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May 14, 1990

U. S. Nuclear Regulatory Commission
Washington, DC 20555

ATTENTION: Document Control Desk

SUBJECT: Calvert Cliffs Nuclear Power Plant
Unit Nos. 1 & 2; Docket Nos. 50-317 & 50-318
SALP Report Response

Gentlemen:

We have completed a detailed review of your Systematic Assessment of Licensee Performance (SALP) Report of April 4, 1990. We have carefully considered its findings and concluded that it accurately describes our performance during 1989. We are pleased that it notes many of the substantial improvements we have made, especially those that occurred during the latter half of the SALP period. However, we acknowledge and agree that the Category 3 ratings in the areas of Plant Operations, Maintenance/Surveillance and Safety Assessment/Quality Verification are indicative of the need for sustained overall general improvement.

The SALP is useful for its perspective in categorizing deficiencies and assessing plant performance for broader trends and root causes. We use the the NRC's assessment for comparison with our internal assessment as a means to enhance management's efforts at performance improvement. In this year's report, the SALP is very consistent with the internal BG&E evaluations performed during the year. SALP comments concerning performance early in the year have been compared to the initial root causes we analyzed in developing the Performance Improvement Plan (PIP). Both the specific symptoms and broader categories match closely with those considered in developing our PIP. The self-SALP we conducted at mid-year was also very consistent with the NRC report in both grouping of deficiencies and functional area grades. These facts tend to confirm that the PIP was based on appropriate considerations.

The description of activities in the latter half of the SALP period also provides valuable feedback on our plant improvement efforts. Many significant improvements are specifically cited in the SALP that we can directly tie to efforts captured under PIP Action Plans. When coupled with our internal verification efforts, these provide substantial evidence that the management actions under PIP are measurably contributing to safer plant operation. In the areas where continuing weakness was

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noted in the report, we are actively assessing our current efforts to see whether we have met our expected progress or whether additional steps are appropriate. In some areas, the PIP has already been revised to incorporate these concerns. In other areas, the concern was discussed in the site Spring Planning Conference for consideration in a future PIP revision and inclusion in the corporate Nuclear Program Plan. The remainder of the concerns are assigned for resolution by the responsible department.

The specific deficiencies noted in the SALP report had all been previously identified in correspondence between BG&E and the NRC. Individual corrective actions, including root cause analysis and measures to prevent recurrence, had already been initiated and, in most instances, completed. Therefore, these specifics will not be discussed in this response.

While the PIP is our primary mechanism for focusing management attention and correcting weak areas such as those noted in the SALP, some specific comments are provided in this report on major concerns identified in your report.

OVERALL

Concern was expressed at the lack of centralized management of corrective actions. Difficulties in coordinating and prioritizing efforts both at the site level and within some departments were noted. This concern had also been specifically noted when reviewing the preparations for Unit 1 restart. We concur that this is a valid problem area, and we have substantial efforts in progress to remedy it.

We have progressively reduced the number of diverse systems by which separate organizations and processes are controlled. A significant step was the development of the Plant Manager's Startup List to control and coordinate plant material and administrative requirements associated with startup. Another step was implementation of a site-wide computerized Commitment Tracking System to integrate action tracking of various sources (such as Quality Assurance Audit Findings, NRC items, and POSRC items) to all Calvert Cliffs departments. Many redundant, stand-alone systems were eliminated. A common Problem Report for identification of a wide range of plant conditions was implemented. This iterative modification of corrective action processes is planned in PIP Action Plan 4.2.1 (Issues Management) and elements of several other plans. This evolution will continue, with each change designed to permit simpler, more centralized control. Current processes are adequate but cumbersome, and management is keenly aware of the need for improvement. Continued improvements, including introduction of additional information systems technology, will be pursued as rapidly as they can be controlled. We are, however, moving at a deliberate pace so as to manage these changes more effectively.

Continuing weaknesses in communications between departments were noted. Many of the same measures noted under centralizing management of corrective actions are equally a part of the program to ensure adequate information flow between departments. Other aspects are being addressed by Quality Circles, Teamwork & Interfaces, improved Performance Standards, Leadership Conferences, and Project Management training. Efforts such as relocating System Engineers closer to the plant were also directed at reducing this problem. While we agree that this is a problem area, our assessment is

that communications have clearly improved. We are increasingly able to identify specific processes and interfaces which are problem points. These will be aggressively corrected.

We also realize that this area requires continuing management support.

Inadequate follow-through in resolving identified problems is the third overall weakness cited. We concur that this has been a problem area. While we see progress in this area, it remains a key focus of management's concern. A broad array of efforts has been employed to improve in this area. These actions include PIP Action Plans 2.2 (Management Expectations), 2.4 (Resource Allocation), and 6.2 (Feedback Verification), with contributions from several other plans. These efforts can be generally categorized as ensuring adequate resources are available and improving accountability. By every measure of resources--staffing, operations and maintenance expenditures, or other--we have substantially increased the resources devoted to Calvert Cliffs. There has been a commensurate effort to increase accountability. Management has constantly emphasized line organization responsibility for quality, including rigorous self-assessment within each activity. This has been backed up by a substantial program of site-wide and functional self-assessments. These included the self-SALP at mid-year, an internal maintenance team inspection, a Safety System Functional Inspection of the Low Pressure Safety Injection System, several Human Performance Evaluation System and Significant Incident Finding Team investigations of plant events or near-misses, and a variety of audits to supplement our existing Quality Assurance program. These increased resources and expectations have resulted in our ability to handle more work without sacrificing quality or safety. Preparations for Unit 1 startup demonstrated that plant supervisors are able to follow through and close out short-term actions adequately. A substantial amount of effort has been devoted to simultaneous long-term improvements, and more and more of those activities are nearing completion to a point that will allow evaluation of their effectiveness.

Management will be closely scrutinizing and following-up on these results to ensure that the program objectives are fully met.

OPERATIONS

The key weaknesses noted in the Operations functional area were in procedural adherence and procedural quality and in managerial and administrative controls. We recognize the procedures area as a critical one for improvement. The PIP Procedures Upgrade Program is a major, full-scope effort to turn this around. We have recently assigned additional BG&E project management supervisors to ensure this project's progress. We have also aggressively corrected many procedures to make workable, correct procedures a realistic expectation. Procedural adherence is expected and enforced, and we see substantial progress in this area. In Operations management and administrative controls, we have revised the organization to improve effectiveness. Coordination between shift operators, Maintenance technicians, and safety tagging personnel has also been improved by revising procedures and staff work locations. Supervisory field observations have been emphasized to improve feedback on performance changes. We evaluate our current Operations staff proficiency to be a strength, as was evidenced by our recent 100% successful requalification rate. Based on these measures, we expect to substantially improve in Operations performance during the current SALP period.

MAINTENANCE/SURVEILLANCE

The SALP's major concerns in maintenance and surveillance were the examples of poor performance indicating continuing deficiencies in management effectiveness. The report noted that organizational changes and the new procedure controlling maintenance appeared to be having a positive effect. We concur in that assessment. Management is closely reviewing maintenance performance to identify remaining specific problem areas. A thorough review of surveillance procedures is continuing, and supervisory observations are being emphasized as a means to identify further problems. Expanded root cause training is expected to improve the effectiveness of corrective actions. Further adjustments to ensure sufficient efficiency of maintenance to support operations will be made as more experience under our new procedures is gained. We will devote close management attention to continued improvement in this area.

SAFETY ASSESSMENT/QUALITY VERIFICATION

The significant weaknesses noted in this functional area were procedural quality and compliance, management involvement in assuring the quality of licensing activities, and continuing weaknesses in corrective action and commitment management processes. We agree with these conclusions. As noted in the Operations and Overall areas above, we recognize both the procedure and corrective action areas as significant ones requiring plant-wide improvement. In the area of licensing activity management, your conclusion matches one we reached late in the SALP period. We substantially revised the licensing organization in order to provide it with better staffing and oversight. In addition, we evaluated the problem of quality of line organization inputs to Licensing for regulatory communications at our Spring Planning Conference. This area also requires upgrading, and we are currently developing a plan for its accomplishment. We believe that the area of safety assessment and quality verification will be of vital importance to us during this SALP period, as many of our improvement initiatives reach fruition. It is at this stage that prompt and accurate feedback is essential in order that resources can be utilized effectively in resolving performance issues. We have devoted substantial management attention to this verification already, and we are confident in our ability to objectively and successfully accomplish this key task.

ENGINEERING/TECHNICAL SUPPORT

The SALP concluded that Engineering had implemented many measures to correct problems noted in the previous period, but that there was not yet sufficient evidence to ensure that the changes were fully effective. We concur in this evaluation. The specific earlier concerns included system engineer staffing and qualification, lack of advance preparation for outages, and inconsistent review of Facility Change Requests for reportability. We have planned further staff increases, established feedback mechanisms to improve training, and are revising our 10 CFR 50.59 screening procedure and training. In addition, all of the measures discussed as Overall issues pertain directly to Engineering in the areas of controlling corrective actions, communicating with other departments, and following through on correcting identified problems. We will assess our progress and modify our efforts as necessary to attain continued improvements this year.

SECURITY/RADIOLOGICAL CONTROLS/EMERGENCY PREPAREDNESS

In the Security area, we have undertaken a careful re-evaluation of our internal review procedures which has shown several areas in which further improvements can be made. In Radiological Controls, we feel that we have a strong ALARA and radiological protection program with demonstrated good results, and that the recurring deficiencies in radwaste and transportation were not representative of our overall effectiveness. We have taken action to correct the training and radwaste deficiencies identified. We are committed to improving our self-assessment and root cause determination to prevent continuation of deficiencies as they are found. In Emergency Preparedness, we have implemented some revised training techniques which should improve our proficiency and have also increased our staffing to improve coordination of some Emergency Preparedness activities. We agree with the SALP conclusions in these categories, and we are determined to energetically pursue improvements in each.

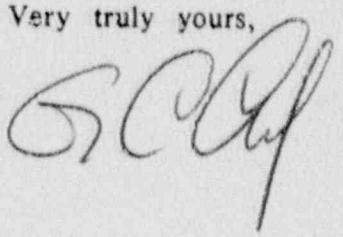
SUMMARY

The 1989 SALP report provides a balanced view of Calvert Cliffs' performance which details both the deficiencies and improvements in terms very parallel to our own conclusions. We feel that the report substantiates that BG&E management correctly analyzed the root causes for past performance problems, and it provides corroboration of our progress in making improvements. We successfully accomplished the many short-term goals which were tied to safely starting up Unit 1 in April, and we expect to return soon to further safe, successful operation. We have also implemented many long-term improvements as part of our PIP, and the SALP appropriately credits these efforts. The current year will be marked by substantial self-assessment of these initiatives to ensure their effectiveness. We have planned a mid-term internal SALP-style assessment, another SSFI, an internal maintenance inspection and a PIP 'vertical slice' assessment in addition to the first PIP vertical slice and an independent start-up assessment already conducted. These efforts will provide us substantial feedback to ensure our performance continues to improve.

Calvert Cliffs' management is firmly committed to restoring the plant and all its support systems to our goal of excellent performance. We have the full attention, guidance, and support of corporate management. We are confident in our ability to succeed. We also do not have any illusions that this work is done. We realize that we must follow-through on the uptrends we have all seen.

Should you have any further questions regarding this matter, we will be pleased to discuss them with you.

Very truly yours,



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