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November 18, 1996

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US NUCLEAR REGULATORY COMMISSION  
Mail Station P1-137  
Washington, DC 20555

Gentlemen:

DOCKETS 50-266 AND 50-301  
SUPPLEMENTAL RESPONSE TO NOTICE OF VIOLATION  
INSPECTION REPORTS 50-266/96002(DRP); 50-301/96002(DRP)  
POINT BEACH NUCLEAR PLANT, UNITS 1 AND 2

By letter dated April 17, 1996, the NRC forwarded to Wisconsin Electric Power Company, Integrated Inspection Report Nos. 50-266/96002(DRP); 50-301/96002(DRP). The inspection report covered the period from January 9, 1996, through March 1, 1996. Enclosed with the inspection report was Notice of Violation identifying three separate violations of NRC requirements.

Wisconsin Electric Power Company responded to the Notice by letter dated May 17, 1996. By letter dated October 17, 1996, from Mr. James Caldwell, Acting Director, Division of Reactor Projects, NRC Region 3, notified us that our responses to two of the violations was incomplete. This letter addresses the identified concerns.

One of the violations identified a failure to fulfill the requirement of 10 CFR 50.71(e)(4) for timely updating of the Final Safety Analysis Report (FSAR). Specifically, evaluations performed to support an increased design service water temperature of 75° F was not reflected in all sections of the FSAR for systems using service water cooling. As noted in the October 17, 1996 letter, we did not address the cause for this oversight.

We reviewed our documentation from the 1995 annual update to the FSAR and determined that all appropriate changes to the FSAR were identified by the cognizant engineer. However, our process for documenting and implementing the appropriate changes failed in that all of the identified changes were not incorporated into the update package. This has been determined to be due to a lack of rigor in our update process and documentation. As documented in our May 17, 1996, response to the violation, an interdisciplinary process improvement team was formed to look at our update process to ensure the appropriate links to the change drivers were established and to ensure that all required changes are identified and implemented in a timely manner. As a result of this effort, our FSAR change procedure was modified and now includes a formal identification and dispositioning of identified changes. This will prevent recurrence of this condition for future changes.

Additionally, the NRC noted that we did not state when we would be in compliance with 10 CFR 50.71 (e). As noted in meetings with the NRC staff and in recent conversations with Mr. Marc Dapas, we performed a comprehensive review of Chapter 9, "Auxiliary and Emergency Systems." This review was conducted to assess the overall accuracy of our FSAR

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This review identified a significant number of discrepancies, although none of the identified discrepancies resulted in any operability or reportability concerns. A special update to this chapter and related changes was provided to the NRC on September 30, 1996.

As a result of this review we are developing plans and a schedule for a complete review and update of the FSAR. The review of FSAR sections will be prioritized based on Probabilistic Safety Assessment (PSA) insights and will be coordinated with ongoing initiatives at Point Beach including the present steam generator replacement for PBNP Unit 2. Periodic updates will be issued during this review. We expect to complete this review and update by June 1998. This schedule is consistent with our present update schedule and with the revision to the NRC enforcement policy dated October 18, 1996.

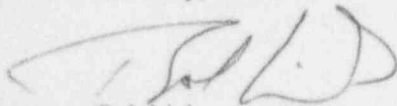
The other concerns expressed in the October 17, 1996, letter, relate to the performance testing of the Spent Fuel Pool Cooling System heat exchangers. The first of these concerns is that we failed to recognize that it is necessary to establish an adequate heat load during performance testing of the heat exchangers in order to obtain accurate and meaningful results. As documented in our May 17, 1996, response, we recognize the need to establish an adequate heat load and have modified our procedures accordingly. However, we were not timely in identifying and implementing the appropriate changes primarily due to inadequate management oversight of the cognizant engineers.

In order to improve the management oversight of our Inservice Inspection Group, an acting Project Engineer experienced in the area has been assigned with specific responsibility for the group and implementation of our program in accordance with NRC regulations and Wisconsin Electric commitments. A new Shift Engineering Manager is providing increased focus and attention in this area to assure compliance.

Also, as mentioned during the pre-decisional enforcement conference on September 12, 1996, we are currently in the process of reorganizing engineering at the site to a more traditional system engineering organization. The new organization will provide a stronger focus on system and program ownership, performance and safety. The span of responsibility for each system engineer will be more focused and priorities clearly defined. Management of each system engineering group will be responsible for priority setting, review and monitoring for appropriate progress and timely completion of priority issues.

We believe this is responsive to the concerns identified in your October 17, 1996, letter and addresses the Notice of Violation. Please contact us if you have any questions or require additional information.

Sincerely,



Bob Link  
Vice President  
Nuclear Power

cc: NRC Regional Administrator  
NRC Resident Inspector