



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV

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

March 3, 1997

EA 96-466

Harold B. Ray, Executive Vice President
Southern California Edison Co.
San Onofre Nuclear Generating Station
P.O. Box 128
San Clemente, California 92674-0128

SUBJECT: NOTICE OF VIOLATION
(NRC SPECIAL INSPECTION REPORT 50-361/96-14; 50-362/96-14)

Dear Mr. Ray:

This refers to the inspection conducted on October 20 through November 15, 1996, at the San Onofre Nuclear Generating Station, Units 2 and 3 reactor facilities. The purpose of the special inspection was to review resident inspector findings concerning the implementation of the Maintenance Rule at San Onofre. The findings were discussed with your staff during an exit briefing on November 15, 1996. The subject inspection report documented the NRC's findings and was issued on December 6, 1996. A predecisional enforcement conference was held in the NRC's Region IV office in Arlington, Texas, on January 3, 1997. Southern California Edison provided further information in its letter to the NRC dated January 8, 1997.

Based on the information developed during the inspection, the information that you provided during the conference, and the information contained in Edison's January 8 letter, the NRC has determined that two violations of NRC requirements occurred. These violations are cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding them were previously described in detail in the subject inspection report. Neither of these violations had actual or potential safety significance and there were no instances where structures, systems, and components (SSCs) failed to perform their intended safety functions. The NRC has concluded that these violations do not indicate a programmatic failure to implement the Maintenance Rule. Therefore, each of these violations have been categorized in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600 at Severity Level IV.

The first violation cited in the Notice involves the failure to adequately monitor the performance of the common control room complex smoke exhaust dampers in that the selected plant level performance criteria would not demonstrate appropriate and effective preventive maintenance to reasonably assure the dampers remained capable of performing their intended function(s). Specifically, your staff had inappropriately set plant level criteria as a means for monitoring the functional performance of the smoke dampers. At the conference, your staff informed us that, for purposes of the Maintenance Rule, the San

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Onofre expert panel did not intend to include the smoke dampers as a risk significant system and that they had been included inadvertently. However, after questioning by NRC, you agreed that setting plant level criteria was not an appropriate means of monitoring the functional performance of the smoke dampers. As a result, you stated your intent to review other SSCs to ensure that appropriate criteria are used to monitor functions. You also stated your intent to review the determination that the function(s) of the smoke dampers is not risk significant.

The second violation involves the failure to demonstrate adequate monitoring. Specifically, Southern California Edison failed to demonstrate that the performance criteria selected to monitor reliability would ensure that SSCs remained capable of performing their intended safety functions. At the conference, you disputed this violation and your position was that Edison had used Probabilistic Risk Assessment (PRA) in almost all phases of the development of the performance criteria (also stated in your January 8 letter). You also noted that this issue was generic and more guidance was needed. We have carefully considered your concerns in evaluating whether enforcement of this issue is warranted, and have coordinated our decision with the Office of Nuclear Reactor Regulation and the Office of Enforcement. We note that some licensees inspected (both during Maintenance Rule pilot visits and subsequent baseline team inspections) have been found complying with this requirement. Consistent with NRC's past enforcement actions at other plants with this problem, NRC's position is that enforcement of this requirement is appropriate. Therefore, since your performance criteria for applicable risk-significant SSCs neither explicitly considered nor were bounded by the appropriate risk determining analyses (e.g., considering start and run demands), the NRC has determined that citing a Severity Level IV violation is appropriate.

At the conference, we also discussed a third apparent violation which involved the apparent failure to have goals and monitoring requirements established and documented for 13 risk-significant SSCs which had not met their established performance criteria. You disputed this violation stating that your goals for these SSCs were to reattain their performance criteria and that your existing corrective action programs were adequate to identify and correct the causes of failures. Although reattaining the performance criteria might be an acceptable specific goal for monitoring the effectiveness of the corrective action, it is not always appropriate. We noted that you did not establish specific goals for monitoring the effectiveness of the corrective action, but the inspection did not identify a specific instance where this led to a defective SSC. Noting the enhancements you have made to your Maintenance Rule implementation through the use of MREs and the conservative implementation of your program compared with industry guidance (length of time SSCs are monitored), we have decided, in this case, your goals were adequate to monitor the corrective action. Therefore, no enforcement action is appropriate at this time and no citation will be issued; this issue will be identified as an Inspection Followup Item (IFI 50-361/9614-01; 50-362/9614-01). It will be evaluated during the Maintenance Rule baseline team inspection.

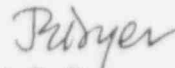
Regarding Edison's January 8 letter, we noted an area of possible misunderstanding. In particular, in Enclosure 1 to the letter, the first paragraph in Section III states that "[d]uring NRC Maintenance Rule baseline inspections at other sites, Edison believes licensees have

been allowed 30 to 60 days assess [sic] the SSCs from the end of the calendar quarter." While some licensees may have been allowed such time to assess the performance of SSCs, it should be noted that the time allowed for assessment must be consistent with safety significance, and there are situations where this time period may not be appropriate.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In addition, you should address what corrective actions you have taken to enhance management controls over, and awareness of, implementation of your Maintenance Rule program in response to your self-evaluation findings. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with 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.

Sincerely,



J. E. Dyer
Acting Regional Administrator

Docket Nos. 50-361; 50-362
License Nos. NPF-10; NPF-15

Enclosure: Notice of Violation

cc w/enclosure:
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