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UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV

611 RYAN PLAZA DRIVE, SUITE 400  
ARLINGTON, TEXAS 76011-8064

January 30, 1997

B. N. Femreite, Vice President  
Engineering and Manufacturing  
Siemens Power Corporation  
2101 Horn Rapids Road  
P.O. Box 130  
Richland, Washington 99352-0130

SUBJECT: NRC INSPECTION REPORT 70-1257/97-01 AND NOTICE OF VIOLATION

Dear Mr. Femreite:

An NRC inspection was conducted January 6-10, 1997, at your Siemens Power Corporation facility. The enclosed report presents the scope and results of that inspection.

During the inspection, your conduct of activities at the Siemens facility was generally characterized by implementation of effective programs in the areas of management organization and controls, operator training and qualification, and operations. However, one violation was identified involving the failure to follow the engineering change notice process for a field modification. This matter is of concern because the field change resulted in an air sampling system being unable to perform its intended function during a loss of normal electrical power.

This violation is characteristic of one of the challenges identified by the NRC in the Licensee Performance Review documented in a letter to you dated May 23, 1996, and discussed in a meeting on June 18, 1996. This challenge recognized the need for "continued management emphasis to assure proper implementation of the engineering change notice (ECN) process...." Further, our review of your Incident Investigation Board report on the fire at the test facility identified a missed opportunity for the Incident Investigation Board to have identified the violation. Specifically, although your investigation identified that the controller for the air sampling vacuum pumps was not connected to the emergency power system as envisioned, the root cause of this matter was not surfaced. We bring these matters to your attention to emphasize the need for continued management oversight of the ECN process and to urge full exposition of all issues identified during your Incident Investigation Board deliberations.

The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding this violation are described in detail in the enclosed report. Please note that 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.

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January 30, 1997

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, 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.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,



Ross A. Scarano, Director  
Division of Nuclear Materials Safety

Docket No.: 70-1257  
License No.: SNM-1227

Enclosures:

1. Notice of Violation
2. NRC Inspection Report  
70-1257/97-01

cc w/enclosures:

L. J. Maas, Manager  
Regulatory Compliance  
Siemens Power Corporation  
2101 Horn Rapids Road  
P.O. Box 130  
Richland, Washington 99352-0130

State of Washington

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