

John D. O'Toole
Vice President

Consolidated Edison Company of New York, Inc.
4 Irving Place, New York, NY 10003
Telephone (212) 460-2533

May 29, 1984

Re: Indian Point Unit No. 2
Docket No. 50-247

Thomas T. Martin, Director
Division of Engineering and
Technical Programs
U. S. Nuclear Regulatory Commission
Region I
631 Park Avenue
King of Prussia, Pa. 19406

Dear Mr. Martin:

This refers to the operations assessment team inspection 50-247/84-03 conducted by Mr. A. T. Cody of your office on February 13-24, 1984 of activities authorized by NRC License No. DPR-26 at Indian Point Unit No. 2. Your April 26, 1984 letter stated that it appeared that one of our activities was not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation enclosed therewith as Appendix A. Our response to the item of non-compliance is presented in Attachment A to this letter.

Should you or your staff have any questions, please contact us.

Very truly yours,

Donald H. J. [Signature]
for John D. O'Toole

cc: Mr. Thomas Foley, Senior Resident Inspector
U. S. Nuclear Regulatory Commission
Post Office Box 38
Buchanan, New York 10511

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ATTACHMENT A

Response to Notice of Violation

Appendix A

VIOLATION

10 CFR 50 Appendix B, Criterion XVI "Corrective Action" requires that measures be established to assure that conditions adverse to quality are promptly identified and corrected, and in the case of significant conditions adverse to quality, the measures shall assure that the corrective action taken precludes repetition.

Consolidated Edison Corporate Instruction (CI)-240-1, "Quality Assurance Program for Operating Nuclear Plants" Section 3, XIII "Nonconformance and Corrective Action" requires that nonconformances be identified; actions be taken to resolve the nonconformance, and when required, corrective action be taken to preclude their recurrence.

Contrary to the above, as of February 15, 1984, corrective actions had not been taken to preclude recurrence of nonconformance identified in Quality Control Inspection Reports 78-G-11, dated July 31, 1978 and 80-RI-201, dated May 29, 1980; and Deficiency Report DR-81-G-1, dated May 28, 1981, regarding inadequate material segregation, failure to provide protective coverings, and inadequate environmental controls for storage and handling of safety-related materials.

This is a severity Level IV violation (Supplement I).

RESPONSE

It is both the policy and practice of Con Edison to promptly correct conditions adverse to quality and to take measures to preclude recurrence. In the case of material storage conditions reported by the Quality Assurance programs, actions taken to alleviate the major cause of this problem, congested warehouse facilities, did not adequately address the immediate correction of proper segregation, protection, and environmental control. When it has been determined that

action taken or being taken, may not correct conditions, the Quality Assurance department informs the cognizant Officer and Senior Officers of the Company for resolution. Corrective action taken to Quality Assurance reports such as Inspections, Surveillance and Audits were evaluated for effectiveness and found to follow policy. This instance is an isolated case.

Cognizant Senior company managers met during the inspection. During and subsequent to the inspection, all material in the warehouse was re-inspected for damage and improper material storage. Material so identified was then protected, segregated and stored in accordance with the ANSI Standard N45.2.2 provisions of the Con Edison Quality Assurance Program. Procedures have been upgraded and new procedures written. To further facilitate proper segregation of material, an additional 2000 square feet of warehouse area was made available.

In addition, a Shelf-life Program and Preventive Maintenance Program has been defined and procedures implementing them are scheduled for August, 1984. Additional existing procedures were reviewed and have been strengthened where necessary. A review and a plan were immediately developed for material storage and handling procedures to assure adequate continued management of this effort. These procedures cover receiving, storage and handling of Class A material, training and record keeping, shelf-life, preventive maintenance, housekeeping and timely responses to Quality Control Inspection Reports. Procedures are planned for completion by August, 1984.

The Quality Assurance Department has increased its staff on-site. Tracking and reporting on corrective action to higher management has been increased. More Quality Assurance audits are being conducted and tracking and followup of audits has been increased. This includes more frequent status reports to higher management. With Nuclear Power reorganization in 1981, Communication and Regulatory Affairs (CRA), reporting to the Vice President, Nuclear Power, was established. CRA reviews inspection reports, audits and evaluations, has a principal responsibility for assigning them for action, tracks the status of action and reports regularly to higher management. This increased Quality Assurance and Nuclear Power attention should adequately assure prompt and effective corrective action.

Significant resources have been applied to alleviate the material storage conditions and there are further additions planned. An additional 8,000 square feet of warehouse space was leased in 1982 and additional steps were taken in 1982 and 1983 to fully resolve organization and maintenance of stored material. A task force in 1983 reduced the back log of material on hold by 80%. A consulting firm in the materials storage field was contracted to define our long term storage and handling needs and plans. This resulted in identifying appropriate space and recommending that it be leased. A lease arrangement for an additional 68000 square feet of warehouse is expected to be completed by August, 1984. Based on these arrangements, occupancy of the new warehouse is currently planned for December, 1984.