

November 19, 1996

EA 96-354

Carolina Power & Light Company  
ATTN: Mr. W. R. Campbell  
Vice President  
Brunswick Steam Electric Plant  
Post Office Box 10429  
Southport, North Carolina 28461

SUBJECT: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTIES -  
\$150,000  
(NRC Inspection Report Nos. 50-325/96-14 AND 50-324/96-14)

Dear Mr. Campbell:

This refers to the inspection conducted between June 24 and September 17, 1996, at the Brunswick facility. The inspection included a review of your environmental qualification (EQ) program in accordance with the requirements of 10 CFR 50.49. You were informed of the results of our inspection on September 17, 1996, and the inspection report was sent to you by letter dated October 4, 1996. An open predecisional enforcement conference was conducted in the Region II office on October 21, 1996, with you and members of your staff to discuss the apparent violations, the root causes, and your corrective actions to preclude recurrence. A letter summarizing the conference was sent to you on November 1, 1996.

Based on the information developed during the inspection and the information you provided during the conference, the NRC has determined that violations of NRC requirements occurred. The violations are cited in the enclosed Notice of Violation and Proposed Imposition of Civil Penalties (Notice) and the circumstances surrounding them are described in detail in the subject inspection report.

Violation A in the enclosed Notice, involves your failure to implement the EQ program in accordance with the requirements of 10 CFR 50.49. Specifically, numerous deficiencies were identified, some having existed since the EQ program was initially implemented. They involved failures to (1) incorporate appropriate equipment in the EQ program, (2) maintain documentation of qualification for safety-related equipment, and (3) maintain EQ equipment lists and files accurately. These deficiencies are significant in that, collectively, they represent a programmatic breakdown in the implementation of your EQ program. The root causes of Violation A were a lack of management oversight of the program, inadequate turnover of the EQ program implementation from contractors to licensee engineers, and the lack of EQ expertise in your program implementation and oversight.

Violation B in the enclosed Notice, involves significant failures to implement your corrective action program with regard to EQ deficiencies over a long period of time. EQ nonconformances identified as early as 1991 were not properly corrected, and EQ deficiencies identified in contractor and

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self-initiated audits as early as 1994 were closed without adequate resolution, were not placed in appropriate corrective action tracking programs, or remained open with no review of their impact on the EQ program. The root causes of this violation included informal followup of issues, inadequate management review of resolution, and paper-to-paper closure of issues without ensuring that identified basic program deficiencies were corrected.

At the predecisional enforcement conference you indicated that no equipment operability issues had been identified during your review of the EQ program deficiencies. That fact notwithstanding, Violation A is of significant regulatory concern because the plant operated for a number of years without your staff ensuring the environmental qualification of key pieces of equipment such that there would be assurance that the equipment would operate if called upon to function. Therefore, Violation A is classified in accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600, as a Severity Level III violation.

In addition to these EQ program deficiencies, the NRC is particularly concerned with your historically poor performance in implementing corrective actions for EQ program weaknesses, as cited in Violation B. Although you expended considerable effort for internal and contract assessment of your EQ program, you failed to follow through to ensure correction of the identified deficiencies in that program. It is significant that many deficiencies were not entered into corrective action programs and remained uncorrected for a number of years; however, it is more significant that: (1) items were closed without proper assurance that the deficiencies were corrected, and (2) management failed to comprehend the full scope of problems that existed and failed to provide necessary direction and focus for the corrective action efforts. Therefore, Violation B also is classified as a Severity Level III violation, in accordance with the Enforcement Policy.

In accordance with the Enforcement Policy, a base civil penalty in the amount of \$50,000 is considered for a Severity Level III violation. Because your facility has been the subject of escalated enforcement actions within the last two years<sup>1</sup>, the NRC considered whether credit was warranted for Identification and Corrective Action in accordance with the civil penalty assessment process described in Section VI.B.2 of the Enforcement Policy. With regard to Violation A, the NRC concluded that it is not warranted to give credit for Identification because the breakdown in the EQ program was identified by the NRC. With regard to consideration for Corrective Action, your corrective actions included: (1) reviews of program deficiencies by a relatively large team of licensee and contract employees with expertise in EQ;

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<sup>1</sup> A Severity Level III violation was issued on July 12, 1996, (EA 96-181) related to design control measures for service water system modifications. A Severity Level III violation was issued on April 4, 1996, (EA 96-054) for failure to meet fitness-for-duty requirements. A Severity Level III violation was issued on November 20, 1995, (EA 95-228) related to suitability of materials used in valves in the residual heat removal system. A Severity Level III problem was issued on September 8, 1995, (EA 95-166) related to design control, modification and testing of the high pressure injection system and reactor core isolation cooling system.

(2) revision of the EQ master list and identification of appropriate performance specifications and environmental conditions; (3) review of testing parameters; (4) staffing and training initiatives; and (5) establishing program audits. Based on the above, the NRC determined that credit was warranted for Corrective Action, resulting in a base civil penalty of \$50,000 being proposed for Violation A.

Because the NRC identified the violation associated with the corrective action problem cited in Violation B, credit for Identification was not considered appropriate. With regard to consideration for Corrective Action for Violation B, you now require initiation of condition reports for audit findings, formal tracking of followup actions, and documented dispositions of deficiencies. You also now require approval of significant condition reports by a higher level of management. Therefore, the NRC determined that credit was warranted for Corrective Action for Violation B, which would normally result in a civil penalty being assessed at the base amount of \$50,000 for this violation. However, the NRC is concerned that the historical implementation of your corrective action program was deficient in several key areas. Since 1991, conditions adverse to quality in your EQ program: (1) were poorly tracked, (2) were closed without properly being dispositioned, (3) received inadequate management attention, and (4) were not assessed as indicators of overall weaknesses in the corrective action program. Accordingly, in order to stress the significance of the NRC's concern associated with the past breakdown in the implementation of your corrective action program, I have decided to exercise enforcement discretion, in accordance with Section VII.A of the Enforcement Policy, and escalate the civil penalty for Violation B to twice the base amount for this Severity Level III violation. The civil penalty for Violation B is \$100,000.

Therefore, to emphasize the importance of management oversight of the implementation of EQ requirements and the need for prompt identification and comprehensive correction of conditions adverse to quality; and in consideration of your previous escalated enforcement actions, I have been authorized, after consultation with the Director, Office of Enforcement, to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalties (Notice) for the two Severity Level III violations at the base amount of \$50,000 for Violation A and twice the base amount, or \$100,000, for Violation B. The total civil penalties proposed for this action is \$150,000.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

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

Sincerely,

Original Signed by  
L. A. Reyes

Stewart D. Ebnetter  
Regional Administrator

Docket Nos. 50-325, 50-324  
License Nos. DPR-71, DPR-62

Enclosure: Notice of Violation and Proposed  
Imposition of Civil Penalties

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cc w/encl cont'd: (see next page)

cc w/encl cont'd:

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NRC Resident Inspector

U.S. Nuclear Regulatory Commission

8470 River Road, SE

Southport, NC 28461

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|-----------------------|------------------------|---------------------------|-------------------------|-------------------------|
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