

October 22, 1996

EA 96-304

Mr. John K. Wood
Vice President - Nuclear
Davis-Besse Nuclear Power Station
Centerior Service Company
5501 North State Route 2
Oak Harbor, OH 43449

SUBJECT: DAVIS-BESSE NUCLEAR POWER STATION
NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY -
\$50,000
(NRC INTEGRATED INSPECTION REPORT NO. 50-346/96008(DRS))

Dear Mr. Wood:

This refers to the inspection conducted on June 24 through July 11 and August 14-15, 1996, at the Davis-Besse Nuclear Power Station. The inspection included a review of the circumstances surrounding certain motor operated valves (MOVs) being potentially unable to perform their post-fire safe shutdown function, and degraded radiant energy shields in the containment and containment annulus. These conditions were reported to the NRC in Licensee Event Reports dated April 19, May 17, and July 31, 1996. The report documenting the inspection was sent by letter dated September 12, 1996, and an open pre-decisional enforcement conference was conducted on September 26, 1996.

Based on the information developed during the inspection and the information that was provided during the conference, the NRC has determined that violations of NRC requirements occurred. The violations are cited in the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice) and the circumstances surrounding the violations are described in detail in the subject inspection report.

The violation in Section I of the Notice involves sixteen MOVs that were potentially unable to perform their post-fire safe shutdown function in accordance with 10 CFR Part 50, Appendix R, Section III.G, because their control circuits were susceptible to fire induced hot shorts. On February 28, 1992, the NRC issued Information Notice 92-18, "Potential for Loss of Remote Shutdown Capability During a Control Room Fire," that identified a postulated common mode failure mechanism in which a postulated fire could cause hot short damage to MOV control circuits resulting in damage to valves needed for post-fire safe shutdown. In April 1994, the Davis-Besse staff completed its initial evaluation of Information Notice 92-18 and determined that there were approximated 35 valves that were potentially affected by this scenario. However, the evaluation concluded that no further action was necessary, based on the low probability for the scenario to occur. This conclusion was

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inappropriately based on a 1992 Nuclear Management and Resources Council (NUMARC) recommendation that was not endorsed by the NRC. On March 20, 1996, the NRC informed your staff that this approach was unacceptable. Your staff's subsequent reevaluation of Information Notice 92-18 determined that 16 MOVs were affected requiring procedural changes, modifications, or compensatory measures to ensure Appendix R safe shutdown capability.

While the probability of a fire occurring as described in Appendix R is relatively low, the consequences of such an event occurring at Davis-Besse could have been high since the ability to maintain the plant in hot standby, as required by Appendix R, could only have been achieved by significant operator actions, troubleshooting, and repair activities to compensate for the design deficiencies. Therefore, the violation in Section I of the Notice has been categorized in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600, at Severity Level III.

In accordance with the Enforcement Policy, a base civil penalty in the amount of \$50,000 is considered for a Severity Level III violation. Because your facility has been the subject of escalated enforcement actions within the last two years¹, the NRC considered whether credit was warranted for *Identification* and *Corrective Action* in accordance with the civil penalty assessment process in Section VI.B.2 of the Enforcement Policy. Credit was not warranted for identification because the NRC identified the violation in Section I of the Notice.

Credit was warranted for your comprehensive corrective actions for the violation in Section I of the Notice, which included initiating a corrective action document based on reconsideration of Information Notice 92-18, verifying that appropriate compensatory measures (fire watches) were in place, expanding the scope of review beyond the control room fire described in Information Notice 92-18 to consider single hot shorts in all fire areas containing circuits for safe shutdown MOVs, reaffirming expectations regarding Information Notice evaluations, modifying the Information Notice review process to utilize the Corrective Action Process, planning an external peer assessment of the Davis-Besse industry experience program, and revisiting a sample of Information Notice responses where industry guidance was used.

Therefore, to emphasize the need for full compliance with Appendix R, along with adequate review of NRC Information Notices, conservative operability and reportability determinations, and the need to identify violations, I have been authorized, after consultation with the Director, Office of Enforcement, to issue the enclosed Notice in the total amount of \$50,000 for the Severity Level III violation.

Section II of the Notice describes one violation not assessed a civil penalty involving the failure to take compensatory measures for inoperable radiant energy shields in the containment and containment annulus. This violation has

¹ A Severity Level III problem (identified in April 1996) was issued on June 13, 1996 (EA 96-122).

been categorized at Severity Level IV in accordance with the Enforcement Policy. While this violation is more than of minor concern, a higher severity level was not assessed because the probability of fire occurring in these areas was low due to the lack of an ignition source and low combustible loading.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response will be placed in the NRC Public Document Room (PDR).

Sincerely,

/s/ W. L. Axelson (for)

A. Bill Beach
Regional Administrator

Docket No. 50-346
License No. NPF-3

Enclosure: Notice of Violation and
Proposed Imposition of Civil Penalty

cc w/encl: John P. Stetz, Senior
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