



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

March 17, 1980

Elizabeth S. Bowers, Esq., Chairman
Atomic Safety and Licensing Board Panel
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dr. Richard F. Cole
Atomic Safety and Licensing Board Panel
U.S. Nuclear Regulatory Commission
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Mr. Frederick J. Shon
Atomic Safety and Licensing Board Panel
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

In the Matter of
Sacramento Municipal Utility District
(Rancho Seco Nuclear Generating Station)
Docket No. 50-312 (SP)

Dear Board Members:

Enclosed, for the information of the Board and parties, is a recent Commission Order regarding the management competence issue in the TMI-1 restart proceeding. Certain of the specific issues raised therein may be of relevance to that issue as raised in the Rancho Seco proceeding.

Sincerely,

Stephen H. Lewis

Stephen H. Lewis
Counsel for NRC Staff

Enclosure: CLI-80-5, Commission
Order dtd March 6, 1980.

cc w/enclosure: David S. Kaplan, Esq.
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Senator Allen R. Carter
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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

DEC 6 1979

COMMISSIONERS:

John F. Ahern, Chairman
Victor Gilinsky
Richard T. Kennedy
Joseph M. Hendrie
Peter A. Bradford

In the Matter of

METROPOLITAN EDISON COMPANY

(Three Mile Island Nuclear Station,
Unit No. 1)

Docket No. 50-289

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ORDER

CLI-80-5

After reviewing its Order and Notice of Hearing of August 9, 1979, and the Licensing Board's First Prehearing Conference Order, the Commission has decided to provide the Board with further guidance regarding the management competence issues which the Board is to hear in this proceeding. In determining whether Metropolitan Edison is capable of operating Unit 1 safely, the Board is directed to examine the following broad issues: (1) whether Metropolitan Edison's management is sufficiently staffed, has sufficient resources and is appropriately organized to operate Unit 1 safely; (2) whether facts revealed by the accident at Three Mile Island Unit 2 present questions concerning management competence which must be resolved before Metropolitan Edison can be found competent to operate Unit 1 safely; and (3) whether Metropolitan Edison is capable of operating Unit 1 safely while simultaneously conducting the clean-up operation at Unit 2.

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In the course of examining these broad questions, the Licensing Board should examine the following specific issues:

- (1) whether Metropolitan Edison's command and administrative structure, at both the plant and corporate levels, is appropriately organized to assure safe operation of Unit 1;
- (2) whether the operations and technical staff of Unit 1 is qualified to operate Unit 1 safely (the adequacy of the facility's maintenance program should be among the matters considered by the Board);
- (3) what are the views of the NRC inspectors regarding the quality of the management of TMI Unit 1 and the corporate management, staffing, organization and resources of Metropolitan Edison;
- (4) whether the Unit 1 Health Physics program is appropriately organized and staffed with qualified individuals to ensure the safe operation of the facility;
- (5) whether the Unit 1 Radiation Waste system is appropriately staffed with qualified individuals to ensure the safe operation of the facility;
- (6) whether the relationship between Metropolitan Edison's corporate finance and technical departments is such as to prevent financial considerations from having an improper impact upon technical decisions;
- (7) whether Metropolitan Edison has made adequate provision for groups of qualified individuals to provide safety review of and operational advice regarding Unit 1;

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- (8) what, if any, conclusions regarding Metropolitan Edison's ability to operate Unit 1 safely can be drawn from a comparison of the number and type of past infractions of NRC regulations attributable to the Three Mile Island Units with industry-wide infraction statistics;
- (9) what, if any, conclusions regarding Metropolitan Edison's ability to operate Unit 1 safely can be drawn from a comparison of the number and type of past Licensee Event Reports ("LER") and the licensee's operating experience at the Three Mile Island Units with industry-wide statistics on LER's and operating experience;
- (10) whether the actions of Metropolitan Edison's corporate or plant management (or any part or individual member thereof) in connection with the accident at Unit 2 reveal deficiencies in the corporate or plant management that must be corrected before Unit 1 can be operated safely;
- (11) whether Metropolitan Edison possesses sufficient in-house technical capability to ensure the simultaneous safe operation of Unit 1 and clean-up of Unit 2. If Metropolitan Edison possesses insufficient technical resources, the Board should examine arrangements, if any, which Metropolitan Edison has made with its vendor and architect-engineer to supply the necessary technical expertise;
- (12) whether Metropolitan Edison possesses the financial resources necessary to safely operate Unit 1 in addition to cleaning up Unit 2; and

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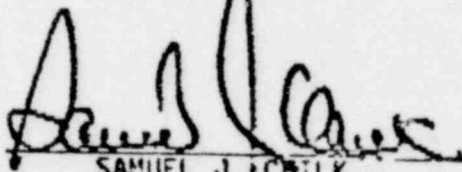
(13) such other specific issues as the Board deems relevant to the resolution of the issues set forth in this order.

In proposing these questions, the Commission recognizes that it has not established definitive standards for management organization and operation for nuclear power plants. Nevertheless, in this case the Commission considers these questions pertinent. The Board should apply its own judgment in developing the record and forming its conclusions on these questions. With the record developed and the Board's conclusions in hand, the Commission will be greatly aided in reaching a final decision on the restart issue.

Chairman Ahearne and Commissioner Kennedy dissent.*

It is so ORDERED.

For the Commission


SAMUEL J. CHILK
Secretary of the Commission

Dated at Washington, D.C.

this 6th day of March, 1980.

* Section 201 of the Energy Reorganization Act, 42 U.S.C. 5841, provides that action of the Commission shall be determined by a "majority vote of the members present." Commissioners Gilinsky and Kennedy were not present at the meeting at which this Order was approved. Had Commissioner Gilinsky been present he would have voted with the majority; Commissioner Kennedy would have dissented. Accordingly, the formal vote of the Commission is 2-1.