

January 3, 1997

CAL No. RIII-96-017

Mr. Richard R. Grigg, President and
Chief Operating Officer
Wisconsin Electric Power Company
231 W. Michigan
P. O. Box 2046
Milwaukee, WI 53201

SUBJECT: CONFIRMATORY ACTION LETTER
POINT BEACH NUCLEAR POWER PLANT UNITS 1 AND 2

Reference: Wisconsin Electric letter, R. R. Grigg to A. B. Beach,
dated December 12, 1996

Dear Mr. Grigg:

During the past year, significant weaknesses in operations, maintenance, and engineering have been identified at the Point Beach Nuclear Power Plant (PBNPP). These weaknesses encompass programmatic problems with PBNPP's procedures, work and test activities, licensing and design bases adherence, and corrective action program. This letter briefly discusses these weaknesses and documents our understanding of actions to be taken to address them prior to returning Unit 2 to service.

NRC inspections and the PBNPP partial review have identified numerous discrepancies in PBNPP's Final Safety Analysis Report (FSAR). Some of the discrepancies resulted in NRC escalated enforcement action and were discussed at a Pre-decisional Enforcement Conference on September 12, 1996. During the conference, we also discussed with you and your staff significant weaknesses in the conduct of control room activities, safety equipment configuration control, post-maintenance and surveillance testing, and the conduct of dry cask storage activities.

As part of PBNPP's corrective actions for the enforcement issues, PBNPP staff stated that the inservice testing program would be formally reviewed to ensure that test acceptance criteria properly bound the design bases/accident analysis assumptions for safety-related pumps. Your staff also stated that the operability evaluation program would be improved. However, the NRC recently identified examples where test acceptance criteria were not correct (auxiliary feedwater pump) and where an operability evaluation was technically superficial and did not address the design bases (diesel generator air start motors).

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A recent NRC operational safety team inspection (OSTI) preliminarily identified numerous examples of nonconservative engineering and management decisions and practices affecting operations. The team also identified many older design bases document open items that had not been entered into the corrective action program; therefore, no operability evaluations were performed on conditions that appeared to be outside the design bases and FSAR.

The failure to incorporate the appropriate acceptance criteria into the pump test, the superficial operability determination of the diesel generator air start motors, and the myriad concerns identified by the OSTI raise questions about the effectiveness of PBNPP's efforts to correct the problems discussed at the Pre-decisional Enforcement Conference on September 12, and the ability of the PBNPP staff to identify and correct problems other than those identified by the NRC. Furthermore, recent license amendment requests indicate that there are some significant discrepancies between the current PBNPP Technical Specifications, how the plants are operated, the FSAR, and the design bases.

Our concerns were discussed with you and your staff on a number of occasions over the last several months including a public management meeting with you and your staff on December 5, 1996. You and your staff recognized many of these concerns, and following our discussions, you submitted a letter to us dated December 12, 1996, containing a list of actions your staff will complete prior to restart of Point Beach Unit 2. Based on your recognition of the need for improvement in PBNPP performance, it is our understanding that your staff has taken or will take the following actions and other actions described more completely in your December 12, 1996, letter to address safety performance weaknesses prior to the restart of Unit 2 from the current outage:

1. Review Unit 2 administrative controls and a portion of procedures for conducting Inservice Test and Technical Specification required surveillances, and all procedures that contain post maintenance testing. These reviews will concentrate on those activities involving major safety equipment and will focus on the adequacy of acceptance criteria, Technical Specification implementation, return to service lineups, independent verification, and installed test instrumentation.
2. Review past activities including: a portion of maintenance work orders, closed condition reports, and all of the open items (NUTRK list) performed on or associated with Unit 2 or common probabilistic safety assessment (PSA) significant systems since January 1995; and all outstanding justifications for continued operation (JCOs) and 1996 10 CFR 50.59 screening evaluations. These reviews will verify that proper PMTs were performed, potentially degraded equipment was identified, and NRC regulations were met.

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3. Complete PBNPP efforts to implement interim improvements in the Condition Reporting and 10 CFR 50.59 evaluation programs that incorporate lessons learned from the reviews identified above.
4. Provide additional information, as needed, to support NRC evaluation and approval of, and modify procedures and train personnel, as necessary, to implement license amendments resulting from Technical Specification Change Requests CR-189, CR-192, and CR-194.

Pursuant to a telephone conversation between Mr. Scott Patulski of your staff and Mr. Jack Grobe of my staff, on January 3, 1997, it is our understanding that you will document the results of these activities described above and in your December 12, 1996, letter, and will meet with the NRC to discuss the results of your staff's actions prior to restarting Unit 2.

Nothing in this Confirmatory Action Letter is intended to preclude you from taking actions which you deem necessary to place the plant in a safe condition or maintain it in a safe condition in the event of changing conditions.

Pursuant to Section 182 of the Atomic Energy Act, 42 U.S.C. 2232, you are required to:

- 1) Notify me immediately in writing if your understanding differs from that set forth above;
- 2) Promptly notify me in writing if for any reason you cannot complete the actions discussed above; and
- 3) Notify me in writing when you have completed the actions addressed in this Confirmatory Action Letter.

Issuance of this Confirmatory Action Letter does not preclude issuance of an order formalizing the above commitments or requiring other actions on your part; nor does it preclude the NRC from taking enforcement action for violations of NRC requirements that may have prompted the issuance of this letter. In addition, failure to take the actions addressed in this Confirmatory Action Letter may result in enforcement action.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and your response will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. If personal privacy or proprietary information is

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R. R. Grigg

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necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.790(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

Sincerely,

/s/A. Bill Beach

A. Bill Beach
Regional Administrator

Docket No. 50-266

Docket No. 50-301

cc: S. A. Patulski, Site Vice President
A. J. Cayia, Plant Manager
Virgil Kanable, Chief,
Boiler Section
Cheryl L. Parrino, Chairman
Wisconsin Public Service
Commission
State Liaison Officer

Docket File
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A. B. Beach
W. L. Axelson
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SRI Point Beach
OC/LFDCB
H. B. Clayton
PM, NRR

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