

February 21, 1997

EA 97-076

Mr. J. E. Cross
President
Generation Group
Duquesne Light Company (DLC)
Post Office Box 4
Shippingport, Pennsylvania 15077

SUBJECT: NRC INTEGRATED INSPECTION REPORT 50-334/96-10, 50-412/96-10 AND
NOTICE OF VIOLATION

Dear Mr. Cross:

The NRC conducted an inspection of the Beaver Valley Power Station (BVPS) facilities from December 22, 1996, to February 8, 1997. The enclosed report presents the results of that inspection.

During the 7-week period covered by this inspection period, your conduct of activities at the Beaver Valley Power Station facilities was generally characterized by sound operational decisions. Your staff's discovery that Unit 2 recirculation spray pump flood seals were not installed correctly demonstrated a good questioning attitude. Your decision to place the unit in cold shutdown until repairs were completed demonstrated a conservative operating philosophy. Excellent follow-up of the issue was shown by engineering and licensing staff. Operator response to the Unit 2 trip caused by a main transformer backfeed ground relay on January 6 was good, despite several unexpected secondary plant challenges. Your efforts to determine the root cause of the trip were good; however, the failure to adequately implement the original design of the ground relay was a noted weakness.

Based on the results of this inspection, two violations of NRC requirements were identified. In the first instance, the NRC identified a failure to have the required criticality alarm system installed to monitor the Unit 1 new fuel storage area or to have a valid exemption from the requirement. In the second instance, inspectors identified that your staff had not properly verified that a vendor met the requirements of the Qualified Suppliers List before using their services. This had been an unresolved item in a previous report.

These violations are cited in the enclosed Notice, and the circumstances surrounding them 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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In addition, one apparent violation was identified and is being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600. From September 1996 to February 1997, your staff identified numerous valves and switches out of their normal position. Although you have demonstrated a low threshold for identifying component misconfigurations and have initiated several comprehensive corrective actions during this inspection period, it appears that previous corrective actions initiated in 1995 to address similar problems have been ineffective.

The NRC is concerned with the continuing difficulties in maintaining appropriate configuration control at BVPS. No Notice of Violation is presently being issued for these inspection findings. In addition, please be advised that the number and characterization of apparent violations described in the enclosed inspection report may change as a result of further NRC review. A predecisional enforcement conference to discuss this apparent violation has been scheduled for March 4, 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 violation, 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.

You will be advised by separate correspondence of the results of our deliberations on this matter. No response regarding the apparent violation 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 enclosures will be placed in the NRC Public Document Room (PDR).

Sincerely,

Original Signed By:

Richard W. Cooper, II, Director
Division of Reactor Projects

Docket Nos. : 50-334, 50-412
License Nos.: DPR-66, NPF-73

Enclosures:

1. Notice of Violation
2. Inspection Report 50-334/96-10, 50-412/96-10

cc w/encls:

R. LeGrand, Vice President, Nuclear Operations
 S. Jain, Vice President, Nuclear Services
 L. Freeland, Manager, Nuclear Engineering Department
 B. Tuite, General Manager, Nuclear Operations Unit
 K. Ostrowski, Manager, Quality Services Unit
 R. Brosi, Manager, Nuclear Safety Department
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