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UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20558

JUN 12 1986

(EJ)

MEMORANDUM FOR: Chairman Palladino  
Commissioner Roberts  
Commissioner Asselstine  
Commissioner Bernthal  
Commissioner Zech

FROM: Victor Stello, Jr.  
Executive Director for Operations

SUBJECT: LICENSEE PERFORMANCE

On May 13, 1986, I forwarded to you a copy of the meeting summary from the EDO Senior Management Meeting which was held in Region III on April 23-24, 1986. At the meeting, we discussed a number of reactor facilities that have recently experienced operational problems and which have required significant NRC attention and resources. One of the recommendations that came from these discussions was that we need to assure that NRC has clearly communicated the root cause for NRC concern on the licensee's performance to top licensee management. It was evident from these discussions that there are frequent and extensive NRC communications and meetings with licensees on operational problems; however, it was not evident in each case that NRC has clearly and succinctly communicated the root cause for NRC concern to the licensee. At the conclusion of the meeting, I directed the Regional Administrators and Office Directors to review the past NRC communications with the licensees which were discussed at the meeting. That review was to determine if any further communication to those licensees is necessary to assure that they understand the root cause for NRC concern.

The purpose of this memorandum is to provide information on the review of the plants discussed at the April 1986 meeting and to provide you with a copy of letters I sent to those plants for which we believed additional correspondence was necessary to assure clear, unambiguous communication of NRC's root cause for concern. You will note that some plants are being allowed to continue operation because they are performing at an adequate level, whereas others have been shut-down and will remain shutdown until we are convinced that they will be able to perform at an adequate level. A summary and status for the plants discussed at the April 1986 meeting follows:

Material to  
be deleted  
outside

860624059  
AA

611

material  
to be  
deleted  
outside  
scope

Peach Bottom

Units 2 and 3 are operating. I have sent a letter to licensee management to give them a clear message on NRC concerns regarding licensee performance. We have requested a meeting with the licensee to discuss the letter and licensee's corrective actions. A copy of the letter is enclosed.

material  
to be  
deleted  
outside  
scope

The April 1986 meeting was successful because senior NRC managers collectively focused on licensee performance, problem issues, and NRC actions. I am planning to hold a second EDO senior management meeting in October 1986 to review the status and progress of the plants discussed above and to identify additional plants for which increased NRC management attention may be needed.

I believe these meetings will continue to focus top management on those issues and plants requiring action and will improve our communication and direction to licensees in implementing corrective actions.

If improved performance is not realized as a result of these actions, the staff intends to escalate the issue to the Commission. Consideration will be given at that time to further action up to and including shutdown of the facility or facilities involved.

Original signed by  
Victor Stella ✓  
Victor Stello, Jr.  
Executive Director  
for Operations

Enclosures:

- 1. NRC Letter to Peach Bottom *- outside scope*
- 2. NRC Letter to Peach Bottom

cc: OPE  
OGC  
SECY

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\*See attached for previous concurrence  
Revised by the EDO 6/11/86

OF	ROGR	:ROGR	:DEDROGR	:EDO	:	:	:
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