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November 6, 1991

Mr. James M. Taylor
Executive Director for Operations
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Taylor:

WATTS BAR CONSTRUCTION ACTIVITIES (NRC INSPECTION REPORT NOS. 50-390/90-30,
50-391/90-30, 50-390/90-31, AND 50-391/90-31)

This is in response to your letter of August 26, 1991, regarding the
programmatic deficiencies at Watts Bar Nuclear Plant.

We have reflected carefully upon your message in that letter. Other than the
safe operation of Sequoyah and Browns Ferry Unit 2, TVA senior nuclear
management including myself has no higher priority than the successful,
quality completion of Watts Bar. I agree that escalated enforcement action by
the NRC for deficiencies at Watts Bar would not have served to further sharpen
the focus of TVA management on the serious tasks before us.

The steps that TVA is taking and needs to take at Watts Bar have been
discussed extensively with your staff. The goal of these activities is to
bring about coordinated changes in process, organization, and approach to
quality work before restart of construction. We recognize that TVA must
effectively implement the programs outlined at the enforcement conference and
other improvements, and produce positive results in order to gain the
confidence and support of the NRC staff. You have my personal assurance that
Dan Nauman and I will be satisfied that TVA is ready to resume construction
before we seek final NRC staff permission to do so.

We have established ten performance objectives which are our prerequisites for
the resumption of construction. Key elements of these objectives involve
closeout of corrective actions from prior assessments, simplifying and
streamlining of work processes, ensuring that workers understand management's

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expectations, and instilling in all personnel the ethic of doing the right things correctly the first time. We have also established a Completion Assurance organization to provide a single point of accountability and focus for all quality assurance and oversight activities directed toward completion of Watts Bar. Management at Watts Bar, including the Completion Assurance organization, has been augmented and strengthened with individuals who have demonstrated success in completing nuclear plant construction. In addition, TVA's hiring of proven engineering, construction, and quality control contractors with recent nuclear plant construction experience further demonstrates our resolve to complete Watts Bar at the necessary levels of quality.

I recognize that completion of Watts Bar will not be without future challenges. However, I have confidence that at restart of construction we will have in place the workers, supervisors and managers, and the programs and procedures to deal effectively with the task at hand. Careful attention, hard work, and constant reinforcement of the quality ethic are required to ensure that the Watts Bar team achieves the results expected from these programs and procedures.

As Watts Bar moves ahead, Dan and I will personally be evaluating our progress, and I know the NRC staff will be doing the same. As stated in your letter, the proper focus in evaluating progress should be based upon results. We believe these are measured most meaningfully when TVA demonstrates the success of process improvements during a methodical, controlled restart which produces high quality results.

In summary, TVA has not only changed processes and systems during this shutdown period, but has directly attacked embedded problems and distractions which have existed for years. We are, for the first time, addressing root causes rather than the symptoms of the longstanding problems at Watts Bar. TVA is confident that the changes we have made will lead to controlled and quality work activities that fully meet requirements.

We will continue to keep Stewart Ebnetter informed to ensure a common understanding and consensus on satisfactory progress as Watts Bar proceeds towards completion. I would appreciate an opportunity to meet with you in the near future to provide a more complete discussion of the results of our efforts at Watts Bar.

Sincerely,

Original Signed By
O. D. Kingsley

O. D. Kingsley, Jr.

cc: See page 3

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November 6, 1991

cc: Mr. S. D. Ebnetter, Regional Administrator
Region II
U.S. Nuclear Regulatory Commission
101 Marietta Street, NW, Suite 2900
Atlanta, Georgia 30323

Dr. Thomas E. Murley, Director
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Mail Stop 12G18
Washington, D.C. 20555

Mr. Marvin Runyon, Chairman, TVA
Mr. John Waters, Director, TVA
Mr. W. H. Kennoy, Director, TVA
Mr. W. R. Cobean, Advisor to the Board, TVA
Mr. D. A. Nauman, Senior Vice President, TVA

bc: Mr. P. S. Tam, Senior Project Manager
U.S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, Maryland 20852

Mr. B. A. Wilson, Chief
TVA Projects
U.S. Nuclear Regulatory Commission
Region II
101 Marietta Street, NW, Suite 2900
Atlanta, Georgia 30323

NRC Resident Inspector
Watts Bar Nuclear Plant
P.O. Box 700
Spring City, Tennessee 37381

Mr. James M. Taylor

DAN:MOM:MJB:PHW

cc: Mr. S. D. Ebnetter, Regional Administrator
U.S. Nuclear Regulatory Commission
Region II
101 Marietta Street, NW, Suite 2900
Atlanta, Georgia 30323

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Region II
101 Marietta Street, NW, Suite 2900
Atlanta, Georgia 30323

NRC Resident Inspector
Watts Bar Nuclear Plant
P.O. Box 700
Spring City, Tennessee 37381

RIMS, MR 2F-C (Ref: AOO 910829 003)

M. J. Burzynski, LP 5B-C
M. L. Butler, MR 2C-C
A. P. Capozzi, PMO 1B-WBN
E. S. Christenbury, ET 11H-K
L. M. Cuoco, LP 5B-C
J. H. Garrity, PSB 1A-WBN
R. W. Huston, Rockville Licensing Office
N. C. Kazanas, LP 3B-C
T. J. McGrath, LP 3B-C
G. R. Mullee, BR 5D-C
D. E. Nunn, Jr., LP 3B-C
G. L. Pannell, PSB 2K-WBN
E. G. Wallace, LP 5B-C
H. H. Weber, PSB 1B-WBN