

MAY 24 1985

In Reply Refer To:
Docket: 50-285/84-12

Omaha Public Power District
ATTN: R. L. Andrews, Division Manager-
Nuclear Production
1623 Harney Street
Omaha, Nebraska 68102

Gentlemen:

This refers to your April 9, 1985, response (LIC-85-138) in reply to the Notice of Violation sent to you with our letter dated March 8, 1985. Our letter and Notice described a violation which occurred at the Fort Calhoun Station which was identified during an NRC inspection and investigation conducted in May, June, and July respectively. The violation was discussed with you during an Enforcement Conference held with Mr. P. S. Check, Deputy Regional Administrator, Region IV on December 20, 1984.

Your response has been carefully considered. The response does not contradict the fact that the violation occurred, and false, inaccurate and incomplete information was provided to the NRC for review. The information requested, under oath, by the NRC through the issuance of an IE Bulletin, is considered material since it was needed to assess the significance of an identified problem, the potential degradation of threaded fasteners. The key question is whether the information furnished had a natural tendency or capability to influence, not whether the information was in fact relied on. In our opinion, it did have a natural tendency or capability to influence. See Virginia Electric Power Co. (North Anna 1 and 2), 4 NRC 480 (1976), affirmed VEPCO v. NRC, 571 F 2d 1289 (4th. Cir. 1978.). The violation identified by the NRC regarding your August 2, 1982 reply to IE Bulletin 82-02 demonstrated the need for more effective control of your responses to the NRC. As discussed in our Notice of Violation, in recognition of prior good performance and prompt and extensive corrective action, the civil penalty was fully mitigated. However, since the false statement is considered to be material and is considered to be more than an inadvertent clerical error as there was a specific lack of emphasis and attention by several levels of management and supervision within the OPPD organization, the classification of the violation as a Severity Level III is appropriate.

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We find your reply responsive to the concerns raised in our Notice of Violation. We will review your corrective action during a future inspection to determine that full compliance has been achieved and will be maintained.

Sincerely,

Original signed by
Robert D. Martin

Robert D. Martin
Regional Administrator

cc:

W. G. Gates, Manager
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P. O. Box 399
Fort Calhoun, Nebraska 68023

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Kansas Radiation Control Program Director

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1 bec to DMB (IE01)

bcc distrib. by RIV:

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*RIV File	R. Denise, DRSP
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R. D. Martin, RA
*MIS System
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RIV:RPB2
DRHunter:gb
5/24/85

DRS&P
RPDenise
5/24/85

EO
TWesterman
5/24/85

RA
RDMartin
5/24/85

Omaha Public Power District
1623 Harney Omaha, Nebraska 68102
402/536-4000

April 9, 1985
LIC-85-138

APR 11 1985

Mr. James M. Taylor, Director
Office of Inspection and Enforcement
U. S. Nuclear Regulatory Commission
Washington, DC 20555

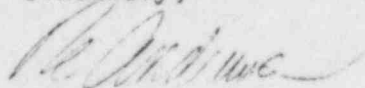
Reference: (1) Docket No. 50-285
(2) Letter from OPPD (W. C. Jones) to NRC (J. T. Collins)
dated August 2, 1982 (LIC-82-269)
(3) Letter from OPPD (R. L. Andrews) to NRC (J. T. Collins)
dated July 2, 1984 (LIC-84-209)
(4) Letter from OPPD (R. L. Andrews) to NRC (R. D. Martin)
dated December 27, 1984 (LIC-84-434)
(5) Letter from NRC (R. D. Martin) to OPPD (R. L. Andrews)
dated March 8, 1985 (EA-84-63)

Dear Mr. Taylor:

IE Inspection Report 84-12
Notice of Violation

The Omaha Public Power District received IE Inspection Report 84-12 and Reference (5) both dated March 8, 1985. These documents identified a potential material false statement and violation of NRC requirements relative to the District's response to NRC IE Bulletin 82-02. Pursuant to 10 CFR 2.201, please find attached the District's response to these allegations.

Sincerely,



R. L. Andrews
Division Manager
Nuclear Production

RLA/CWN/dao

Attachment

Certified By *J. Lamm* DESIGNATED ORIGINAL

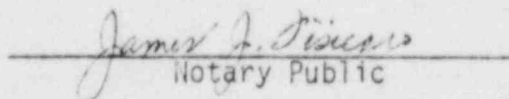
8504160301 (11p)

cc: LeBoeuf, Lamb, Leiby & MacRae
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Mr. James R. Miller, Chief
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Mr. Robert D. Martin
Regional Administrator
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Region IV
611 Ryan Plaza Drive, Suite 1000
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Mr. E. G. Tourigny, NRC Project Manager
Mr. L. A. Yandell, NRC Senior Resident Inspector



ATTACHMENT

NOTICE OF VIOLATION
OPPD Response Pursuant to 10 CFR 2.201

In accordance with Reference 5 and as required therein, the District is responding to the subject Notice of Violation associated with OPPD's initial response to IE Bulletin 82-02 (Reference 2).

VIOLATION

The NOTICE OF VIOLATION attached to Reference 5 states:

The following is a material false statement within the meaning of Section 186 of the Atomic Energy Act of 1954, as amended.

In the August 2, 1982, response to NRC IE Bulletin No. 82-02, "Degradation of Threaded Fasteners in Reactor Coolant Pressure Boundaries in PWR Plants," the licensee stated, in part, that "The Fort Calhoun Station approved maintenance procedures call for the use of NEVERSIEZE (sic) (Pure Nickel #65) on all threaded fasteners."

Contrary to the above statement:

- ° Special Maintenance Procedure SP-RC-11, Revision 1, "Reactor Coolant Pump Assembly," (effective between May 24, 1980, and March 1, 1983) designated no specific lubricant on the reactor coolant pump (RCP) studs. Discussions revealed that it had been common practice to use molybdenum disulfide lubricant on both the RCP and reactor vessel studs. Revision 6 of Special Maintenance Procedure SP-RC-11, dated March 16, 1984, specifically required the use of "Super-Moly" (molybdenum disulfide) on RCP Studs.
- ° Maintenance Procedure RC-2-1-B, Revision 12, "S/G Primary Manway Replacement," (effective between June 9, 1981, and January 20, 1983) designated a mixture of 50% oil and 50% graphite to be used on manway studs.

The August 2, 1982, statement was false in that contrary to the statement, a number of different types of lubricants were utilized at Fort Calhoun Station, including "Super-Moly" (molybdenum disulfide). The false statement was material in that one of the purposes of IE Bulletin No. 82-02 was to find out which licensees used "Super-Moly" (molybdenum disulfide) as a fastener lubricant and what plant experience the licensee had with stress-corrosion cracking of fasteners using molybdenum disulfide lubricants. At the time IE Bulletin 82-02 was issued, the NRC thought that molybdenum disulfide might have

VIOLATION (Continued)

a pronounced tendency to decompose in the presence of high temperature and moisture conditions to release sulfide, a known promoter of stress-corroding cracking. Although the NRC subsequently found molybdenum disulfide lubricant to be acceptable, this fact was not known when the licensee submitted its response.

This is a Severity Level III violation (Supplement VII).
(No Civil Penalty)

DISTRICT'S RESPONSE

1. Admission or Denial of the Alleged Violation

The District admits that its August 2, 1982 response was incomplete, but denies that the alleged violation is a material false statement.

Supplement VII to 10 CFR, Part 2, Appendix C provides that:

A false statement caused by an inadvertent clerical or similar error involving information which, had it been available to NRC and accurate at the time the information should have been submitted, would probably not have resulted in regulatory action or NRC seeking additional information

is a "Severity IV violation."

The complete text of that portion of the District's August 2, 1982 response that led to the Notice of Violation is as follows:

Request

Identify those closures and connections, if any, where fastener lubricants and injection sealant materials have been or are being used and report on plant experience with their application particularly any instances of SCC of fasteners. Include types and composition of materials used.

District's Response

Maintenance records indicate that injection sealant compounds have never been used on any of the RCPB enclosures within the scope of IE Bulletin 82-02 at the Fort Calhoun Station.

The Fort Calhoun Station approved maintenance procedures call for use of NEVERSIEZE Pure Nickel #65 on all threaded fasteners. To date, the District has experienced no problems related to use of the NEVERSIEZE lubricant.

1. Admission or Denial of the Alleged Violation (Continued)

In essence, the District furnished three categories of information to the NRC:

- (1) Injection sealant compounds used,
- (2) Lubricants used on threaded fasteners, and
- (3) Plant experience with sealants and lubricants, particularly instances of stress corrosion cracking of threaded fasteners.

Information furnished under Category 1 was accurate; information under Category 2 was incomplete and therefore inaccurate; and information under Category 3 was accurate. The District believes that its answer in Category 3 must be considered to determine whether there was any material false statement. The District accurately reported that it had experienced no problems. That information was correct with respect to all lubricants used, even though the lubricants themselves were not all listed. Had the other lubricants been identified, no different conclusion concerning their effect would have been presented. Therefore, contrary to the Notice of Violation, the statement was not material. If complete and accurate information had been included in the District's 1982 response of IE Bulletin 82-02, it "would probably not have resulted in regulatory action or NRC seeking additional information."

Since the NRC acknowledges that the District's incomplete response was not intentional and was not intended to conceal or mislead, we also believe it is appropriate to classify it as "inadvertent." In addition, the Commission has determined that "materiality" should be contingent upon the safety significance of the information (47 Fed. Reg. 8584 (1984)). Based upon the above discussion, the District has concluded that the incomplete response has no safety significance. For all of these reasons, the District submits that its 1982 response was not a material false statement and that classification as a Severity Level III is not warranted.

2. Reasons for the Violation

Reference 3 described the steps taken to correct the District's response to Item 5 of IE Bulletin 82-02. Reference 3 also identified the procedures which were in effect in 1982 when the initial response was prepared. Further, the inspection conducted by the NRC's Office of Investigations during June and July of 1984 defines the causes for the occurrence. The results of the NRC's inspection are summarized in the third paragraph of Reference 5. The submission of the statement occurred due to failures on the part of the District including inadequate review of documentation, failure to adequately coordinate and discuss the matter with knowledgeable personnel in the specific area of concern, failure of management to assign the response to an experienced employee, and failure of

2. Reason for the Violation (Continued)

management to identify the incomplete statement during the required procedural review of all the responses to the NRC. The circumstances associated with the preparation of the response to the NRC indicated a specific lack of emphasis and attention to detail by a number of levels of management and supervision within the District.

3. Corrective Steps Which Have Been Taken and the Results Achieved

As described in the District's presentations to Mr. P. S. Check and other members of the NRC Region IV staff during the December 20, 1984 Enforcement Conference, corrective measures have been taken in three areas:

- (1) Review of the qualifications of those responsible for preparing NRC responses for the years 1983 and 1984.
- (2) Revision of the training program for new technical employees.
- (3) Establishment of internal procedures for checking submittals to the NRC and independently reviewing submittals requiring oath or affirmation and as otherwise deemed appropriate prior to management review.

These measures and the results achieved are summarized below.

(1) Review of Preparer's Qualifications

An undocumented review and evaluation of correspondence submitted under oath or affirmation for the last two years (1983-1984) was conducted to address the following functions:

- a. Were the individuals who prepared responses experienced in the area of the response?
- b. Is it necessary to perform a technical review of any responses submitted during 1983 and 1984?
- c. Is it necessary to conduct a review and evaluation of correspondence submitted prior to 1983?

The results of that review and evaluation are as follows:

Items submitted under oath or affirmation fit into three general categories:

- Technical Specification Amendment Applications (both initial applications and revisions to previously filed applications)
- Proprietary Information Declarations
- IE Bulletin and Generic Letter Responses

3. Corrective Steps Which Have Been Taken and the Results Achieved
(Continued)

Technical Specification Amendment Application

The review and evaluation concluded that since Technical Specification Amendments were reviewed and approved by the Plant Review Committee and the Safety Audit and Review Committee, the detailed reviews and approvals of these two groups was sufficient to ensure that the information was correct. In addition, the Commission approved such applications in the form of Amendments to the District's Technical Specifications. Based on the above, the District believes that no additional review is necessary for the Technical Specification Amendments submitted during 1983-1984. The review and evaluation also concluded that it is highly unlikely that a similar situation to the IE Bulletin 82-02 response could occur with Technical Specification Amendment applications. It was also determined that it was not necessary to do additional reviews on the Technical Specification Amendments submitted prior to 1983 since they were handled in a similar manner as the 1983-1984 applications.

Proprietary Information Declarations

The review and evaluation concluded that Proprietary Information Declarations are not normally of a type where safety significant information is provided to the Commission. Therefore, no additional review of Proprietary Information Declarations submitted during 1983-1984 was needed nor was it necessary to review such submittals prior to 1983. The review and evaluation also concluded that it is highly unlikely that a similar situation to the IEB 82-02 response could occur with Proprietary Information Declarations.

IE Bulletin and Generic Letter Responses

The review and evaluation concluded that the personnel who initially prepared IE Bulletin and Generic Letter responses submitted under oath or affirmation during 1983-1984 were sufficiently experienced to prepare such responses. These IE Bulletins and Generic Letter responses were processed through the District's management review cycle. As described in Item (3) on Page 7 of this response, the District procedure for processing of NRC and other regulatory correspondence (DAS-L-03) was revised in September 1984 to incorporate an independent review and checking function. Since that revision, IE Bulletins and Generic Letters submitted under oath of affirmation have been independently reviewed as required. For 1983 and 1984 IE Bulletins and Generic Letter responses that were submitted prior to September 24, 1984, the following action was taken.

3. Corrective Steps Which Have Been Taken and the Results Achieved
(Continued)

- a. Many of the personnel responsible for preparing these responses have been interviewed in order to determine if additional review is required. During these interviews, personnel were asked to describe the steps they used in preparing the response with the intention of determining whether the necessary steps were taken. Based on these interviews it was determined that the necessary steps were taken; consequently, no additional review was required.
- b. Some responses were discussed at several meetings where sufficient qualified personnel were present and extensively discussed the subject matter. The responses were then prepared based on those discussions and the documents were subsequently processed through the District's correspondence review cycle.
- c. Some of the IE Bulletins or Generic Letter responses have subsequently been reviewed by the Commission and closed.

Based on the above information it has been concluded that it is not necessary to conduct further reviews of the IE Bulletin and Generic Letter responses submitted for the 1983-1984 period or made before 1983.

This review provides confidence that it is unlikely that a similar situation to the IEB 82-02 response could occur with the IE Bulletin and Generic Letter responses submitted before or during the 1983-1984 period.

The District cannot positively state that all responses submitted to the Commission are 100% complete and accurate; however, the District can state there is a high degree of assurance that responses submitted to the Commission are complete and accurate based on past reviews and the results of the review and evaluation which was conducted prior to the December 20, 1984, Enforcement Conference.

(2) Revision of the Training Program for New Technical Employees

Training of new technical employees has been upgraded by the availability of additional courses in reactor and power plant fundamentals. Further, availability of training materials and resources has been formalized and implemented by the Nuclear Production Division (NPD) as described in the NPD Policy/Procedure No. C-3, RO 2/15/85, "Orientation/Training of Newly Hired Technical Employees Performing Safety-Related Activities." Policy/Procedure C-3 training of managers and supervisors in NPD and managers in the Engineering Division was

3. Corrective Steps Which Have Been Taken and the Results Achieved
(Continued)

completed on February 12, 1985. New technical employees in the Nuclear Production Division will be trained under this upgraded training and orientation policy. These improvements improve employee awareness of existing documentation, resources, and information prior to preparation of responses. Also, utilization of this policy encourages communication between the supervisor and new employee to provide the supervisor with a thorough understanding of the employee's capabilities.

The improvement of the training program and formal establishment of an NPD training policy for new employees has resulted in increased managerial and supervisory awareness that individuals preparing responses must be properly qualified prior to being assigned as a preparer. Similar policies are in effect in the Engineering Division.

(3) Establishment of Internal Procedures for Checking and Independently Reviewing Submittals to the NRC.

The District's Nuclear Regulatory & Industry Affairs departmental procedure for processing of NRC and other regulatory correspondence (DAS-L-03) was revised in September 1984 to incorporate appropriate Independent Review requirements as well as Checks of responses. In accordance with the procedure as revised, NRC submittals now undergo a Check which is generally an intradepartmental review of the originating NRC document against the submittal to confirm that items are adequately addressed, properly stated and the responses are complete. A Check is normally done by a knowledgeable person or the preparer's supervisor or manager.

Correspondence from the NRC is reviewed upon receipt to determine if a response is required and if that response should be independently reviewed. Review of such responses are assigned to an OPPD organization separate from the initial preparer's for an Independent Review, which is generally an interdepartmental review of the NRC originating document against the submittal to confirm that all items are adequately addressed, properly stated and the responses are complete and technically correct. The Independent Reviewer confirms that information in the submittal is accurate and correct. Also, the Independent Reviewer confirms that the supporting data in the submittal supports the submitted conclusion.

Either a Check or the Independent Review are completed prior to management review of the proposed NRC response. These Checks assure that the preparer and the preparer's supervisor have reviewed appropriate documentation and available resources so that responses are complete and accurate in

3. Corrective Steps Which Have Been Taken and the Results Achieved
(Continued)

detail. Independent Reviews add these same features plus the review of a knowledgeable third party.

The District's experience since revision of DAS-L-03 has indicated that Independent Reviews and Checks are providing a thorough review of the responses, thereby reducing the likelihood of further similar violations.

4. The Corrective Steps Which Will Be Taken to Avoid Further Violations

Experience with the process of Independent Reviews and Checks of responses indicates that additional corrective steps are not necessary; however, the training programs for new and seasoned employees are anticipated to improve as further training resources become available and supervisors become better acquainted with application of these training resources to their employees' training and re-training needs.

5. The Date When Full Compliance Will Be Achieved

The District is currently in full compliance.