

DEC/DEC  
(FILE)

February 20, 1990

Docket No. 50-255  
License No. DPR-20  
EA 89-251

Consumers Power Company  
ATTN: David P. Hoffman  
Vice President  
Nuclear Operations  
1945 West Parnall Road  
Jackson, MI 49201

Gentlemen:

SUBJECT: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY -  
\$75,000 (NRC INSPECTION REPORT NO. 50-255/89024(DRS))

This refers to the inspection conducted on August 14 through December 7, 1989, at the Palisades Nuclear Generating Plant of activities authorized by NRC Operating License No. DPR-20. The inspection included engineering activities associated with the Palisades snubber reduction program as well as other plant modifications. During the inspection, the NRC identified multiple examples of design control deficiencies in piping and pipe support calculations. These deficiencies were documented in the subject inspection report which was sent to you by letter dated January 4, 1990. An enforcement conference was held in the NRC Region III office on January 8, 1990, between you and other members of your staff and Dr. C. J. Paperiello and other members of the NRC staff to discuss these inspection findings. A summary report of the enforcement conference was sent to you by letter dated January 22, 1990.

The violations described in the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice) indicate a breakdown in the controls associated with the design of piping and pipe supports. There were multiple documented examples of inadequate design control, failure to follow procedures, and inadequate corrective actions. Support components were modified without any evaluation as to the adequacy of the modified component and a number of these support components were subsequently shown to exceed the FSAR stress criteria. Although support loads were calculated as being increased due to modifications, no quantitative evaluation was performed to demonstrate the continued adequacy of the supports. Corrective actions for support deficiencies at the time the deficiencies were identified were limited in scope and were not timely. Corrective action documents were not initiated for significant deficiencies and no root cause evaluations were performed.

The safety significance of the individual deficiencies described above is not NRC's major concern. For isolated incidents, a Severity Level IV violation

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would be appropriate. However, we have concluded that when considered as a group, these deficiencies are indicative of a significant programmatic breakdown in the controls associated with design activities for piping and pipe supports and are therefore, categorized as a Severity Level III problem.

Based on the reviews of historical and recent work during our inspection, this breakdown has existed, in some cases, for almost 10 years and continues to exist today. For example, your checking and verification for Calculation No. EA-03341-S3-C/S-1A, Revision 1, October 20, 1989, which was performed in order to address the as-built discrepancy noted by the NRC, contained significant basic mathematical errors. The numbers and types of mistakes identified in the design calculations, the failures to follow procedures, and the limited actions taken to correct any identified deficiencies establish the basis for our conclusion.

The staff acknowledges that corrective actions have been taken since the violations were identified. As documented in your October 26, 1989 letter to the NRC, commitments were made to evaluate and reconcile all of the deficiencies identified during our inspection prior to restart of the unit. In addition to other corrective actions and as a result of meetings and discussion with the NRC, you committed to a long term reverification program to assess the adequacy of IE Bulletin 79-14 analyses.

Nevertheless, to emphasize the need for improved controls in the general area of design, and specifically in the piping and pipe support area, I have been authorized, after consultation with the Director, Office of Enforcement, and the Deputy Executive Director for Material Safety, Safeguards, and Operations Support, to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty in the cumulative amount of \$75,000 for the violations described in the enclosed Notice. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions", 10 CFR Part 2, Appendix C (1989) (Enforcement Policy), the violations have been categorized in the aggregate at Severity Level III.

The base value of a Severity Level III violation or problem is \$50,000. The mitigation and escalation factors in the Enforcement Policy were considered. We concluded that escalation of the base civil penalty by 50 percent is appropriate because you should have recognized the programmatic breakdown that was identified by the NRC. We considered mitigating the base civil penalty because of your extensive corrective action program; however, due to your initial reluctance to recognize the problem and your narrowly focused actions, no mitigation was appropriate. The other escalation/mitigation factors were considered and no further adjustment is considered appropriate.

In addition to the violations discussed above, there were many additional examples of design control violations found during the inspection. These were mainly associated with the original IE Bulletin (IEB) 79-14 calculations and, because of the age of the violations, they were not included in the civil penalty assessment. However, the overall adequacy of the original IEB 79-14 program as well as any modification which used these calculations as a basis, is indeterminate.

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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. Also, in your response please indicate what action you plan to take to provide assurance that design activities will be properly conducted in the future in view of your past failure in calculations, review, oversight, and corrective actions. In addition, you are requested to respond to the two Unresolved Items identified in the inspection report by documenting the actions you have taken or plan to take to address the generic aspects of these issues. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and its enclosure will be placed in the NRC Public Document Room.

The responses directed by this letter and the enclosed Notice are not subject to the clearance procedures of the Office of Management and Budget, as required by the Paperwork Reduction Act of 1980, Pub. L., No. 96-511.

Sincerely,

A. Bert Davis  
Regional Administrator

Enclosures:

- 1. Notice of Violation and Proposed Imposition of Civil Penalty
- 2. Inspection Report  
No. 50-255/89024(DRS)
- 3. Enforcement Conference  
Report No. 50-255/90002(DRS)

D:OE

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