

TENNESSEE VALLEY AUTHORITY  
EMPLOYEE CONCERN PROGRAM  
INVESTIGATION REPORT

CONCERN NO. ECP-86-CH-043-01

SUBJECT: Owner-Operator Philosophy

DATE OF INVESTIGATION: June 26-27, 1986

LEAD INVESTIGATOR:

W.R. Simonds  
W. R. Simonds

7-1-86  
Date

REVIEWED BY:

D.K. Baker  
D. K. Baker

7-2-86  
Date

APPROVED BY

E.K. Sliget  
E. K. Sliget

7-14-86  
Date

## I. Background

A concern was transmitted to TVA by the USNRC in a May 1, 1986 letter. This concern was referred to the Chattanooga Site Representative for investigation. The concern was identified by the NRC as No. RII-85-A-0205 and was stated as follows:

This allegation consisted of notations on an internal TVA memorandum from H. G. Parris to Those listed dated October 11, 1985. Subject: 10 CFR 50.54(f) Letter from NRC Transmitting Systematic Assessment of Licensee Performance (SALP) Report. The allegor amplified and commented on the third sentence of the third paragraph of the memo which states: "NRC has the perception that we are functioning as several separate companies with little central direction." The allegor stated to the effect that with the "owner-operator concept" there is no other perception that the NRC could have. The allegor further stated to the effect that the TVA staff has been told that each "owner-operator" will be responsible for "his" plant. The allegor suggests that the "owner-operator philosophy" be abolished.

Resolution of this issue should involve a review of the management control system to include organizational structure, policy development, and policy implementation.

This applies to all TVA nuclear operations.

The concern has been categorized as a Management and Personnel (MP) concern and determined to not be nuclear safety-related.

## II. Scope

The scope of the investigation was determined from the stated concern to be specific to the lack of strong centralized control of TVAs nuclear operations. The concerned individual (CI) attributes this condition to the "owner-operator" management control system which TVA established for its nuclear operations. The CI suggests that this philosophy should be abolished (relative to TVAs nuclear operations).

Significant changes have been initiated in TVAs nuclear operations subsequent to the TVA memorandum referenced in the stated concern. Therefore, to accomplish the investigation, a review was conducted to identify documentation which addresses the current TVA nuclear organization as well as development and implementation of TVAs nuclear policies.

## III. Summary of Findings

1. On September 17, 1985, the NRC requested, pursuant to 10 CFR 50.54(f), that TVA submit information regarding its plans for correcting problems in the overall management of its nuclear program. In response to this request, TVA prepared a Corporate

Nuclear Performance Plan which identified the root causes of the problems in the management of TVAs nuclear program and described TVAs plans for correcting those problems. TVA submitted the Corporate Nuclear Performance Plan on November 1, 1985, to the NRC.

2. Subsequent to the above submittal, the TVA Board of Directors concluded that a strong, experienced Manager of Nuclear Power was needed with direct authority and responsibility for the total management, control, and supervision of TVAs entire nuclear power program. On January 3, 1986, the TVA Board of Directors selected retired Admiral Steven A. White for this position. Additionally, TVA has added a number of other experienced senior nuclear managers to its staff since October 1985.
3. On March 10, 1986, Manager of Nuclear Power Steven A. White submitted a revision of the original Corporate Nuclear Performance Plan (reference 1) to NRC Chairman, Nunzio J. Palladino. In the transmittal, Mr. White stated that the enclosed revision describes actions taken to strengthen TVA management, revise the organization responsible for implementing TVAs nuclear power program, restore employee confidence in TVAs management, and implement various new programs and activities.
4. The revised Corporate Nuclear Performance Plan presents a description of TVAs plans to restructure the nuclear power program. This description is found in section IV, "Restructuring of TVAs Organization." It explains that beginning in 1985, TVA started to consolidate responsibility for its nuclear activities within one central organization and to divest that organization of any responsibility for non-nuclear activities. It concludes by stating that TVA is establishing functional nuclear departments which will have the responsibility and authority for providing technical direction for and ensuring the technical adequacy of all TVA nuclear activities within their respective functions, including site activities. It is stated that as a result, TVA has taken action which will provide assurance that lines of responsibility and authority for nuclear activities will be clear, that the necessary coordination and communication among nuclear organizations will occur, and that TVAs nuclear activities will be subject to centralized management direction and control.
5. On May 30, 1986, TVA received the NRCs response (reference 2) to TVAs submittal of the revised Corporate Nuclear Performance Plan. The response enclosed a copy of NRCs preliminary evaluation of TVAs submittal. NRC stated that their evaluation is preliminary because they regard the TVA corporate plan as a conceptual description of changes that will be carried out in the near future. NRC stated that they endorse the concept

submitted in the plan; however, the lack of details on implementation does not permit the staff to express its views on the adequacy of the plan to eliminate the root causes of the TVA problems and to ensure safe operation. NRC indicated that additional information was requested to facilitate their review and a schedule for implementation.

#### IV. Conclusion

This concern is substantiated to the degree that the findings indicate that a stronger central management and control organization is currently being implemented as part of TVA's Corporate Nuclear Performance Plan. Documented actions to restructure TVA's nuclear organization (III.4) are not yet complete; however, these actions clearly show that TVA's nuclear activities will be subject to centralized management direction and control.

#### V. Recommendations

None

#### VI. Document Reviewed

1. Revised Corporate Nuclear Performance Plan, TVA, dated March 1986
2. Letter from B. J. Youngblood, USNRC, to Steven A. White, "Staff Actions Regarding TVA" dated May 28, 1986 (A02 860530 004)