

Public Service
Electric and Gas
Company

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April 26, 1982

Mr. Ronald C. Haynes, Administrator
Office of Inspection and Enforcement
U. S. Nuclear Regulatory Commission
Region I
631 Park Avenue
King of Prussia, PA 19406

Attention: Mr. Richard W. Starostecki, Director
Division of Resident and Project Inspection

Gentlemen:

NRC COMBINED INSPECTION 50-272/82-07 AND 50-311/82-06
SALEM GENERATING STATION
UNIT NO. 1 AND 2
FEBRUARY 8 THROUGH 11, AND 17, 18, 1982

We have reviewed the item of violation which was identified in the Inspection Report dated March 22, 1982. An extension of the due date on this response was granted by telephone in a conversation between your Mr. E. T. Shaub and our Mr. R. W. Beckwith on April 21, 1982. The following is our response to the identified item.

ITEM OF VIOLATION

Contrary to the requirements of Quality Assurance Instruction 18-1, Attachment 1, Revision 2, paragraph 4, six (6) audit reports completed in 1981 did not contain an evaluation statement regarding the effectiveness of the quality assurance program elements audited.

- 1) Corrective steps which have been taken and the results achieved:

It was demonstrated to the NRC Inspectors that the narrative portion of the audit reports did contain implicit statements regarding the effectiveness of the quality assurance program elements audited in the "Summary of Results", "Observation" and/or "Conclusions and Recommendations" sections, but were not labeled as an evaluation of effectiveness.

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Therefore, an explicit statement regarding the effectiveness of the quality program elements which were audited will be included in the narrative portion of the report of all audits performed and reported subsequent to the referenced NRC Inspection. This has been implemented.

- 2) Corrective steps which will be taken to avoid further violations:
 - a) All audit assignment and scoping memoranda issued to QAD personnel and all other agents who may perform audits for QAD, will contain an explicit instruction to include the evaluative statement concerning effectiveness of QA program elements audited.
 - b) At each pre-audit planning meeting conducted by the QAD Audits & Training Division with each audit team, an oral reminder to include the effectiveness evaluation will be given. This will also be documented in minutes of those meetings distributed to the attendees.
 - c) Review of reports by Audits Section prior to issue will assure that effectiveness evaluation is included.
- 3) We are now in compliance.

UNRESOLVED ITEMS

In addition, the subject inspection report identified four unresolved items for which your letter requested that we address our actions to resolve the items, our proposed schedule for those actions, and interim measures taken to ensure effective implementation of administrative control requirements of the Technical Specifications.

The following are our responses to those unresolved items as numbered in the inspection report:

ITEM 3 Design Changes and Facility Modification

c-Findings

"Technical Specification 6.5.2.7.a requires the Nuclear Review Board (NRB) to review safety evaluations for changes to equipment or systems completed under the provision of

10CFR 50.59 "to verify such actions did not constitute an unreviewed safety question". The inspector determined that the NRB is adequately performing the reviews of unreviewed safety questions for each design change package, in that, all Station Operations Review Committee (SORC) meeting minutes with attached DCPs and safety evaluations are individually routed to each NRB member. Each NRB member reviews the SORC minutes and then signs the attached routing slip (memo to NRB) indicating either concurrence or disagreement with the unreviewed safety question disposition. SORC minutes are then placed on the NRB agenda and discussed at the next scheduled NRB meeting.

"Nuclear Review Board Administrative Procedure, NRBP-2, Review Practices, Section D.4 requires that "if the NRB review verifies no unreviewed safety question was involved, the meeting minutes will document that fact, closing out the issue". The inspector reviewed NRB meeting minutes and determined that the only documentation of this verification was the numeric listing of SORC meeting minutes that the NRB reviewed and closed out at that meeting.

"The inspector questioned the adequacy of the documentation for close out of the unreviewed safety question verifications in the NRB meeting minutes.

"The licensee's representative acknowledged the inspector's concerns and stated that they would take the necessary steps to clarify the documentation of these verifications in conjunction with the ongoing NRB reevaluation and reorganization. This item is unresolved pending licensee action and subsequent NRC:RI review (272/82-07-01; 311/82-06-01)."

1) Action Being Taken to Resolve this Item

In order to clarify the documentation of USQ verification by the NRB, future NRB meeting minutes will include specific references to those DCP's reviewed by the board members.

2) Proposed Schedule for Action on this Item

Action on this item has been implemented.

3) Interim Measures Being Taken

None Required.

ITEM 4.c.(2) Audit Coverage and Frequency

(a) Operational Quality Assurance (QA) Program

"Technical Specification 6.5.2.8(d) requires auditing of the activities required by the Operational Quality Assurance (QA) Program to meet the criteria of Appendix B, 10 CFR 50, at least once per 24 months.

"The inspector found no objective evidence that the licensee had a system to ensure the necessary audit coverage. The licensee's representative stated that due to the magnitude of the Operational QA Program, it is most practical to audit the activities to the criteria of Appendix B, 10 CFR 50, as part of the audits of the functional areas in which there is an interface, e.g., contractors, Engineering Department, Training Department, etc. However, the inspector found no current plan to show how the coverage of the 18 criteria of 10 CFR 50, Appendix B would be achieved by this method.

"This item is unresolved pending licensee action and subsequent NRC:RI review. It represents the first of three examples of unresolved item (272/82-07-03; 311/82-06-03)."

1) Actions Being Taken to Resolve This Item

The Audits and Training Division of the Corporate Quality Assurance Department (QAD) has begun rendering an update of the matrix of auditable elements of the Operational QA Program vs. Appendix B, 10 CFR 50 requirements vs. Reg. Guide 1.33 requirements, codes and standards which were last accomplished in October 1980 and has served as the basis for the QAD audit schedules since. (This was demonstrated to the NRC at the time of this inspection). This matrix will include all auditable elements of the Operational QA Program, other station activities and departments, technical specification requirements and activities of other PSE&G Departments engaged in safety-related activities.

2) Proposed Schedule For These Actions

The completion date for this revision of the matrix is July 1, 1982. Subsequent to that date, revisions will be generated when necessitated (such as, by organizational changes, Tech. Spec. or procedural changes, Regulatory Guide introduction or revision, etc.).

3) Interim Measures Being Taken

The Audits & Training Division will assure continuing review and comparison of the existing auditable elements matrix and Tech. Spec. requirements vs. the audits schedule to assure thoroughness of audit coverage.

(b) Actions Taken to Correct Deficiencies

"Technical Specification 6.5.2.8(c) requires auditing at least every six months of the "results of actions taken to correct deficiencies occurring in facility equipment, structures, systems, or method of operation that affect nuclear safety". As described in paragraph (a) above, the licensee stated that due to the magnitude of this area, it is most practical to audit corrective actions in the various functional areas as part of the audits of those functional areas; therefore, no single audit covers solely corrective action.

"The inspector found that the licensee had no plan to evaluate or show how the various components of their corrective action system (e.g., Corrective Action Request (CAR), Licensee Event Reports (LER), Deficiency Reports (DR), operator feedback, etc.) would be covered within the planned audits. Further, the inspector found no evidence of auditing of Deficiency Reports (DR's) within the last 12 months, although DR's are part of the PSE&G corrective action system and, as such, should be audited at least every six months. Based on this example, it is not clear that auditing of corrective actions is being done in a planned, comprehensive manner.

"This item is unresolved pending licensee action and subsequent NRC:RI review. It represents the second of three examples of unresolved item (272/82-07-03; 311/82-06-03)."

1) Actions Being Taken to Resolve This Item

Prior to this NRC Inspection, the QAD Audits and Training Division had already scheduled an audit of Salem-related operations entitled "Corrective Action". Its purpose was to focus on corrective action in a single audit rather than in the separate audits of the various functional areas as was the practice in the recent past. This audit is currently scheduled to be performed starting the week of May 10, 1982 and shall be repeated every six months thereafter.

Since the NRC Inspection, steps have been taken to assure inclusion of all elements of the corporate corrective action system in the audit scope (i.e., CAR's, LER's, DR's, Operator Feedback, etc.).

2) Proposed Schedule For These Actions

The actions have already been implemented.

3) Interim Measures Being Taken

None are required.

(c) Fire Protection

"Technical Specification paragraphs 6.5.2.8 (h, i, and j) require two types of audits:

- ((1)) "The Facility Fire Protection Program and implementing procedures at least once per 24 months.; and
- ((2)) "An independent fire protection and loss prevention program inspection and audit ... at least once per 12 months...

"In addition, the Technical Specifications further require that the independent inspection/audit of ((2)) above be performed by "utilizing either qualified offsite licensee personnel or an outside fire protection firm", and that at least once per 36 months the outside audit must be performed.

"The inspector found the following:

- There is no documented method to satisfy the required independent inspection/audit of fire protection. NRB procedure NRBP-3 lists the other Technical Specification required audits, but it omits fire protection audits. QAI 18-1 addresses only the audit of the administrative procedures of the Fire Protection Program.
- Although there is currently a program of outside audits of fire protection and loss prevention, there is no documentation that the audits are performed by auditors qualified technically to inspect fire protection, i.e., meeting the qualification requirements of Branch Technical Position 9.5-1. The audits are performed under the direction of Nuclear Mutual Limited and are administratively controlled by the Insurance Department. There is no evidence of any QA Department overview of this outside audit program.

- Findings of the outside audit do not become part of the formal corrective action system. There appears to be no use of the corrective action system utilized by the QA Department, including issuing of Corrective Action Requests, tracking of open commitments, verification of actions, etc. The findings are issued to the Vice President - Production with no apparent follow-up by the Insurance Department or the QA Department.

"This item is unresolved pending licensee action and subsequent NRC:RI review. It represents the third of three examples of the unresolved item concerning the coverage and frequency of audits (272/82-07-03; 311/82-06-03)."

1) Actions Being Taken To Resolve This Item

- The NRB audit schedule governing the audits performed by QAD for NRB includes Fire Protection once per 24 months. This was not reflected in the prevailing version of NRBP-3. NRB procedure NRBP-3 will be revised to include fire protection audits. The addressing of the Fire Protection Program Audit under the section titled "Administrative Procedures" in QAI-18-1 is correct. QAI 18-1, Attachment 2 describes all of those systems and procedures which must be audited as a requirement of Reg. Guide 1.33. In the terms of R.G. 1.33, the Fire Protection Program is cited under Administrative Procedures. Auditing of the Program is conducted to the lowest level procedure prepared for the program.
- We intend to continue utilizing NML to conduct the 36-month inspections. We will develop procedures clarifying responsibilities and communications with PSE&G and between PSE&G and NML.

2) Proposed Schedule For These Actions

NRB procedure NRBP-3 will be revised by July 1, 1982. Procedures clarifying PSE&G and NML interrelationships will be completed by August 1, 1982.

3) Interim Measures Being Taken

None Required.

ITEM 4.c(4) Followup Action of Audits of the QA Audit Section

"The inspector found the following concerning the PSE&G followup action to the 1981 Cooperative Management Audit of PSE&G:

- "The acceptability of a finding's resolution is frequently judged and accepted by the sub-ordinate of the manager responsible for the corrective action, and the resolution is often that of not acknowledging the finding. Two of the five 1981 findings were resolved in this manner and appear to not be effective corrective action.
- "The QA Department has not been addressing the audit findings adequately, in that, the inspector findings identified in paragraphs 4.c.(2)(b), 4.c.(2)(c), and 4.c(3) of this report were previously identified to PSE&G in the 1981 audit, but were resolved either by not acknowledging the finding or by projecting a distant completion date.
- "The QA Manual, in QAI 18-3, specifies that the PSE&G audit response shall be transmitted to the auditor. There appears to be no record of any such response for the 1981 audit.

"The licensee's representative acknowledged the inspector's findings concerning the effectiveness of follow-up action to independent audits of the QA audit section, but disagreed with the inspector's concerns regarding their current program's effectiveness.

"This item is unresolved licensee action and subsequent NRC:RI (272/82-07-05; 311/82-06-05)."

1) Action Being Taken To Resolve These Items

- In the future, the acceptability of the resolution proposed to a finding made in a Cooperative Management Audit Program Audit (CMAP Audit) of PSE&G will be decided by the General Manager - Corporate Quality Assurance - not by a subordinate to the responding QA Manager.
- 4.c.(2)(b) Concerns auditing of Corrective Action. We have responded to that in Unresolved Finding 4.c.(2)(b) above.

4.c.(2)(c) Concerns auditing of Fire Protection.
We have responded to that in the resolved finding
4.c.(2)(c) above.

4.c.(3) Concerns revision date of AP-17. A revision will be issued by May 1, 1982.

- The referenced QAI, QAI 18-3, will be revised to reflect actual operating practice of the CMAP wherein a response to the auditor is not required.

2) Proposed Schedule For These Actions

- This will be implemented with the occasion of the next CMAP Audit (Tentative Schedule - October 1982)
- 4.c.(2)(b) has already been implemented
4.c.(2)(c) is responded to above
4.c.(3) Will be resolved by May 1, 1982
- QAI 18-3 will be revised and clarified by August 1, 1982.

3) Interim Measures Being Taken

None Required.

Item 4.c.(5) Nuclear Review Board (NRB) Review of Audits

"Technical Specifications paragraph 6.5.2.8 delegates the responsibility for the auditing of certain safety-related activities to the Nuclear Review Board (NRB), the offsite review committee.

"The inspector found the following items with regard to NRB review of audits:

- NRB-3, paragraph 4.2 delineates the specific audit areas that must be covered per Technical Specification 6.5.2.8. However, there is no reference to auditing of fire protection, and NRB responsibility.
- NRB-3, paragraph 6.3 states "Audit reports (of NRB responsible areas) shall be circulated to all NRB members...". However, as discussed in finding paragraph 4.c.(2)(a) and 4.c.(2)(b), the method of auditing the Operational QA Program and the actions taken to correct deficiencies is by covering those areas of part

of audits of the different functional areas. Therefore, all audit reports containing reference to the Operational QA program and/or to corrective actions should be distributed to NRB members. This is not the current practice.

- "As discussed in paragraph 4.c(2)(c), the Insurance Department administratively controls outside fire protection audits, some of which are used to satisfy Technical Specification required NRB responsibilities. However, the NRB does not receive direct distribution of the audit reports.
- "Independent audits of the QA audit section, such as the Cooperative Management audit, should be distributed to the NRB members for information, as the audits often address issues concerning NRB responsible audits. This is not current practice.

"The licensee's representative acknowledged the inspector's findings. The licensee stated that a task force is currently reviewing the operation of the NRB and that these concerns would be addressed as part of that review. Also, the licensee noted that as part of this review, recent changes had been made to the NRB to provide a full-time NRB Chairman and a full-time NRB secretary.

"This item is unresolved pending licensee action and subsequent NRC:RI review (272/82-07-06; 311/82-06-06)."

1) Actions Being Taken To Resolve These Items

- NRB Procedure NRBP-3 will be revised to include the requirement for auditing of fire protection by NRB.
- Provision will be made to distribute to the NRB all audit reports containing reference to the Operational QA Program and/or corrective action.
- Provisions will be made to ensure that outside fire protection audits are distributed to the NRB.
- Provisions will be made to distribute independent audits of the QA audits section to the NRB.

2) Proposed Schedule For These Actions

- (a) These actions will be accomplished by June 30, 1982.

Ronald C. Haynes

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3) Interim Measures Being Taken

(a) through (d) None required;

Sincerely,

R.A. Idvitz / Schneider

CC: Director, Office of Inspection and Enforcement
Nuclear Regulatory Commission
Washington, D.C. 20555

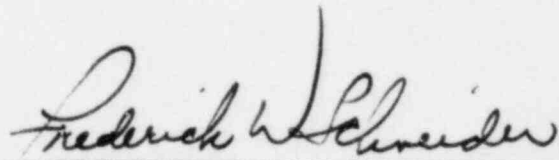
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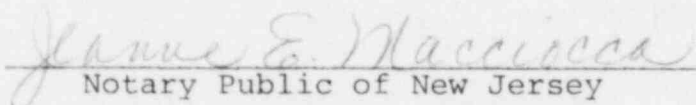
FREDERICK W. SCHNEIDER, being duly sworn according to law deposes
and says:

I am a Vice President of Public Service Electric and Gas Company,
and as such, I find the matters set forth in our response dated
April 26, 1982 to the NRC's combined inspection report 50-272/82-07
and 50-311/82-06 are true to the best of my knowledge, information
and belief.



FREDERICK W. SCHNEIDER

Subscribed and sworn to before me
this 27th day of April, 1982



Notary Public of New Jersey

My Commission expires on Oct. 1, 1983