

444
Southern California Edison Company

P. O. BOX 800

2244 WALNUT GROVE AVENUE
ROSEMEAD, CALIFORNIA 91770

HOWARD P. ALLEN
CHAIRMAN OF THE BOARD AND
CHIEF EXECUTIVE OFFICER

RECEIVED
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1985 NOV -8 AM 10:56

REGIONAL WIRE

TELEPHONE
818-302-2777

November 6, 1985

Mr. Jack B. Martin
Regional Administrator
Nuclear Regulatory Commission Region V
1450 Maria Lane, Suite 210
Walnut Creek, California 94596

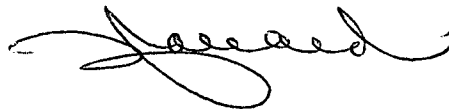
Dear Jack:

I recently had an opportunity to meet with nearly all of the management and supervisory personnel at San Onofre to discuss several important matters with them including the Unit 1 Auxiliary Feedwater Pump problem. A copy of these remarks is enclosed for your information.

On another matter, we have had discussions with Arizona Nuclear Power Project personnel regarding our providing them with additional technical support to assist in evaluation of the Post-Trip Review Process and other related items.

If there are any additional areas that you feel need our attention at Palo Verde, do not hesitate to let us know. Since our investment in that plant is substantial, we are quite interested in doing all we can to make it a successful facility.

Sincerely,



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Enclosure

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REMARKS BY MR. ALLEN TO MANAGEMENT AND SUPERVISION

AT SAN ONOFRE

OCTOBER 24, 1985

RECEIVED
NRC

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REGION VICE

GOOD AFTERNOON.

MR. FOGARTY AND I ARE HAPPY TO BE HERE THIS AFTERNOON AND TO MEET WITH ALL OF YOU. BY MEETING AT THIS TIME, I UNDERSTAND THAT WE ARE ABLE TO INCLUDE SOME OF THE SWING SHIFT SUPERVISION.

WHEN I WAS HERE LAST MARCH, I VIDEOTAPED REMARKS OVER IN THE SIMULATOR SO THEY COULD BE SEEN BY EVERYONE WORKING AT THE SITE. BUT, I PREFER TO BE ABLE TO SPEAK TO YOU FACE-TO-FACE.

THIS IS A BIG COMPANY, AND IT CAN TAKE A LONG TIME TO GET AROUND THE SYSTEM TO SEE EVERYONE. YOU, HERE AT SAN ONOFRE, ARE AT THE TOP OF THE LIST OF THOSE WE WANT TO SEE, AND TO HEAR FROM, AS OFTEN AS WE CAN.

YOU CARRY GREAT RESPONSIBILITY ON A DAILY BASIS, AROUND THE CLOCK. FIRST AND FOREMOST IS THE RESPONSIBILITY TO MAINTAIN THE PUBLIC HEALTH AND SAFETY, AND THE HEALTH AND SAFETY OF THOSE WHO WORK HERE. THERE IS NO GREATER RESPONSIBILITY ANYWHERE IN THE COMPANY.

IN ADDITION, NO ONE SHOULD DOUBT OR QUESTION THAT YOU ARE EFFECTIVE IN PROTECTING THEIR HEALTH AND SAFETY. IN A WORLD OF MANY CRITICS, THIS IS NOT EASY.

YOU ALSO HAVE A MAJOR RESPONSIBILITY FOR THE CONTINUED FINANCIAL HEALTH AND SUCCESS OF YOUR COMPANY. SAN ONOFRE REPRESENTS AN ENORMOUS INVESTMENT - LARGER THAN WE WOULD HAVE DREAMED OF JUST A FEW YEARS AGO. IT IS VITAL THAT THIS INVESTMENT BE EFFICIENT AND PRODUCTIVE.

TO YOUR CREDIT, SAN ONOFRE HAS BEEN VERY SUCCESSFUL. IN 1982, WITH UNIT 1 IN AN OUTAGE THAT WOULD LAST ALMOST 3 YEARS AND WITH UNITS 2 AND 3 NOT YET IN OPERATION, SAN ONOFRE WAS A SIGNIFICANT FACTOR IN SCE'S FINANCIAL PICTURE AND OF GREAT CONCERN TO MANAGERS. WITHIN 3 YEARS, YOU WERE RELIABLY DELIVERING 2,700 MW TO THE SYSTEM. THIS IS A TREMENDOUS ACCOMPLISHMENT AND ONE THAT WILL STAND THE TEST OF TIME AS AN OUTSTANDING EXAMPLE TO THE INDUSTRY. BUT THE FACT REMAINS OPERATIONS AND MAINTENANCE COSTS AND CAPACITY FACTOR ARE NOT YET ACCEPTABLE.

OUR COMPANY AND SAN ONOFRE CANNOT LONG SURVIVE BASED ON ITS RECORD ALONE. NEW AND SEEMINGLY GREATER CHALLENGES FACE US EVERY DAY. THIS IS CERTAINLY TRUE HERE, AND EACH OF YOU MUST MEET THESE NEW CHALLENGES IN ORDER TO MAINTAIN THE STANDARD OF EXCELLENCE THAT OUR COMPANY REPRESENTS.

RECENTLY WE HAVE EXPERIENCED SEVERAL PROBLEMS THAT SHOULD HAVE BEEN AVOIDED. ONE INVOLVED THE GENERATOR FIRE AT UNIT 2; ANOTHER ONE INVOLVED THE TRIP OF UNIT 1 WHILE PERFORMING MAINTENANCE; AND THE THIRD AND MOST SERIOUS, WAS ONLY REVEALED BY THE UNIT 1 TRIP. IT INVOLVED MAINTENANCE WORK ON AN IMPORTANT SAFETY PUMP AT UNIT 1.

I HAVE REVIEWED THE CIRCUMSTANCES INVOLVED IN EACH OF THESE PROBLEMS. I KNOW THAT THEY REPRESENT ONLY A TINY FRACTION OF THE MANY THINGS THAT HAVE TO GO RIGHT HERE EVERY DAY. BUT, WE ALL KNOW THAT PROBLEMS LIKE THIS CANNOT BE TOLERATED OR CONTINUED.

AS MANAGEMENT AND SUPERVISION, YOU ARE DIRECTLY RESPONSIBLE TO MAINTAIN A PERSONAL COMMITMENT TO PROBLEM-PREVENTION AND DISCIPLINED ATTENTION TO DETAIL AND MEETING ALL SAFETY AND NRC REQUIREMENTS. AS LEADERS, YOU ARE ALSO RESPONSIBLE TO BE CERTAIN THAT THIS COMMITMENT IS SHARED BY ALL THOSE WHO PERFORM WORK HERE. THIS IS A VITALLY IMPORTANT PART OF YOUR JOB.

SAN ONOFRE HAS AN EXCELLENT REPUTATION FOR HIGH QUALITY WORK. THIS REPUTATION IS WELL FOUNDED, AND IT CONTINUES TO BE CONFIRMED BY THE EVALUATIONS THAT ARE PERFORMED. BUT WE MUST DO BETTER!

ALSO, WE ALL KNOW HOW EASY IT IS TO TARNISH OR DESTROY A GOOD REPUTATION. FOR EXAMPLE, THE ENTIRE NUCLEAR PROGRAM AT T.V.A. IS SHUT DOWN INDEFINITELY WHILE THEY TRY TO RESTORE MANAGEMENT

CONTROL OF QUALITY. FEW ORGANIZATIONS COULD STAND SUCH AN EVENT AND MAINTAIN PUBLIC CONFIDENCE.

IN MY EXPERIENCE, ERRORS ARE OFTEN ASSOCIATED WITH THE BEST OF INTENTIONS. I KNOW THAT THE MINOR REPAIR OF THE UNIT 1 AUXILIARY FEEDWATER PUMP WAS INTENDED TO BE DONE AS EFFICIENTLY AND ECONOMICALLY AS POSSIBLE. HOWEVER, TECHNICAL PROCEDURES WERE VIOLATED, AND IT LED TO A VERY SERIOUS VIOLATION. SUCH THINGS, HOWEVER WELL INTENTIONED, CANNOT BE TOLERATED, AND DISCIPLINARY ACTION WAS REQUIRED.

THE DISCIPLINARY ACTION IN THIS CASE, HOWEVER, WAS REDUCED BY HALF BECAUSE OF THE HONEST AND FORTHRIGHT WAY IN WHICH THE INDIVIDUAL PERFORMING THE PUMP REPAIR ACCEPTED RESPONSIBILITY. ALTHOUGH HE VIOLATED PROCEDURES, HE WAS FORTHRIGHT AND HONEST, AND I AM PROUD OF HIS COMING FORWARD. I AM PROUD HE ACCEPTED HIS RESPONSIBILITY AS A SCE EMPLOYEE SHOULD!

I ALSO AM PROUD THAT OUR PEOPLE HAVE THE PROFESSIONALISM, AND CONFIDENCE IN THE FAIRNESS OF OUR COMPANY, TO ACKNOWLEDGE MISTAKES AND TO ACCEPT RESPONSIBILITY. THIS ATTITUDE IS CRUCIAL TO A SUCCESSFUL SAFETY PROGRAM, AND IT WILL ALWAYS WEIGH HEAVILY IN A FINAL DECISION CONCERNING DISCIPLINARY ACTION. IN FACT, IT'S CRITICAL TO OUR TOTAL COMPANY SUCCESS.

AS A COMPANY, AS WITH INDIVIDUALS, WE ALWAYS TRY TO LEARN FROM OUR MISTAKES, TO HELP US DO OUR JOBS BETTER IN THE FUTURE. I'M SURE THIS WILL BE THE CASE NOW.

YOUR SENIOR MANAGEMENT HAS GREAT CONFIDENCE IN THE MANAGEMENT AND SUPERVISION AT SAN ONOFRE, AND WE WANT TO SUPPORT YOU IN EVERY WAY WE CAN. FOR YOUR PART, YOU MUST BE SURE EACH PERSON WORKING HERE UNDERSTANDS AND IS COMMITTED TO FOLLOW THOSE PRINCIPLES I DISCUSSED IN THE VIDEOTAPE LAST MARCH.

RECENTLY, THE MANAGEMENT COMMITTEE REVIEWED YOUR PLANS FOR 1986 AND BEYOND. THEY PROVIDE FOR SAN ONOFRE TO CONTINUE TO BE A LEADING FACILITY ON A BASIS THAT IS COMPETITIVE WITH ANY OTHER PLANT IN THE COUNTRY. I KNOW YOU CAN DO THIS.

SOON, THE CONSTRUCTION, MODIFICATION, AND UPGRADE WORK ON ALL THREE UNITS WILL BE FINISHED, AND I EXPECT SAN ONOFRE TO QUICKLY EMERGE AS A LEADING PERFORMER IN THE AREA OF PRODUCTIVITY AND OPERATIONAL EXCELLENCE.

YOUR COMMITMENT AND PROFESSIONALISM ARE KEY TO THESE PLANS. I ASK THAT YOU FREQUENTLY ENGAGE IN THE TOUGH, CRITICAL, SELF-EXAMINATION THAT IS NECESSARY TO MAINTAIN THE REQUIRED HIGH STANDARDS OF EXCELLENCE.

NOW, IT IS A PLEASURE FOR ME TO RECOGNIZE ONE OF YOUR PEERS. THE INSTITUTE OF NUCLEAR POWER OPERATIONS PROVIDES THE OPPORTUNITY FOR THE INDUSTRY TO EVALUATE ITSELF AND TO SHARE EXPERIENCE IN ESTABLISHING AND MAINTAINING STANDARDS OF EXCELLENCE.

RECENTLY, ONE OF OUR KEY MANAGERS SPENT 3 WEEKS ASSISTING THE INSTITUTE IN AN EVALUATION OF DUKE POWER'S CATAWBA FACILITY. MR. JOHN REEDER, UNIT 1 SUPERINTENDENT, EARNED A CERTIFICATE OF APPRECIATION FROM INPO FOR THIS EFFORT, AND IT IS MY PLEASURE TO PRESENT IT TO JOHN AT THIS TIME.

CONGRATULATIONS JOHN. THANK YOU FOR A JOB WELL DONE.

AND, THANK YOU FOR BEING HERE TODAY. I'M ASKING EACH OF YOU TO TAKE TO YOUR RESPECTIVE AREAS OF RESPONSIBILITY THE IMPORTANT IDEAS I HAVE DISCUSSED WITH YOU. I AM LOOKING FORWARD TO VISITING WITH MANY OF YOU AND YOUR COWORKERS PERSONALLY HERE AT SAN ONOFRE.