MAY - 3 1994

Docket Nos. 50-348, 50-364
License Nos. NPF-2, NPF-8

Southern Nuclear Operating Company, Inc.
ATTN: Mr. D. N. Morey
Vice President
P. O. Box 1295
Birmingham, AL 35201

Gentlemen:

SUBJECT: MEETING SUMMARY - SOUTHERN NUCLEAR OPERATING COMPANY, INC.

This refers to the management meeting conducted in the Region II office on April 29, 1994. This meeting was held at your request to discuss modifications planned by the Southern Nuclear Operating Company to enhance maintenance procedures at the Farley Nuclear Station. A list of attendees and a copy of your handout is enclosed.

It is our opinion that the meeting was mutually beneficial. We will evaluate the effectiveness of your actions during future inspections.

In accordance with 10 CFR 2.790 of the NRC's "Rule of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room.

Should you have any questions concerning this letter, please contact us.

Sincerely,

/S/

Jon R. Johnson, Acting Director
Division of Reactor Projects

Enclosures:
1. Management Meeting
Presentation Material
2. List of Attendees

cc w/encls:
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Licensing Manager
Southern Nuclear Operating
Company, Inc.
P. O. Box 1295
Birmingham, AL 35201-1295

cc w/encls: Continued page 2

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cc w/encls: Continued
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W. R. Bayne, Supervisor
Safety Audit and Engineering Review
Farley Nuclear Plant
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Houston County Commission
P. O. Box 6406
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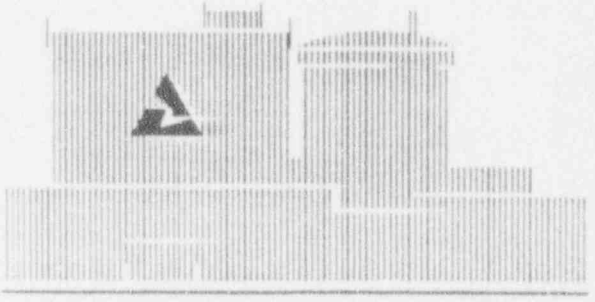
RII	RII	RII
DAS for	DAS	MWS
PSkinner	DSeymour	MSinkule
05/02/94	05/02/94	05/03/94

Reengineering

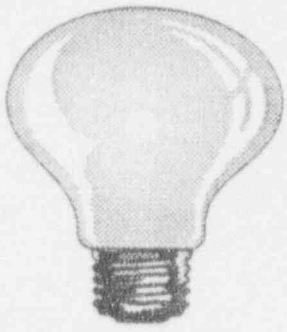
Briefing for the NRC



Our Reengineering Process

Dennis Read
Assistant General Manager
Plant Hatch

Vision



Work Control Reengineering

- dramatic performance improvement
  - reduce
    - cost of product
    - frustration
  - increase employee versatility
  - improve plant material condition
- improve safety

Broad Industry Review

Practice & Process

- Commonwealth Edison
- Duke
- DOEL, Belgium
- EDF, France
- ALWR Program
- Leibstadt, Switzerland
- INPO
- Ernst & Young
- Disney
- Westinghouse
- Southern California Edison
- NRC
- NUMARC
- IPP, AES - Thames
- Xerox, FP&L
- Price Waterhouse
- Michael Hammer

Our Reengineering Process

- ✓ Concept Team
- ✓ Baseline Teams
- ✓ Process Teams
- ⋆ Implementation Team
- ⋆ Short term improvements

Initial Reengineering Baseline Results

- More complicated than even our experts expected
- Current process
  - 356 - 443 work-years / year
    - 50% or less involved in "hands on work"
  - 322 - 637 activities
    - less than 10% involved in "hands on work"
- Reengineering is needed
- Short term improvements being implemented

Reengineering Work Control Target
50% efficiency improvement by 12/96

- $40 million/year cost reduction opportunity
- 50% reduction in process work hours
  - contractors
  - overtime
  - employees
- Reduction of process activities to <100
- 50% reduction in total cycle time

Process Teams or Redesign Phases Completed

- New, fully integrated process model
  - New process steps reduced to 52
  - Controls and change impact detailed
  - Comparisons to baseline suggest that goals will be met
- Controlled implementation planned
  - clear procedural guidance and briefings / training before implementation
  - most controls similar to today's system
  - low risk pilots first
  - schedule permits time for course corrections

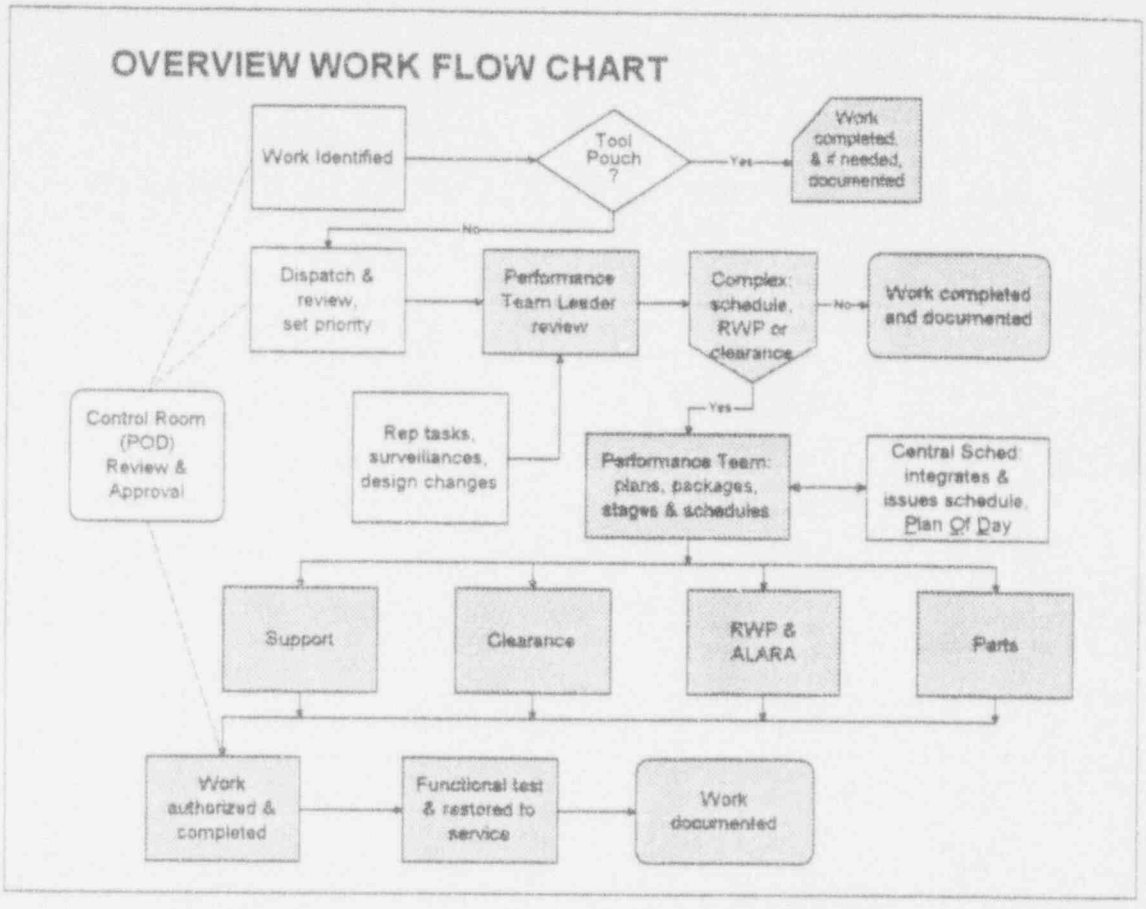
Process Improvements

Gus Williams
Work Planning & Control Supervisor
Plant Vogtle

Proposed New Work Control Process

Safety Assured by Appropriate Controls

- Problem Identification
  - Tool Pouch Work
  - Dispatcher
- Planning & Work
  - Performance Teams
- Schedule
  - Central Schedule Group
    - Coordination & Dispatch
- Clearance
  - Personal Tags
  - Performance Team Tagging
- RWP & ALARA
  - Self HP Monitoring
- Equipment History & Trend
  - Electronic Documentation
  - Appropriate Documentation
  - Smart Software



Work Control Enablers

Carolyn Tynan
Procedures Supervisor
Plant Vogtle

Change is Multi-Dimensional

- Process redesign is only the start of reengineering
- New processes must be supported by:
  - new jobs
  - new organizational structures
  - new management systems
  - new value systems
- Two key factors for our new process
  - information technology
  - human performance

Smart Work Practices

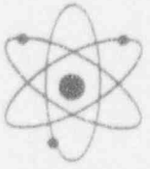
- High performance work environment
  - Safety never compromised
  - "Closed Loop" communications
  - Positive learning experiences from personnel errors
  - Accountable workers who "own" their plant
  - Expanded worker skills and qualifications
  - Teamwork across traditional lines
  - Leadership at all levels
  - Continuous management support and involvement
  - Labor/Management relations focused on what makes sense

Smart Work Practices

- **Efficiency and better business practices**
  - Jobs performed safely by one worker
  - Common language for teams and plants
  - Direct access to tools, information and materials
  - Workers help each other within their skills and qualifications
  - Continuous improvement (PIT Crews)

Controls, Enhanced Safety, & Managed Change

John Osterholtz
Assistant General Manager
Plant Farley



Safety & Process Controls

- Addressed in the same or similar fashion
  - Personnel Safety
  - Nuclear Safety
  - Radiation Exposure
  - Work Quality
  - Reliability and Availability (equipment)
  - Regulatory Compliance

Pilots & Phase-ins, Approach & Requirements

- Procedures in place prior to initiation of concept
- Shared development of procedures
- Shared development of any new training requirements
- Involved personnel receive all required training before carrying out new tasks
- Frequent combined reviews of programs and problems to make course corrections

Pilots & Phase-ins, Schedule

- April, 94
  - Commence IR evaluation
  - Initiate Performance Improvement Teams (PIT crews)
- May, Initiate Performance Team Pilots
  - Vogtle - fire protection, security
  - Hatch - radwaste
  - Farley - fire protection, security, radiation monitors
- June - September
  - Initiate limited self monitoring, dispatcher and tool pouch work
- August
  - IR recommendations to executives

Pilots & Phase-ins, Schedule

- October, 94 to January, 95
  - expanded number of performance teams at each site
- February to June, 95
  - tool pouch, dispatcher, central scheduling, team tagging, in place at all sites
- July to October, 95
  - all performance teams in place
- September, 95
  - self monitoring in place at all sites
- March to May 96
  - new computer systems in place
  - parallel processing on computer systems
- June, 96, All electronic documentation

Summary

- Process Goals
  - > 50% in process work hour reduction
  - 52 process steps
  - positive effect on safety
    - improved accountability, efficiency and material condition
    - reduced cycle time and hand-offs
- Managed Change
  - pilots & phase-ins
  - time for course corrections

ENCLOSURE 2

LIST OF ATTENDEES

U.S. NUCLEAR REGULATORY COMMISSION

S. D. Ebneter, Regional Administrator, Region II (RII)
E. W. Merschoff, Acting Deputy Regional Administrator, RII
J. R. Johnson, Acting Director, Division of Reactor Projects (DRP), RII
J. P. Jaudon, Deputy Director, DRP, RII
A. F. Gibson, Director, Division of Reactor Safety (DRS), RII
D. B. Matthews, Director, Project Directorate II-3 (PD II-3), Office of Nuclear Reactor Regulation (NRR)
M. V. Sinkule, Chief, Reactor Projects Branch 3, DRP, RII
P. H. Skinner, Chief, Projects Section 3B, DRP, RII
D. A. Seymour, Project Engineer, Projects Section 3B, DRP, RII
L. D. Wert, Jr., Senior Resident Inspector, Hatch, DRP, RII
B. L. Holbrook, Resident Inspector, Hatch, DRP, RII
P. A. Balmain, Resident Inspector, Hatch, DRP, RII
L. L. Wheeler, Senior Project Manager, Vogtle, PD II-3, RII
B. L. Siegel, Senior Project Manager, Farley, PD II-1, NRR
M. J. Morgan, Resident Inspector, Farley, DRP, RII
R. C. Haag, Resident Inspector, Summer, DRP, RII
W. H. Rankin, Chief, Facilities Radiation Protection Section, Division of Radiation Safety and Safequards, RII
J. J. Blake, Chief, Materials and Processes Section, DRS, RII

GEORGIA POWER COMPANY AND SOUTHERN NUCLEAR OPERATING COMPANY INC.

J. D. Woodard, Senior Vice President, Georgia Power Company (GPC); Executive Vice President, Southern Nuclear Operating Company (SNC)
J. T. Beckham, Jr., Vice President, Hatch Project, GPC
D. Read, Assistant General Manager, Hatch, GPC
J. K. Osterholtz, Assistant General Manager, Farley, SNC
D. Morey, Vice President, Farley Project, SNC
C. K. McCoy, Vice President, Vogtle Project, GPC
P. Bryan, General Manager, Human Resources, SNC
G. Bockhold, General Manger Nuclear Technical Services, SNC
S. Parker, IBEW/Maintenance, GPC
C. Tynan, Procedures Supervisor, GPC
J. Williams, Work Planning Supervisor, GPC