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Public Service
Company of Colorado

May 29, 1996
Fort St. Vrain
P-96043

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

Docket No. 50-267

SUBJECT: Reply to a Notice of Violation (NRC Inspection Report No. 50-267/96-02)

REFERENCE: NRC Letter, Scarano to Crawford, dated April 29, 1996 (G-96066)

Gentlemen:

This provides Public Service Company of Colorado's (PSCo) response to the Notice of Violation transmitted by the referenced letter, regarding activities at the Fort St. Vrain (FSV) Nuclear Station. This Notice of Violation resulted from an NRC inspection of FSV decommissioning activities conducted from March 18-21, 1996.

During this inspection, one violation of NRC requirements was identified. The violation involved a failure to adhere to the Decommissioning Plan's quality assurance procedures, particularly regarding the final survey program, and the NRC cited four examples. Each of these examples is addressed in the attachment to this letter, in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600.

If you have any questions regarding this information, please contact Mr. M. H. Holmes at (303) 620-1701.

Sincerely,

Frederick J. Borst
Decommissioning Program Director

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cc: Regional Administrator, NRC Region IV

Mr. Robert M. Quillin, Director

Radiation Control Division

Colorado Department of Public Health and Environment

**REPLY TO A NOTICE OF VIOLATION
NRC INSPECTION REPORT NO. 50-267/96-02**

As noted in the cover letter, this Attachment provides Public Service Company of Colorado's (PSCo) response to the Notice of Violation dated April 29, 1996 (G-96066), regarding activities at the Fort St. Vrain (FSV) Nuclear Station. This Notice of Violation resulted from an NRC inspection of FSV decommissioning activities conducted from March 18-21, 1996.

During this inspection, one violation of NRC requirements was identified. The violation involved a failure to adhere to the Decommissioning Plan's quality assurance procedures, particularly regarding the final survey program, and the NRC cited four examples. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, the violation is addressed below:

Failure to Adhere to Quality Assurance Procedure Requirements

License Condition 2.0 for License DPR-34, states, in part, that the license shall be deemed to contain and is subject to 10 CFR 50.54(a)(1), which requires the licensee to implement a quality assurance program as described in the Safety Analysis Report [Decommissioning Plan] and in accordance with 10 CFR Part 50, Appendix B, "Quality Assurance Criteria for Nuclear Power Plants and Fuel Reprocessing Facilities."

The Decommissioning Plan, Section 7.0, states, in part, that project procedures shall provide for compliance with appropriate regulatory, statutory, and license requirements. The Quality Assurance Plan (QAP) is applicable to and is structured to assure that regulatory requirements as identified in the Decommissioning Plan, Decommissioning Technical Specifications, radiation protection program, and the final survey program are conducted in a controlled manner.

Section 7.0 states further that the QAP shall be carried out throughout the decommissioning project in accordance with those procedures.

Contrary to the above, as evidenced by the following examples, the licensee did not follow QAP procedures:

- (1) As of March 21, 1996, Scientific Ecology Group Incorporated (SEG) Quality Assurance (QA) had not attached QA Acceptance Tags to items that passed inspection as required by Section 5.5.3 of Licensee Procedure SEG/QA-10.1, "Inspection."

- (2) Licensee Procedure SEG/QA-15.1, "Nonconformance Reporting," was not implemented as follows:
- From July 1994 to December 1995, QA did not enter Probable Cause Codes on six completed nonconformance report (NCR) forms per the instructions provided in Enclosure 7.3, entitled, "Instructions for Completing the NCR Form."
 - From January 1994 to September 1995, QA did not perform trend analysis of FSV NCRs as required by Section 5.12.11.
- (3) Licensee Procedure SEG/QA-16.1, "Corrective Action," was not implemented as follows:
- As of March 21, 1996, the Corrective Action Report (CAR) Log was not updated to indicate the status of CARs as required by Section 5.8.2. Consequently, the CAR Log incorrectly indicated that CAR 95-002 was closed on February 7, 1996.
 - On February 7, 1996, the Vice President, QA closed CAR 95-002 without verifying the acceptable implementation of the corrective actions as required by Section 5.7.2.
- (4) Licensee Procedure SEG/QA-18.1, "Audit Program," was not implemented as follows:
- The audit schedule for SEG Audit 95-06 did not include, as required by Section 5.1.1, all aspects of the quality assurance program being implemented such as the licensee's organization, procedures and instructions, and corrective actions.
 - The SEG Audit 95-06 conducted on April 24, 1995, did not examine objective evidence, as required by Section 5.4.2, to determine the effectiveness of the licensee's inspection and nonconformance programs. Specifically, SEG QA auditors did not examine FSV's inspection records and nonconformance reports.

This is a Severity Level IV Violation (Supplement IV).

These four specific examples of QA procedure violations identified in the NRC violation are addressed individually as follows:

QA Acceptance Tags - Example No. 1

(1) The reason for the violation, or, if contested, the basis for disputing the violation.

This example of the violation is contested. We acknowledge that QA acceptance tags are not applied to Final Survey and Radiation Protection Program equipment returned by calibration suppliers and accepted during receipt inspection; however, these tags are not required for this application by SEG's QA procedures as explained below.

Procedure SEG/QA-10.1, "Inspection", specifies distinct requirements for the performance of "Quality Assurance Receipt Inspections" (Section 5.3), "In-Process Inspection and Surveillance" (Section 5.4), and "Quality Assurance Acceptance Inspections" (Section 5.5).

SEG/QA-10.1, Section 3, Definitions, states: "Quality Assurance Receipt Inspection - An inspection that verifies compliance of procured items received from a vendor or supplier." (Section 3.3) and "Quality Assurance Acceptance Inspection - A final inspection of the product or service as specified in the procurement specifications." (Section 3.5).

Section 5.5 of SEG/QA-10.1 specifies requirements for Quality Assurance Acceptance Inspections and Section 5.5.3 specifies that if an item is in compliance with acceptance criteria (Section 5.5.1), "... the QA inspector attaches a completed and stamped, or signed, QA Acceptance Tag (Enclosure 7.2) to the item." However, a similar requirement to use QA Acceptance Tags is not specified in SEG/QA-10.1, Section 5.3, "Quality Assurance Receipt Inspection", which is applicable to instruments received from a calibration vendor, as observed by the NRC inspector.

Since SEG/QA-10.1 distinguishes between Receipt Inspections and Acceptance Inspections and provides specific instruction for the performance of each, PSCo considers that QA Acceptance Tags are not required for the subject application.

WT-QA personnel do use QA Acceptance Tags to indicate WT-QA receipt inspection acceptance of SEG equipment and materials associated with the Radioactive Waste Management Program, in accordance with specific requirements identified in that program.

It should be noted that administrative controls are in place which describe the process by which the SEG Instrumentation Department obtains access to equipment returned by calibration vendors. Procedure FSV-RP-INST-I-102, "Issue Control And Accountability Of Radiation Protection Instrumentation", Sections 5.1 and 5.2, describe the process to

be followed by SEG Instrumentation personnel upon receipt of instrumentation from a calibration vendor. This process requires that WT-QA personnel perform a receipt inspection before Instrumentation personnel can use the instrument and the Instrumentation personnel do not perform source checks and efficiency determinations until calibration data sheets are obtained from QA after satisfactory receipt inspection.

(2) The corrective steps that have been taken and the results achieved.

Since this violation example is contested, corrective action is not required.

(3) The corrective steps that will be taken to avoid further violations.

As a result of the complete review of this issue, it has been determined that additional clarification regarding the satisfactory completion of the WT-QA receipt inspection of calibrated equipment should be provided to the SEG Instrumentation Department.

Therefore, WT-QA shall initiate a Document Change Notice (DCN) for the revision of QAP-122 specifying that WT-QA receipt inspection acceptance of calibrated equipment will be identified by the inclusion of a completed QA inspection record copy (SEG/QA-10.1 Enclosure 7.1) with the vendor supplied calibration documentation provided to the SEG Instrumentation Department by WT-QA after satisfactory completion of receipt inspections.

(4) The date when full compliance will be achieved.

We are currently in full compliance with procedural requirements. The program enhancement to QAP-122 as described above will be implemented by June 14, 1996.

Nonconformance Reporting - Example No. 2

(1) The reason for the violation, or if contested, the basis for disputing the violation.

First Bullet: This example of a procedural violation is admitted. Further review by WT-QA personnel has identified that a majority of completed Fort St. Vrain (SEG) Nonconformance Reports, generated utilizing a form that has since been revised, have no identified probable cause codes on the forms maintained at the Fort St. Vrain site. The reason for this violation is miscommunication between the Fort St. Vrain WT-QA personnel and SEG - Oak Ridge QA personnel regarding probable cause codes. Site personnel believed that the probable cause codes were applied by SEG-Oak Ridge QA personnel while performing trend analysis.

The internal review also showed that all NCRs issued utilizing the form contained in recent revisions of SEG/QA-15.1 contained the probable cause code as required with one exception. The reason for this procedural violation example was an apparent oversight.

Second Bullet: This example of a procedural violation is admitted. It should be noted that this example was self-identified by internal audit 95 - 13 (I) conducted by SEG-Oak Ridge QA which discovered in May 1995 that trend analysis was not performed for Nonconformance Reports generated during 1994 and 1995. The reason for this violation is an apparent oversight.

(2) The corrective steps that have been taken and the results achieved.

First Bullet: A review of completed Fort St. Vrain Nonconformance Reports was performed which concluded that a majority of Nonconformance Report forms maintained at the Fort St. Vrain site did not contain probable cause codes. SEG-Oak Ridge has stated that probable cause codes were added to the copies of the Nonconformance Reports that they received from Fort St. Vrain, in preparation for trend analysis. SEG-Oak Ridge QA has initiated the retrieval of these Nonconformance Reports from storage to permit the WT-QA update of the Nonconformance Report forms maintained at Fort St. Vrain to reflect these codes.

Second Bullet: In response to the internal audit of May, 1995, SEG-Oak Ridge QA initiated corrective action relative to the missed trend analysis. The decision was made to use data that was meaningful and timely. Therefore, a trend analysis was performed for the time period from January to September, 1995. The analysis resulted in two Corrective Action Reports being generated to address adverse trends. One CAR addressed quality problems associated with a vendor (Ludlum Instruments) used in part by the FSV Project. An additional trend analysis has been subsequently performed by SEG Oak Ridge QA.

(3) The corrective steps that will be taken to avoid further violations.

First Bullet: WT-QA personnel have been instructed to determine probable cause codes and to provide these on all Nonconformance Report forms generated in association with the Fort St. Vrain Decommissioning Project.

Second Bullet: SEG-Oak Ridge will continue to perform trend analysis as required.

(4) The date when full compliance will be achieved.

First Bullet: Probable cause codes will be added to Nonconformance Report forms maintained at the Fort St. Vrain site after retrieval of archived files from SEG-Oak Ridge. This update will be completed by June 28, 1996.

Second Bullet: Full compliance has been achieved.

Corrective Action Reports - Example No. 3

(1) The reason for the violation, or, if contested, the basis for disputing the violation.

First Bullet: This example of a procedural violation is admitted. The CAR Log in use and reviewed during the NRC inspection did not include entries for "Disposition Approval Date" and "Actions Complete", because the employee maintaining the Log did not believe these entries were required, since they are not addressed in procedure SEG/QA-16.1, "Corrective Action".

Although we admit the violation regarding the incomplete CAR Log, we wish to point out that the CAR Log was correct in stating that CAR 95-002 was closed on February 7, 1996, as addressed in the next bullet.

Second Bullet: This example of a procedural violation is admitted. The CAR was closed by the SEG VP-Quality based on a memo from a SEG Quality Specialist stating that corrective action implementation was verified. A review of the CAR file indicated that all corrective actions had been implemented with one exception: a purchase order change notice requisition was accepted as implementation verification in lieu of the formally issued purchase order change notice. The reason for the violation is lack of attention to detail.

(2) The corrective steps that have been taken and the results achieved.

First Bullet: (1) The employee maintaining the CAR Log has been instructed to complete all fields specified on the Log in use. (2) SEG/QA-16.1, Rev. 3, has been revised to clarify that the CAR Log is used for obtaining sequential CAR numbers and corrective action implementation due dates. (3) The CAR Log reviewed by the NRC inspector has been updated with entries for disposition approval and actions complete dates.

Second Bullet: CAR 95-002 was reopened by the SEG VP-Quality. NCR 96-039 was issued to document the inadvertent closure issue. Training has been performed for the coordinator, verifier, and the Vice President of Quality Assurance to assure that only final documentation is used as objective evidence for future CAR closures. All CAR corrective action implementation documentation was reviewed and the status of each CAR was ascertained. SEG NCR 96-039 was closed on May 7, 1996.

(3) The corrective steps that will be taken to avoid further violations.

First Bullet: No further corrective action is necessary.

Second Bullet: No further corrective action is necessary.

(4) The date when full compliance will be achieved.

First Bullet: Full compliance has been achieved.

Second Bullet: Full compliance has been achieved.

Audit Program - Example No. 4

(1) The reason for the violation, or, if contested, the basis for disputing the violation.

First and Second Bullets: This example of the violation is contested. PSCo considers that audit 95-06 (I) performed by SEG met the intended QA program requirements. While we agree that the 1995 SEC-QA audit did not address all criteria implemented at the site, it was not intended to do so. Audits are required every 18 months and this requirement was met with audits 94-06 (I) in September 1994 and 96-03 (I) in April 1996 which evaluated the applicable criteria. Audit 95-06 was performed to address new activities associated with the initiation of the Final Survey Program, which had not been previously audited by SEG. We acknowledge that the intent of this audit should have been stated in the audit report; however, the SEG audit program has been reviewed by PSCo and by an independent auditor and found to meet procedural requirements.

A review of the subject audit plan (95-06 (I)) does indicate that a greater scope was planned than what was performed. However, discussions with the SEG Lead Auditor by SEG FSV Project Management and WT-QA prior to the performance of the audit determined that the audit should concentrate on "new work" at the Fort St. Vrain site, i.e., Final Site Survey activities.

A review by WT-QA was performed of the SEG Audit 96-03 (I) Audit Plan dated February 28, 1996 for the audit performed April 1 through April 4, 1996. A revised plan was issued on March 27, 1996 based on this review to assure an accurate definition of the required audit scope. Additionally, Public Service Company of Colorado Project Assurance performed a monitoring during the performance of Audit 96-03 (I) to provide assurance that the audit plan was followed and that the checklists used provided sufficient detail.

Procedural references in support of this discussion are as follows:

SEG/QA-18.1, "Audit Program", Section 5.1.1, specifies that the internal audit schedule (not audit plan) include all aspects of the quality assurance program for the entire SEG

organization. The audit of the Fort St. Vrain Project is one entry on this schedule, which specifies the SEG internal audits to be performed corporate-wide. The internal audits identified on the schedule range from specific functional group audits such as procurement or design control, to entire projects, such as Fort St. Vrain.

SEG/QA-18.1, Section 5.2.3 (Planning), provides a description of the scope requirements for individual audit plans. This section states "The scope of the audit is defined, based on requirements, previous audit results, nonconformance reports, and information from other sources, as applicable".

QAP-122 specifies that "... audits will be performed at a frequency commensurate with the work or when quality concerns are identified by management, the client, or regulators, not to exceed every 18 months".

In summary, the requirements of SEG/QA-18.1 and QAP-122 are, and have been, correctly implemented for the Fort St. Vrain Decommissioning Project. Therefore, this example of the violation is contested.

(2) The corrective steps that have been taken and the results achieved.

No corrective action is necessary. SEG will provide further descriptive information in any future audit reports where the audit scope is changed from that stated in the audit plan.

(3) The corrective steps that will be taken to avoid further violations.

No corrective action is necessary.

(4) The date when full compliance will be achieved.

Full compliance has been achieved.

Conclusions

With the example clarifications noted above, PSCo admits the cited failure to adhere to Quality Assurance procedure requirements. These examples of failures to follow QA procedures involve several different aspects of the QA program at FSV. PSCo considers it essential to note that these issues involving the efforts of Scientific Ecology Group, Inc. (SEG) are only one facet of the total QA picture for the Fort St. Vrain decommissioning project. To adequately characterize the full extent of QA oversight, it is also necessary

to consider the efforts of the Westinghouse QA organization and of PSCo's QA organization.

For example, in the auditing area, the total integrated efforts of these three QA organizations have recently been reviewed by an independent auditor, Nuclear Energy Consultants, Inc. (NEC), in an audit performed for the Decommissioning Safety Review Committee (DSRC). NEC concluded that each of the responsible organizations are performing audits as required by their individual program commitments. When reviewed and evaluated as a whole, these audits and supplementary monitoring and surveillances have assessed all quality criteria, i.e., the 18 criteria of Appendix B, as appropriate for implementation of the decommissioning Quality Assurance plan.

PSCo and the Westinghouse Team fully recognize the importance of a strong QA program in establishing credibility for final survey results. As addressed above, we acknowledge the validity of certain concerns identified by the NRC, and have undertaken corrective actions and enhancements to improve the QA program. For example, the Westinghouse QA organization has added an experienced QA inspector to its staff and PSCo extended the NEC audit of the QA Program from one week to two weeks, to allow a more comprehensive review. Also, as a result of the issues identified by the NRC inspection, the Westinghouse QA organization perceived a need to evaluate all elements of the QA program and performed a detailed self-assessment of the current status of QA procedural compliance, with the assistance of a QA engineer from the Westinghouse Pittsburgh office. As a result of the Westinghouse self-assessment, several procedure revisions have been initiated to strengthen the QA program.

PSCo and the WT consider that the enhanced QA efforts associated with FSV's Final Survey Program are comprehensive and provide an on-going review of efforts in the field, of analysis and review efforts, and of final report documentation. These efforts are being documented in an appendix describing Quality Assurance and Oversight Activities, which will be included in each Final Survey Report submittal. The first of three planned Final Survey Report submittals will be available for your review the week of June 3, 1996.

PSCo would also like to note that we have evaluated the non-cited violations identified in the NRC inspection report and have completed corrective actions.