



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

APR 14 1982

Docket Nos. 50-317
50-318

IE HQ FILE COPY

Baltimore Gas and Electric
ATTN: Mr. A. E. Lundvall, Jr.
Vice President, Supply
P. O. Box 1475
Baltimore, Maryland 21203

Gentlemen:

Subject: Performance Appraisal Inspection 50-317/82-01, 50-318/82-01

This refers to the Performance Appraisal Inspection conducted by Mr. J. Woessner and members of the Performance Appraisal Section, Office of Inspection and Enforcement, on January 18-28, and February 8-11, 1982, of activities authorized by NRC Operating Licenses DPR-53 and DPR-69 for Calvert Cliffs, Units 1 and 2. This also refers to the observations discussed with Mr. Trueschler, and members of his staff on February 11, 1982, at the BG&E corporate offices.

This inspection is one of a series of Performance Appraisal inspections being conducted by the Office of Inspection and Enforcement. The results of these inspections are used to evaluate, from a national perspective, the performance of your management control programs in support of nuclear safety.

The enclosed report 50-317/82-01, 50-318/82-01 identifies the areas examined during the inspection. Within these areas, the inspection consisted of a comprehensive examination of your management controls over licensed activities that included examination of procedures and records, observation of various activities, and interviews with management and other personnel.

The enclosed appraisal report includes observations that may result in enforcement actions; these matters will be followed by the NRC Regional Office. The report also addresses other observations and the conclusions made by the team for this inspection. Section 1 of the report provides further information regarding the observations and describes the Performance Categories identified in the conclusion section of each area. Appendix A to this letter is an Executive Summary of the conclusions drawn for the eight functional areas inspected.

The Performance Category for the area of Corrective Action Systems was designated as Category Three, the area of Plant Operations as Category One, and the remaining areas as Category Two.

As a result of the significant weaknesses identified in Corrective Action Systems, designated as Category Three, you are requested to inform this office within 30 days of receipt of this letter of the actions you have taken or plan to take to improve the management controls in this area. Your response will be followed by the NRC Regional Office.

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In addition, you are requested to inform this office within 30 days of receipt of this letter of the actions you have taken or plan to take to improve your management controls over the significant weaknesses identified in the area of 10 CFR 50.59 Safety Evaluations for Facility Changes, particularly in the adequacy of and review of these evaluations [(Section 2A, Observation (8))].

In accordance with 10 CFR 2.790(a), a copy of this letter and the enclosure(s) will be placed in the NRC Public Document Room unless you notify this office, by telephone, within 10 days of the date of this letter and submit written application to withhold information contained therein within 30 days of the date of this letter. Such application must be consistent with the requirements of 2.790(b)(1).

The responses directed by this letter are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

LSI

James M. Taylor, Director
Division of Reactor Programs
Office of Inspection and Enforcement

Enclosures:

1. IE Management Appraisal Report 50-317/82-01, 50-318/82-01
2. Appendix A - Executive Summary

cc w/Enclosures:

- B. C. Trueschler, Chairman of the Board, BG&E
- G. V. McGowen, President, BG&E
- E. P. Wilkinson, INPO

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Appendix A

EXECUTIVE SUMMARY

A team of four NRC Inspection Specialists from the Performance Appraisal Section conducted an announced inspection at Calvert Cliffs and the Baltimore Gas and Electric corporate offices during the period January 18 through February 11, 1982. Management controls in eight areas were evaluated: Plant Operations was rated as Category One, Corrective Action Systems as Category Three, and the other areas as Category Two.

The licensee had established adequate management controls over most areas inspected and evaluated. An exception was the area of Corrective Action Systems. The written guidance appeared confusing and contradictory; the various types of deficiencies were not comprehensively covered; sufficient training in the definition, purpose, and methods of corrective actions were not provided; and management reviews and QA audits in this area were inadequate.

Another subject requiring management attention was Facility Change Request (FCR) safety evaluations. Many of those reviewed did not adequately address the issue of an unreviewed safety question and appeared to be based on insufficient technical information. The Off-Site Safety and Review Committee (OSSRC) review of these safety evaluations was superficial and required significant improvements.

The inspection revealed that numerous changes had been made in the previous two years to improve the facility's performance and to increase the ability to meet or exceed federal regulations and industry standards. These changes were made in the organizational structure, in the personnel filling supervisory positions, and in new and expanded programs in several different areas. One of the most significant strengths with the potential for lasting consequences was the high morale noted among all licensee personnel interviewed and a strong desire to improve their record of performance and safety. At the conclusion of the inspection, corrective action was in progress or proposed for every significant weakness identified by the inspection team.

Additional strengths noted included the extent of QC coverage of maintenance activities and the use of the Plant Operating Experience Assessment Committee (POEAC). With minor exceptions, the team was impressed with the effective management controls in the areas of Licensed Training and Plant Operations.

Observed strengths and weaknesses in the licensee's management controls are further discussed in the following compilation of the inspection conclusions for the individual areas.

Committee Activities; Category Two (Section 2). Both the OSSRC and Plant Operations Safety Review Committee (POSRC) exhibited many strengths. The charters for each were comprehensive, as compared to other facilities similarly inspected by PAS, and they effectively complemented the Technical Specifications. Both committees kept detailed meeting minutes and effective tickler systems. The frequency of meetings and the degree of member participation, as measured by attendance, was high for both. The POSRC had a particularly significant strength in their use of the POEAC, which from all indications appeared to be an invaluable resource to the safe operation of the facility.

A weakness common to both committees was their limited involvement in the review of QA audits and corrective action systems, particularly Nonconformance Reports (NCRs). The most significant weakness was the OSSRCs inadequate review of FCR safety evaluations. Coupled with this was the poor quality of many of the safety evaluations examined.

QA Audits; Category Two (Section 3). A significant strength in the QA audit program was the written guidance. Significant weaknesses included a lack of depth in some audits, incomplete checklists, failure to conduct adequate corrective action audits, and lack of management review. These weaknesses indicated a lack of management attention to program implementation.

Design Changes and Modifications; Category Two (Section 4). The licensee had established and implemented an adequate program to control safety related design changes and modifications. Programmatic weaknesses involved inadequacies in the design change procedure, drawing control problems, and lack of guidance defining the turnover of modified systems to operations. The licensee had been aware of the drawing control problems and corrective action was in progress.

Maintenance; Category Two (Section 5). The licensee had established an effective program to control corrective and preventive safety-related maintenance activities. Weaknesses in the program included the lack of controls to assure prompt closeout of Maintenance Requests (MRs); lack of an equipment failure trending program; lack of independent verification of instrument valve lineups; and failure to systematically identify and evaluate root causes of maintenance problems. Strengths in the program included effective QC coverage of maintenance activities and the effective use of mockups in maintenance activities.

Plant Operations; Category One (Section 6). The licensee had a well written program for controlling plant operations. The most significant weaknesses identified were the shortage of licensed operators, the lack of independent QA/QC inspection or surveillance of plant operation activities, and lack of timely corrective action on fire protection problems. Management was cognizant of the manpower problems and was making a concerted effort to resolve this issue. The most significant strength identified was the effort expended in communications with the plant staff, resulting in a positive plant staff attitude and increased personnel knowledge of plant activities.

Corrective Action Systems; Category Three (Section 7). The principal weaknesses in the corrective action systems were in implementation of the program and in the training of personnel. There were several problems found in the completeness of NCR forms and in the timeliness of their resolution. Neither MRs or NCRs were analyzed for their generic implications or their potential as precursors to future events. There was no mechanism or process established to funnel significant NCRs or MRs into training programs, or as pointed out in Section 2 of this report, to any of the review committees. In practice, there seemed to be no effective corrective action system to identify software deficiencies. The available systems, as used and as described by licensee personnel during interviews, were limited by the type of deficiencies identified and by who was allowed to use them, or both. There was no general system available to all members of the staff. This was due in part to apparent contradictions in the written guidance and, more significantly, to a lack of training in corrective action systems.

Licensed Training; Category Two (Section 8). The licensee's written programs for training license candidates and annual requalification of licensed personnel adequately met the regulatory requirements. The most significant weaknesses identified were inadequate recordkeeping, failure to describe the General Supervisor - Training and Technical Services responsibilities, and lack of sufficient requalification classroom training in 1981. The most significant strength identified was management's effort to improve the requalification program as witnessed by the 1982 training schedule.

Non-Licensed Training; Category Two (Section 9). The licensee had made a concerted effort to upgrade the training program for non-licensed personnel at the site. The reviews indicated that the Plant Maintenance Department was much closer to their goal than was the Nuclear Power Department. The Nuclear Power Department had concentrated their resources on the licensed training programs (see Section 8, Training) at the apparent expense of the non-licensed training programs. While the non-licensed training programs were beginning to be implemented, there was insufficient implementation to determine the effectiveness of the program.