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Ken Powers
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August 5, 1994

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555

Gentlemen:

In the Matter of)	Docket Nos. 50-327
Tennessee Valley Authority)	50-328

SEQUOYAH NUCLEAR PLANT (SQN) - INSPECTION REPORT NOS. 50-327, 328/94-300
- REPLY TO NOTICE OF VIOLATION (NOV) 50-327, 328/94-300-01

Enclosure 1 contains TVA's reply to Thomas A. Peebles' letter to Oliver D. Kingsley, Jr. dated July 6, 1994, which transmitted the subject NOV. The violation is associated with the failure to implement an established procedure concerning the labeling of plant equipment. A list of commitments is included in Enclosure 2.

If you have any questions concerning this submittal, please telephone J. W. Proffitt at (615) 843-6651.

Sincerely,

Ken Powers

Enclosures
cc: See page 2

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cc (Enclosures):

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ENCLOSURE 1

RESPONSE TO NRC INSPECTION REPORT
NOS. 50-327, 328/94-300
THOMAS A. PEEBLES' LETTER TO OLIVER D. KINGSLEY, JR.
DATED JULY 6, 1994

Violation 50-327, 328/94-300-01

"Technical Specification 6.8.1 requires, in part, that written procedures be established, implemented, and maintained for activities recommended in Appendix A of Regulatory Guide 1.33, "Quality Assurance Program Requirements," Revision 2, February 1978. This includes procedures required for the safe operation and maintenance of nuclear power plants including equipment control instructions.

"Contrary to the above, the licensee failed to implement established procedure Site Standard Practice, (SSP)-6.56, "Labelling and Identification Tag Request Form Programs," as described below:

1. SSP-6.56, Section 4.0, requires that approved labelling devices such as tags or labels be provided whenever it is necessary to identify components for operational purposes.

On June 6, 1994, NRC inspectors identified that the approved, permanent label plates for the precharge pushbutton on all eight Unit One and Two vital 120 volt AC inverters had been removed. The precharge pushbuttons were required to start the inverter and did not have any permanent or temporary identification.

2. SSP-6.56, Appendix D, prohibits the use of temporary labelling methods such as magic marker or pen markings as a means of equipment identification.

On June 6, 1994, NRC inspectors identified three breakers in the 125 Volt Battery Board Room I that had equipment information added to the permanent label plate in handwritten ink pen. NRC inspectors also identified a fourth permanent breaker label plate in the 125 Volt Battery Board Room I that was lined out and relabelled in handwritten ink pen.

"This is a Severity Level IV violation (Supplement I.D)"

Reason for the Violation

The reason for failure to follow the procedure involving the labeling of plant components was personnel error. In Example No. 1, the inverter precharge pushbutton was previously labeled correctly. The label included an authorized operator aid. During December 1992, an effort to reduce the number of operator aids was in progress and the inverter precharge pushbutton operator aids were identified for elimination. A

system operating instruction was revised to include the operator aid information, allowing the operator aid to be removed. When the labels for the inverter precharge pushbuttons were removed, the individual failed to recognize that after removing the labels, temporary tags were required since the components were no longer labeled.

In Example No. 2, it was determined that some components have unauthorized information on the labels and/or components. Specifically, a spare breaker was labeled as spare. The label was marked through with "gas analyzer" written in ink on the label. The determination was made that the breaker was a spare breaker, and there was no indication as to why the label had been changed. Other labels included hand-written information that appeared to have been present for an extended period of time. Personnel have been trained, and expectations have been conveyed to ensure that personnel are aware of the plant labeling requirements, including the requirement to not use unauthorized operator aids (e.g., hand-written notes on labels).

Corrective Steps That Have Been Taken and the Results Achieved

Labeling requests for the inverter precharge pushbuttons were initiated, and temporary tags were placed on each of the precharge pushbuttons. Labeling requests or service requests have been initiated, as appropriate, to correct the labels with the unauthorized markings.

Walkdowns of several 125-volt battery boards, 480-volt shutdown boards, and 6.9-kilovolt shutdown boards were performed. The walkdowns did not identify any additional examples of missing labels. Additionally, Nuclear Assurance has been monitoring the labeling and operator aid programs as part of the Operations Performance Evaluation. This evaluation concluded that a large number of components do not have labels on the secondary side of the plant or have temporary markings to identify the equipment. The majority of these components are associated with skid-mounted equipment and have not previously been labeled. The evaluation indicated that a large number of temporary identification tags exist on plant equipment, indicating that unlabeled components are being identified. The evaluation further reveals that the labeling program is in place and is being implemented to provide permanent labels on equipment. A standing order has been issued to Operations personnel summarizing the labeling and unauthorized markings issue, including the key requirements of the labeling program.

Corrective Steps That Will be Taken to Avoid Future Violations

An action plan will be developed to address the issue of unauthorized markings on plant labels. A site dispatch will be issued providing a summary of the labeling and unauthorized markings issue, including the key requirements of the labeling program.

Date When Full Compliance Will be Achieved

TVA will be in full compliance when the action plan associated with unauthorized markings on plant labels is completed.

ENCLOSURE 2

COMMENTS
INSPECTION REPORT 94-300

1. An action plan will be developed to address the issue of unauthorized markings on plant labels. This action will be completed by October 7, 1994.
2. A site dispatch will be issued providing a summary of the labeling and unauthorized markings issue, including the key requirements of the labeling program. This action will be completed by September 9, 1994.