

TENNESSEE VALLEY AUTHORITY

CHATTANOOGA, TENNESSEE 37401

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AUG 24 1989

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555

Gentlemen:

In the Matter of)	Bucket Nos. 50-259
Tennessee Valley Authority)	50-260
		50-296
		50-327
		50-328
		50-390
		50-391

INTEGRATION OF ENGINEERING ASSURANCE FUNCTIONS INTO NUCLEAR QUALITY ASSURANCE (NQA) AND NUCLEAR ENGINEERING (NE) (TAC 72833)

- References: 1. B. D. Liaw's letter to Oliver Kingsley, Jr., dated June 23, 1989
2. Mark O. Medford's letter to the NRC dated June 13, 1989

In reference 1, the NRC staff stated a concern that the performance indicators identified in reference 2 appeared to be "subjective and qualitative and, therefore, could be difficult to trend in a repeatable, objective manner." Accordingly, the staff requested that within 60 days of receipt of reference 1, TVA provide a discussion of (1) how the performance indicators are to be measured and trended, in a verifiable, objective manner, and (2) which indicators will provide information on the effectiveness of the Nuclear Engineering organization before and after the new reorganization. TVA provides the following response to this request.

In order to provide more objective performance indicators capable of being trended and measured in a verifiable, objective manner, TVA has elected to combine the four performance indicators noted in reference 2 into the following quantitative performance indicator:

- * Percent (%) of unsatisfactory NE deliverables vs. the total number of NE deliverables evaluated during NQA audits/surveillances and NE off-line technical reviews.

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Similar baseline information will be developed from Engineering Assurance audit data for the six months preceding the organization transition.

TVA has decided to establish the following two additional quantitative performance indicators that are also appropriate for measuring engineering performance:

- Number of field changes (i.e., F-DCNs) per engineering modification package issued after July 1, 1989, that are initiated because of inadequate design work.
- Percent (%) of 10 CFR 50.59 evaluations prepared by NE after July 1, 1989, that are rejected by the Plant Operations Review Committee because of inadequate engineering work.

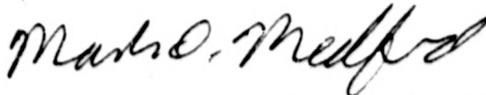
The performance indicators will be qualitatively analyzed whenever a significant change is identified.

In addition, as requested by the NRC in reference 1, the Nuclear Manager's Review Group (NMRC) will perform a third review of the adequacy of the effective integration of Engineering Assurance functions into NE and HQA approximately one year after the organization change. At the completion of the third NMRC review, TVA will reassess the need to continue this monitoring function using the above noted performance indicators. The NRC will be informed of TVA's decision.

A summary list of commitments made by TVA with regard to this subject is enclosed. It should be noted that this list of commitments supersedes the list of commitments noted in reference 2. If you have any questions, please telephone M. J. Ray at 615/751-2729.

Very truly yours,

TENNESSEE VALLEY AUTHORITY



Mark O. Medford, Vice President
and Nuclear Technical Director

Enclosure

cc: See page 3

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U.S. Nuclear Regulatory Commission

Enclosure

cc (Enclosure):

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ENCLOSURE

SUMMARY LIST OF COMMITMENTS

1. TVA will develop the following performance indicators:
 - Percent (%) of unsatisfactory NE deliverables vs. the total number of NE deliverables evaluated during NQA audits/surveillances and NE off-line technical reviews.
 - Number of field changes (i.e., F-DCNs) per engineering modification package issued after July 1, 1989 that are initiated because of inadequate design work.
 - Percent (%) of 10 CFR 50.59 evaluations prepared by NE after July 1, 1989 that are rejected by the Plant Operations Review Committee because of inadequate engineering work.
2. Baseline information (for the performance indicator concerning percent of unsatisfactory NE deliverables vs. total number of NE deliverables evaluated) will be developed from Engineering Assurance audit data for the six months preceding the organization transition.
3. The Nuclear Manager's Review Group (NMRG) will perform reviews of the adequacy of the effective integration of Engineering Assurance functions into NE and NQA approximately three months, six months, and one year after the organization change.
4. At the completion of the third NMRG review, TVA will reassess the need to continue this monitoring function using the above noted performance indicators. The NRC will be informed of TVA's decision.