

April 3, 2007

EA-07-058

Mr. David A. Christian
Senior Vice-President and
Chief Nuclear Officer
Innsbrook Technical Center
5000 Dominion Boulevard
Glen Allen, VA 23060-6711

SUBJECT: FINAL SIGNIFICANCE DETERMINATION FOR A YELLOW FINDING AND
NOTICE OF VIOLATION (NRC INSPECTION REPORT 05000305/2007009)
KEWAUNEE POWER STATION

Dear Mr. Christian:

The purpose of this letter is to provide you the final results of our significance determination of the preliminary Yellow finding identified in Inspection Report No. 05000305/2007007 issued on March 2, 2007. The inspection finding was assessed using the Significance Determination Process and was preliminarily characterized as Yellow, a finding with substantial importance to safety that will result in additional NRC inspection and potentially other NRC action. This finding involved the failure of plant personnel to follow procedural requirements and enter a fuel leak on the "A" emergency diesel generator (EDG) into the corrective action program on June 28, 2006, when the leak was first identified. This failure resulted in the leak not being appropriately evaluated and repaired until August 17, 2006. Testing performed on the leaking fuel oil system components indicated that they would have failed completely after four hours of diesel operation during an accident and would have rendered the "A" EDG inoperable.

In a telephone conversation with Mr. Patrick Loudon of the NRC, Region III, on March 14, 2007, Ms. Leslie Hartz of your staff indicated that Dominion Energy Kewaunee, Inc., did not contest the characterization of the risk significance of this finding and that you declined the opportunity to discuss this issue in a Regulatory Conference or to provide a written response.

After considering the information developed during the inspection, the NRC has concluded that the inspection finding is appropriately characterized as Yellow, i.e., an issue with substantial safety significance that will result in additional NRC inspection and potentially other NRC action.

You have 30 calendar days from the date of this letter to appeal the staff's determination of significance for the identified Yellow finding. Such appeals will be considered to have merit only if they meet the criteria in NRC Inspection Manual Chapter 0609, Attachment 2.

The NRC has also determined that the failure to enter the EDG fuel oil leak into the station's corrective action program was contrary to station procedures and is a violation of Technical Specification 6.8 as cited in the attached Notice of Violation (Notice). The circumstances surrounding the violation are described in detail in Inspection Report No. 05000305/2007007. In accordance with the NRC Enforcement Policy, the Notice is considered escalated enforcement action because it is associated with a Yellow finding.

You are required to respond to this letter and should follow the instructions in the enclosed Notice when preparing your response.

Because plant performance for this issue has been determined to be in the degraded cornerstone column, we will use the NRC Action Matrix to determine the most appropriate NRC response for this event. We will notify you, by separate correspondence, of that determination.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response 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> (the Public Electronic Reading Room).

Sincerely,

/RA/

James L. Caldwell
Regional Administrator

Docket No. 50-305
License No. DPR-43

Enclosure: Notice of Violation

cc w/encl: L. Hartz, Site Vice President
C. Funderburk, Director, Nuclear Licensing
and Operations Support
T. Breene, Manager, Nuclear Licensing
L. Cuoco, Esq., Senior Counsel
D. Zellner, Chairman, Town of Carlton
J. Kitsembel, Public Service Commission of Wisconsin
State Liaison Officer, State of Wisconsin

D. Christian

-2-

The NRC has also determined that the failure to enter the EDG fuel oil leak into the station's corrective action program was contrary to station procedures and is a violation of Technical Specification 6.8 as cited in the attached Notice of Violation (Notice). The circumstances surrounding the violation are described in detail in Inspection Report No. 05000305/2007007. In accordance with the NRC Enforcement Policy, the Notice is considered escalated enforcement action because it is associated with a Yellow finding.

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/RA/
James L. Caldwell
Regional Administrator

Docket No. 50-305
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cc w/encl: L. Hartz, Site Vice President
C. Funderburk, Director, Nuclear Licensing
and Operations Support
T. Breene, Manager, Nuclear Licensing
L. Cuoco, Esq., Senior Counsel
D. Zellner, Chairman, Town of Carlton
J. Kitsembel, Public Service Commission of Wisconsin
State Liaison Officer, State of Wisconsin

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¹ HQ concurrence by D. Solorio, OE on 3/29/07 via e-mail from M. Schwartz.

Letter from J. Caldwell to D. Christian dated April 3, 2007

SUBJECT: FINAL SIGNIFICANCE DETERMINATION FOR A YELLOW FINDING AND
NOTICE OF VIOLATION (NRC INSPECTION REPORT 05000305/2007009)
KEWAUNEE POWER STATION

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NOTICE OF VIOLATION

Dominion Energy Kewaunee, Inc.
Kewaunee Power Station

Docket No. 50-305
License No. DPR-43
EA-07-058

During an NRC inspection conducted from February 5 - 28, 2007, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

Technical Specification 6.8, Subsection (a), states that written procedures and administrative policies shall be established, implemented, and maintained that meet the requirements and recommendations of Section 5.2.2 of American National Standards Institute (ANSI) N18.7-1976. Section 5.2.2 of ANSI N18.7-1976, states that "[p]rocedures shall be followed, and the requirements for use of procedures shall be prescribed in writing."

Kewaunee general nuclear procedure GNP-08.02.01, "Work Order Processing and Planning/Work Execution and Close-out," Revision AD, Step 2.3, states, "complete an Action Request (AR) form for nonconforming conditions as required by GNP-11.08.01." GNP-11.08.01, "Action Request Process," Revision X, Step 3.1.1, specifies an AR for unexpected plant equipment degradation.

Contrary to the above, on June 28, 2006, the licensee did not complete an AR for a fuel oil leak on the "A" emergency diesel generator.

This violation is associated with a Yellow significance determination process finding.

Pursuant to the provisions of 10 CFR 2.201, Dominion Energy Kewaunee, Inc. (licensee) is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555-0001 with a copy to the Regional Administrator and Enforcement Officer, Region III, and a copy to the NRC Resident Inspector at Kewaunee, 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; EA-07-058," and should include for the 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. Consideration may be given to extending the response time for good cause shown.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555-0001.

Because your response 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, it should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated this 3rd day of April 2007