

February 3, 1997

EA: 96-543

Mr. D. R. Gipson
Senior Vice President
Nuclear Generation
The Detroit Edison Company
6400 North Dixie Highway
Newport, MI 48166

SUBJECT: NRC SPECIAL INSPECTION REPORT NO. 50-341/96017

Dear Mr. Gipson:

On December 6, 1996, the NRC completed a special inspection at your Fermi 2 reactor facility. The enclosed report presents the results of that inspection. The purpose of the inspection was to determine whether activities authorized by the license were conducted safely and in accordance with NRC requirements. At the conclusion of the inspection, the findings were discussed with those members of your staff identified in the enclosed report.

Based on the results of this inspection, three apparent violations were identified and are being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600. The three apparent violations are of concern because technical specification action requirements were not implemented or adhered to. The first violation pertained to the failure of your staff to recognize that a technical specification limiting condition of operation had been exceeded. Because of this, the residual heat removal suction pools were not cross-tied and the ultimate heat sink was in a condition prohibited by technical specifications for greater than 28 hours. The second violation pertained to an occurrence where your staff could not comply with technical specifications and failed to either amend the technical specifications or request enforcement discretion. The final violation involved a change in mode of operation without complying with a technical specification.

A predecisional enforcement conference to discuss these apparent violations has been scheduled for February 18, 1997. The decision to hold a predecisional enforcement conference does not mean that the NRC has determined that a violation has occurred or that enforcement action will be taken. This conference is being held to obtain information to enable the NRC to make an enforcement decision, such as a common understanding of the facts, root causes, missed opportunities to identify the apparent violation sooner, corrective actions, significance of the issues and the need for lasting and effective corrective action. In addition, this is an opportunity for you to point out any errors in our inspection report and for you to provide any information concerning your perspectives on 1) the severity of the violations, 2) the application of the factors that the NRC considers

9702110163 970203
PDR ADOCK 05000341
G PDR

when it determines the amount of a civil penalty that may be assessed in accordance with Section VI.B.2 of the Enforcement Policy, and 3) any other application of the Enforcement Policy to this case, including the exercise of discretion in accordance with Section VII. This conference will be open to public observation in accordance with the Commission's Enforcement Policy.

In addition, you should discuss personnel performance issues as noted during recent inspections. This discussion should address the effectiveness of your personnel performance improvement initiatives. Another issue that you should discuss at the conference is the event documented in the Licensee Event Report (LER) No. 96-019. The event involved a inoperable standby feedwater system flow path. Some of the characteristics of this event are similar to the events discussed in this report. These similar characteristics included operating the plant in conditions prohibited by technical specifications.

You will be advised by separate correspondence of the results of our deliberations on this matter. No response regarding these apparent violations is required at this time.

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

Sincerely,

Original signed by
John A. Grobe for
James L. Caldwell, Director
Division of Reactor Projects

Docket No: 50-341
License No: NPF-43

Enclosure:
Inspection Report 50-341/96017

cc w/encl: N. Peterson,
Supervisor of Compliance
P. A. Marquardt, Corporate
Legal Department
James R. Padgett, Michigan Public
Service Commission
Michigan Department of
Public Health
Monroe County, Emergency
Management Division

Distribution continued

Docket File/w encl
 PUBLIC IE-01/w encl
 OC/LFDCB/w/encl
 SRI Fermi/w/encl
 A. B. Beach, w/encl
 W. L. Axelson, w/encl

Project Manager, NRR/w encl
 DRP/w encl
 RIII PRR/w encl
 CAA1 w/encl (E-mail)
 H. B. Clayton, w/encl

(See attached concurrence)

Document: R:\insprpts\powers\ferm\fer96017.drp

To receive a copy of this document, indicate in the box "C" = Copy without attach/encl "E" = Copy with attach/encl "N" = No copy

OFFICE	RIII		RIII		RIII			
NAME	DuPont/Jordan		Clayton		Grobe/Caldwell			
DATE	01/ /97		01/ /97		01/3/97			

OFFICIAL RECORD COPY

Distribution continued

Docket File/w encl
 PUBLIC IE-01/w encl
 OC/LFDCB/w/encl
 SRI Fermi/w/encl
 A. B. Beach, w/encl
 W. L. Axelson, w/encl

Project Manager, NRR/w encl
 DRP/w encl
 RIII PRR/w encl
 CAA1 w/encl (E-mail)
 H. B. Clayton, w/encl

Document: R:\insprpts\powers\ferm\fer96017.drp

To receive a copy of this document, indicate in the box "C" = Copy without attach/encl "E" = Copy with attach/encl "N" = No copy

OFFICE	RIII		RIII	E	RIII		RIII
NAME	DuPont ^{SD} Jordan		Clayton ^{BC}		Grobe/Caldwell		Axelson Beach
DATE	01/22/97		01/23/97		01/ /97		01/ /97

OFFICIAL RECORD COPY



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION III
801 WARRENVILLE ROAD
LISLE, ILLINOIS 60532-4351

February 3, 1997

EA: 96-543

Mr. D. R. Gipson
Senior Vice President
Nuclear Generation
The Detroit Edison Company
6400 North Dixie Highway
Newport, MI 48166

SUBJECT: NRC SPECIAL INSPECTION REPORT NO. 50-341/96017

Dear Mr. Gipson:

On December 6, 1996, the NRC completed a special inspection at your Fermi 2 reactor facility. The enclosed report presents the results of that inspection. The purpose of the inspection was to determine whether activities authorized by the license were conducted safely and in accordance with NRC requirements. At the conclusion of the inspection, the findings were discussed with those members of your staff identified in the enclosed report.

Based on the results of this inspection, three apparent violations were identified and are being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600. The three apparent violations are of concern because technical specification action requirements were not implemented or adhered to. The first violation pertained to the failure of your staff to recognize that a technical specification limiting condition of operation had been exceeded. Because of this, the residual heat removal suction pools were not cross-tied and the ultimate heat sink was in a condition prohibited by technical specifications for greater than 28 hours. The second violation pertained to an occurrence where your staff could not comply with technical specifications and failed to either amend the technical specifications or request enforcement discretion. The final violation involved a change in mode of operation without complying with a technical specification.

A predecisional enforcement conference to discuss these apparent violations has been scheduled for February 18, 1997. The decision to hold a predecisional enforcement conference does not mean that the NRC has determined that a violation has occurred or that enforcement action will be taken. This conference is being held to obtain information to enable the NRC to make an enforcement decision, such as a common understanding of the facts, root causes, missed opportunities to identify the apparent violation sooner, corrective actions, significance of the issues and the need for lasting and effective corrective action. In addition, this is an opportunity for you to point out any errors in our inspection report and for you to provide any information concerning your perspectives on 1) the severity of the violations, 2) the application of the factors that the NRC considers

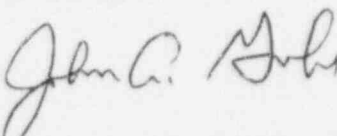
when it determines the amount of a civil penalty that may be assessed in accordance with Section VI.B.2 of the Enforcement Policy, and 3) any other application of the Enforcement Policy to this case, including the exercise of discretion in accordance with Section VII. This conference will be open to public observation in accordance with the Commission's Enforcement Policy.

In addition, you should discuss personnel performance issues as noted during recent inspections. This discussion should address the effectiveness of your personnel performance improvement initiatives. Another issue that you should discuss at the conference is the event documented in the Licensee Event Report (LER) No. 96-019. The event involved a inoperable standby feedwater system flow path. Some of the characteristics of this event are similar to the events discussed in this report. These similar characteristics included operating the plant in conditions prohibited by technical specifications.

You will be advised by separate correspondence of the results of our deliberations on this matter. No response regarding these apparent violations is required at this time.

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

Sincerely,


for James L. Caldwell, Director
Division of Reactor Projects

Docket No: 50-341
License No: NPF-43

Enclosure:
Inspection Report 50-341/96017

cc w/encl: N. Peterson,
Supervisor of Compliance
P. A. Marquardt, Corporate
Legal Department
James R. Padgett, Michigan Public
Service Commission
Michigan Department of
Public Health
Monroe County, Emergency
Management Division