



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

June 20, 1995

50-237/249
50-254/265

Mr. James J. O'Connor
Chairman and Chief Executive Officer
Commonwealth Edison Company
P.O. Box 767
Chicago, IL 60690

Dear Mr. O'Connor:

On June 6-7, 1995, NRC senior managers met to evaluate the nuclear safety performance of operating reactors, fuel facilities, and other materials licensees. The NRC conducts this meeting semiannually to determine if the safety performance of various licensees exhibits sufficient weaknesses to warrant increased NRC attention or if it is trending adversely and requires steps be taken to communicate concerns to the utility's president or board of directors. At the June 1995 Senior Management Meeting, the Dresden and Quad Cities Nuclear Power Stations were discussed.

The Dresden Station was placed on the NRC watch list for the second time in January 1992 and continues to be categorized as a Category 2 plant. Plants in this category have been identified as having weaknesses that warrant increased NRC attention until the licensee demonstrates a period of improved performance. A summary of NRC discussions related to Dresden follows:

Over the past year, performance at Dresden has been cyclical. Following two significant plant events in the fall of 1994 involving a Unit 3 trip due to operator inattention and a Unit 2 high pressure coolant injection system failure, management moved decisively and shut down both units to address underlying problems. During the extended shutdown, station efforts were focused on establishing new performance standards. Positive results were seen including a reduction in the number of operator workarounds, the establishment of clear operator expectations, a reduction in plant contaminated areas, and an error free restart of both units.

The momentum developed in the latter half of 1994 has not been maintained. Failure to follow procedures and to comply with technical specification limits has again been a problem. In January 1995, for example, a Unit 2 recirculation pump tripped due to a technician error. The plant staff restarted the pump in violation of the operating procedure and the technical specifications despite the urging of a Quality Assurance auditor to stop and resolve the conflicts. Management recognition and response to this event was weak.

Plant material condition remains a problem at Dresden. Limited improvements have been made, but the underlying problems with assessing and correcting plant material condition deficiencies have not yet been effectively addressed. An effective work

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management system to deal with the corrective maintenance backlog is needed.

In summary, Dresden's performance has not demonstrated that the root causes of basic performance problems have been corrected. Accordingly, Dresden will continue as a Category 2 plant.

Adverse trends at Quad Cities were discussed at each Senior Management meeting since January 1994. A summary of discussions at the June 1995 meeting follows:

The new senior management team that has been in place for most of 1995 has established a clear course of action for station improvement and has demonstrated firm commitment to enforcing expectations. Much remains to be done to address material condition and human performance issues but the fundamental building blocks for sustained improvement appear to be in place. Material condition has been steadily improving. The scope of the spring Unit 2 refueling outage was altered to address a number of important equipment reliability problems. Positive steps have been taken to improve the work control process that is complicating efforts to reduce maintenance backlogs.

There have been a number of personnel errors this year in procedural adherence and out-of-service tagging, but management swiftly and effectively dealt with this trend. Steps were taken, for example, to improve supervisory oversight, accountability and rigor in control room operations. Engineering resources have been increased and reorganized; continued management attention is needed to continue improvement of the technical support function.

Considering all factors, the senior managers concluded that declining trends at the Quad Cities Station have been arrested. I urge you to continue to deal with plant material conditions and human performance issues at Quad Cities and ensure that recent improvements are maintained and continued.

Mr. John B. Martin, the Region III Administrator, has discussed the bases for our conclusions with members of your staff.

An NRC Commission meeting, open to the public, has been scheduled to be held in the Commissioners' Conference Room in Rockville, Maryland, on June 22, 1995, to review the results of the latest meeting of NRC senior managers.

J. O'Connor

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If you have any questions regarding this matter, do not hesitate to call me.

Sincerely,

Original signed by
James M. Taylor

James M. Taylor
Executive Director
for Operations

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