



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

July 24, 1998

Mr. Oliver D. Kingsley
President, Nuclear Generation Group
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Dear Mr. Kingsley:

On July 14 and 15, 1998, NRC senior managers met to evaluate nuclear safety performance of operating reactors, fuel cycle facilities, and other materials licensees. The NRC conducts this meeting periodically 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 July 1998 Senior Management Meeting (SMM), the Zion Nuclear Power Station, the Dresden Nuclear Power Station, the LaSalle County Nuclear Power Station and the Quad Cities Nuclear Power Station were discussed.

On the basis of our discussions, we concluded that: (1) the Zion Nuclear Power Station should be administratively removed from the NRC Watch List, (2) the Dresden Nuclear Power Station has demonstrated sustained improvement sufficient to warrant removal from the NRC Watch List category that requires increased attention from both NRC headquarters and Region III, and (3) the LaSalle County Nuclear Power Station remains on the NRC Watch List as a Category 2 plant. Also, we could not conclude that the adverse trend had been arrested at Quad Cities due to the limited operational data since the last SMM.

Plants removed from the Watch List have taken effective actions to correct identified problems and implement programs for improved performance. Plants in Category 2 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 ComEd, the Zion Nuclear Power Station, the Dresden Nuclear Power Station, the LaSalle County Nuclear Power Station and the Quad Cities Nuclear Power Station follows:

ComEd

The senior managers focused on the currently limited measurable progress from ComEd's improvement initiatives. Since the last SMM: (1) LaSalle remained shut down; (2) Dresden safely demonstrated dual-unit operations, although it experienced several reactor scrams; and (3) Quad Cities just recently restarted following an extended outage. While it is too early for outcome performance indicators to show that operational performance is improving as a result of the Strategic Reform Initiatives, the senior managers expressed greater confidence in your processes for monitoring and addressing indications of cyclical performance.

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Zion Nuclear Generating Station

Following the January 1998 SMM, the ComEd Board of Directors decided to permanently cease further operation of the plant. Certifications to the NRC of the permanent cessation of operation and permanent removal of fuel from the vessels, in accordance with 10 CFR 50.82(a)(1)(i) and (ii), were filed on February 13 and March 9, 1998. Based upon statements in these certifications, it was concluded that the Zion Nuclear Power Station should be administratively removed from the Watch List.

Dresden Nuclear Power Station

The senior managers considered the Watch List removal matrix in determining the appropriate agency response. Because of the high number of scrams since the last SMM, the region concluded that sustained plant performance was not demonstrated. However, the region noted that despite the relatively high number of scrams, plant performance has improved substantially based on other indicators such as improved conduct of operations and plant material condition. Operators have performed well during the scrams and subsequent startups.

The senior managers focused on the six scrams that occurred since December 1997 and debated potential insights that could be drawn concerning the overall performance of the site. The senior managers noted that safe dual-unit operations had been achieved since the last SMM and that the scrams were generally the result of historical problems. It was noted that operator performance during the scrams was good. While the number of scrams was high, plant equipment responded as designed during the scrams, minimizing the challenge to operators. In addition, due to the general lack of equipment problems during these transients, NRC senior managers gained greater confidence in the reliability of mitigating equipment. The senior managers concluded that, contrary to the initial view expressed in the Watch List removal matrix, Dresden had sufficiently demonstrated sustained plant performance to meet the removal matrix criteria.

The senior managers discussed risk insights associated with Dresden as reflected by the plant's risk analyses. These discussions focused on equipment reliability experienced during scrams, HPCI system reliability, and recent improvements made to the feedwater level control system. The senior managers determined that the level of risk resulting from the reactor trips experienced by Dresden during the period was minimal.

The senior managers deliberated on Dresden's improved performance in conjunction with the agency's concerns over ComEd system-wide performance and the performance trends at the other individual ComEd nuclear facilities, specifically Quad Cities. While system-wide performance remained an area of NRC focus, the senior managers concluded that ComEd's corporate support and oversight of Dresden was adequate to support continued sustained performance. In addition, the senior managers concluded that the site had individually achieved a level of performance to support removal from the Watch List during the last twelve months. Lastly, the senior managers expressed greater confidence in ComEd's ability to monitor and address cyclical performance.

The senior managers decided that, overall, ComEd had taken effective action to correct identified problems and improve operational safety performance at Dresden, and that the site had individually achieved a level of performance that supported removal from the Watch List. Therefore, the NRC has determined that an enhanced level of regulatory monitoring is no longer warranted.

LaSalle County Station

The senior managers considered the Watch List removal matrix in determining the appropriate agency response to the identified performance concerns. Although the licensee is making significant progress toward resolving historical performance problems, particularly in correcting material deficiencies, improvements are still in the early stages and have not been in place long enough to be either assessed or self-sustaining. Although the licensee has made substantial progress towards preparing both units for restart, desired improvements in operator performance, including procedure adherence, have not yet been fully demonstrated and the ongoing procedure upgrade program has not been completed. Consistent and effective root cause analysis still relies heavily on oversight organizations. Substantial non-outage maintenance backlogs exist. Both units have remained shut down since September 1996 and thus sustained, successful plant performance has not yet been demonstrated. Also, as a result of the extended outage on both units, performance indicators provide limited insights regarding performance trends.

The senior managers decided that LaSalle would remain a Watch List Category 2 facility.

Quad Cities Nuclear Power Station

NRC senior managers noted observations of mixed performance since the last SMM. Both units at Quad cities restarted at the end of May after a long dual-unit outage to reestablish Appendix R safe-shutdown paths. Subsequent to the restart there were several power reductions and two scrams due, in part, to material condition issues. While operational performance demonstrated improvement since the extended outage, operations personnel were involved in several missed technical specification surveillances. Also, while the material condition of the plant improved and the maintenance backlog was reduced, there were maintenance errors and concerns with emergency diesel generator reliability.

The Quality and Safety organization took an active role in improving the performance of the corrective action program; however, a lack of rigor resulted in the licensee's failure to address some long-standing issues. It was also noted that the engineering organization appeared to be burdened by efforts to resolve Appendix R issues. The senior managers also noted that while compensatory actions had been taken to reduce the risk of core damage due to a fire, the long-term corrective actions are still underway and remain an area of NRC focus.

The sense of NRC senior managers was that Quad Cities performance was mixed with slow improvement in some areas. While a decline in some performance indicator trends was detected, the senior managers determined that there were not sufficient operational

Mr. Oliver D. Kingsley

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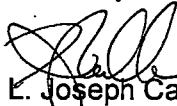
data or inspection insights available to assess the overall performance trend at Quad Cities. Furthermore, it was not clear that ComEd's efforts had resulted in measurable performance improvements at Quad Cities. Consequently, the senior managers determined that it would be prudent to observe Quad Cities performance for a longer period of time to assess the performance trend. The senior managers could not conclude that the adverse trend had been arrested at Quad Cities due to the limited operational data since the last SMM.

Dr. Carl J. Paperiello, the Acting NRC Region III Administrator, has discussed the bases for our conclusions regarding the Zion Nuclear Generating Station, the Dresden Nuclear Power Station, the LaSalle County Nuclear Power 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 July 29, 1998, 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.

Sincerely,



L. Joseph Callan
Executive Director
for Operations

Docket Nos.: 50-237; 50-249; 50-373; 50-374;
50-254; 50-265; 50-295; 50-304

License Nos.: DPR-19; DPR-25; NPF-11; NPF-18;
DPR-29; DPR-30; DPR-39; DPR-48

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