

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064



September 26, 1996

Gregory M. Rueger, Senior Vice President
and General Manager
Nuclear Power Generation Bus. Unit
Pacific Gas and Electric Company
Nuclear Power Generation, B14A
77 Beale Street, Room 1451
P.O. Box 770000
San Francisco, California 94177

SUBJECT: NRC SPECIAL INSPECTION REPORT 50-275/96-22; 50-323/96-22

Dear Mr. Rueger:

On September 17, 1996, the NRC completed a special inspection at your Diablo Canyon Power Plant, Unit 1 and 2 reactor facilities. The purpose of the inspection was to review your programs for addressing and resolving employee safety concerns. The enclosed report presents the results of that inspection.

Past performance has indicated a generally healthy work environment for identification and resolution of employee concerns at Diablo Canyon, and your employee concerns program appeared adequate to the environment that existed. However, recent reorganization initiatives have introduced potential challenges to continuation of that healthy environment. There have been several recent indications that routine problem resolution and communication processes are not working as effectively as in the past. This has created an increased need for a well structured, and effectively implemented employee concerns program. In this regard, the enclosed report addresses several areas for potential improvement of your program. Experience at other facilities has demonstrated that failure to have a well functioning program in place, when employees decide to make more extensive use of the program, can rapidly degrade employee morale, confidence, and trust.

Industry experience has also shown that receptive, effective supervision is essential to ensure a healthy work environment, where employees confidently raise their concerns and have them properly resolved. Recent transitions at Diablo Canyon have challenged these supervisory processes, and it appears that additional management attention is required to ensure effective communication between employees and their supervisors, and to promote appropriate sensitivity by supervisors in dealing with employee concerns.

You are encouraged to promptly and effectively communicate top management expectations for maintaining excellent performance in this area. In addition, you are encouraged to develop the additional skills and insights at all levels of plant management and supervision necessary to ensure that, as future challenges arise, a healthy environment exists for employees to raise their concerns and have them resolved. We look forward to further discussion of your planned actions in this regard during the meeting which has been arranged following the emergency plan exercise at Diablo Canyon on October 9, 1996.

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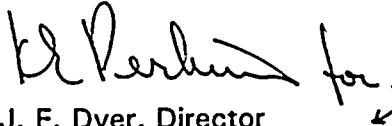
Gregory M. Rueger
Pacific Gas and Electric Company

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In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure(s), and your response will be placed in the NRC Public Document Room. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the Public Document Room without redaction.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,


J. E. Dyer, Director
Division of Reactor Projects

Docket Nos.: 50-275
50-323
License Nos.: DPR-80
DPR-82

Enclosures:
1 NRC Inspection Report
50-275/96-22; 50-323/96-22

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E-Mail report to D. Nelson (DJN)
E-Mail report to NRR Event Tracking System (IPAS)

bcc to DMB (IE01)

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