



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

January 16, 1998

50-237/249
50-254/265
50-295/304
50-373/374

Mr. Oliver D. Kingsley
President, Nuclear Generation Group
Commonwealth Edison Company
ATTN: Regulatory Services
Executive Towers West III
1400 Opus Place, Suite 500
Downers Grove, IL 60515

Dear Mr. Kingsley:

On January 6 and 7, 1998, the NRC senior managers met to evaluate the nuclear safety performance of operating reactors, fuel facilities, and other materials licensees. This meeting is conducted 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 January 1998 Senior Management Meeting (SMM), the Dresden Nuclear Power Station, the LaSalle County Station, the Zion Generating Station, and the Quad Cities Nuclear Power Station were discussed.

Previously, on January 27, 1997, the NRC sent a letter, pursuant to 10 CFR 50.54(f) to Commonwealth Edison Company (ComEd) requesting information explaining why the NRC should have confidence in ComEd's ability to operate six nuclear stations while sustaining performance improvement at each site. In this letter the NRC stated that the cyclical safety performance of ComEd nuclear stations has long concerned the Commission and NRC staff.

On April 25 and November 4, 1997, public meetings between the Commission and senior executives of the ComEd company were held to discuss ComEd's progress in implementing the commitments made in response to the 10 CFR 50.54(f) letter.

In your letter dated January 5, 1998, you discussed the establishment of ComEd's Strategic Reform Initiatives and how they are intended to support the four overarching goals of your organization: Operational and Technical Excellence; Material Condition; Organizational Alignment and Workforce Engagement; and Effective Leadership and Management. You also committed to provide the NRC a detailed description of any changes to the commitments that were made in your response to the January 27, 1997, 10 CFR 50.54(f) letter, which we had previously found acceptable.

The above chronology formed the background to the January 1998 SMM discussions of the ComEd plants. As a consequence, the NRC senior managers factored into their decisions regarding individual performance the degree of ComEd's corporate support to the sites and the historical cyclical performance that the sites have exhibited. A summary of each site's performance follows:

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Dresden Nuclear Power Station

The Dresden Nuclear Power Station was placed on the NRC Watch List for the second time in January 1992 and remains 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 the NRC senior managers' discussions related to Dresden follows:

Dresden has continued to demonstrate a generally high level of performance in the area of plant operations. Sustained periods of successful operation were achieved for both units. Performance in maintenance and surveillance activities has generally been satisfactory with noted improvement in work control. Material condition has remained a primary focus of station attention and has continued to improve. The quality of engineering activities also improved, although the improved performance has yet to be demonstrated for a sustained period. Plant support continued to improve with good performance during the Unit 3 refueling outage and substantial reduction from past years in station radiation dose.

The NRC senior managers recognize the significant improvement efforts, however, the NRC senior managers concluded individual plant performance should not be separated from issues identified in the 50.54(f) letter. In particular, in view of the decline in performance at Quad Cities, the NRC senior managers concluded that the concern regarding cyclic performance among ComEd plants still needs to be addressed. The NRC senior managers concluded that effective corporate management oversight and involvement in plant operations and problem resolution (a criterion in the Watch List Removal Matrix) has not yet been demonstrated. Continued management attention is needed to assure that ComEd's overall ability to operate its nuclear stations while maintaining sustained performance at each site does not result in a subsequent decline in performance at Dresden. The NRC will continue to closely monitor station performance to determine if sustained improvement has been achieved.

LaSalle County Station

LaSalle was first placed on the NRC Watch List in January 1997 and remains a Category 2 plant. A summary of the NRC senior managers' discussions related to LaSalle Station follows:

LaSalle continued to follow the program in the LaSalle Station Restart Plan. Overall, performance at LaSalle Station has shown signs of improvement. Recent programmatic changes and increased management oversight of the corrective action process and other programs is being used to reinforce appropriate performance expectations, to establish a foundation for subsequent improvements, and to achieve a gradual rise in demonstrated performance standards.

Examples of performance improvements include: 1) an increased ability to self-identify personnel and hardware problems; 2) higher operator standards emphasized through the High Intensity Training Program and first line supervisor training; 3) enhanced material condition as the result of design changes and maintenance activities; and 4) the use of a Corrective Action Review Board to ensure the identification of appropriate root causes and corrective actions. Another performance improvement initiative was the System Functional Performance Review process, which identified and properly prioritized a large number of equipment and procedure problems. Although work has been completed to resolve some of the identified problems, a considerable amount of work remains to be accomplished. Continued management attention and focus is necessary to ensure that the current positive performance trend is maintained for the significant amount of work remaining to be accomplished prior to the restart of the Units.

Zion Nuclear Generating Station

Zion, which was on the NRC Watch List from January 1991 to January 1993, was placed on the Watch List for the second time in January 1997 and remains a Category 2 plant. The recent announcement of the cessation of power operations at Zion occurred subsequent to the senior management meeting and was not considered in the discussions which are summarized below:

Although some progress has been made in improving performance at Zion Station, this has been offset by the regression in effectively completing activities required for restart of Unit 2. This was due, in part, to a lack of management focus during the previous six months. There was no clear plan or schedule to achieve long-term plant performance improvements. Issues must be resolved before plant restart, including the demonstration of consistently improved operations performance, effective implementation of the corrective action program, and the resolution of concerns with a safety-conscious work environment.

Zion Station has implemented extensive corrective actions to address performance problems in accordance with the Zion Station Recovery Plan. The plan focuses attention on those issues deemed essential for plant restart; however, only minimal progress has been made in resolving many of the issues. The failure to effectively resolve some issues was due, in part, to management making significant adjustments to the improvement strategies without: 1) the benefit of a clearly defined path for successful plant startup; and 2) a coordinated and comprehensive implementation process for existing and emergent restart issues. Specific direction and efforts to develop an effective implementation plan and process were recently initiated following both corporate and station management changes.

The ability to perform critical self-assessments has generally been a notable weakness. Examples include: 1) the failure to identify that the operations organization was not ready to implement the Operational Readiness Demonstration Program; 2) inaccurate assessment of operator performance improvements; and 3) the failure to identify ineffective implementation of restart activities. In addition, NRC involvement was

necessary to get management to recognize and aggressively pursue issues, including: widespread equipment configuration control problems, zebra mussels fouling of the service water system, and problems with the emergency diesel generators. However, in the last few months, the Quality and Safety Assessment organization has been more effective in identifying problems with implementation of the Zion Station Recovery Plan and associated restart activities, including the performance of routine activities.

Quad Cities Nuclear Power Station

Quad Cities has been discussed during NRC SMMs on several occasions. During 1996, slow improvement at Quad Cities was demonstrated such that the plant was not discussed in June 1997. As noted above, one purpose of the senior management meeting is to identify those plants whose performance is trending adversely and that steps be taken to communicate concerns to the utility's corporate president or board of directors. This early notification to the highest levels within the utility's organization is intended to allow appropriate measures to be taken by the licensee to address the areas of concern. This letter is to advise you that during the January SMM, recent trends in performance at Quad Cities Nuclear Power Station raised sufficient concerns that we believe a meeting with you to discuss station performance would be appropriate. A summary of the NRC senior managers' discussions related to Quad Cities follows:

Operational performance at Quad Cities was generally good with good dual unit operations and operators handling complex evolutions well. However, personnel errors increased slightly and equipment problems burdened the operators. Maintenance and surveillance activities were generally adequate with some improvement in material condition and a reduction of the backlog. However, this was offset by equipment problems, such as a failed recirculation pump seal found just after the seal had been replaced, and surveillance errors. Weaknesses surfaced in engineering involving the understanding and application of the design basis, operability and 10 CFR 50.59 safety evaluations, application of the parts replacement program for diesel air start motors, and resolution of identified problems. Overall performance in plant support areas, except for fire protection, was good.

The senior managers were concerned that poor decision-making, lack of a strong safety focus, and a weak corrective action program led to a number of problems in discrete technical areas, including procedures for 10 CFR Part 50, Appendix R (Fire Protection), implementation of the maintenance rule, and operating the reactor prior to hydrostatic testing of the primary system.

The NRC senior managers acknowledge recent management and staff changes intended to strengthen performance at Quad Cities. Success in resolving the performance concerns at Quad Cities will require a strong management commitment to safety and a thorough, committed approach to identifying safety issues and ensuring complete correction of those issues.

Mr. A. Bill Beach, the NRC Region III Administrator, has discussed the bases for our conclusions with regard to the Dresden Nuclear Power Station, the Zion Generating Station, the LaSalle County Station, and the Quad Cities Nuclear Power Station with members of your staff.

An NRC Commission meeting, open to the public, is scheduled to be held in the Commissioners' Conference Room in Rockville, Maryland, on January 21, 1998, at 10:00 a.m. to review the results of the latest meeting of the NRC senior managers. If you have any questions regarding this matter, do not hesitate to call me at (301) 415-1700.

Sincerely,



L. Joseph Callan
Executive Director
for Operations

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cc See the attached

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O. Kingsley

cc:

Michael I. Miller, Esquire
Sidley and Austin
One First National Plaza
Chicago, Illinois 60603

Regional Administrator, Region III
U.S. Nuclear Regulatory Commission
801 Warrenville Road
Lisle, Illinois 60532-4351

Illinois Department of Nuclear Safety
Office of Nuclear Facility Safety
1035 Outer Park Drive
Springfield, Illinois 62704

Document Control Desk-Licensing
Commonwealth Edison Company
1400 Opus Place, Suite 400
Downers Grove, Illinois 60515

Mr. William P. Poirier, Director
Westinghouse Electric Corporation
Energy Systems Business Unit
Post Office Box 355, Bay 236 W.
Pittsburgh, Pennsylvania 15230

Joseph Gallo
Gallo & Ross
1250 Eye St., N.W., Suite 302
Washington, DC 20005

Howard A. Learner
Environmental law and Policy
Center of the Midwest
203 N. LaSalle Street
Suite 1390
Chicago, Illinois 60601

U.S. Nuclear Regulatory Commission
Byron Resident Inspectors Office
4448 N. German Church Road
Byron, Illinois 61010-9750

Ms. Lorraine Creek
RR 1, Box 182
Manteno, Illinois 60950

Chairman, Ogle County Board
Post Office Box 357
Oregon, Illinois 61061

Commonwealth Edison Company

Mrs. Phillip B. Johnson
1907 Stratford Lane
Rockford, Illinois 61107

George L. Edgar
Morgan, Lewis and Bochius
1800 M Street, N.W.
Washington, DC 20036

Attorney General
500 S. Second Street
Springfield, Illinois 62701

Commonwealth Edison Company
Byron Station Manager
4450 N. German Church Road
Byron, Illinois 61010-9794

Commonwealth Edison Company
Site Vice President - Byron
4450 N. German Church Road
Byron, Illinois 61010-9794

U.S. Nuclear Regulatory Commission
Braidwood Resident Inspectors Office
RR 1, Box 79
Braceville, Illinois 60407

Mr. Ron Stephens
Illinois Emergency Services
and Disaster Agency
110 E. Adams Street
Springfield, Illinois 62706

Chairman
Will County Board of Supervisors
Will County Board Courthouse
Joliet, Illinois 60434

Commonwealth Edison Company
Braidwood Station Manager
RR 1, Box 84
Braceville, Illinois 60407

Ms. Bridget Little Rorem
Appleseed Coordinator
117 N. Linden Street
Essex, Illinois 60935

O. Kingsley

- 2 -

Commonwealth Edison Company

Commonwealth Edison Company
Site Vice President - Braidwood
RR 1, Box 84
Bracemille, IL 60407

Commonwealth Edison Company
Site Vice President - Dresden
6500 N. Dresden Road
Morris, Illinois 60450-9765

Commonwealth Edison Company
Dresden Station Manager
2605 N. 21st Road
Marseilles, Illinois 61341-9756

U.S. Nuclear Regulatory Commission
Dresden Resident Inspectors Office
6500 N. Dresden Road
Morris, Illinois 60450-9766

William D. Leach
Manager - Nuclear
MidAmerican Energy Company
907 Walnut Street
P.O. Box 657
Des Moines, Iowa 50303

Vice President - Law and
MidAmerican Energy Company
Regulatory Affairs
One River Center Place
106 E. Second Street
P.O. Box 4350
Davenport, Iowa 52808

Chairman
Rock Island County Board
of Supervisors
1504 3rd Avenue
Rock Island County Office Bldg.
Rock Island, Illinois 61201

Chairman
Grundy County Board
Administration Building
1320 Union Street
Morris, Illinois 60450

Commonwealth Edison Company
Quad Cities Station Manager
22710 206th Avenue N.
Cordova, Illinois 61242-9740

Commonwealth Edison Company
Site Vice President - Quad Cities
22710 206th Avenue N.
Cordova, Illinois 61242-9740

U.S. Nuclear Regulatory Commission
Quad Cities Resident Inspectors Office
22712 206th Avenue N.
Cordova, Illinois 61242

Phillip P. Steptoe, Esquire
Sidley and Austin
One First National Plaza
Chicago, Illinois 60603

Assistant Attorney General
100 W. Randolph Street, Suite 12
Chicago, Illinois 60601

U.S. Nuclear Regulatory Commission
LaSalle Resident Inspectors Office
2605 N. 21st Road
Marseilles, Illinois 61341-9756

Chairman
LaSalle County Board of Supervisors
LaSalle County Courthouse
Ottawa, Illinois 61350

Chairman
Illinois Commerce Commission
Leland Building
527 E. Capitol Avenue
Springfield, Illinois 62706

Commonwealth Edison Company
LaSalle Station Manager
2601 N. 21st Road
Marseilles, Illinois 61341-9757

Commonwealth Edison Company
Site Vice President - LaSalle
2601 N. 21st Road
Marseilles, Illinois 61341-9757

Robert Cushing
Chief, Public Utilities Division
Illinois Attorney General's Office
100 W. Randolph Street
Chicago, Illinois 60601

Dr. Cecil Lue-Hing
Director of Research and Development
Metropolitan Sanitary District
of Greater Chicago
100 E. Erie Street
Chicago, Illinois 60611

Mayor of Zion
Zion, Illinois 60099

U.S. Nuclear Regulatory Commission
Zion Resident Inspectors Office
105 Shiloh Blvd.
Zion, Illinois 60099

Commonwealth Edison Company
Site Vice President - Zion
101 Shiloh Blvd.
Zion, Illinois 60099-2797

Commonwealth Edison Company
Zion Station Manager
101 Shiloh Blvd.
Zion, Illinois 60099-2797

Mr. Michael J. Wallace
Nuclear Services Senior Vice President
Commonwealth Edison Company
Executive Towers West III
1400 Opus Place, Suite 900
Downers Grove, IL 60515

Mr. Gene H. Stanley
PWR's Vice President
Commonwealth Edison Company
Executive Towers West III
1400 Opus Place, Suite 900
Downers Grove, IL 60515

Mr. Steve Perry
BWR's Vice President
Commonwealth Edison Company
Executive Towers West III
1400 Opus Place, Suite 900
Downers Grove, IL 60515

Mr. Dennis L. Farrar
Regulatory Services Manager
Commonwealth Edison Company
Executive Towers West III
1400 Opus Place, Suite 500
Downers Grove, IL 60515

Ms. Irene Johnson, Licensing Director
Nuclear Regulatory Services
Commonwealth Edison Company
Executive Towers West III
1400 Opus Place, Suite 500
Downers Grove, IL 60515

Commonwealth Edison Company
Reg. Assurance Supervisor - Byron
4450 N. German Church Road
Byron, Illinois 61010-9794

Commonwealth Edison Company
Reg. Assurance Supervisor - Braidwood
RR 1, Box 84
Braceville, Illinois 60407

Commonwealth Edison Company
Reg. Assurance Supervisor - Dresden
2605 N. 21st Road
Marseilles, Illinois 61341-9765

Commonwealth Edison Company
Reg. Assurance Supervisor - Quad Cities
22710 206th Avenue N.
Cordova, Illinois 61242-9740

Commonwealth Edison Company
Reg. Assurance Supervisor - LaSalle
2601 N. 21st Road
Marseilles, Illinois 61341-9757

Commonwealth Edison Company
Reg. Assurance Supervisor - Zion
101 Shiloh Blvd.
Zion, Illinois 60099-2797

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