The performances of follow-up requirements were the responsibility of the Quality Assurance auditors within the ComEd QA Group.

Conclusion:

A review of Quality Assurance Requirements in place at the time of the alleged violations and the Audit reports documenting the corrective actions required, found that the Quality Assurance Program and the audit reports did not require vendors or any other auditees to provide monthly updates for corrective actions. No monthly updates were supplied and this concern could not be validated.



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