

NUCLEAR OVERSIGHT COMMITTEE

QUARTERLY REPORT

JANUARY 23, 1984

Membership:

Dr. M. B. Gottlieb, Chairman
Dr. S. Levy
Dr. K. C. Rogers
Dr. W. F. Witzig

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Background

The Nuclear Oversight Committee (NOC) was established by the Board of Directors of Public Service Electric & Gas Company (PSE&G) on October 18, 1983 (see Appendix A), as recommended by PSE&G management and in response to a commitment to the Nuclear Regulatory Commission (NRC). The Board also confirmed the following membership of NOC:

Melvin B. Gottlieb
Salomon Levy
Kenneth C. Rogers
Warren F. Witzig
E. P. Wilkinson (effective March, 1984)

The NOC held an organizational meeting on October 27, 1983 and its first regular meeting on December 13, 1983.

Since there exists little experience with the NOC concept, there was found to be no suitable model. Thus, the preparation of the charter was the subject of considerable discussion. In the end, a very broad charter (Appendix B) was decided upon. The charge to the NOC emphasizes the independent monitoring of the PSE&G Plan for the Improvement of Nuclear Department Operations, herein called the Action Plan.

The Action Plan

The Action Plan involves a total effort of about 46,000 man days. The Plan was adopted by PSE&G after extensive reviews with the NRC, and is based on studies and recommendations of independent consultants, Management Analysis Company (MAC) and Basic Energy Technology Associated (BETA). While some parts of the work will not be completed until the end of 1986 (the last task is operation of a computerized management control system), about two-thirds of the total work should be accomplished by the end of 1984 according to present schedules.

The Action Plan documentation has been examined by the Committee members. The program seems to be well thought out. Implementation has begun and is strongly supported by management. All organizations involved in the Plan seem to be working together effectively. Implementation is, of course, at an early stage, with less than 10% of the total man hours scheduled to be applied by the end of 1983. Nevertheless, there are signs of possible problems:

1. The number of man hours expended to date is only about half that anticipated.
2. Five tasks were started late.
3. A comparison of the schedule supplied to the NOC at the October meeting and those at the December meeting shows several slippages in scheduled completion dates. These are shown in Table 1.
4. There appears to be no slack between scheduled completion date and NRC milestone in eight (out of 26) Action Plan tasks. These are also shown in Table 1.
5. A rough interpretation of the materials available to NOC reveals that about two-thirds of the total man hours are scheduled to be expended in 1984, representing an average staffing level of about 100 persons. This compares with a December 1983 level of about 40 persons. To achieve an average level of 100 in 1984 would require staffing levels well over 100 for a substantial portion of 1984.

According to W. Bibb, Action Program Director, most of the delays encountered thus far are due to difficulties in acquiring staff and contractors with the requisite skill levels.

The NOC is concerned about the tension that inevitably exists between operational responsibilities on the one hand and Action Plan responsibilities on the other. Many persons involved in the Action Plan implementation have major operational responsibilities. The many review committees put great pressure on individuals to meet their deadlines and milestone dates. But operating responsibilities are even more important to safety. If unanticipated staffing problems or operating needs arise, it is likely that Action Plan delays will follow, even with substantial assistance from outside contractors and consultants. On the other hand, it is not desirable to give anyone an easy way out of their Action Plan commitments. This is a real paradox. It will require the attention of top management.

Now that there is some experience with actual Action Plan implementation, it may well be appropriate to reexamine and to readjust the time schedule, taking into account safety priorities.

In any case, it is the judgment of NOC that it should, in general, act in such a fashion as to contribute to the recognition of the problems and to their solution rather than to exacerbate the problems. It is the NOC hope that NRC will act in a similar manner.

TABLE 1

	<u>Task</u>	<u>Slippage (months)</u>	<u>Slack (months)</u>
2.1.2	ND and Corporate Matrix Relationships	1	4
2.1.3	ND Policy Manual and Supporting Procedures	6	4
2.1.7	Acceleration of New Employee Recruiting and Hiring	-	-2*
2.2.2	Commitment Identification Tracking and Closeout	-	0
2.3.1	Integrated Configuration Management	6	0
2.4.1	Maintaining Plant Cleanliness	-	0
2.4.2	Compliance Monitoring of Technical and Equipment Specifications	-	0
2.4.4	Site Protection and Emergency Management	3	3
2.4.5	Nuclear Engineering and Operations Coordination	-	0
2.6.1	Organization Responsibilities and Interfaces-Maintenance	-	0
2.6.2	Maintenance Planning, Monitoring and Control	2	1
2.6.3	Backlogged Maintenance Work	-	0
2.7.4	Nuclear Department--Training	0	0

*PSE&G (not NRC) commitment.

Safety Organization

NOC was briefed on the overall PSE&G safety process. It is apparent that safety concerns permeate all facets of the organization. Safety aspects are thoroughly analyzed and reviewed. Documentation communication and control are recognized as essential components.

NOC is concerned that there may be too many cases of overlapping responsibilities. These now serve to reinforce the safety process, but are not ideal for the long run. In particular, it seems to NOC that there may be too many independent internal reviews. NOC plans to continue to examine this aspect after the Committee has been exposed to some of the findings of Task 2.2.1, Safety Review Improvement.

Evaluation of Safety Improvement

NOC has asked the Nuclear Department to develop a set of safety-related items which are measurable periodically and which can be employed to evaluate overall plant safety by comparison with past experience and prescribed goals. Many of these parameters are already available and were discussed at the meeting of December 13. They include such aspects as:

1. Unit availability
2. Unit capacity factor
3. Net generation
4. Licensee Event Report (LER) frequency
5. Man Rem exposure
6. Rad waste production
7. Backlogged maintenance work orders

Many of these categories require further refinement to make them more useful to NOC. For example, plant unavailability related to safety may be more useful than unit availability. Numbers of backlogged maintenance work orders that are safety related should be highlighted. In the discussion of backlogged work orders, it appeared that there were many low-priority items which had been listed for a long time. NOC was concerned that there may not be a strong enough rejection system. Changes represent a potential source of safety problems. This should be taken into account when changes that are not really necessary are proposed. Perhaps this has already been done. NOC simply raises the question for future discussion. NOC will continue to work with PSE&G personnel in developing these criteria.

Other Matters

There was a presentation on contentions submitted by the Public Advocate and accepted by the Hearing Board in the Hope Creek proceedings. The primary function of NOC is the identification of possible safety problems. Thus, no action by NOC is required with respect to these contentions. There were, however, some comments on two of the contentions as follows:

1. Pipe Cracks Due to Intergranular Stress Corrosion

It seemed to NOC that PSE&G is fully aware of the potential problems and has taken appropriate preventive steps. However, NOC would like to be kept informed.

2. Management Competence to Safely Operate Hope Creek

The issues involved here are the same as those that were raised after the trip breaker incidents of last February and either have already been addressed or are being addressed under the "Plan for Improving Nuclear Department Operation" as well as by the appointment of NOC.

NOC also was provided with a review of the latest Systematic Analysis of Licensee Performance (SALP) report. After extensive discussion, NOC was satisfied that PSE&G has responded properly to concerns raised in this report.

NOC Functions

NOC is still in the process of defining its role and its procedures. PSE&G management has been completely responsive in supplying information and documents requested. NOC is encouraged by the steps that have been taken and by the attitudes of management. Thus far the meetings have been very full, very lively and productive. NOC would welcome suggestions from other groups as to its activities.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY**BOARD OF DIRECTORS****October 18, 1983**

WHEREAS, the management of this Company has recommended that a Nuclear Oversight Committee be established to oversee safety aspects of this Company's nuclear operations and has developed a Nuclear Oversight Committee Charter for such purpose, a copy of which Charter has been presented to this meeting and ordered to be filed with the records of this meeting; and

WHEREAS, this Board deems it advisable to at this time formally establish said Committee and to provide definition of its responsibilities and membership:

NOW, THEREFORE, BE IT RESOLVED, that this Board does hereby establish a Nuclear Oversight Committee to provide an independent basis for evaluating this Company's nuclear plant operations from a safety perspective, with particular attention to be devoted to progress in resolving open commitments to the Nuclear Regulatory Commission and in implementing this Company's action plan in response to independent evaluations of Company nuclear operations as a result of the failure of the reactor trip circuit breakers to automatically shut down Salem Generating Station Unit No. 1 in February 1983;

FURTHER RESOLVED, that the Nuclear Oversight Committee Charter in the form presented to this meeting be and the same hereby is approved, subject to the authorizations and limitations contained in these resolutions;

FURTHER RESOLVED, that the Chairman and members of said Committee shall be selected by the Chief Executive Officer of this Company, with the concurrence of this Board, and, upon recommendation of the President, this Board does hereby confirm Dr. Melvin B. Gottlieb as the initial Chairman of said Committee, and Dr. Sol Levy, Dr. Kenneth C. Rogers and Dr. Warren F. Witzig as the initial members of said

Committee, Dr. Rogers to serve as this Board's liaison member to said Committee for the purpose of keeping this Board informed of said Committee's activities on a regular basis and conveying this Board's direction to said Committee as required;

FURTHER RESOLVED, that, upon recommendation of the President, Mr. E. P. Wilkinson be and he hereby is confirmed as a member of said Committee, effective in March 1984;

FURTHER RESOLVED, that the Chairman of said Committee be provided an annual retainer in the amount of \$20,000, and members be provided an annual retainer in the amount of \$12,000, to compensate each of them for all work done in furtherance of said Committee's objectives; and that the Chairman and the members of said Committee also each be provided a meeting fee of \$1,000 for each formal Committee meeting attended, such meetings to be held on a quarterly basis, with additional meetings, if required, to be held upon the call of any member, provided a quorum is obtained;

FURTHER RESOLVED that this Company's Nuclear Department be and it is hereby authorized and directed to provide said Committee's technical and administrative support and to provide to said Committee any documentation and records requested in furtherance of its purpose; and that said Committee be and it is hereby authorized, upon approval of the Chief Executive Officer of this Company, to engage such outside consulting services as it may deem necessary; and

FURTHER RESOLVED, that the authority granted by these resolutions and the Nuclear Oversight Committee shall terminate December 31, 1985 unless further extended by resolution of this Board.

APPENDIX B
NUCLEAR OVERSIGHT COMMITTEE CHARTER

Overview

A PSE&G Nuclear Oversight Committee will be established to provide Company management and the Board of Directors an independent basis for evaluating the effectiveness of the Company's nuclear plant operations. Specific attention is to be provided to evaluating overall management attention to nuclear safety and evaluating progress in resolving open issues relating to NRC commitments and other independent evaluations of Company nuclear operations. Nuclear Oversight Committee periodic reports will be provided to Company management, the Company's Board of Directors and the Nuclear Regulatory Commission.

Membership

The Committee shall consist of from three to five members, appointed by the Chairman of the Board from prominent outside nominees with demonstrated expertise in the areas of utility nuclear operations, academic and/or research in nuclear fields, and nuclear regulation. One member of the Board of Directors of PSE&G shall be selected as an ad hoc member to serve as liaison between the Board and the Committee. He shall attend all meetings and keep the Board of Directors advised of committee activities.

Committee Chairman

A Committee Chairman will be selected by the Chief Executive Officer of PSE&G.

Responsibilities

The Committee will evaluate the effectiveness of PSE&G's nuclear plant operations from a viewpoint of nuclear safety. The following general guidelines are provided, but only as suggested areas of review. It is desired that the Committee remain independent with respect to review areas and flexible with respect to the amount of detail evaluated:

1. Evaluate operation of nuclear units to insure conformance with Company's Nuclear Power Policy and Nuclear Department Charter; especially those objectives dealing with nuclear safety which state that safety is of the highest priority, safety concerns come before power production, and decisions which could affect the health and safety of the public are made conservatively.

2. Evaluate implementation of the short-term and long-term commitments described in the corrective action program resulting from the reactor trip breaker failures at Salem in February 1983.
3. Review and evaluate recommendations and Company action plans resulting from the independent evaluations by Management Analysis Company (MAC) and Basic Energy Technology Associates, Inc. (BETA) which were a result of commitments made following the February 1983 events at Salem. Evaluate progress made by the Company in accomplishing these plans.
4. Review, at the Committee's discretion, various periodic reports, generated by the Company's on-site and off-site review committees, and/or other reports or documents issued by the Company or regulatory agencies.
5. Independently review other nuclear safety issues which appear appropriate and make recommendations in those areas.

Meeting Frequency

The Nuclear Oversight Committee shall hold meetings at least quarterly and at any time upon the request of a member.

Reports

The Nuclear Oversight Committee shall submit reports as follows:

1. Minutes of meetings shall be prepared within two weeks of each meeting. These minutes should include a summary of all items discussed and any suggestions for PSE&G management consideration.

Minutes shall be submitted to the Senior Vice President - Energy Supply and Engineering, the Vice President - Nuclear and the Board liaison member.

2. A quarterly report shall be prepared to include:
 - a. An evaluation of overall management attention to nuclear safety.
 - b. The Committee's review and evaluation of the progress being made in implementing the action plan which has been developed to incorporate all NRC commitments, and MAC and BETA recommendations.

The report shall be sent simultaneously to the Senior Vice President - Energy Supply and Engineering, the Board of Directors liaison member and the Vice President - Nuclear, who will, in turn, forward directly to the NRC.

The Company has committed to provide a response to these quarterly reports within 30 days to the NRC.

3. Special reports shall be prepared whenever a study has been completed and a recommendation is being made to PSE&G management.

These reports shall be submitted to the Senior Vice President - Energy Supply and Engineering and the Vice President - Nuclear.

Technical and Administrative Support

Principal support for the Nuclear Oversight Committee will be provided by the PSE&G Nuclear Department. Other PSE&G organizations will support, as appropriate, and be coordinated by the Nuclear Department. Access to any documents or information will be provided to the Committee, at their request, for review. The Committee, in the performance of its duties, may engage such outside consulting services as warranted. Company liaison and secretarial service will be provided by the Nuclear Department.

Term

The Nuclear Oversight Committee will function for at least one year after its formation. PSE&G will then evaluate the necessity to continue the Committee as part of the Company's nuclear safety review program.