



GPU Nuclear, Inc.
U.S. Route #9 South
Post Office Box 388
Forked River, NJ 08731-0388
Tel 609-971-4000

June 20, 1997
6730-97-2185

U. S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington DC 20555

Dear Sir:

Subject: Oyster Creek Nuclear Generating Station
Docket No. 50-219
Inspection Report 97-80
Reply to a Notice of Violation

By letter dated May 30, 1997, the USNRC docketed Inspection Report 50-219/97-80. This report was received at the Oyster Creek Nuclear Generating Station on June 5, 1997. Enclosure I to that Report contained a Notice of Violation. Attachment I to this cover provides the requisite reply to the violation.

If any additional information or assistance is required, please contact Mr. John Rogers of my staff at 609.971.4893.

Very truly yours,

for

Michael B. Roche
Vice President and Director
Oyster Creek

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PDR ADOCK 05000219
Q PDR

MBR/JJR
Attachment

cc: Administrator, Region I
NRC Project Manager
Senior Resident Inspector



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Attachment 1

NRC Notice of Violation No. 1

10 CFR 50.65(a)(1) states that licensees shall monitor the performance or condition of structures, systems, and components (SSCs) against licensee-established goals, in a manner sufficient to provide reasonable assurance that such SSCs are capable of fulfilling their intended functions.

10 CFR 50.65(a)(2) states that the monitoring of Section (a)(1) is not required where it has been demonstrated that the performance or condition of an SSC is being effectively controlled through the performance of appropriate preventive maintenance such that the SSC remains capable of performing its intended functions.

10 CFR 50.65(c) required that this program be implemented by July 10, 1996.

Contrary to the above, from July 10, 1996 to April 3, 1997, GPUN elected to not monitor the performance or condition of 10 SSCs against licensee-established goals pursuant to the requirements of Section (a)(1), and GPUN had not demonstrated that the performance or condition of those 10 SSCs within the scope of 10 CFR 50.65 was being effectively controlled through the performance of appropriate preventive maintenance. Specifically, for example, GPUN failed to adequately evaluate SSC performance against standards used to determine the effectiveness of the preventive maintenance on the Reactor Protection System. The performance standard was zero MPFFs for a rolling two-year period; system actual performance was five MPFFs over a 3-year period prior to July 10, 1996. Therefore, GPUN's original basis for placing the Reactor Protection System and nine others under the requirements of Section (a)(2) was in error, in that effective preventive maintenance had not been demonstrated, and the systems should have been being monitored in accordance with Section (a)(1) no later than July 10, 1996.

GPUN Reply To Notice Of Violation No. 1

GPUN concurs with the violation as written.

NUMARC 93-01, "Industry Guideline for Monitoring the Effectiveness of Maintenance at Nuclear Power Plants", Revision 2, had previously been endorsed by the NRC. Section 9.3.3 of NUMARC 93-01 recommended that a 36 month historical review of SSC performance data be performed, and if maintenance preventable functional failures had occurred, the SSC should be monitored per Section (a)(1) of 10 CFR 50.65.

Reason for the Violation

Prior to the July 10, 1996, implementation date, GPUN performed the requisite 36 month historical review. At that time, the definition of functional failure at the Oyster Creek Nuclear Generating Station for multi-train SSCs took credit for train redundancy. It was subsequently determined that taking credit for train redundancy does not meet the intent of 10 CFR 50.65 (a)(1).

Corrective Steps Taken and Results Achieved

Between July 10, 1996 and April 3, 1997, the Maintenance Rule Program at the Oyster Creek Nuclear Generating Station was critically reviewed. It was determined that taking credit for redundancy did not meet the intent of 10 CFR 50.65 (a)(1). SSC functional failures were redefined. The Functional Failure Standard at Oyster Creek, OC-7, was rewritten to address this new definition. As a result of the new definition, SSC history was reviewed a second time to determine if functional failures had occurred under the new definition. This task was completed on April 3, 1997.

Corrective Steps that Will be Taken to Avoid Further Violations

There are no further historical reviews required by the Maintenance Rule. Ongoing compliance will be achieved through the continued implementation of the Oyster Creek Maintenance Rule Program.

Date When Full Compliance was Achieved

Full compliance was achieved with the rewriting of the Functional Failure Standard and the completion of the second historical review on April 3, 1997.

NRC Notice of Violation No. 2

10 CFR 50.65(a)(3) states that licensees shall conduct evaluations of performance and condition monitoring activities and associated goals and preventive maintenance activities at least every refueling cycle, not to exceed 24 months between evaluations. Industry operating experience is to be taken into account, where practical. Adjustments shall be made where necessary to ensure that the objective of preventing failures of SSCs through maintenance is appropriately balanced against the objective of minimizing unavailability of SSCs due to monitoring or preventive maintenance.

Contrary to 10 CFR 50.65(a)(3), the GPUN evaluation completed March 28, 1997, provided only a general review of maintenance and did not evaluate the performance of the applicable SSCs against their respective goals; failed to demonstrate effective preventive maintenance for SSCs that are being monitored under (a)(2); failed to identify how industry wide operating experience was reviewed to identify potential problems that were applicable to the plant; did not evaluate corrective actions taken as a result of ongoing maintenance activities or goal setting to ensure actions were taken when appropriate or that adjustments were made where necessary; and did not evaluate maintenance activities to determine whether the objective of preventing failures had been appropriately balanced against the objective of assuring acceptable SSC availability.

GPUN Reply to Notice of Violation No. 2

GPUN concurs with the violation as written.

Reason for the Violation

In performing the March 28, 1997, evaluation of the Maintenance Rule Effectiveness, GPUN applied an existing maintenance department assessment procedure. The procedural requirements for the assessment in that document did not closely match those contained in 10 CFR 50.65(a)(3).

Corrective Actions Taken and Results Achieved

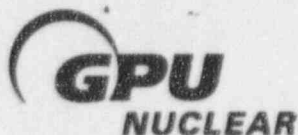
The programmatic weakness in the completed assessment had been self identified prior to the NRC inspection. To address the weakness, Oyster Creek Nuclear Generating Station obtained an assessment report format from a vendor. The new report format meets the requirements of 10 CFR 50.65(a)(3).

Corrective Actions Which Will Be Taken to Avoid Further Violations

First, the recently obtained report format for performing periodic assessments will be proceduralized. Second, future Maintenance Rule periodic assessments will be performed using the revised procedure.

Date When Full Compliance Will Be Achieved

Full compliance will be achieved with the issuance of the revised procedure for Maintenance Rule periodic assessments, currently projected prior to August 31, 1997.



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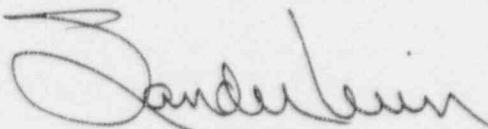
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9707090106

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