



UNITED STATES
NUCLEAR REGULATORY COMMISSION

ENCLOSURE 2

REGION IV

611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

AUG 28 1995

MEMORANDUM TO: J. E. Dyer, Director, Division of Reactor Projects
FROM: *L. J. Callan*
L. J. Callan, Regional Administrator
SUBJECT: WNP-2 OVERSIGHT PANEL

The Washington Public Power Supply System (Supply System) owns and operates the WNP-2 facility. Since the Supply System received an operating license in 1983, operational performance at WNP-2 has been inconsistent. From 1991 to the present, the licensee has experienced a number of operational events and hardware problems. These problems have resulted from inadequate procedure adherence, procedure quality, command and control of the operating crews, problem identification and correction, and management oversight. The persistence of these problems despite the licensee's implementation of programmatic corrective actions has heightened NRC concern for the effectiveness of the licensee's root cause analyses and corrective actions.

In March 1995, the licensee performed a mid-SALP cycle assessment of their performance. The licensee's assessment appeared objective, critical, and thorough. Two of the licensee's major findings were that many past corrective actions had not resulted in permanent improvement and their process to assess the effectiveness of the corrective actions had been inadequate. In April 1995, in a management meeting, the licensee committed to implement a plan to improve performance and provide the plan to the NRC within 45 days of the completion of Refueling Outage R10. We received the initial draft of their corrective action plan on July 28, 1995.

I am establishing an OVERSIGHT PANEL with you as the CHAIRMAN due to continuing performance problems and inconsistency in corrective action effectiveness at WNP-2. The purpose of this panel is to independently monitor and assess the effectiveness of the licensee's actions to achieve and maintain improved performance in the operation of the WNP-2 facility. In assessing the licensee's performance, the OVERSIGHT PANEL should pay particular attention to the quality and effectiveness of those actions which the licensee developed based on their mid-SALP cycle assessment.

The OVERSIGHT PANEL should have, as a minimum, the following MEMBERSHIP:

James E. DYER, Director, Division of Reactor Projects (CHAIRMAN)

Kenneth E. PERKINS, Director, WCFO

William H. BATEMAN; Project Director, PD IV-2, NRR

Kenneth E. BROCKMAN, Deputy Director, Division of Reactor Safety

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P PDR

Howard J. WONG, Chief, Project Branch E

Robert C. BARR, Senior Resident Inspector

James W. CLIFFORD, Senior Project Manager

The OVERSIGHT PANEL should:

- Review available information related to plant performance.
- Review the licensee's corrective action plan and ensure that it appropriately addresses the NRC's understanding of the licensee's problems and weaknesses.
- Develop an action plan for NRC oversight activities of the licensee corrective action plan implementation. The NRC action plan should provide for continuing assessment of licensee performance. Panel members may be assigned specific actions or areas of focus to more efficiently monitor implementation.
- Conduct periodic internal NRC panel meetings, closed to the public, to review the results of NRC oversight activities and update the NRC action plan. These meetings will be held monthly or as necessary to review new information and licensee progress.
- Conduct periodic public meetings with the licensee to discuss progress toward satisfactory completion of the program. These meetings should be held bimonthly in Region IV and at the site on an alternating basis. Any changes to this meeting schedule will be approved by the Regional Administrator.
- Conduct oversight of the NRC's followup activities. Provide input to the Master Inspection Plan (MIP) and plant performance review process to identify areas where NRC inspection and technical review are needed.
- Provide the results of the panel's assessment of licensee performance for the NRC Senior Management Meeting process.

The OVERSIGHT PANEL will be in effect until it is no longer deemed necessary by the Regional Administrator, Region IV, in consultation with the Associate Director for Projects, NRR.