File
IE Inspections

J. Collins
TMI

50-219

STATEMENT
OF
SHEPARD BARTNOFF, PRESIDENT
JERSEY CENTRAL POWER & LIGHT COMPANY
Before the
SUBCOMMITTEE ON ENVIRONMENT
ENERGY AND NATURAL RESOURCES
COMMITTEE ON GOVERNMENT OPERATIONS
HOUSE OF REPRESENTATIVES

May 28, 1980

Chairman Moffett, members of the Subcommittee on Environment, Energy, and Natural Resources of the House Committee on Government Operations, my name is Dr. Shepard Bartnoff. I am President of Jersey Central Power & Light Company. which is headquartered in Morristown, New Jersey. With me today are Ivan Finfrock, Vice President - Generation of Jersey Central and Douglas W. Turner, Supervisor of Health Physics at Jersey Central's Oyster Creek Nuclear Power Plant. We are appearing today to assist the Subcommittee in its oversight inquiry into the Nuclear Regulatory Commission's Performance Appraisal Branch program.

In these prepared remarks, since we haven't appeared previously before this Subcommittee, we will first provide some background information on our Company and the Oyster Creek Nuclear Plant. Next, we will trace from our vantage point the NRC Performance Appraisal Branch's review of the Oyster Creek Nuclear Plant conducted late last year including the NRC reports which ensued, our response, and the present status of related activities at the Plant. Finally, the statement will focus on some specific suggestions the extent of which is to improve the usefulness of the Performance

Appraisal Branch Reviews.

Jersey Central Power & Light Company (JCP&L) is one of three operating utility subsidiaries of the General Public Utilities Corporation. The other two are Metropolitan Edison Company and Pennsylvania Electric Company which operate in Pennsylvania. JCP&L provides electricity to approximately 700,000 customers or 2,000,000 people in New Jersey within a service area that extends from the New York State border on the north to Ocean County on the south, and from the Atlantic Ocean to the Delaware River. JCP&L serves approximately 43 percent of the land area of New Jersey. JCP&L owns generating stations and facilities with an installed generating capacity of 3375 MW.

The Oyster Creek Nuclear Plant is the only nuclear power plant which JCP&L operates. It is located in Ocean County, New Jersey, 22 miles inland from Barnegat Bay. Its 1416 acre site is approximately 60 miles south of Newark, 9 miles south of Toms River, and 35 miles north of Atlantic City. The Plant is a General Electric 1930 Mwt boiling water reactor, authorized for construction by the AEC in 1965, and authorized to operate in 1969. Over its 10-year operating history, it has provided economical, reliable energy for our system; and over that period has been the subject of routine AEC and NRC licensing and inspection reviews.

In August 1979, we first learned of the NRC's Performance Appraisal Branch. JCP&L was notified that a Performance Appraisal Branch team from the NRC's Office of Inspection and Enforcement,

hereinafter referred to as the PAB Team, had been selected and directed to conduct an inspection at JCP&L's Corporate Headquarters and at the Oyster Creek Nuclear Plant during the months of September, October, November and December 1979.

The PAB Team consisted of six individuals with Mr. Wayne D. Shaffer as the Team leader. They met with over 100 individuals on JCP&L's corporate and plant staff during segments of the months of October and November. Their effort involved 752 inspection man-hours and was culminated in a report JCP&L received from Boyce H. Grier, Director, Region I, dated January 4, 1980. Each of the fifteen areas inspected by the PAB Team was discussed in their report in four parts: Documents Reviewed, Findings, Observations and Conclusions. The Findings documented identified items of noncompliance, deviations, or unresolved items. The Observations included perceived strengths and weaknesses in JCP&L's management controls for which there exist no well-defined regulatory requirement or guidance. A summary grading of JCP&L's management controls of "good," "average," or "poor" was made by the individual inspectors responsible for each of the areas evaluated.

Victor Stello, Director of NRC's Office of Inspection and Enforcement, in a letter of February 20, requested that JCP&L respond to the items of noncompliance which had been identified in the PAB Team's inspection report. In addition, JCP&L was requested to include a description of actions taken to improve

specified areas of management. Our response to Mr. Stello's letter was submitted March 17, 1980. I have copies of that submittal with me for the Subcommittee and for the record.

Mr. Stello also requested that JCP&L representatives meet with the Director of the NRC's Region I to discuss JCP&L's corrective action. This meeting was subsequently held on April 29 with representatives of Region I at which JCP&L described its efforts in the areas identified by the NRC as requiring improvement. While some longer term items at that time were unresolved, and as of today some fewer number remain, all commitments made by JCP&L in our response to the PAB findings which were to be fulfilled by now have been. With this background, I would like to turn now to focus on specific factors of the PAB Team's inspections and associated conclusions which may enhance their usefulness to the NRC and the licensees.

To begin with, JCP&L endorses the NRC's efforts to inspect the licensees and their activities which reflect the quality of licensee management controls. JCP&L's management has its own tools for performing such assessments,and to have NRC's input as well, can be constructive. There are, however, pitfalls which every effort should be made to avoid. The PAB's charge as we understand it is to evaluate management, an inherently subjective exercise. Further, the PAB evaluations are relatively new and evolving. As a result, they must be used with care and in conjunction with other measures.

We have attempted a review of the six PAB appraisal reports which are available to date. The purpose of this review

was to attempt a preliminary comparison of the PAB Team's perception of Jersey Central's management controls in contrast to the other utilities reviewed. The performance of this review was made uncertain by several factors:

(1) The PAB Team effort at Oyster Creek was expanded beyond the scope at other plants to include radioactive waste shipments, environmental monitoring, and procedure review. This made direct comparison to other facilities in these areas impossible.

(2) Of the six PAB appraisal reports, the Oyster Creek report was the first and only report to date to provide a summary qualitative grade of areas inspected.

(3) There appears to be variations in the classification and degree of severity of reported noncompliances.

(4) We do not have a document available to JCP&L which identifies the NRC's Standard PAB Appraisal Plan, its basis for identifying and classifying observations, and its method of data analysis.

(5) Of the six inspectors who comprised JCP&L's PAB Team, only two had participated in inspections of the other five utilities.

(6) For the four reports, which had perceived strengths and weaknesses, JCP&L represented almost half, or 752 of the 1558 inspection hours.

Keeping those difficulties in mind, the only technique considered as useful appeared to be that of analyzing the Observations section

of the reports because they contain the most information and therefore variations in classification would have the least impact on the overall conclusions. Utilizing this technique of evaluation eliminated one report because there were no observations in the report and another report because the observations were not classified as a perceived strength, weakness, or an item of information. Using the four remaining reports, a statistical approach was utilized using the observations presented in each report to develop, for example, the ratio of strengths or weaknesses and the percentage of weaknesses relative to the total number of observations in each report.

The results of this analysis shows that JCP&L's overall management control system appears to be as effective as the other reports evaluated. For the other three reports, there were 645 observations; for JCP&L there were 329. The average number of weaknesses per inspection hour for the other three reports was .34; for JCP&L it was .18, or approximately one-half the average. The average number of strengths per inspection hour for the other three reports was .17; for JCP&L it was .13. Of the total number of observations for the other three reports, 35 percent were classified as information -- only 21 percent as strengths and 44 percent as weaknesses; for JCP&L they were 30 percent--29 percent, respectively.

JCP&L intends to utilize the PAB report in the same constructive manner in which we utilize our own internal reviews and other NRC reports to assist in identifying opportunities to improve our overall operations. JCP&L is committed to taking

those actions necessary to provide safe and economical power from our Oyster Creek Nuclear Station.

With regard to the evaluation of the PAB reports, JCP&L has concluded that there are uncertainties involved in utilizing the PAB results for the purpose of comparing the utility management control systems, and misleading conclusions may be drawn. The PAB program is a broad independent regulatory review of utility management controls and is a mechanism which can be utilized to identify both individual utility and industry-wide opportunities for improvement. This should be the goal of the PAB.

When attempts are made, however, to directly compare the results of one review against others -- a temptation which is greater where the summary qualitative grades are assigned -- misleading and incorrect conclusions can be drawn. As the development of the PAB approach continues, JCP&L has several recommendations which should be considered:

(1) Provide a Basis for the Identification and Classification of Observations - Some observations are classified as perceived strengths or perceived weaknesses. The basis of these perceptions is not documented in the appraisal report. If the utility is to be responsible for evaluating these comments, some indication of the methods and basis for establishing these perceptions must be indicated to realistically perform an evaluation.

(2) Provide Uniformity in Performance of the Appraisal - During the review of the reports, it is noted that there are differences in inspection scope, in the manner of conducting the

appraisal, and to some degree in classifying either a specific item or a given activity. It is appreciated that as the appraisal effort continues, refinements will result in the methods of conducting and evaluating utilities. However, it is recommended that if a uniform plan has not been developed to date, standardization should be implemented as soon as possible.

(3) Make Available the Appraisal Plan and Methods of Evaluating Data - If a uniform appraisal plan and method of evaluating the data have been developed, we recommend that it be issued for public review. If such a document does not exist, we recommend that it be developed and issued for review and comment. This would facilitate the appraisal function at those utilities which will be evaluated in the future. It would further facilitate the utilities' implementation of benefits which can be derived from this effort.

(4) Establish Uniformity of Documenting Occurrences/Noncompliances - If the public perception of a utility's ability to manage is going to be based on numbers of certain types of occurrences (e.g., items of noncompliance), then it is recommended that a uniform method for generating these occurrences and associated numbers be expeditiously developed.

(5) Assessment of a Utility's Interim Corrective Action of Previously Identified Items - A uniform mechanism should be developed to provide consideration for previously identified items and the utility's effort to resolve them. It is not suggested that the severity of any problem be dispositioned away; however,

the fact that a problem has already been identified should be recognized by an inspection and interim measures and schedules for total resolution should be evaluated to assess their adequacy. These efforts in the Health Physics are illustrative.

Mr. Turner was retained by JCP&L in a consulting capacity in April 1979 to perform a review of the Health Physics program at Oyster Creek. He has subsequently been hired by JCP&L to be the Supervisor of Health Physics.

There were generic problems noted during Mr. Turner's review of the existing program. Oyster Creek's Health Physics Department was not aware of some of the current state of technology being used by other nuclear power plants. For instance, inflatable main steam line plugs were being used at other nuclear plants while Oyster Creek was using mechanically expandable main steam line plugs. Also, Mr. Turner instituted the requirement for having local clothing change areas, instead of a central change area, for potentially contaminated work, thereby reducing the likelihood of spreading contamination within the facility.

A list of programmatic problems were identified, and corrective actions scheduled by July 1979. The corrective actions were implemented by September 1979. Additional areas needing attention were identified by the PAB team in the fall of 1979, and immediate steps were taken to correct these items. Also, it was recognized in the PAB Team's report that "it was apparent that the Radiation Protection Program had improved considerably during 1979." In responding to the PAB Team findings, a detailed program or planned changes in the Health Physics was submitted.

It is important to consider not just a single evaluation but to factor in progress made over a longer time span, giving recognition for improvements which have been made in the programs. We feel this progress, which reflects management's attitude in recognizing and taking corrective action, should be considered in the overall evaluation of management controls in the areas being evaluated.

In conclusion, JCP&L is supportive of the NRC's efforts to identify for its licensees management weaknesses or potential weaknesses in management controls which may require corrective action. To be effective in this area, which by its very nature is subjective, the evaluator must have at his disposal clear guidance by which to perform the inspection and meaningful criteria by which to assess his results. A requirement to draw summary qualitative judgments exascerbates the potential for too subjective results; but, to the extent it is deemed necessary, the summary judgments must be applied in a uniform manner from one inspector to another. Finally, a perspective in any assessment of management should be provided through recognition of the dynamics of management. Where improvement is apparent, it should be acknowledged; where there is ignorance of a weakness or an apparent worsening situation, it too should be pointed out.

JCP&L has provided a thorough, comprehensive response to the PAB Team report and Mr. Stello's letter. It defines significant steps taken and to be taken and a schedule for them.

These were provided to the NRC on March 17 and reviewed with them on April 29, 1980. It is our belief we have been fully responsive to the concerns identified and that our program is satisfactory.

We appreciate the opportunity to provide our views and hope it assists the Subcommittee in its investigations of the NRC's Performance Appraisal Branch program.