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May 16, 1985

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DOCKET 50-255 - LICENSE DPR-20 - PALISADES PLANT - AMENDED RESPONSE TO NRC SALP 5 REPORT

Our response to the NRC SALP 5 report was discussed on April 23, 1985 via conference call with members of your staff. Clarification and supplemental information to our original March 14, 1985 letter was provided. This letter incorporates the additional information. Our original March 14, 1985 response is also repeated in its entirety.

Your letter dated February 12, 1985 provided the NRC's Systematic Assessment of Licensee Performance (SALP) 5 report for Palisades Plant for the period from July 1, 1983 through October 31, 1984, and requested a written response to certain concerns raised by the SALP report. This letter provides Consumers Power Company's response to the NRC's concerns in each of the following functional areas: Plant Operations, Radiological Controls, Maintenance, Surveillance, Emergency Preparedness and Quality Programs and Administrative Controls. A response in the Security area is not included based on a discussion with a member of your staff in which we were told that the request for a response in this area was in error. Our response to the request in the cover letter regarding loss of "institutional knowledge" is also provided.

Regarding the NRC's concern with possible loss of "institutional knowledge" at Palisades, we acknowledge that some loss of personnel has occurred, but do not believe that this loss represents a significant degradation in available knowledge. A careful look at the turnover indicates that most of this loss was represented by new, less experienced personnel, as opposed to the core of experienced managers and professionals who are responsible for operating and supporting the plant. Most importantly, the majority of our first and second line supervisors (who hold a wealth of "institutional knowledge") remain with the plant. Since it is one of our priorities to involve all levels of the organization in the resolution of problems that arise, these experienced supervisors will be able to help us avoid revisiting previous problems.

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A number of new managers and professionals have been assigned to Palisades as a result of our reorganization. Although some recent historical knowledge may have been lost in a few specific areas, plant management's knowledge overall has actually improved, especially where managers with considerable prior experience at Palisades have been added to or replaced others. We believe that the depth of knowledge and technical abilities of the staff now at the site has increased with the integration of engineering projects, health physics, chemistry, reactor engineering and outage planning personnel from our General Office and Midland Plant organizations into the Palisades Plant organization. It is also important to note that two of the three major department heads remaining in our General Office have had Palisades Plant experience (one held an SRO on Palisades); and, that the Nuclear Safety Board is staffed with - a former Palisades Plant Superintendent, a former Operations (and Technical) Superintendent, one Engineer who worked at Palisades during startup and a Health Physicist who was also directly involved with initial plant startup.

While we have experienced a loss of engineering and technical expertise in areas not directly related to daily plant operations, we intend to meet our short-term needs in these areas through increased use of nuclear services consultants. We also have begun a hiring program to replace the engineering and technical expertise that has been lost in order to meet our long-term needs.

Overall, we consider that the level of nuclear experience and Palisades specific knowledge within Consumers Power Company is more than adequate.

Our responses to the NRC concerns in specific functional areas are provided in the following:

Quality Programs and Administrative Controls

The concern raised by the SALP report in this area relates to the effectiveness of our overall management control systems in achieving excellence in regulatory performance given the apparent decline in performance as observed by the NRC in the areas of operations, radiological controls, maintenance, surveillance and emergency preparedness. We share the concern in this area and have initiated several programs in an effort to assure adequate management attention and control. Some of these programs and other factors which will address this concern are:

1. A comprehensive plant plan has been developed. The plan identifies plant and department objectives and action plans and provides for alignment of priorities and resource commitments. Elements of the plant plan are incorporated into the NOD Plan for wide spread use.
2. The Management by Objectives (MBO) Program has been given increased emphasis to assure department goals are realistic and will be pursued. Periodic updates are provided to the Vice President of Nuclear Operations and the Executive Vice President of Energy Supply.

3. A trend program has been initiated to provide plant and corporate management with insight on the progress of various efforts to improve plant performance in both safety related and non-safety related areas.
4. A communication plan has been developed to assure that all levels of plant personnel are well informed of important issues.
5. The maintenance work order system is undergoing a streamlining effort. This, together with an aggressive effort to reduce the outstanding maintenance backlog will improve plant equipment condition and improve management control in the maintenance area.
6. Many of the concerns identified in the SALP report were also identified in the recent INPO evaluation. We have committed to an aggressive program to resolve these deficiencies and progress will be reviewed with upper management at least monthly. Additionally, we have requested further visits by INPO to help measure progress.
7. We have contracted with Westinghouse Electric Corporation to provide management overview and assistance in the health physics area.

We have reviewed our abilities to detect and take effective corrective action on problems in the future. The change in organization in November, 1984 was specifically aimed at addressing the reduced performance which you subsequently identified in the SALP Report. Our quality program was effective in identifying deficiencies and recommending actions. We believe our weakness was in implementing the corrective action. We are confident that the management changes made last November, together with continued close involvement of the VP-NOD via the existing management reports (ie monthly resumes, Nuclear Safety Board recommendations, QA biannual reports on corrective action system) and trend monitoring, will improve the trends identified and assure prompt response to deteriorating conditions in the future.

Additional information regarding our trend program and communication plan is provided as follows: Our existing trend program is being expanded considerably. Although we have previously trended information such as reactor trips, heat rate, caution tagging, control room deficiencies, radiation exposure, radwaste inventory, and the like; we have expanded and formalized our performance trending program to include over 60 trends in all. The program is based generally on INPO's performance trending recommendations, but goes well beyond them to address other results areas identified by Plant Department Heads. The trends are updated monthly. A selected group of trends is posted in several areas of the Plant for the benefit of all employees.

Our communication plan contains several methods to assure that all employees are kept informed of events, activities, and conditions which might affect them. The communication plan includes mechanisms for frequent feedback, including Plant Daily Orders, a weekly newsletter, and weekly staff meetings. It also includes periodic meetings with all levels of employees to identify barriers to high performance, as well as quarterly "State of the Plant" meetings to provide performance feedback. These communication techniques are used in conjunction with our Management by Objectives and performance trending programs to inform employees of expectations and provide feedback on their performance in achieving established objectives.

Operations

The SALP rating in the Operations area declined to category 2 from category 1 during the last rating period. The following positive actions were taken during the rating period and will provide a basis for steady improvement in performance in this area:

1. A six-shift rotation schedule was implemented to provide improved requalification training.
2. An additional week of simulator training has been scheduled for licensed operators (two weeks per year vs one week).
3. Hot license training has been improved as exemplified by the performance of our last class. The class was labeled as "one of the best examined" by one NRC examiner.

Other positive actions have occurred or are planned. These are the result of ongoing management review, recent NRC Resident Inspector monthly audits, and/or the 1984 INPO evaluation results:

4. The number of day shift operations personnel available to review operations activities has increased since completion of the last hot license class. Positions have been modified to allow experienced senior licensed personnel to dedicate time to on-the-job training of auxiliary operators to improve watch-standing practices.
5. New shift turnover practices are presently being implemented in order to strengthen the current process and assure continued good performance in this area. Some of the changes that have been implemented include revised, combined turnover checklists for control operators and for shift supervisors/engineers; group turnovers for control operators and for shift supervisors/engineers; (as opposed to individual turnovers for each position) and a revised plant status checklist. These changes are expected to help insure a consistent and comprehensive transfer of important plant information during the turnover process.

And finally, with the large number of newly licensed operators that were added to the staff in 1984 and 1985, future Palisades Plant operations should be in an even stronger position as more experience is gained by these operators.

The training positions referenced in item 4 above were established to address the On-The-Job training (OJT) portion of the systematic approach to training. The systematic approach to training, which is the basis for INPO training program accreditation, contains the following essential elements:

1. A systematic analysis of jobs to determine what tasks the performer of the jobs must be able to perform.

2. Performance-based learning objectives derived from the analysis.

3. Training designed, developed and implemented to achieve the performance-based objectives.

4. Evaluation of trainees conducted during training. Such evaluation should be made against performance standards stated in the learning objectives.

5. Evaluation of the effectiveness of the training program. Such evaluation should include provisions for revision based on trainees' demonstrated ability to perform in the actual job setting.

OJT ties the task analysis (element #1) and classroom training (elements #2 & 3) to actual performance of tasks in the field.

The OJT program for Operations Department personnel including "job performance evaluations" and associated documentation, has been implemented as described in Palisades Administrative Procedure 4.05. It is our plan to designate specific positions within the Operations Department with primary responsibility for working with operators to improve job skills and performing job performance evaluations. We would hope to fill these position with experienced, licensed personnel. However, depending on the availability of licensed shift personnel to operate the plant, it may be necessary to assign responsibility for OJT program requirements to other personnel who have been trained in accordance with the Administrative Procedures or to each Shift Supervisor for the individual members of his crew.

A concern was expressed in the SALP report regarding the negative effect the extended outage appeared to have on operator performance in returning the plant to power operating conditions. To address this concern we plan to send our licensed operators to the simulator for training on plant startups if another extended outage (greater than 100 days) occurs. This training will help refresh operator familiarity and attentiveness in returning the plant to power operations.

In addition, we will commit to conduct an "operational readiness review "of the plant following any future outage of greater than 100 days duration. This review will be conducted by a team of experienced managers and nuclear professionals from our corporate office under the leadership of either the Chairman or Vice-Chairman of our Nuclear Safety Board. The review will include walk-downs of selected plant systems to assess plant operational readiness as well as interviews with licensed operators to determine operator familiarity with plant conditions and recently completed modifications. Results of the review will be presented to the Plant Manager and Vice President of Nuclear Operations. Any necessary corrective action will be taken prior to plant restart.

Radiological Controls

The health physics functions at the Palisades Plant have recently been reorganized. This reorganization separated the chemistry responsibilities from the health physics responsibilities and combined the corporate health physics staff with the on site management team. This reorganization is expected to strengthen considerably the management attention to health physics matters. As a part of this reorganization, the site health physics procedures are being thoroughly reviewed and will be revised where necessary to provide better

clarity. Following the procedure revisions, personnel affected by these procedures will be retrained in their responsibilities.

One aspect of the procedure improvement effort will involve shifting more responsibility for radiological safety to the individual radiation worker (where it properly belongs) thereby resulting in a more effective implementation of radiation protection practices. Historically, Palisades Plant has responded to radiological controls problems by placing increased responsibility for the solution to the problems with the health physics personnel. This has had the affect of diluting the individual's responsibility for following good radiation protection practices.

Maintenance/Modifications

The SALP rating in the Maintenance/Modifications area was a category 2--the same as the last period. However, concerns were identified with the size of the maintenance backlog and the condition of plant equipment. In the latter part of 1984, we initiated significant actions to correct these concerns such as:

1. The Maintenance and Engineering Departments were combined in order to implement the "System Engineer" concept, closely align it with maintenance activities and provide more engineering support for solving maintenance problems.
2. A walk down of plant systems in order to identify equipment deficiencies and provide a current baseline is underway.
3. A concentrated effort has begun to work off the present backlog of maintenance items.
4. An indepth study and overhaul of the maintenance order system to streamline the process is being actively pursued.

These actions will result in improved plant material conditions, a manageable maintenance order backlog and an improved maintenance system which should help preclude recurrence of the concerns noted in the SALP report.

Surveillance and Inservice Testing

The SALP rating in the area of Surveillance and Inservice Testing declined from a rating of 1 during the last period to a rating of 2 for this SALP period. We are concerned about this decrease and certain aspects of our surveillance program will receive increased management attention.

Several of the LER's cited were related to test scheduling problems. To resolve this problem, we will be implementing a computer-based scheduling system by September, 1985. In addition, the surveillance test schedule is being reviewed as part of the plant's daily schedule to provide the necessary management visibility for upcoming tests.

As noted in the SALP report we are continuing our procedure review program in an effort to clarify and standardize the tests for accuracy and ease of use.

These actions, along with our continuing emphasis on strong managerial controls and responsiveness to technical issues, should ensure that our surveillance program continues to make a strong positive contribution to safety-related equipment availability.

Emergency Preparedness

Three of the four items of noncompliance noted in the SALP report involved a failure to classify the emergency and notify the NRC promptly. As a result, several immediate changes were made at Palisades to achieve improved performance. First, Site Emergency Director responsibilities during the early stages of an event were reassigned to the Shift Engineer in August 1984 in order to equalize assignment of emergency responsibilities between the shift supervisor and shift engineer. This action has resulted in increased shift management attention to classification and notification duties. Second, both the shift engineers and shift supervisors have been directed to use initial primary coolant system leak rate data for determining need to implement the site emergency plan, rather than waiting for confirmatory leak rate data. This action will prevent recurrence of several similar non-compliances which were identified in the SALP report. Plant procedures have also been changed to reflect this requirement. In addition, increased management attention is being paid to this area by the Plant Operations Manager and Operations Superintendent.

Regarding the failure to conduct required training on the site emergency plan, training for shift engineers and shift supervisors will be provided annually as part of the annual requalification training. This will include training regarding the classification of emergencies and emergency notifications. In addition, practical experience on the Palisades simulator in recognizing and classifying events, making notifications, performing dose assessments and making protective action recommendations will be included as part of the annual simulator training. This will provide added assurance that future emergencies will be properly classified and the appropriate notifications made in a timely manner.

We appreciate the feedback received from the NRC SALP and, as outlined in our response, intend to use this information to help us continue to improve the operation at Palisades.

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OC0585-0009B-NL02