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JULY 15, 1988

POLICY ISSUE
(Notation Vote)

SECY-88-201

For:

The Commissioners

From:

Victor Stello, Jr.
Executive Director for Operations

Subject:

PROPOSED ENFORCEMENT ACTIONS AGAINST PHILADELPHIA ELECTRIC COMPANY (PECO) AND THE INDIVIDUALS WHO COMPRISED THE SHIFT OPERATIONS STAFF AT PEACH BOTTOM AT THE TIME OF THE MARCH 31, 1987 SHUTDOWN ORDER. (EA 88-04 et al.)

Discussion:

On March 31, 1987, the NRC issued an Order to Philadelphia Electric Company suspending operation of its Peach Bottom reactors after validating, during the initial phases of an OI investigation, information received by the Commission in March 1987, that control room operators had, at times, left the control room area unattended, and at other times, had been observed sleeping while on duty in the control room, reading materials not directly job related, playing video games and/or being otherwise inattentive to the obligations of their license. Since that time, OI completed its investigation, and transmitted its report to the staff on December 9, 1987. The OI report included a copy of the

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findings and exhibits of a separate investigation conducted by the licensee's Claims Security Division. Further, in the spring of 1988 enforcement conferences were conducted with all licensed individuals who, at the time of the shutdown, were members of the Peach Bottom operations staff shift work complement and one shift supervisor who resigned as a PECO employee shortly before the shutdown. */

MEMORANDUM TO FILE

SUBJ: COMMISSIONER CARR'S VISIT TO THE PEACH BOTTOM SITE AND
SPEECH TO THE REGION 1 RESIDENTS AT KING OF PRUSSIA

Commissioner Carr, accompanied by Tom Elsasser, visited the Peach Bottom site on December 15, 1987. Region 1 Administrator, Bill Russell, and the Senior Resident, Tom Johnson, accompanied the Commissioner during his visit and tour of the site. Representing Philadelphia Electric Co. (PECO) during the visit was Dickenson Smith, Station Manager, Johan Cotton, Ops Superintendent and other members of station management. Agenda and other pertinent background information is attached.

The tour started with attendance at the shift turn over meeting in a small office adjacent to the combined Unit 2 & 3 control room. Following that, the Commissioner was briefed in the control room concerning the work being accomplished during extended shut down. Of particular interest was the extensive human factors modifications that had been completed on the Unit 2 control boards. The licensee accelerated completion of these modifications due to the protracted length of the shutdown period. These mods will also be completed on the Unit 3 side during the ongoing recirc piping replacement.

The remainder of the tour consisted of a visit to all accessible areas of Unit 2 and a walking tour of the Unit 2 & 3 portion of the site. (Mothballed Unit 1 is separated by a security fence and was not visited.) The mood of the facility was fairly upbeat considering the recent problems. One could sense a desire to do better and "strive for excellence". There have been extensive changes in the corporate, site and shift managerial structure. These are certainly for the better; however, the changes have not been in place long enough so that the full impact can be realized. There has been conscious effort to involve all workers at the site in the improvement process by encouraging constructive criticism and feedback.

There is also a conscious effort to improve the material condition of the site. Previously large areas of surface contamination have been cleaned up. There is a program in place to ship the relatively large quantities of low level waste that are/were being stored on site. There is also a program under way to reduce the previous large maintenance backlog. Management is positive about these initiatives and they are making progress. However, during the plant tour

~~those members of site management with relatively long tenure were not as knowledgeable about certain conditions of Unit 2 as one might expect. The specific items were minor and not worth specifically mentioning, but there were enough of them~~

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that the Commissioner made a comment in this regard to the NRC personnel following completion of the tour.

After completion of the tour, we joined the licensee for a working lunch. Topics of discussion included a 30 minute informative briefing on containment venting procedures and capabilities. (slides attached) Other briefing topics included the managerial reorganization, the radwaste reduction program and the efforts to reduce and track the maintenance backlog. These briefings were well done and presented an accurate picture of the current status of affairs at PECO and the Peach Bottom facility.

On December 16, the Commissioner addressd the Region 1 residents who were in attendance at the periodic regional resident counterpart meeting. The Commissioner's remarks (attached) were well received and a lively question and answer period followed. ~~A major topic of concern for the residents was the recently promulgated policy which is intended to limit tenure at a given site to 5 years. Several residents were very vocal in their opposition to the policy. The Commissioner offered his views on why rotation every 3 to 5 years is healthy for the individual and the program. The residents understood the Commissioner's point of view; however, some comments after the meeting went along the lines of "what is good for the Navy is not necessarily good for the NRC". Other questions during the Q & A session are briefly summarized below.~~

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~~-There were several questions in the maintenance area; what will the NRC's involvement be in improving maintenance; why increased emphasis on maintenance is cost effective; are NRC "safety concerns" getting in the way of effective maintenance.~~

~~-An increased involvement in day to day OPS by HQ has been noticed. It appears this is because HQ is too "top heavy", regions are being asked to do more with less while NRR budget remains fairly "fat". Answer--Recent 5 yr plan doesn't anticipate any cuts in the regional budgets.~~

~~-Commissioner was asked to comment on the SALP process. Answer--program is effect, but SALPs are still too long and not sufficiently standard from region to region.~~

~~-Commissioner was asked to comment on the degree on shift initiative by the NRC. Answer--the degreed operator is not a necessity, but it makes a better operator. The NE utilities 2 yr programs do have some merit.~~

~~-Commissioner was asked his opinion on the effectiveness of "team Inspections". Answer--not much impact seen to date at the Commission level; however, he understands that these inspections are of great help to the utilities.~~

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The Commissioner's formal time with the residents lasted about 1hr; however, he remained behind for about 20 mins talking informally with Bill Russell and several of the residents. The rotation policy for residents was the dominant topic of discussion.

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MEMORANDUM TO FILE

SUBJECT: COMMISSIONER CURTISS' VISIT TO THE PEACH BOTTOM
ATOMIC POWER STATION (PBAPS) ON MARCH 27, 1989

On March 27, 1989, Commissioner Curtiss and his Technical Assistant, Dave Trimble, visited the Peach Bottom facility.

Prior to the visit, to gain as broad a perspective of the licensee's status as possible, the Commissioner had met with the NRR Project Manager for Peach Bottom (Mr. Bob Martin). In that meeting, Mr. Martin reviewed key issues and resolution status. He pointed out the extensiveness of the changes made in the licensee's organization. He noted that the facility appeared to now have good leadership with a road map to follow. He felt that the NRC needs to encourage the licensee to keep up the momentum toward improvement. Mr. Martin did not identify any concerns that would adversely affect a restart decision.

The plant visit consisted of: (1) a meeting with the Resident Inspectors (Tom Johnson, Larry Myer, and Rick Urban) and their Section Chief (Jim Lindville), the team leader for the February 1989 NRC Integrated Assessment Team Inspection (IATI) at PBAPS; (2) a meeting with key licensee management personnel including John Kemper, Senior Vice President for Construction (Limerick 2), Dickinson Smith, Vice President, PBAPS, and John Franz, Plant Manager; (3) attendance at a morning licensee planning ("TRIPOD")

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meeting; (4) a plant tour; (5) a brief meeting with operators; and (6) a working lunch with licensee management personnel.

The Resident Inspectors and licensee provided background information on root causes leading up to the shutdown order, management changes, principle corrective actions, and recent problem areas. The more significant actions taken by the licensee include:

- a. extensive changes in management personnel from the shift manager level up to the CEO (approximately half of the new managers came from outside of the PECO organization);
- b. a move from promotion by seniority to promotion based upon performance;
- c. beginning a performance appraisal program for employees;
- d. a focus on accountability including interface agreements on responsibilities where multiple groups are involved;
- e. establishment of a Shift Manager position (utilizing senior licensed personnel with degrees) to increase management presence on shift;
- f. an effort to change the culture from a "generate power" philosophy to a safety, reliability culture;
- g. a move away from operation in isolation to an organization which stays abreast of the industry and utilizes outside consultants on oversight committees;
- h. an emphasis on self assessment including wide use of performance indicators; and
- i. a raising of standards for entry level operations personnel

to require either two years of college or Navy Nuclear Program training.

The IATI team leader and Resident Inspectors see no significant impediments to restart. They indicated that it will still take time to change the attitudes of employees at all levels of the organization. They have seen improvements in recent problem areas such as security and ESF actuations. However they see a potential for the licensee to be too "tunnel visioned", giving the bulk of attention to the operator area perhaps at the expense of other programs.

During the plant and control room tour, the Commissioner noted that material condition and housekeeping were good. The licensee has significantly reduced the amount of contaminated area, thus providing excellent accessibility to equipment. Equipment labeling was very good. Operators pointed out that the control room has been upgraded including such human factors enhancements as control board mimics and paint schemes highlighting critical components. The control room was clean and well lighted. Operator professionalism was enhanced by use of uniforms. A number of scaffolds were in place to support ongoing maintenance. The licensee indicated that these would be removed prior to restart. The licensee pointed out features of the vent system for their Mark 1 Containments. Hardened 2 inch diameter vent paths (filtered, monitored, and elevated release) are available from both the torus and the drywell. A 6 inch hardened vent path

from both the drywell and the torus is available through their ILRT piping (unmonitored, unfiltered, and ground release outside the Reactor Building). The 18 inch vent paths are not hardened and their rupture would cause a release into the Reactor Building.

Following the tour the licensee indicated that significant modifications will not be necessary for them to meet the Station Blackout (SBO) rule. The licensee also indicated that they do not intend to use the NUREG 1150 PRA for Peach Bottom as their IPE. Their reasoning was not clear. The Senior Resident Inspector believes this may be due to a disagreement the licensee has with some of the NUREG 1150 assumptions regarding reliability of the onsite and offsite electrical systems.

One item of concern to the Commissioner was that 4 of the 6 Shift Managers are scheduled to transfer to other positions in the next 6-10 months. This would barely be enough time to get both units back on line. It would appear that a more gradual transition would be appropriate for such an important position. The Commissioner's concern was passed on to the licensee by the Senior Resident Inspector. The licensee stated that replacement personnel, some of at least equal caliber, are currently in training. Nonetheless it would take time to fully integrate these new individuals with their crews. To do this at such a critical point may be a mistake.