

October 8, 2003

EA-03-163

Mr. John L. Skolds, President  
Exelon Nuclear  
Exelon Generation Company, LLC  
4300 Winfield Road  
Warrenville, IL 60555

SUBJECT: DRESDEN STATION NON-CITED VIOLATION  
[NRC OFFICE OF INVESTIGATIONS REPORT NO. 3-2002-030]

Dear Mr. Skolds:

This refers to information provided to the U.S. Nuclear Regulatory Commission (NRC) on October 15, 2002, by the staff at Exelon Generating Company's (Exelon) Dresden Station. The Dresden Station staff indicated that a former contract Quality Verification (QV) inspector falsified required inspection records to show certain welds were inspected; however, the inspections had not been done. The matter was investigated by the NRC Office of Investigations (OI) and an apparent violation of the NRC regulation prohibiting incomplete and inaccurate information was identified. The synopsis from the OI report is enclosed.

Based on the information developed during investigations by the Dresden Station staff and OI, the NRC has concluded that a violation of NRC requirements occurred. In summary, on October 15, 2002, a non-supervisory QV inspector did not perform the preliminary fit-up and fit-up inspections associated with four welds on a flow sensing line for the 3A recirculation loop. The inspections were required by the Dresden Station Quality Assurance (QA) Program and its implementing procedures. Subsequently, the QV inspector falsified the "ASME Weld Records," also required by the Dresden Station QA Program, to show the required inspections had been performed. The actions of the QV inspector placed Exelon Nuclear in violation of 10 CFR Part 50, Appendix B, Criterion V, "Instructions, Procedures, and Drawings," the Dresden Station QA Program and 10 CFR 50.9, "Completeness and Accuracy of Information," and were categorized in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600, at Severity Level IV.

The matter was identified and immediately investigated by Exelon Nuclear. Corrective actions taken by Exelon Nuclear in this matter included, but were not limited to: (1) reviewing previous inspections performed by the QV inspector and reworking an unacceptable weld previously accepted by the QV inspector; (2) taking disciplinary action against the inspector; and (3) conducting a stand-down with all QV inspectors to discuss the lessons learned, including employee responsibilities, and management expectations of employees. Therefore, after considering the circumstances of this case and after consulting with the Director, Office of

Enforcement, this violation is being treated as a Non-Cited Violation (NCV),<sup>1</sup> consistent with Section VI.A.1 of the Enforcement Policy.

Subsequent to October 15, 2002, one of the welds, that was not inspected by the QV inspector, failed. While, the failure of that weld does not appear to be related to the lack of QV pre-fit up and fit-up inspection, the failed weld created a pressure boundary leakage path with the leakage in excess of Technical Specification limits. This is being tracked as an unresolved item (URI 50-249/02-17-03) and will be dispositioned under separate correspondence.

The Office of Investigations also investigated an allegation of employment discrimination involving the QV inspector and the allegation was not substantiated.

You are not required to respond to this letter unless the description herein does not reflect your corrective actions or your position. If you contest the NCV, you should provide a response within 30 days of the date of this letter, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001, with copies to the Regional Administrator and Enforcement Officer, Region III, the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001, and the NRC Resident Inspector at the Dresden Nuclear Power Station. The response should be clearly marked as a "Reply to EA-03-163."

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and your response (should you choose to respond) will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/ADAMS.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

Sincerely,

/RA/

Cynthia D. Pederson, Director  
Division of Reactor Safety

Docket No. 50-249  
License No. DPR-25

Enclosure: OI Report Synopsis

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<sup>1</sup> A discussion of this licensee identified, Non-Cited Violation will also be found in NRC Inspection Report No. 50-249/03-07.

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Enclosure: OI Report Synopsis

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**\*See Previous Concurrence**

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<sup>1</sup> Authorization to release summary of OI report.

<sup>2</sup> No legal objection received on 9/24/03 from Steve Lewis, OGC.

<sup>3</sup> Concurrence received on 9/22/03 from Jennifer Dixon-Herrity, OE.

cc w/encl:     Site Vice President - Dresden Nuclear Power Station  
                  Dresden Nuclear Power Station Plant Manager  
                  Regulatory Assurance Manager - Dresden  
                  Chief Operating Officer  
                  Senior Vice President - Nuclear Services  
                  Senior Vice President - Mid-West Regional  
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                  Illinois Department of Nuclear Safety  
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## SYNOPSIS

The investigation was initiated on October 22, 2002, by the U.S. Nuclear Regulatory Commission, Office of Investigations, Region III, to determine whether a contract Quality Control Inspector deliberately falsified quality control records at Dresden Nuclear Power Station (DNPS), in violation of 10 CFR 50.9 and 10 CFR 50.5.

Pursuant to an Allegation Review Board follow up meeting on December 9, 2002, an investigation was also conducted to determine if the contract Quality Control Inspector was discriminated against by the DNPS for raising concerns regarding quality control inspections.

Based on the evidence developed, this investigation did substantiate that a Quality Control Inspector at DNPS deliberately falsified quality control records. Subsequently, the allegation of discrimination for raising quality control concerns was not substantiated.

Case No. 3-2002-030

Enclosure