File D916

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

November 23, 1994

MEMORANDUM TO: Arthur B. Beach, Director
Division of Reactor Projects, Region IV

FROM: Ellis W. Merschoff, Team Manager
Cooper Special Evaluation Team

SUBJECT: INSPECTION PROGRAM CREDIT FOR THE SPECIAL EVALUATION AT COOPER NUCLEAR STATION

The Cooper Special Evaluation Team has compared the evaluation done at Cooper Nuclear Station to the inspection program modules to establish appropriate credit. The SET recommends that Region IV take full or partial credit for the modules listed below. The SET recognizes that additional follow-up inspection may be needed in some areas based on performance observations documented in the SET report.

- 35701, Quality Assurance Program Annual Review - 100% Close
- 35702, Inspection of Quality Verification Function - 100% Close
- 36800, Organization - 100% Close
- 37700, Design, Design Changes, and Modifications - 100% Close
- 37701, Facility Modifications - 100% Close
- 37828, Installation and Testing of Modifications - 75% Credit
- 38701, Procurement Program - 25% Credit
- 38702, Receipt, Storage, and Handling of Equipment and Materials Program - 50% Credit
- 39702, Document Control Program - 100% Close
- 40500, Evaluation of Licensee Self-Assessment Capability - 100% Close
- 40704, Implementation, Audit Program - 100% Close
- 41500, Training and Qualification Effectiveness - 20% Credit
- 42700, Plant Procedures - 50% Credit
- 60710, Refueling Activities - 50% Credit
- 61700, Surveillance Procedures and Records - 90% Credit
- 61701, Complex Surveillance - 50% Credit
- 61726, Surveillance Observations - 50% Credit
- 62700, Maintenance Program Implementation - 50% Credit
- 62703, Maintenance Observations - 50% Credit
- 62704, Instrumentation Maintenance - 50% Credit
- 62705, Electrical Maintenance - 50% Credit
- 71500, Balance of Plant Inspection - 25% Credit
- 71707, Plant Operations - 50% Credit
- 71710, ESF System Walk-down - 100% Close
- 71715, Sustained Control Room and Plant Observations - 50% Credit

D139

- 72701, Modification Testing - 50% Credit
- 73756, In-Service Testing of Pumps and Valves - 75% Credit
- 81042, Testing and Maintenance - 50% Credit
- 82205, Shift Staffing and Augmentation - 25% Credit
- 86700, Spent Fuel Pool Activities - 50% Credit
- 90700, Feedback of Operational Experience Information at Operating Power Reactors - 100% Close
- 92720, Corrective Action - 100% Close
- 93804, Risk-Based Operational Safety and Performance Inspection - 25% Credit

The hours expended in the evaluation are not included as entry of these hours into RITS/MIPS would result in a financial charge to the licensee for this activity. The NRC resource expenditure for this special evaluation was not directly assessed the subject licensee.

If there are any questions regarding this information, please contact me at (404) 331-5179.

Ellis W. Merschoff, Team Manager
Cooper Special Evaluation

cc: E. L. Jordan
S. D. Rubin
L. J. Callan

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COOPER STATION BAGMAN TRIP

AUGUST 8-9, 1994

TUESDAY, AUGUST 9, 1994

8:00 a.m. Badging of SE Team Members

9:00 a.m. Briefing/Discussions with Diagnostic Self Assessment Team

10:30 a.m. Review Library of SE Team On-Site Document Request and DSA Information Requests and Responses

- Examine Documents Collected
- Resolve Questions on Document Needs

12:00 p.m. Lunch

1:00 p.m. One on One Counterpart Briefings for the NRC SE Team Leaders by the DSA Team Leaders on approach, status, and results to date.

3:30 p.m. Depart Site

D/20

COOPER STATION BAGMAN TRIP

AUGUST 8-9, 1994

MONDAY, AUGUST 8, 1994

11:30 a.m. Arrive at Cooper Station - Ellis W. Merschoff - Team Manager
Ola B. West - Management Assistant
Peter Eselgroth - Operations Team Leader
Pete Prescott - Maintenance Team Leader
Ron Lloyd - Engineering Team Leader
Alan Madison - Management & Orga. Team Leader

12:00 a.m. Working Lunch/Discussion with Cooper resident(s)

1:00 p.m. Plant tour with Cooper residents

2:30 p.m. Brief Licensee Management on NRC Special Evaluation of Cooper (Licensee Management)

- Briefing on the SE Purpose, Process and Schedule (Merschoff)

- Licensee Remarks and Q&As

3:30 p.m. Discuss Document/Interview Requests and Control Processes employed to support DSA (Licensee Admin Support Rep)

- Applicability of DSA Control Processes to SE (Merschoff)

- Briefly Review Document Requests and SE Library (SE Team)

4:00 p.m. Discuss SE Team Accommodations for DSA & Followup On-Site Periods, Workstations, Interview Rooms, etc. (SE Team and Licensee Admin Support Rep)

4:15 p.m. Discuss Misc Admin Support Items

- Team Badging
- Get Training
- Parking
- Availability of Xerox, Fax, Computer, and Printers

4:30 p.m. Meet with DSA Leader on DSA/SE Team Interface Topics

5:00 p.m. Depart from Site

6:00 p.m. Check out Alternative Motels/Hotels

If you have any questions on the attached Bagman Trip please contact me at 301-415-6412

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

MEMORANDUM FOR: Edward L. Jordan, Director
Office for Analysis and Evaluation
of Operational Data

FROM: James M. Taylor
Executive Director for Operations

SUBJECT: DIAGNOSTIC EVALUATION

As you know, Cooper Nuclear Station was discussed during the June 1994 Senior Management Meeting. From these discussions, which addressed the regulatory and operational performance history of the plant, it appears that additional information is needed to make an adequately informed decision regarding its overall performance. I believe that a Diagnostic Evaluation (DE) may be the most effective means of obtaining this information. Accordingly, you are directed to begin preparations to conduct a DE of the Cooper Nuclear Station. However, to support my final decision on the need to proceed with the onsite phase of the evaluation, I request a meeting with you, the Team Manager, Bill Russell and Joe Callan to discuss the overall plans and specific perceived safety performance insights that are developed as a result of team planning and preparation activities.

The evaluation should be scheduled such that the Team Manager can provide a briefing on the results before the January 1995 Senior Management Meeting. The evaluation should be broadly structured to assess overall plant operations and the adequacy of the licensee's major programs for supporting safe plant operation. Support for the DE will be provided, as necessary, by NRR and the regional offices.

Please forward your specific plans regarding schedule, team composition, and evaluation methodology when they are formulated.

James M. Taylor
Executive Director
for Operations

cc: J. Milhoan, EDO
J. Callan, RIV
W. Russell, NRR
A. Thadani, NRR

D/21

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W. Russell, NRR
A. Thadani, NRR

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*See previous page for concurrence

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James M. Taylor
Executive Director
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cc: J. Milhoan, EDO
J. Callan, RIV
W. Russell, NRR
A. Thadani, NRR

D/22

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MEMORANDUM FOR: James M. Taylor
Executive Director for Operations

FROM: Edward L. Jordan, Director
Office for Analysis and Evaluation
of Operational Data

SUBJECT: SPECIAL EVALUATION OF COOPER NUCLEAR STATION

In accordance with your letter to the Nebraska Public Power District notifying the licensee of our plans to conduct a special evaluation of the Cooper Nuclear Station (CNS), our plan for the Special Evaluation (SE) of Cooper Nuclear Station is provided in Enclosure 1. The plan includes a schedule of principal activities, the team composition and members, the overall goals and objectives, and the methodology for the special evaluation. The plan reflects the preliminary discussions on our plan in our meeting on this subject on August 4, 1994. The enclosure documents our plan for the SE Team Manager, Ellis Merschoff, to meet with Region IV and NRR senior managers on August 25, and August 29, 1994, respectively, to obtain input and areas of special interest for the SE. Further input and areas of interest may be defined as a result of a meeting, scheduled for September 14, 1994, between yourself and Mr. Merschoff prior to the beginning September 26 to October 7, 1994 independent onsite evaluation activities of the SE Team. Region IV and NRR have concurred in this plan.

Enclosure 2 provides a suggested memorandum for your signature.

Edward L. Jordan, Director
Office for Analysis and Evaluation
of Operational Data

Enclosures:
1. Cooper Nuclear Station
Special Evaluation Plan
2. Memo for Jordan from Taylor

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Distribution:

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COOPER NUCLEAR STATION SPECIAL EVALUATION PLAN

1. **Facility**

Name: Cooper Nuclear Station
Licensee: Nebraska Public Power District
Docket No: 50-298
Location: Near Nebraska City, Nebraska

2. **Principal Activities Schedule**

Licensee Notification	Jun 23
Advance Site Trip	Aug 8-9
Observation of DSA Onsite Evaluation	Aug 15-19
Discussions with RIV Senior Management	Aug 25
Discussions with NRR Senior Management	Aug 29
Documentation Review	Aug 22-Sep 23
Team Meeting (Rockville)	Aug 29-30
EDO/NRR/RIV Meeting on Final Onsite Plans	Sept 14
Follow-up Onsite Evaluation	Sep 26-Oct 7
Draft of SE Team Report	Nov 4
EDO/NRR/RIV Briefing on SE Results	TBD
Exit Meeting with Licensee	Week of Nov 14
DET Report to EDO	Nov 30

3. **Team Organization**

Team Manager	Ellis W. Merschoff	RII
Operations and Training	* Peter Eselgroth	RI
	John Thompson	AEOD
Maintenance and Testing	* Peter Prescott	AEOD
	Rudy Bernhard	RII
Engineering Design and Technical Support	* Ronald Lloyd	AEOD
	Tony D'Angelo	NRR
Management and Organization	* Alan Madison	AEOD
	Brian Haagensen	Contractor
Administrative Assistant	Ola West	RII

* Team Leader

The organizational structure of the NRC SE Team is analogous to the structure of the Cooper DSA Team. The SE team manager, functional area leaders and members have not been previously involved in the regulatory activities of CNS. The leader and/or at least one member of each functional area has participated as a leader or member on a significant number of NRC Diagnostic Evaluation Teams.

4. Bases of Concern for the Cooper Nuclear Station

Cooper was first discussed at the June 1993 Senior Management Meeting (SMM) because of apparent declining performance. Performance during the 1993 refueling outage showed significant weaknesses in the ability to identify and resolve technical and safety issues. At the June 1994 SMM, NRC senior managers discussed the regulatory and operational performance history of the Cooper plant, and decided that additional information would be needed to make an adequately informed decision on the licensee's overall performance.

Additionally, as a result of the January 1994 SMM, Cooper was issued a trending letter because of a continuing decline in overall performance. Although senior management had moved to the site to provide direction for site activities, managers and key personnel had become increasingly stressed as the work load and number of identified issues continued to increase.

Recent activities indicate that the licensee is beginning to become more diligent in their efforts to identify and correct problems, but the depth of their efforts and their thoroughness in resolving the issues continues to be a concern. The licensee completed the formulation of a Near-Term Integrated Enhancement Program (IEP), which identifies the causes for declining performance and outlines proposed corrective actions. However, while management changes continue to be discussed by licensee management, the implementation of these changes has not been evident.

The most recent SALP was performed in July 1993. Because of the numerous equipment problems and the failure of the licensee to self-identify and correct the problems, the areas of Maintenance/ Surveillance and Safety Assessment/Quality verification were assigned ratings of Category 3. Engineering/Technical Support was rated as Category 2 with significant weaknesses in problem resolution by the site engineering group. Operations was rated as Category 2 based on a lack of a questioning attitude on the part of the operating staff for some engineering operability determinations. Recurring problems in Emergency Preparedness were noted and this area was assigned a Category 2 rating with an improving trend, and Security was assigned a Category 1 rating.

5. Basis for a Conducting a Special Evaluation of Cooper

As a result of NRC Senior Management concerns and questions on safety performance at the Cooper Nuclear Station the licensee initiated plans to conduct an independent third party self assessment of Cooper's safety performance. The purpose of the Diagnostic Self Assessment (DSA) is to enable the licensee to gain additional insight into plant performance, identify any further areas requiring licensee attention and identify appropriate corrective actions to achieve needed improvement. The DSA is intended to be a formal independent assessment similar to an NRC Diagnostic Evaluation (DE). The DSA evaluation is to review significant

aspects of CNS plant operations, maintenance and testing, engineering and technical support, and management and organizational effectiveness. The results of the licensee's self-assessment will be formally documented and available for NRC review. Since the onsite evaluation of the DSA is to be similar in scope and depth to a DE, the NRC concluded that the planned DSA appeared to provide an opportunity for the NRC to pursue innovative methods involving reduced NRC resources to ascertain the status of performance of CNS. Consequently, the EDO directed that a special evaluation of the CNS DSA be conducted to enable the NRC to independently: observe onsite activities of the DSA and licensee; review NRC, DSA and licensee documents; and interview DSA and licensee personnel in order to independently evaluate the adequacy and independence of the DSA as well as the performance and root causes of performance problems at CNS.

6. Overall Goal of the Special Evaluation

Provide additional information on Cooper Nuclear Station safety performance to supplement SALP, Performance Indicators and other assessment data available to NRC Senior Management.

7. Objectives of the Special Evaluation

- Conduct a thorough independent review of NRC data and information and licensee records to develop a preliminary assessment of Cooper Nuclear Station's safety performance and contributing causes for performance problems.

- Review the Cooper Nuclear Station Diagnostic Self Assessment (DSA) plans, observe selected DSA activities and review DSA documented results to develop a preliminary independent assessment of the quality, completeness, and independence of the DSA evaluation. including appropriateness and completeness of the recommended corrective actions.

- To the extent necessary, conduct a followup on-site evaluation to independently assess the DSA's findings and conclusions and pursue potential significant safety performance problems and causes which may not have been sufficiently evaluated by the DSA.

- Develop findings and conclusions on the quality, completeness, and independence of the DSA, Cooper Nuclear Station's safety performance and the root causes for performance problems.

- Document the results of NRC's Special Evaluation of the DSA, including any supplemental safety significant findings and conclusions independently developed by the SE.

6.2 Plant-Specific Objectives of the Special Evaluation

The team manager will hold discussions with AEOD, NRR and Region IV senior management and the EDO in order to identify issues and areas of special interest for assessment by the SE team prior to the start of the followup two-week onsite evaluation. These issues and areas will be included in the Cooper SE Team functional area evaluation plans and assessment activities.

7. Evaluation Methodology

The SE team assessment of the adequacy and independence of the DSA evaluation of CNS and the assessment of CNS performance and the root causes of performance problems involves the independent review of licensee, DSA and NRC documents, independent observations of DSA team member and licensee onsite activities and formal interviews of DSA team and licensee personnel.

The DSA is intended to be a formal assessment similar to an NRC DE. Accordingly, the evaluation scope, content, plans and process utilized for conducting a DE will be used as a benchmark for assessing the adequacy of the scope, depth and thoroughness of the DSA. Plans will be developed for each functional area for independently assessing the adequacy of the DSA and licensee performance including the areas of special interest to NRC senior management.

7.1 Initial Review of Documents and DSA Plans

The initial phase of the evaluation will involve a review of the documented plans for the DSA including the planned evaluation scope and areas, evaluation process, DSA team composition and membership. The SE team will also discuss the DSA's plans and methods with the DSA team to achieve an initial overview of the DSA process, team member experience and evaluation schedule.

The SE will conduct a limited scope review of licensee and NRC documents to develop initial insights of licensee performance, problems and potential contributing causes for performance problems as identified by others. Recent performance assessments of CNS conducted by third parties will also be reviewed as a means to develop an initial understanding of the views of others on CNS performance, problems areas and root causes for performance problems. The SE will also obtain and begin to review the DSA team's documented (preliminary) field observations together with DSA requests for information and licensee responses prior to the SE's initial onsite observation and evaluation activities.

7.2 Initial Onsite Observations

The SE team manager and functional area leaders will spend one week at the CNS site to observe DSA evaluation activities, review DSA and

licensee documents and conduct interviews with DSA and licensee personnel. The period selected is the DSA's final week of onsite evaluation activities. This period will allow the SE to observe: limited DSA data collection activities (e.g., observations, document reviews, interviews, debriefings with licensee counterparts); DSA activities associated with the validation of DSA findings; integration of results; and determination of causes such as management and organizational effectiveness findings and root causes. During this initial onsite period the focus and emphasis of the SE will be on developing and documenting (see attachment A) preliminary findings on the quality and completeness of the implementation of the DSA's evaluation plans and the extent to which DSA findings are performance-based vs. programmatic review or interview-based. The SE will review the DSA-identified CNS performance issues (and examples), bases for findings (i.e., document reviews, observations and/or interviews). During the onsite period the SE will observe and evaluate the process used by the DSA to integrate individual findings into significant safety program issues and weaknesses, safety significant management and organizational issues and the root causes for performance problems, together with the results of the process. Daily team meetings will be conducted by the SE during the onsite period to share observations and issues and to coordinate team efforts in response to issues that are developed by the SE Team. Finally, the SE leaders will observe the DSA's interim exit with the licensee on the DSA's preliminary observations, findings and conclusions. Each functional area will prepare an evaluation plan for the onsite observations of the DSA evaluation activities and DSA documents.

7.3 Detailed Records Review and NRC Senior Manager Discussions

The entire SE team will conduct a thorough independent review of NRC data and information and licensee records to develop a records-based preliminary assessment of Cooper Nuclear Station's safety performance and contributing causes for performance problems. The review of records will be similar in scope, depth and detail to the document review conducted by an NRC DET and will include a detailed review of the information requested by the DSA for the systems selected for a "vertical slice" evaluation. Additionally, the SE manager will meet with Senior Management from NRR, Region IV and AEOD, and the EDO to obtain their perspectives on CNS performance and areas of special interest for the SE. The full SE will also be briefed by NRR, Regional and AEOD staffs on the recent performance history of CNS. Collectively, the document reviews, discussions with NRC senior management and the initial onsite observations will provide input to the development the draft evaluation plans for the two week independent followup onsite evaluation for each functional area.

7.4 Review of the DSA Report

It is anticipated that the DSA report will be received approximately three weeks before the scheduled start of the SE's independent onsite

assessment of CNS performance. When received the report will be reviewed to develop a preliminary assessment of the adequacy of the documented findings and conclusions in each of the technical functional areas, the management and organization functional area and root causes. A preliminary assessment of the appropriateness and completeness of the corrective actions recommended by the DSA will also be developed. These preliminary assessments of the DSA report will be based on the SE team's initial onsite observations of the DSA, the detailed records review and discussions with NRC senior management and staff. Issues and areas for discussion with DSA leaders will be developed. The SE manager and functional area leaders will meet with the DSA leaders to obtain additional information needed to fully understand the meaning and basis for the DSA findings, conclusions and recommended corrective actions. From these reviews and discussions the SE will develop a preliminary assessment of the adequacy and objectivity of the DSA effort and report and finalize its plans for the independent onsite assessment of licensee performance and root causes. The SE team manager will brief NRC Senior management on the SE plans for the independent onsite assessment, including areas to be assessed based on potential inadequacies and oversights of the DSA and obtain any additional guidance.

7.5 Independent Onsite Assessment by the Special Evaluation Team

To the extent necessary the SE Team will conduct an independent onsite assessment to directly evaluate the licensee's performance at CNS and the NPPD corporate offices. For planning purposes the independent onsite assessment is scheduled to span two weeks. The entire SE Team will participate in the assessment. The purpose of the onsite assessment is to independently evaluate and document (see Attachment A) licensee performance in selected aspects of each functional area in order to audit the DSA's findings and conclusions and pursue potential significant safety performance issues and causes which may not have been sufficiently evaluated by the DSA. Similar to a Diagnostic Evaluation the SE will conduct a significant number of formal interviews of licensee management and staff, observe licensee activities and equipment and review licensee records. Daily team meetings will be conducted during the onsite period to share team member observations, findings and issues and to coordinate team efforts in response to issues developed by the SE. Each functional area will prepare an evaluation plan for the independent onsite assessment.

7.6 Integrated Assessment and Documentation of Results

Following the completion of the independent onsite assessment the entire SE team will conduct an in-office review, analysis and integration of the individual preliminary observations, findings and conclusions in order to finalize its assessment. These activities will result in a composite final assessment of the licensee's safety performance at CNS in each technical functional area, including significant performance weaknesses and noteworthy strengths. Each technical functional area will also develop a composite assessment of the significant causes for

identified performance problems within the area. Similarly, for the management and organizational functional area the team will finalize its conclusions regarding significant management and organizational weaknesses having an adverse effect on CNS safety performance. Collectively the SE Team will develop a final assessment of the root causes of CNS safety performance problems. The root cause analysis methods utilized by the DEP will provide a framework for this assessment.

In concert with the above review the SE team will also determine the adequacy of the DSA report findings, conclusions and recommended corrective actions. Important performance strengths or weaknesses, programmatic deficiencies or management and organizational problems and/or root causes which were overlooked or incorrectly characterized in the DSA final report will be identified for inclusion in the SE report. However, the SE Team will not seek to identify additional examples of performance problems already identified by the DSA. The SE will prepare a formal report to document the results of its independent assessment of CNS and the DSA report on CNS.

Attachment A

Documentation of Special Evaluation Team Observations

During the two on-site evaluations Special Evaluation Observation (SEO) forms will be used to document observations in a narrative format; identify strengths and weaknesses for evaluation by the team; and issues for followup and resolution by the team. Completed SEO forms will be given to the Team Manager and revised as additional new information becomes available. The SEOs will be used to collect data for the teams evaluation of the adequacy of the DSA during the initial onsite observations of the DSA, as well as observations of CNS performance issues (and DSA adequacy) during the independent onsite assessment. SEOs will be updated and compiled and made available on a daily basis for review by all SE Team members.

Interviews will be documented on SE interview forms and will be made available only to SE team members for review.

Coordination and Logistics

The Cooper special evaluation team will include an Administrative Assistant, to support the administrative needs and activities of the team. The SE Administrative Assistant will report to the SE Team Manager. Travel arrangements, working hours, assignment of rental cars, motel reservations, licensee background material, assembly of documentation of team findings onsite and coordination of the team report preparation, conduct of administrative aspects of the special evaluation will be discussed at the team preparation meetings. Security clearances and site access training requirements must be current at that time, so that unescorted access processing can be conducted. It is anticipated that all technical team members will receive unescorted access. Any administrative or logistical questions or concerns should be discussed with the Administrative Assistant.

UNITED STATES
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WASHINGTON, D.C. 20555-0001

MEMORANDUM FOR: Edward L. Jordan, Director
Office for Analysis and Evaluation
of Operational Data

FROM: James M. Taylor
Executive Director for Operations

SUBJECT: SPECIAL EVALUATION OF COOPER NUCLEAR STATION

I have reviewed and approved your plans for the Special Evaluation of Cooper Nuclear Station as summarized below.

Schedule of Principal Activities

Observation of DSA Onsite Evaluation	Aug 15-19
Documentation Review	Aug 22-Sep 23
EDO/NRR/RIV Meeting on Final Onsite Plans	Sept 14
Follow-up Independent Onsite Evaluation	Sep 26-Oct 7
EDO/NRR/RIV Briefing on SE Results	TBD
Combined DSA/SE Exit Meeting with Licensee	Week of Nov 14
DET Report to EDO	Nov 30

Team Organization

Team Manager		Ellis W. Merschoff	RII
Operations and Training	*	Peter Eselgroth	RI
		John Thompson	AEOD
Maintenance and Testing	*	Peter Prescott	AEOD
		Rudy Bernhard	RII
Engineering Design and Technical Support	*	Ronald Lloyd	AEOD
		Tony D'Angelo	NRR
Management and Organization	*	Alan Madison	AEOD
		Brian Haagensen	Contractor
Administrative Assistant		Ola West	RII

* Team Leader

Evaluation Methodology

The Special Evaluation (SE) Team will conduct a thorough independent review of NRC data and information and licensee records to develop a preliminary assessment of Cooper Nuclear Station's safety performance and contributing causes for performance problems. The team manager will hold discussions with AEOD, NRR and Region IV senior management in order to identify issues and areas of special interest for assessment by the SE team prior to the start of the followup two-week onsite evaluation. The team will review the Cooper Nuclear Station (CNS) Diagnostic Self Assessment (DSA) plans, observe selected DSA activities and review DSA documented results to develop a preliminary independent assessment of the quality, completeness, and independence of the DSA evaluation including appropriateness and completeness of the recommended corrective actions. To the extent necessary, the SE will conduct a followup on-site evaluation to independently assess the DSA's findings and conclusions and pursue potential significant safety performance problems and causes which may not have been sufficiently evaluated by the DSA. The SE will develop findings and conclusions on the quality, completeness, and independence of the DSA, Cooper Nuclear Station's safety performance and the root causes for performance problems and will document the results of NRC's Special Evaluation of the DSA, including any supplemental safety significant findings and conclusions independently developed by the SE.

Notwithstanding these confirmed plans, I recognize that the team members may be subject to minor change due to personnel availability. Furthermore, the SE Team should remain flexible and receptive to new approaches and information. The SE Team manager, in consultation with AEOD management, should be prepared to modify the schedule, team composition, functional areas and methodology, as necessary, to more effectively react to developing issues.

James M. Taylor
Executive Director
for Operations

cc: J. Martin, RIII
T. Murley, NRR
W. Russell, NRR

Evaluation Methodology

The Special Evaluation (SE) Team will conduct a thorough independent review of NRC data and information and licensee records to develop a preliminary assessment of Cooper Nuclear Station's safety performance and contributing causes for performance problems. The team manager will hold discussions with AEOD, NRR and Region IV senior management in order to identify issues and areas of special interest for assessment by the SE team prior to the start of the followup two-week onsite evaluation. The team will review the Cooper Nuclear Station (CNS) Diagnostic Self Assessment (DSA) plans, observe selected DSA activities and review DSA documented results to develop a preliminary independent assessment of the quality, completeness, and independence of the DSA evaluation including appropriateness and completeness of the recommended corrective actions. To the extent necessary, the SE will conduct a followup on-site evaluation to independently assess the DSA's findings and conclusions and pursue potential significant safety performance problems and causes which may not have been sufficiently evaluated by the DSA. The SE will develop findings and conclusions on the quality, completeness, and independence of the DSA, Cooper Nuclear Station's safety performance and the root causes for performance problems and will document the results of NRC's Special Evaluation of the DSA, including any supplemental safety significant findings and conclusions independently developed by the SE.

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James M. Taylor
Executive Director
for Operations

cc: J. Martin, RIII
T. Murley, NRR
W. Russell, NRR

Distribution:
JTaylor JMilhoan JBlaha
EDO R/F DEIIB R/F IRD R/F

OFC	EDO	EDO			
NAME	JMilhoan	JTaylor			
DATE	08/ /94	08/ /94			

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24

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

MEMORANDUM FOR: Mary Lynn Scott, Chief
Contract Administration Branch No. 1
Division of Contracts and Property Management
Office of Administration

FROM: R. Lee Spessard, Director
Division of Operational Assessment
Office for Analysis and Evaluation
of Operational Data

SUBJECT: CONTRACTOR SUPPORT FOR THE DIAGNOSTIC EVALUATION AT COOPER NUCLEAR STATION (MANAGEMENT AND ORGANIZATION EVALUATION), NRC 26-92-267, TASK ORDER 4

You are requested to establish Task Order 4 under NRC contract No. NRC-26-92-267, to provide needed contractor support for the Cooper Diagnostic Evaluation in the areas of Management and Organization. Enclosed is a Statement of Work for this task order including work schedules, activities, and products. We request that two team members be provided by the contractor under this task order, as described in the Statement of Work. We request that this action be processed to support team evaluation activities, beginning with team meetings in Rockville, Maryland during August and September, 1994, and continuing with the onsite evaluation during September and October, 1994. However, it should be noted that the final decision on whether or not to proceed with an on-site assessment will not occur until the end of the planning and preparation phase of the evaluation.

The justification for this request is based on informal instructions from the EDO to prepare for a diagnostic evaluation at Cooper Nuclear Station. This Task Order 4 will not be executed until formal instructions are received from the EDO to conduct a diagnostic at Cooper. I have reviewed NRC Bulletin 5101-8, dated April 30, 1990 and "Justification for a Task Order Contract" that was prepared for the basic contract and have ensured that acquiring contractor support for this task is consistent with that justification and the above NRC Bulletin. The use of contractor employees rather than NRC personnel in the conduct of this task order is justified because of the professional skills and specialized experience required that is unavailable in the NRC staff.

D/24

Should you have any questions or require further information on this request, please contact Alan Madison (415-6412).

R. Lee Spessard, Director
Division of Operational Assessment
Office of Analysis and Evaluation
of Operational Data

Enclosures:
1. Task Order Request
2. Task Cost Estimate

cc w/encl:
S. Crampton, ADM
C. Cooper, ADM

Should you have any questions or require further information on this request, please contact Alan Madison (415-6412).

R. Lee Spessard, Director
Division of Operational Assessment
Office of Analysis and Evaluation
of Operational Data

Enclosures:
1. Task Order Request
2. Task Cost Estimate

cc w/encl:
S. Crompton, ADM
C. Cooper, ADM

Distribution w/o encls:
ELJordan
DFRoss
RLSpessard
DOA r/f
SDRubin
ALMadison
GThompson
D915

OFFICE:	DEIIB:AEOD	DEIIB:AEOD	D:DOA:AEOD		
NAME:	ALMadison	SDRubin	RSpessard		
DATE:	07/ /94ms	07/ /94	07/ /94		

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ENCLOSURE 1

TASK ORDER NO. 4

TECHNICAL ASSISTANCE TO SUPPORT A DIAGNOSTIC

EVALUATION AT COOPER NUCLEAR STATIION, MANAGEMENT AND ORGANIZATION

I. BACKGROUND/OBJECTIVES

Diagnostic Evaluations at nuclear power plants provide NRC senior management with an assessment of licensee safety performance which augments information provided by the Systematic Assessment of Licensee Performance (SALP) Program, the Performance Indicator (PI) Program and the various inspections performed by NRC Headquarters and Regional Offices. The assessment is independent in the sense that the administration and management of the program is independent of the licensing, inspection and enforcement process. Diagnostic evaluations are conducted with intensive team efforts beginning with a study of background information on plant design, procedures and organization, continuing with an onsite evaluation and concluding with a detailed report of the evaluation.

This task order is for the performance of a management and organization evaluation as a part of the Diagnostic Evaluation at Cooper Nuclear Station. The methods and techniques as described in the AEOD's Diagnostic Guidelines will be used to accomplish the evaluation. Cooper is located near Nebraska City, Nebraska and the corporate office is located in Brownville, Nebraska.

II. STATEMENT OF WORK AND DELIVERABLES

The evaluation shall be coordinated between an NRC Management and Organization team leader and the contractor's personnel.

In the evaluation of management and organization, the Contractor shall furnish two experts. These experts shall be required to accomplish the following tasks:

1. Prepare for the diagnostic evaluation by a review of the overall Evaluation Plan (provided by NRC), and a review of licensee background and technical information. The Evaluation Plan will outline the areas to be evaluated. The experts shall establish a specific management and organization evaluation plan including preliminary findings, based upon the guidance in the overall Evaluation Plan. It should be noted that the final decision on whether or not to proceed with the onsite evaluation and report writing phases will not occur until the end of the planning and preparation phase of the evaluation.

2[1]. The initial onsite evaluation shall concentrate on information gathering including an examination of the licensee's activities and performance in specific areas. The examination shall include interviews with key licensee personnel at all levels, programmatic reviews and assessments, and direct observations of operations. Evaluation methodologies include a qualitative evaluation of licensee management controls, oversight and involvement, and organizational effectiveness which are relevant to plant safety performance.

3[1]. Following the initial onsite evaluation period, a 1-2 week break is scheduled. A portion of this time is used to further evaluate and validate any observations, brief NRC management on preliminary findings and refocus or redirect the evaluation as appropriate.

4[1]. A follow-up onsite evaluation shall reinforce preliminary findings, perform special case study evaluation of specific issue areas, and establish and validate root-causes.

5[1]. The Contractor shall prepare input to the final diagnostic evaluation team report and submit it to the NRC management and organization evaluation team leader. The diagnostic evaluation team report shall be in accordance with Attachment 7 of Section J of the basic contract. Additional information on the format, style, level of detail and quality expected will be made known to the Contractor during the preparation phase of the evaluation. All predecisional data shall be returned to the NRC Project Officer upon completion of the report.

III. PERIOD OF PERFORMANCE - PLACE OF PERFORMANCE

The period of performance for this task is from August 21, 1994 to November 18, 1994. Work will be accomplished at the home offices of the Contractor, NRC offices in Rockville, Maryland, Cooper Nuclear Station, and corporate offices of Nebraska Public Power District in Brownville, Nebraska. It should be noted that the final decision on whether or not to proceed with the onsite evaluation and report writing phases will not occur until the end of the planning and preparation phase of the evaluation.

IV. TECHNICAL CONTACT

Alan Madison, DEIIB/AEOD, (301) 414-6412.

V. REPORTING REQUIREMENTS

1. A Financial Status Report report describing expenditures shall be submitted for this task in accordance with Section F.2 of the basic contract. A standard licensee fee recovery costs report

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[1] This item will be conducted only if the decision is made by the NRC to proceed with the on site phase of the evaluation.

should also be included.

2. Management and Organization Evaluation plans as described in Section II, shall be submitted at the beginning of the week prior to the second team meeting.

3. Technical Progress reports, as described in Section II, shall be submitted in accordance with Section F.3 of the basic contract.

4. Contractor input to the Diagnostic Evaluation Team Report shall be submitted within two (2) weeks of the completion of the onsite evaluation.

VI. MEETINGS AND TRAVEL

Two (2) trips to NRC, Rockville, Maryland for preparation during August and September 1994, totaling five (5) working days for each contractor.

It should be noted that the final decision on whether or not to proceed with the onsite evaluation and report writing phases will not occur until the end of the planning and preparation phase of the evaluation.

Two (2) trips to onsite and corporate headquarters during September and October 1994, totaling sixteen (16) working days for each contractor. Approximately two (2) days will be at corporate and fourteen (14) days onsite. Transportation between airports and site/corporate and transportation while onsite will be provided by the NRC.

One trip to NRC, Rockville, Maryland in October 1994 during the period between the two onsite periods, totaling three (3) working days for each contractor.

One (1) trip to NRC, Rockville, Maryland during November 1994 to participate in report writing, totaling nine (9) working days for each contractor.

Contractors are expected to make reasonable efforts to obtain the most economical airline rates available. Current allowable daily per diem rates (lodging/meals & incidentals) are as follows: Rockville; $113/$38, Site; $40/$26, Corporate; $40/$26.

VII. NRC FURNISHED MATERIAL

The NRC will provide necessary background information such as licensee organization charts, inspection reports, safety program descriptions, or other material/guidance specified by the Team Manager.

VIII. LEVEL OF EFFORT PER PERSON	Days	Hours
NRC Rockville (team meeting)	3	24
Home Office (preparation)	1	8
NRC Rockville (team meeting)	2	16
Total-initial prep	6	48
Onsite[2] (1st)*	12	120
Home Office[2] (prep for 2nd onsite)	3	24
NRC Rockville[2] (team meeting)	3	24
Onsite[2] (2nd)*	5	50
Total-onsite evaluation and additional prep	23	218
NRC Rockville[2] (report writing)	9	72
TOTALS	38	338

* Onsite days are nominally 10 hour days.

[2] This item will be conducted only if the decision is made by the NRC to proceed with the on site phase of the evaluation.

ENCLOSURE 2

COST ESTIMATE

Task Order No. 004 for NRC Contract No. 26-92-267
Diagnostic Evaluation at Cooper Nuclear Station
Management and Organization Evaluation

1. DIRECT LABOR	Hrs.	Rate/Hr.	Cost	TOTALS
1a. NonProfessional	20	$12	$ 240	
1b. Professional	676	$45	$30,420	
TOTAL DIRECT LABOR	696		$30,660	$30,660
2. OVERHEAD @ 84.0% of item 1				$25,754
3. DIRECT MATERIALS				$ 100

4.TRAVEL

Trans/misc to Rockville	8 trips @ $600/trip =	$4,800
Per diem in Rockville	40 days @ $151/day =	$6,040
Trans/misc to site	4 trips @ $800/trip =	$3,200
Per diem at site *	30 days @ $66/day=	$1,980
Per diem at corp *	4 days @ $66/day =	$264

* estimate

TOTAL TRAVEL	$16,284
5. SUBTOTAL	$ 72,798
6. G&A EXPENSE @ 8.5%	$ 6,188
7. ESTIMATED COST	$ 78,986
8. FACILITIES COST OF MONEY	$ 300
9. FIXED FEE @ 6%	$ 4,739
10. TOTAL COST	$ 84,025

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25

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

MEMORANDUM FOR: Mary Lynn Scott, Chief
Contract Administration Branch No. 1
Division of Contracts and Property Management
Office of Administration

FROM: R. Lee Spessard, Director
Division of Operational Assessment
Office for Analysis and Evaluation
of Operational Data

SUBJECT: CONTRACTOR SUPPORT FOR THE DIAGNOSTIC EVALUATION AT COOPER NUCLEAR PLANT (ENGINEERING SUPPORT EVALUATION), NRC 26-93-290, TASK ORDER No. 4

You are requested to establish Task Order No. 4 under NRC contract No. NRC-26-93-290, to provide needed contractor support for Cooper Diagnostic Evaluation in the area of Engineering Support. Enclosed is a Statement of Work for this task order including work schedules, activities, and products. We request that one electrical expert and one mechanical expert be provided by the contractor under this task order, as described in the Statement of Work. We request that this action be processed to support team evaluation activities, beginning with team meetings in Rockville, Maryland during August and September 1994. The onsite evaluation is tentatively scheduled during September and October 1994. However, it should be noted that the final decision on whether or not to proceed with an on-site assessment will not occur until the end of the planning and preparation phase of the evaluation.

The justification for this request is based on informal instructions from the EDO to prepare for a diagnostic evaluation at the Cooper Nuclear Plant. This Task Order No. 4 will not be executed until formal instructions are received from the EDO to conduct a diagnostic at Cooper. I have reviewed NRC Bulletin 5101-8, dated April 30, 1990 and "Justification for a Task Order Contract" that was prepared for the basic contract and have ensured that acquiring contractor support for this task is consistent with that justification and the above NRC Bulletin. The use of contractor employees rather than NRC personnel in the conduct of this task order is justified because of the professional skills and specialized experience required that is unavailable in the NRC staff.

D/25

Should you have any questions or require further information on this request, please contact Alan Madison (415-6412).

R. Lee Spessard, Director
Division of Operational Assessment
Office of Analysis and Evaluation
of Operational Data

Enclosures:
1. Task Order Request
2. Task Cost Estimate

cc w/encl:
S. Crampton, ADM
C. Cooper, ADM

Should you have any questions or require further information on this request, please contact John Thompson (415-6414).

R. Lee Spessard, Director
Division of Operational Assessment
Office of Analysis and Evaluation
of Operational Data

Enclosures:
1. Task Order Request
2. Task Cost Estimate

cc w/encl:
S. Crampton, ADM
C. Cooper, ADM

Distribution w/o encls:
ELJordan
DFRoss
RLSpessard
DOA r/f
SDRubin
ALMadison
JWThompson
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DATE:	07/ /94ms	07/ /94	07/ /94		

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ENCLOSURE 1

TASK ORDER NO. 4

TECHNICAL ASSISTANCE TO SUPPORT A DIAGNOSTIC

EVALUATION AT THE COOPER NUCLEAR PLANT, ENGINEERING SUPPORT

I. BACKGROUND/OBJECTIVES

Diagnostic Evaluations at nuclear power plants provide NRC senior management with an assessment of licensee safety performance which augments information provided by the Systematic Assessment of Licensee Performance (SALP) Program, the Performance Indicator (PI) Program and the various inspections performed by NRC Headquarters and Regional Offices. The assessment is independent in the sense that the administration and management of the program is independent of the licensing, inspection and enforcement process. Diagnostic evaluations are conducted with intensive team efforts beginning with a study of background information on plant design, procedures and organization, continuing with an onsite evaluation and concluding with a detailed report of the evaluation.

This task order is for the performance of an Engineering Support evaluation as a part of the Diagnostic Evaluation at the Cooper Nuclear Plant. The methods and techniques as described in the AEOD's Diagnostic Guidelines will be used to accomplish the evaluation. Cooper is located near Nebraska City, Nebraska and the corporate office is located in Brownville, Nebraska.

II. STATEMENT OF WORK AND DELIVERABLES

The evaluation shall be coordinated between an NRC Engineering Support team leader and the contractor's personnel.

In the evaluation of Engineering Support, the contractor shall provide one electrical expert and one mechanical expert. These experts shall be required to accomplish the following tasks:

1. Prepare for the diagnostic evaluation by a review of the overall Evaluation Plan (provided by NRC), and a review of licensee background and technical information. The Evaluation Plan will outline the areas to be evaluated. The experts shall establish a specific Engineering Support evaluation plan including preliminary findings, based upon the guidance in the overall Evaluation Plan. It should be noted that the final decision on whether or not to proceed with the onsite evaluation and report writing phases will not occur until the end of the planning and preparation phase of the evaluation.

2[1]. The initial onsite evaluation shall concentrate on information gathering including an examination of the licensee's activities and performance in specific areas. The examination shall include interviews with key licensee personnel at all levels, programmatic reviews and assessments, reviews of selected safety systems, and direct observations of operations. Evaluation methodologies include a qualitative evaluation of licensee engineering management controls, oversight and involvement which are relevant to plant safety performance.

3[1]. Following the initial onsite evaluation period, a 2 week break is scheduled. A portion of this time is used to further evaluate and validate any observations, brief NRC management on preliminary findings and refocus or redirect the evaluation as appropriate.

4[1]. A follow-up onsite evaluation shall reinforce preliminary findings, be used to perform special case study evaluations of specific issue areas, and establish and validate root-causes.

5[1]. The experts shall prepare input to the final diagnostic evaluation team report and submit it to the NRC engineering evaluation team leader. The diagnostic evaluation team report shall be in accordance with Attachment 7 of Section J of the basic contract. Additional information on the format, style, level of detail and quality expected will be made known to the experts during the preparation phase of the evaluation. All pre-decisional data shall be returned to the NRC Project Officer upon completion of the report.

III. PERIOD OF PERFORMANCE - PLACE OF PERFORMANCE

The period of performance for this task is from August 21, 1994 to November 18, 1994. Work will be accomplished at the home offices of the Contractor, NRC offices in Rockville, Maryland, at the Cooper Nuclear Plant, and corporate offices of Nebraska Public Power District in Brownville, Nebraska. It should be noted that the final decision on whether or not to proceed with the onsite evaluation and report writing phases will not occur until the end of the planning and preparation phase of the evaluation.

IV. TECHNICAL CONTACT

JWThompson, DEIIB/AEOD, (301) 415-6414.

V. REPORTING REQUIREMENTS

1. A Financial Status Report describing expenditures shall be submitted for this task in accordance with Section F.2 of the basic contract. A standard licensee fee recovery costs report

---

[1] This item will be conducted only if the decision is made by the NRC to proceed with the on site phase of the evaluation.

should also be included.

2. Engineering Support Evaluation plans as described in Section II, shall be submitted at during the team preparation meeting.

3. Technical Progress reports, as described in Section II, shall be submitted in accordance with Section F.3 of the basic contract.

4. Contractor input to the Diagnostic Evaluation Team Report shall be submitted within two (2) weeks of the completion of the onsite evaluation.

VI. MEETINGS AND TRAVEL FOR EACH EXPERT

Two (2) trips to NRC, Rockville, Maryland for preparation during August and September 1994, totaling five (5) working days for each contractor.

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Total-onsite evaluation and additional prep	23	218
NRC Rockville[2] (report writing)	9	72
VIII. LEVEL OF EFFORT PER PERSON	Days	Hours
TOTALS	38	338

* Onsite days are nominally 10 hour days.

[2] This item will be conducted only if the decision is made by the NRC to proceed with the on site phase of the evaluation.

ENCLOSURE 2

COST ESTIMATE

Task Order No. 004 for NRC Contract No. 26-93-290
Diagnostic Evaluation at the Cooper Nuclear Station
Engineering Support Evaluation

1. DIRECT LABOR	Hrs.	Rate/Hr.	Cost	TOTALS
1a. Project Manager	8	$35	$ 280	
1b. Senior Engineers	672	$35	$23,520	
TOTAL DIRECT LABOR	680		$23,800	$23,800
2. OVERHEAD @ 84.0% of item 1b				$19,756
3. FRINGE BENEFITS @ 35.8% of item 1b				$ 8,420
4. DIRECT MATERIALS				$ 100.00
5. TRAVEL (Each Expert)				
Trans/misc to Rockville	4 trips @ $600/trip		= $2,400	
Per diem in Rockville	20 days @ $151/day		= $3,020	
Trans/misc to site	2 trips @ $600/trip		= $1,200	
Per diem at site	15 days @ $66/day		= $ 990	
Per diem at corp	2 days @ $66/day		= $ 132	
Travel For Each Expert			= $7,342	
TOTAL TRAVEL				$15,584
6. SUBTOTAL				$67,560
7. G&A EXPENSE @ 12.4%				$ 8,777
8. ESTIMATED COST				$76,337
9. FIXED FEE @ 5%				$ 3,817
10. TOTAL COST PLUS FIXED FEE				$80,154
11. COST OF MONEY				$ 300
12. GRAND TOTAL				$80,454

26

COOPER NUCLEAR STATION

SPECIAL EVALUATION TEAM

CHAIRMAN BRIEF OCTOBER 27, 1994

TEAM FINDINGS

ELLIS W. MERSCHOFF, TEAM MANAGER

D/26

COOPER SPECIAL EVALUATION TEAM

- WHAT?

  - A small experienced team conducting:

    . DET level preparation
    . Field observation and evaluation of DSA
    . Independent assessment of Cooper

  - Product will be an NRC Evaluation of Cooper for use by Senior Managers

- WHY?

  - June '94 Senior Management Meeting resulted in EDO DET decision

  - Licensee and NRC concerned with in-process impact of DET

  - Licensee initiation of a Diagnostic Self Assessment by an industry Team

  - SET:

    . Substantially less resource intensive for NRC than a DET
    . Substantially less impact on licensee than a DET
    . Potential for rapid "Buy-in" by Plant

- WHO?

  - Experienced inspectors/evaluators from

    . Region I
    . Region II
    . NRR
    . AEOD
    . Contractor

NEBRASKA PUBLIC POWER DISTRICT'S DSA

- TEAM COMPOSITION

  - Team Manager - Ralph Beedle - former VP NYPA

  - Team Leaders:
    Operations - Wade Warren - (Farley)
    Maintenance - Steve Verrochi - (Pilgrim)
    Engineering - Gary Welsh - (INPO)
    Management and Organization - Jay Doering (PECO)

- ASSESSMENT PLAN

  - Reverse Engineered DET

  - Four weeks on site assessment (Full Team)

  - Two weeks to write report (Team Manager)

- QUALITY OF DSA EFFORT

  - Succeeded on strength of team

  - Overcame lack of stability of :

    . Process
    . Team Composition

SPECIAL EVALUATION TEAM FINDINGS

- SIGNIFICANT PROBLEMS NOTED WITH:

  - Management
    - . Poor Planning
    - . Low Expectations and Standards
    - . Poor Communications

  - Equipment
    - . Inoperable equipment not recognized
    - . Living with problems
    - . Ineffective Surveillance Program

  - Performance
    - . Weak Independent Oversight
    - . Weak Self Assessment
    - . Weak Corrective Action Program

- SET FOUND NOTHING TO BRING DSA CONCLUSIONS INTO QUESTION

- SET EXTENDED DSA FINDINGS SUBSTANTIALLY IN:

  - . Material Condition
  - . Surveillances
  - . Operability

RECENT NPPD MANAGEMENT CHANGES

- CORPORATE

  - Division Manager Engineering - Vacant

- SITE

  - Site Manager - J. Mueller (Nine Mile Point)

  - Division Manager QA - A. Sessoms (ANO)

  - Plant Manager - J. Herran (Vermont Yankee)

  - Division Manager Safety Assessment - R. Jones (RADM - USN)

  - Operations Manager - Vacant

  - Engineering Manager - J. Gausman (Monticello)

  - Maintenance Manager - R. Gardner (Cooper)

  - Licensing Manager - R. Godley (Brunswick)

BOARD OF DIRECTORS MEETING

SEPTEMBER 1, 1994

- IMPRESSIONS
  - Board Lost in Detail
    - Passive Listeners
    - Nuclear Committee limited effectiveness
  - Board Worried about being Blamed
  - Mixed Signals on Restart
  - Good Performance - Watkins/Beedle/Mueller
  - Weak Performance - Horn

- RESULTS
  - Board Resolution
  - Update at October Meeting

COOPER SPECIAL EVALUATION TEAM SCHEDULE	
July 25-Aug 19	DSA field work (R. Beedle)
Aug 4	Brief EDO on SE Concept
Aug 8 - 9	NRC SE Bagman Trip
Aug 15 - 19	NRC SE onsite for assessment of DSA
Aug 23	Brief EDO on results of field work
Sept 2	DSA report issued (R. Beedle)
Sept 14	Brief EDO on areas of concern
Sept 23	NRC SE complete review of Cooper Performance Data
Sept 26 - Oct 7	NRC SE onsite for independent assessment
Oct 12	Brief EDO on results of field work
Oct 27	Brief Chairman on Findings
Oct 9-Nov 9	NRC SE develop findings and conclusions (Full NRC SE Team)
Nov 10	Brief EDO on findings and conclusions
Nov 17	NRC SE/DSA Public Exit Meeting (E. Merschoff/R. Beedle)
Nov 30	Issue NRC SE Report (E. Merschoff)
Dec 9	Forward proposed Staff Actions

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Cooper Special Evaluation Team

EDO Brief August 4, 1994

Initial Concept, Plan, and Organization

Ellis W. Merschoff, Team Manager

D/27

MISSION OF COOPER SPECIAL EVALUATION TEAM

1. Conduct a thorough review of NRC data and information and licensee records to develop a preliminary assessment of Cooper Nuclear Station's safety performance and contributing causes for performance problems.

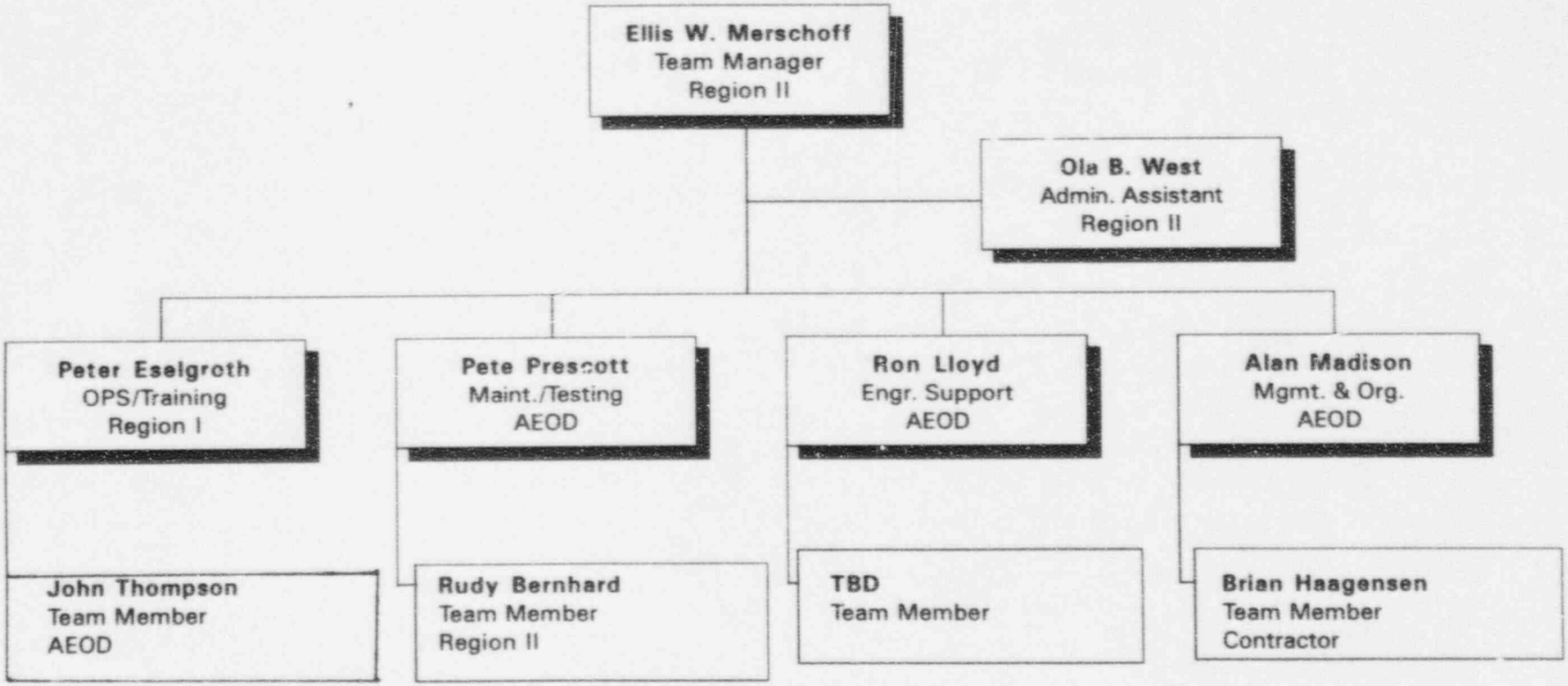
2. Review Cooper Nuclear Station's Diagnostic Self Assessment (DSA) plans, observe selected activities of the DSA and review DSA documented results to develop a preliminary assessment of the quality, completeness, and independence of the DSA evaluation including appropriateness and completeness of the recommended corrective actions.

3. To the extent necessary, conduct a followup onsite evaluation to independently assess the DSA's findings and conclusions and pursue potential significant safety performance problems and causes which may not have been sufficiently evaluated by the DSA.

4. Develop findings and conclusions on the quality, completeness and independence of the DSA, and Cooper Nuclear Station's safety performance and root causes for performance problems.

5. Document the results of NRC's special evaluation of the Cooper Nuclear Station DSA including any supplemental significant findings and conclusions developed independently by the NRC.

Cooper Station
Special Evaluation Team



COOPER SPECIAL EVALUATION TEAM SCHEDULE

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Dec 9	Forward proposed Staff Actions

COOPER SPECIAL EVALUATION TEAM APPROACH

DSA ASSESSMENT

- Onsite Review/Inspection of final week's effort

  - Small experienced NRC Team
  - Access to all working level documents used to develop findings
  - Observation of DSA conducted interviews
  - Observation of DSA field work
  - Observation of DSA Team Meetings and Root Cause Sessions
  - NRC interviews of DSA Team Members

- Followup discussions with DSA Team Leader/Members after DSA Report Issuance

NRC INDEPENDENT ASSESSMENT

- Interview NRC Managers to determine areas of special interest
- Review NRC data and licensee information
- Onsite inspection (As Necessary) up to two weeks

  - Interview key managers
  - Assess problem areas not addressed by DSA
  - Assess apparent inconsistencies in DSA
  - Assess limited sample of DSA findings

- Assess performance and identify causes of significant safety problems using the results of the DSA and NRC independent assessment

COOPER SPECIAL EVALUATION PRODUCT

A report which documents the NRC SE Team's Assessment of performance of the Nebraska Public Power District at Cooper, developed through an evaluation of quality, completeness, and independence of the DSA and independent NRC assessment of selected safety performance problems and causes.

A letter to the licensee transmitting the assessment and requesting action as appropriate.

A staff action letter requesting program office and Regional action as appropriate.

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COOPER SPECIAL EVALUATION TEAM

EDO BRIEF OCTOBER 12, 1994

FIELDWORK RESULTS

ELLIS W. MERSCHOFF, TEAM MANAGER

D/28

COOPER SET FINDINGS

SIGNIFICANT WEAKNESSES NOTED IN THE AREAS OF

- HARDWARE PROBLEMS
  - Living with problems
    - . Shutdown cooling
    - . Silting
    - . SBGT deluge system
    - . Moved Containment Boundaries
    - . Leaks
  - WEAK ASSURANCE OF EQUIPMENT OPERABILITY
    - . Operability Determinations Weak
    - . Inoperable Equipment not recognized
      - SLC
      - RHR
      - CS
    - . Surveillance program not detecting deficiencies
    - . Not Entering LCO for Surveillances

COOPER SET FINDINGS

- **MANAGEMENT EFFECTIVENESS**
  - **Low Expectations and standards**
    - **. Living with problems**
    - **. Presence in plant limited**
    - **. Lack of questioning attitude**
  - **Poor Communications**
    - **. Internal**
    - **. External**
  - **Poor Planning**
    - **. Long range plans not implemented**
    - **. Outage planning weak**
  - **Weak Management Information Systems**
    - **. Corporate level performance indicators published annually**
    - **. Organization level indicators not used**

COOPER SET FINDINGS

- **PERFORMANCE DEFICIENCIES**

  - Weak independent oversight

    . SRAB
    . SORC
    . QA

  - Ineffective self assessment

      . Not proactive
      . Fail to recognize problems

  - Weak corrective action program

      . Industry operating experience
      . Major self assessment action plans

          SPPI
          IEP
          BP

      . Program in flux organizationally

  - Weak surveillance program

      . SLC inop - no surveillance
      . RHR Logic overlap deficiency
      . RHR flow surveillance not performed
      . Core spray surveillance lacked effective

          Prebrief
          Coordination
          Questioning attitude

      . Preconditioning
      . Load Shed/CR ventilation/pri containment

COOPER SET FINDINGS

- **PERFORMANCE DEFICIENCIES (CONTINUED)**

- Weak work control processes

  . Configuration control

  . Work control

  . Foreign material exclusion

  . Torquing

- Weak engineering support

  . System engineers

  . Training and qualification

  . STA

  . DCD

  . Corporate - Site interface

COOPER SET FINDINGS

- **AREAS OF RELATIVE STRENGTH**

  - New Management Team (no track record)
  - Strong experienced operators (no degrees)
  - Sharp corporate engineers (not effectively used)
  - Open and cooperative attitude
  - Health physics/radiological controls

ASSESSMENT OF THE DSA

- **DSA EFFORT WAS COMPREHENSIVE, IDENTIFYING SIGNIFICANT WEAKNESSES AFFECTING OPERATION OF CNS**

  . Design control
  . Configuration control
  . Engineering support
  . Work control
  . Corrective action program
  . Industry operating experience
  . Testing programs
  . Quality of maintenance
  . Long term equipment problems
  . System functionality
  . Procedures
  . Industrial safety
  . Conservative operations
  . Training pregrams
  . Planning
  . Human resource development
  . Self assessment
  . Independent oversight

- **SET FOUND NOTHING THAT WOULD BRING DSA CONCLUSIONS INTO QUESTION**

- **SET EXTENDED DSA FINDINGS SUBSTANTIALLY IN:**

  - Material condition
  - Surviellances
  - Operability

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COOPER SPECIAL EVALUATION TEAM

EDO BRIEF SEPTEMBER 14, 1994

PRE-FIELDWORK STATUS

ELLIS W. MERSCHOFF, TEAM MANAGER

D/29

NEBRASKA PUBLIC POWER DISTRICT

- NPPD

  - Political Subdivision of State of Nebraska
    2250 Employees
    Generation - Transmission - Distribution
    No PUC - Rates Set By Board

  - Facilities
    Fossil: 4 Units 1600 MW
    Nuclear: 1 Unit 778 MW
    Hydro: 10 Units 161 MW
    Diesel: 9 Units 38 MW
    Peaking Turbine: 3 Units 143 MW

  - Financial
    Outstanding Bonds and Notes - 1.5 Billion
    Annual Revenue (93) - 400 Million
    Operating Expense (93) - 380 Million

- BOARD OF DIRECTORS

  - Members Elected for Six Year Terms
    1 in 4th Term
    3 in 3rd Term
    4 in 2nd Term
    3 in 1st Term

  - Composition

3 Farmer/Ranchers	1 Economist
2 Attorneys	1 CPA
1 Businessman	1 Railroad Employee
1 Homemaker	

-Chairman: Bruce Gustafson/Rancher/11 years on Board

BOARD OF DIRECTORS MEETING

SEPTEMBER 1, 1994

- OBSERVATIONS

  - NRC Presence Changed Meeting

    . Length
    . Attendance

  - DSA Results Briefed by Horn

    . Background - 2 1/2 Hours

      Management Changes
      Hardware Issues
      Management Issues

    . DSA - 1/2 Hour

      20 Issues
      2 Potential Issues
      1 Positive Finding

  - Beedle

    . Board and President have not given vision and direction to NPG

    . Management Problem - Board needs to get involved

BOARD OF DIRECTORS MEETING - SEPTEMBER 1, 1994

- IMPRESSIONS
  - Board Lost in Detail
    - Passive Listeners
    - Nuclear Committee limited effectiveness
  - Board Worried about being Blamed
  - Mixed Signals on Restart
  - Good Performance - Watkins/Beedle/Mueller
  - Weak Performance - Horn
- RESULTS
  - Board Resolution
  - Update at October Meeting

DSA REPORT - PRELIMINARY OBSERVATIONS

- REPORT

  - Completed on schedule
  - Consistent with Exit Meeting
  - Well written
  - Root Causes logically flow from Issues

- SURPRISES

  - Report requests response to Beedle personally
  - Report has fourth Root Cause

- VULNERABILITIES

  - Facts underpinning conclusions not validated
  - Many facts are interview based
  - M&O based on a mixture-fact/opinion

- BEEDLE'S MESSAGE

  - Consistent at Prebrief/Exit/Board Meeting/Report
  - Corporate and Station Management have not set Standards/Hold Accountable
  - Planning and Scheduling are ineffective
  - Independent oversight ineffective
  - Margin of safety has been reduced by:

    Preconditioning
    Plant Status Control
    Ineffective Corrective Actions
    Design and Configuration Control Weaknesses

SET FIELD WORK

- VERIFY ACCURACY OF DSA FINDINGS
  - Management
  - Programmatic
  - Hardware
  - Performance
- EXPLORE
  - Corporate Engineering
  - Operations Performance
  - Resources
  - Special Programs
- ASSESS NPPD RESPONSE TO
  - Enercon Study 1/93
  - EIIT 8/93
  - CAP Self Assessment 8/93
  - Common Cause Analysis 11/93
  - Tim Martin Study 1/94
  - IEP 5/94
  - DSA 8/94
- AREAS OF SPECIAL INTEREST
  - Regulatory Oversight Effectiveness

ADMINISTRATIVE ISSUES

- EXIT STRATEGY
  - Chaired by NRC (Jordan)
    - DSA Findings (Beedle)
    - SET Conclusions (Merschoff)
    - Licensee Response (Horn/Watkins)
- TEAM MEMBER CHANGE
- SCHEDULE

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Dec 9	Forward proposed Staff Actions

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COOPER SPECIAL EVALUATION TEAM

EDO BRIEF AUGUST 23, 1994

DSA OBSERVATION RESULTS

ELLIS W. MERSCHOFF, TEAM MANAGER

D/30

DSA PROCESS WEAKNESSES

- TEAM STABILITY
  - SEVERAL MEMBERS JOINED THE ASSESSMENT IN PROGRESS
  - SOME MEMBERS TOOK PERSONAL TIME DURING THE ASSESSMENT
  - SOME MEMBERS LEFT BEFORE THE ASSESSMENT WAS COMPLETED
- PROCESS STABILITY
  - MISSION AND APPROACH EVOLVED DURING THE FOUR WEEK ASSESSMENT
    - NRC INVOLVEMENT
    - ROOT CAUSE METHODOLOGY
    - VERTICAL SLICE REVIEW
- LACK OF INDEPENDENCE
  - ASSISTANT TEAM MANAGER (BOB BECKMAN) WAS A CONSULTANT TO HORN SINCE FEB'94, ADDRESSING STATION PERFORMANCE PROBLEMS
- OVERALL PERFORMANCE OF DSA
  - VERY TALENTED TEAM WITH CONTINUITY OF CORE MEMBERS
  - PRODUCED AN INSIGHTFUL ASSESSMENT BASED ON SUBSTANTIVE FINDINGS

NRC OPTIONS

FOLLOWING ISSUANCE OF THE DSA REPORT WE CAN:

1. **CONTINUE AS PLANNED TO PERFORM INDEPENDENT ASSESSMENT TO:**

   - **ASSURE COMPLETENESS OF THE PROBLEM INDENTIFICANTION/ROOT CAUSE ASSESSMENT PROCESS**

   - **INDEPENDENTLY VALIDATE SELECTED DSA FINDINGS**

   - **PLACE APPROPRIATE REGULATORY ATTENTION OF THE DSA/SE FINDINGS**

OR

2. **ACCEPT THE DSA AS A WELL FOUNDED PROBLEM IDENTIFICATION/ROOT CAUSE ASSESSMENT PROCESS AND:**

   - **USE THE SE RETURN VISIT AS A FORCING FUNCTION TO ASSURE RIGOR IN THE DSA RESPONSE PLANS IMPLEMENTED BY NPPD**

   - **RETURN WITH THE CURRENTLY ASSEMBLED TEAM IN SIX MONTHS TO ASSESS COMPLETENESS AND EFFICACY OF THE DSA CORRECTIVE ACTIONS**

3. **WE RECOMMEND CONTINUING THE ASSESSMENT AS PLANNED**

DSA RESULTS

SIGNIFICANT WEAKNESSES NOTED IN THE AREAS OF:

- DESIGN CONTROL
- CONFIGURATION CONTROL
- ENGINEERING SUPPORT
- WORK CONTROL PROGRAM
- CORRECTIVE ACTION PROGRAM
- INDUSTRY OPERATING EXPERIENCE
- TESTING PROGRAMS
- QUALITY OF MAINTENANCE
- LONG TERM EQUIPMENT PROBLEMS
- PROCEDURAL ADEQUACY AND COMPLIANCE
- INDUSTRIAL SAFETY
- CONSERVATIVE OPERATING PHILOSOPHY
- TRAINING PROGRAMS
- HUMAN RESOURCE DEVELOPMENT
- PLANNING
- MANAGEMENT SYSTEMS
- SELF ASSESSMENT
- INDEPENDENT OVERSIGHT
- SYSTEM OPERABILITY

(7) # NRC FOLLOWUP OPTIONS

FOLLOWING ISSUANCE OF THE DSA REPORT WE CAN:

1. **CONTINUE AS PLANNED TO PERFORM AN INDEPENDENT ASSESSMENT TO:**

   - **ASSURE COMPLETENESS OF THE PROBLEM IDENTIFICATION/ROOT CAUSE ASSESSMENT PROCESS**

   - **INDEPENDENTLY VALIDATE SELECTED DSA FINDINGS**

   - **PLACE APPROPRIATE REGULATORY ATTENTION ON THE DSA/SE FINDINGS**

OR

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   - **RETURN WITH THE CURRENTLY ASSEMBLED TEAM IN SIX MONTHS TO ASSESS COMPLETENESS AND EFFICACY OF THE DSA CORRECTIVE ACTIONS**

   - **USE THE SE RETURN VISIT AS A FORCING FUNCTION TO ASSURE RIGOR IN THE DSA RESPONSE PLANS IMPLEMENTED BY NPPD**

WE RECOMMEND CONTINUING THE ASSESSMENT AS PLANNED

- **REINFORCEMENT OF DSA FINDINGS AND NRC REQUEST FOR A CORRECTIVE ACTION PLAN IS VIEWED AS A MORE POSITIVE ACTION**

(3)

DSA PROCESS WEAKNESSES

- TEAM STABILITY
  - SEVERAL MEMBERS JOINED THE ASSESSMENT IN PROGRESS
  - SOME MEMBERS TOOK PERSONAL TIME DURING THE ASSESSMENT
  - SOME MEMBERS LEFT BEFORE THE ASSESSMENT WAS COMPLETED
- PROCESS STABILITY
  - MISSION AND APPROACH EVOLVED DURING THE FOUR WEEK ASSESSMENT

    NRC INVOLVEMENT
    ROOT CAUSE METHODOLOGY
    VERTICAL SLICE REVIEW
- LACK OF COMPLETE INDEPENDENCE
  - ASSISTANT TEAM MANAGER (DON BECKMAN) WAS A CONSULTANT TO HORN SINCE FEB'94, ADDRESSING STATION PERFORMANCE PROBLEMS
- VALIDATION OF FINDINGS
  - SOME INTERVIEW BASED FINDINGS LACKED RIGOROUS VALIDATION IN THE FIELD

(4) OVERALL PERFORMANCE OF DSA

- VERY TALENTED TEAM WITH CONTINUITY OF CORE MEMBERS
- PRODUCED AN INSIGHTFUL ASSESSMENT BASED ON SUBSTANTIVE FINDINGS
- CONDUCTED AN EFFECTIVE, DETAILED EXIT BRIEF TO A WIDE CROSS SECTION OF PLANT EMPLOYEES

(2)

SET OVERSIGHT OF DSA

SE TEAM MANAGER AND TEAM LEADERS ON SITE

LAST WEEK OF FOUR WEEK DSA:

- INTERVIEWED ALL DSA MEMBERS ON SITE
- OBSERVED DSA FIELD ACTIVITIES
  - INTERVIEWS
  - WALKDOWNS
  - SURVEILLANCE OBSERVATION
  - TEAM MEETINGS
  - ROOT CAUSE SESSIONS
  - COUNTERPART DEBRIEFS
- INTERVIEWED LICENSEE COUNTERPARTS TO DSA MEMBERS
- LIMITED INDEPENDENT ASSESSMENT ACTIVITIES
  - DRYWELL WALKDOWN
  - CORE SPRAY IST
  - INTERVIEWED LICENSEE PERSONNEL

DSA RESULTS

ROOT CAUSES

- Senior Management is ineffective in establishing a corporate culture that encourages the highest standards of safe nuclear plant operation.

- Senior Management did not establish the vision or provide direction supported by high performance standards to improve station performance.

- Ineffective monitoring and critical self assessment prevents management from recognizing and taking action to correct program and process deficiencies.

- An ineffective Management Development Program has resulted in a lack of management and leadership skills necessary to ensure that strong leaders and managers are available to fill key corporate and station positions.

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D/3/31

COOPER NUCLEAR STATION

DIAGNOSTIC SELF ASSESSMENT

TEAM DEBRIEF

DESIGN CONTROL

* Design Basis

* Calculation Control

* Change Processes

CONTROL OF STATION CONFIGURATION

* Undocumented Modifications
* Drawing Discrepancies
* Controls for Equipment Alignment

INEFFECTIVE ENGINEERING SUPPORT

* Roles and Responsibilities
* System Engineering Activities
* Corporate Engineering Activities
* Monitoring of Performance

DEFICIENT EQUIPMENT TESTING AND MAINTENANCE PROGRAMS

* Containment Leak Rate Testing
* In-Service Testing
* Vendor Manuals

Corrective Action Program

CNS actions completed:

- **Single reporting system, low threshold**
- **Training, mentors/coaches**
- **CAP manager/CRT leaders**

Assessment team conclusions:

- **Backlog challenging**
- **Lack of rigor**
- **Corrective actions vs root cause**
- **Accountability and vision**

Industry Operating Experience

CNS has not benefited from the experience of others.

BWR thermal stratification:

- Similar event unlikely at CNS

- Occurs during December 1993 scram

Not detected

- Additional industry events

CNS recognizes

WORK CONTROL

* **Inadequate Work Planning Resulting in:**

  - **Increased out-of-service time on equipment**
  - **Work not performed in accordance with vendor specifications** WORK PKG PROC GUIDANCE
  - **Tendency to work around controls due to lack of independence** SYS. REMOVED FROM SERVICE

WORK CONTROL

* **Inadequate Work Scheduling Resulting in:**

  - **Equipment removed from service over and over within short time frame**
  - **Work is approved on first come, first serve basis**
  - **No centralized review of work for priority**

WORK CONTROL

* **Long-standing Equipment Problems not Tracked**
  ON AN ON GOING WORK BASIS

* **Increasing Backlog**
  INADEQUATE
  POOR PLANNING SCH.

* **Supervisor Tied up in Making Process Work**

* **Outage Risk Assessment Continually Challenged**

WORK CONTROL

PLANT OPERATIONS

* Over-reliance on the SS to manage the control of work

* Over-reliance on the SS to manage the configuration of plant systems

* Lack of LCO Tracking

* Inability to adequately assure Defense-in-Depth of key safety functions

* Lack of Pre-planning

QUALITY OF MAINTENANCE ACTIVITIES

* **Rework Required**

  RCIC PUMP – PAPER

* **Non-conforming and Degraded Plant Equipment**

  CLEANLINESS
  TORQ
  QUALITY CHECK

* **Increased Safety System Unavailability**

  PARTS
  SKILL OF CRAFT
  POOR QC,

* **Inconsistent Quality Verifications**

* **Insufficient QC Independence**

LONG-TERM EQUIPMENT PROBLEMS

* **Willingness to Live With Problems/Work Arounds**

  - **RHR Heat Exchanger Leak**
  - **REC Piping Degradation** TEMP MODS
  - **RHR Motor Bolting**
  - **Service Water System Silting** TEMP SWITCH
    WORK AROUNDS
    STRAINERS
    HI MAINT ON VALS + PUMP

* **Failure to Follow Through on Root Causes**
  POOR ROOT CAUSE

PROCEDURE AND INSTRUCTIONS

* **Inadequate Procedures** LACK OF CONFIDENCE TO IMPROVE PROCEDURES.
  WORK PLANS
  ADMIN CONTROLS
  SURVEILLANCE PROC
  SOME UPDATED PROC.
  VENDOR SPEC.
* **Work on S/R Equipment Without Procedures**
  EDG RHR
  MOV
* **Vendor Specifications/Requirements Not Included**
* **Procedure Change Process**
  COMBUSTION ENG
  BACK LOG.
* **Procedural Adherence**

INDUSTRIAL SAFETY

* **Standards not Enforced**

  MANY VIOLATIONS

* **Work Expediency**

* **Work Practices**

  - **Scaffolding and Fall Protection**
  - **Use of Personal Protective Equipment**

* **Performance Indicators**

CONSERVATIVE COMPLIANCE AND PROGRAM ADHERENCE

* Activities Conducted are Inconsistent on Communicating a Conservative Approach

* Programs in Place Work Around Other Programs

* Self Assessment Program

* Workers Unsure of Expectations

TRAINING PROGRAMS

* **Lack of Management Monitoring/Assessment**

* **Lack of Management Followup of Expectations**

* **Lack of Quality Improvements**

SYS ONG TRAIN WORK

MATERIAL CONDITION

* Not significant as an issue in itself

* Significant to the extent material condition problems result from other master issues and root causes

  - Work Control

  - Standards

  - Weak Processes

STATUS CONTROL

* Weak Standards

  - Deviated from Existing Clearance Order Requirements

  - Clear Standards Did Not Exist for Who Operates Valves

* Strong Ownership Needed

  - By Operations

OPERATIONS AND TRAINING

POSITIVE ATTRIBUTES

* Demonstrated Aggressive Cleanup Effort to Minimize Contaminated Areas

* Simulator Fidelity - Pride of Ownership

* Demonstrated Efforts and Programs in Place to Monitor and Improve Operational Communications

RESOURCES

FINANCIAL

* **EUCG Data**

* **Interview Data**

  - **Sufficient Financial Resources**
  - **"Accommodating" Budget Reviews**

MANPOWER

* **Tim D. Martin Studies Found Deficiencies**

* **Staffing is Receiving Appropriate Attention (Watch Area)**

HUMAN RESOURCES

* **HR/OD Tools Not Used to Strengthen Organization**

* **Corporate support for HR/OD is not strong.**

  - **On-site HR Support is One Person**
  - **Management Training**
  - **Management Selection**
  - **Long Incumbencies**
  - **Performance Review Program**
  - **Change Management**

PLANNING

CNS is deficient in the organizational discipline of planning and execution of plans.

* **Numerous difficulties in implementing the Corrective Action Program could have been avoided by planning.**

* **Development of a new work control program is being done without a comprehensive plan.**

* **Plans for needed maintenance program improvements, such as procedures, have not been developed.**

MANAGEMENT SYSTEMS

Management systems appear to be weak at CNS.

* **A systematic means is necessary to:**

  - **establish clear and challenging goals**
  - **measure and report performance against goals**
  - **establish effective management accountability**
  - **track and follow through deficient performance**

SELF ASSESSMENT

Self assessment at CNS is sporadic.

* **Adequate Program Exists**
* **Quality of Assessments**
* **Failures to Self Assess**
* **Management Sponsorship**

CNS lacked the requisite self-critical attitude.

* **FitzPatrick Response**

INDEPENDENT OVERSIGHT

Lack Of Independent Oversight

* **SORC/SRAB Failure**
  - **Membership**
  - **Self Assessment/Learning**
  - **Challenge**

* **QA Failure**
  - **Compliance vs. Performance**
  - **Resources**
  - **Interface with Line Management**
  - **Challenge**

SYSTEMS FUNCTIONALITY

A potential reduction in MARGIN OF SAFETY may exist in some systems due to:

***Preconditioning**

***Plant Status Control**

***Corrective Action Program**

***Configuration/Design Control**

***Work Control**

ROOT CAUSES

Senior Management is ineffective in establishing a corporate culture that encourages the highest standards of safe nuclear plant operation.

ROOT CAUSES

Ineffective monitoring and critical self assessment prevents management from recognizing and taking action to correct program and process deficiencies.

D/97/32

SELECTION OF COOPER NUCLEAR STATION

- **Decline in performance noted in the last two SALP reports**
- **Significant and repetitive hardware problems**
- **Ineffective corrective action program**
- **Ineffective self-assessment**
- **Organizational performance problems**

SET GOALS AND OBJECTIVES

- **Provide information on CNS safety performance to supplement other assessment data available to NRC Senior Management.**
- **Evaluate the effectiveness of the licensee's Diagnostic Self-Assessment.**
- **Evaluate licensee management involvement and effectiveness with respect to safe plant operation.**
- **Determine the root causes of safety related equipment and performance problems.**

SET METHODOLOGY

- **SET Evaluation of DSA**

  - **Four member team**

  - **One week on site**
    - **. Interviews**
    - **. Observations**
    - **. Review Issues**

  - **Assess DSAT process and results**

SET METHODOLOGY (CONTINUED)

- **SET Independent Assessment of CNS**

  - **Eight member team**

  - **Extensive review of performance information**

  - **Two weeks on site**
    - **. Observe plant activities**
    - **. Interview managers and staff**
    - **. Assess validity of DSA findings**
    - **. Develop areas not addressed by DSA**

  - **Assess CNS performance and causes of significant safety problems**

RESULTS OF SET EVALUATION OF DSA

- **Overall Performance Was Effective**
  - **Qualified Experienced Team**
  - **Sufficiently Independent**
  - **Broad Scope**
  - **Sufficient Depth**
- **DSA Process Weaknesses**
  - **Limited Planning/Preparation**
  - **Evolving Process**
  - **Team Continuity**
  - **Communication**

RESULTS OF SET EVALUATION OF DSA (CONTINUED)

- **DSA Results**

  - **Insightful Assessment**

  - **Identified Significant Issues**
    - **Management**
    - **Hardware**
    - **Programs/Processes**

  - **Effectively Conveyed**
    - **Exit**
    - **Report**
    - **Board of Directors Meeting**

MANAGEMENT WEAKNESSES

Management did not provide the leadership and direction necessary to maintain appropriate corporate wide standards of performance.

- **Acceptance of Long Term Equipment Problems**
- **Lack of a Questioning Attitude**
- **Poor Planning**
- **Ineffective use of Resources**
- **Poor Communications**

PROGRAM AND PROCESS WEAKNESSES

Major programs and processes were poorly defined, and as implemented, did not assure the consistent and effective accomplishment of program goals and objectives.

- **Surveillance Program**
- **Assurance of Equipment Operability**
- **Engineering Support**
- **Work Control Processes**
- **Plant Configuration Management**

INDEPENDENT OVERSIGHT AND SELF-ASSESSMENT

Management and the organization responsible for independent oversight and self assessment were not effective in monitoring ongoing activities, detecting deficiencies, or assuring that identified deficiencies were resolved.

- **Weak Independent Oversight**
- **Weak Self-Assessments**
- **Failure to Learn From Operating Experience**
- **Ineffective Corrective Action Program**

OVERVIEW

OF THE

COOPER SPECIAL EVALUATION

OFFICE FOR ANALYSIS AND EVALUATION
OF OPERATIONAL DATA

COOPER SPECIAL EVALUATION

- CONDUCT AN INDEPENDENT REVIEW OF DATA AND INFORMATION AVAILABLE IN NRC AND LICENSEE RECORDS
- INDEPENDENTLY OBSERVE SELECTED ACTIVITIES OF THE COOPER STATIONS'S DIAGNOSTIC SELF-ASSESSMENT (DSA) AND REVIEW RELEVANT PLANS, RECORDS, AND REPORTS ASSOCIATED WITH THIS EFFORT
- CONDUCT A FOLLOWUP ONSITE EVALUATION TO INDEPENDENTLY ASSESS THE DSA RESULTS, COOPER PLANT SAFETY PERFORMANCE AND ROOT CAUSES
- DEVELOP FINDINGS AND CONCLUSIONS ON DSA PROCESS AND RESULTS, INCLUDING COOPER STATIONS SAFETY PERFORMANCE AND ROOT CAUSES

COOPER SPECIAL EVALUATION

SPECIAL FEATURES

- EDO REQUESTED THE SPECIAL EVALUATION
- EDO APPROVES THE TEAM AND THE EVALUATION PLAN
- TEAM MANAGER IS FROM THE SENIOR EXECUTIVE SERVICE
- MEMBERS ARE INDEPENDENT OF SIGNIFICANT PRIOR INVOLVEMENT WITH THE LICENSEE
- OVERSIGHT OF TEAM ACTIVITIES IS INDEPENDENT OF HEADQUARTERS PROGRAM AND REGIONAL OFFICES

COOPER SPECIAL EVALUATION PROGRAM
(Continued)

SPECIAL FEATURES

- MANAGEMENT CONTRACTOR WILL BE USED
- PERFORMANCE-BASED EVALUATION VS COMPLIANCE INSPECTION
- PLANT AND CORPORATE OFFICE ACTIVITIES ARE EVALUATED
- MANAGEMENT CONTROLS AND SAFETY CULTURE ARE ASSESSED

COOPER SPECIAL EVALUATION
(Continued)

SPECIAL FEATURES

- INTERVIEWS OF DSA AND LICENSEE PERSONNEL ARE TO BE USED
- ROOT-CAUSES FOR PERFORMANCE PROBLEMS ARE ASSESSED
- NRC CONTRIBUTING CAUSES ARE IDENTIFIED
- EDO TRANSMITS THE TEAM REPORT TO THE LICENSEE
- EDO ASSIGNS NRC STAFF FOLLOWUP ACTIONS

COOPER SPECIAL EVALUATION PROCESS

PLANT SELECTION

- DISCUSSION AT THE NRC SENIOR MANAGERS' MEETING
  - SALP DATA
  - PERFORMANCE INDICATOR (PI) TRENDS
  - INSPECTION REPORTS
  - SENIOR MANAGERS' PERSPECTIVES
- SENIOR MANAGERS MAKE RECOMMENDATIONS TO THE EDO
- EDO SELECTED COOPER FOR A SPECIAL EVALUATION

COOPER SPECIAL EVALUATION PROCESS

THE TEAM WILL PLAN AND PREPARE EXTENSIVELY

- DSA, NRC AND LICENSEE BACKGROUND INFORMATION WILL BE COLLECTED AND REVIEWED
- LICENSEE PERFORMANCE, PROGRAMS AND NRC ACTIONS WILL BE REVIEWED
- BRIEFINGS WILL BE PROVIDED BY NRC HEADQUARTERS AND REGIONAL STAFFS
- THE DSA SELECTED SYSTEMS WILL BE EVALUATED
- DETAILED EVALUATION PLANS WILL BE PREPARED FOR EACH EVALUATION AREA
- PREPARATION AND PLANNING WILL SPAN SEVERAL WEEKS

COOPER SPECIAL EVALUATION PROCESS

FUNCTIONAL AREAS OBSERVED AND EVALUATED

- PLANT OPERATIONS AND TRAINING
- MAINTENANCE, SURVEILLANCE AND TESTING
- ENGINEERING AND TECHNICAL SUPPORT
- MANAGEMENT CONTROLS AND ORGANIZATIONAL EFFECTIVENESS

SPECIAL EVALUATION PROCESS

SOURCES OF INFORMATION

- DOCUMENT REVIEWS
- OBSERVATIONS OF ACTIVITIES
- FORMAL PERSONNEL INTERVIEWS

ON-SITE SPECIAL EVALUATION PROCESS

LICENSEE MANAGEMENT/STAFF INTERVIEWS

- ABOUT 50 FORMAL INTERVIEWS
- USED TO UNDERSTAND AND EVALUATE:
  - TECHNICAL PROGRAMS
  - WORK PROCESS
  - PERFORMANCE ISSUES
  - MANAGEMENT PRACTICES
  - ORGANIZATIONAL ISSUES
- CONDUCTED BY ALL TEAM MEMBERS
- CHAIRMAN TO WORKING LEVEL
- FORMAL INTERVIEWS LAST ONE-TO-TWO HOURS
- SCHEDULES BASED ON INTERVIEWEE AVAILABILITY

ON-SITE SPECIAL EVALUATION PROCESS

COMMUNICATIONS OF TEAM OBSERVATIONS AND FINDINGS

- DAILY FEEDBACK BETWEEN FUNCTIONAL AREA COUNTERPARTS
- DAILY FEEDBACK BY TEAM MANAGER AND COOPER CONTACT
- SAFETY ISSUES AFFECTING EQUIPMENT OPERABILITY WILL BE RESOLVED PROMPTLY WITH REGIONAL INVOLVEMENT
- INTERIM "EXIT" ON PROGRESS AND PLANS AFTER THE ONE WEEK OBSERVATIONS OF DSA
- INTERIM "EXIT" AFTER TWO WEEKS TO REVIEW STATUS OF TECHNICAL FINDINGS AND ISSUES

ON-SITE SPECIAL EVALUATION PROCESS

SPECIAL EVALUATION ON-SITE SCHEDULE (DAILY)

- NORMAL WORKING HOURS: 7:30 AM - 6:00 PM
- SHIFT COVERAGE/SIMULATOR TRAINING: (AS REQUIRED)
- TEAM MANAGER DEBRIEF TIME TBD
- TEAM LEADERS FEEDBACK TIME TBD
- DAILY TEAM MEETINGS: 5:00 PM - 6:00 PM

ON-SITE SPECIAL EVALUATION PROCESS

SPECIAL EVALUATION SCHEDULE (OVERALL)

- BAGMAN TRIP: AUGUST 8 - 9, 1994
- ENTRANCE MEETING: AUGUST 15, 1994
- SE ON-SITE PERIODS: AUGUST 15 - 19, 1994
  SEPTEMBER 26 - OCTOBER 7, 1994
- COMBINED NRC/DSA EXIT MEETING: WEEK OF NOVEMBER 14, 1994 (TENTATIVE)
- DET REPORT TO EDO: NOVEMBER 30, 1994 (TENTATIVE)

SPECIAL EVALUATION REPORTING PROCESS

COMMUNICATIONS OF TEAM OBSERVATIONS AND FINDINGS

- NRC SENIOR MANAGEMENT BRIEFED ON RESULTS
- FORMAL COMBINED (NRC AND DSA) PUBLIC EXIT MEETING ON RESULTS (ATTENDED BY NRC AND LICENSEE SENIOR MANAGEMENT)
- EDO TRANSMITS TEAM REPORT AND REQUESTS RESPONSE

SPECIAL EVALUATION FOLLOWUP ACTIVITIES

ITEMS OF NONCOMPLIANCE

- IDENTIFIED BY REGION THROUGH REVIEW OF THE TEAM REPORT
- REGIONAL FOLLOWUP PER NRC ENFORCEMENT POLICY

NRC SENIOR MANAGEMENT FOLLOWUP

- NRC SENIOR MANAGEMENT WILL DISCUSS DE RESULTS (WITH OTHER SAFETY PERFORMANCE INFORMATION) AT JANUARY 1995 SMM)

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COOPER STATION
SPECIAL EVALUATION TEAM
INTERVIEW SCHEDULE
FOR

MONDAY AUGUST 15, 1994

OPS/TRAINING PETER ESELGROTH	MAINT/TESTING PETE PRESCOTT	ENGR.SUPPORT RON LLOYD	MGMT.& ORG. ALAN MADISON	TEAM MANAGER ELLIS W. MERSCHOFF
8:00 - 10:00 DAVE MORRIS	8:00 - 10:00 STEVEN VERROCHI	8:00 - 10:00 BROOKS		8:00 - 10:00 STEVEN VERROCHI P. PRESCOTT
10:00 - 12:00 WADE WARREN	10:00 - 12:00 RICHARD CLEMENS	10:00 - 12:00 KIMBALL		10:00 - 12:00 WADE WARREN P. ESELGROTH
12:00 - 12:30 LUNCH	12:00 - 12:30 LUNCH	12:00 - 12:30 LUNCH	12:00 - 12:30 LUNCH	12:00 - 12:30 LUNCH
12:30 - 2:30 BOB BARRETT		12:30 - 2:30 AZZARELLO		12:30 - 2:30 BOB BARRETT P. ESELGROTH
		GARY WELSH 2:30 - 4:30		GARY WELSH 2:30 - 4:30 R. LLOYD
				4:30 - 6:30 OBSERVE DSA TEAM MEETING
				6:30 - 7:30 SE TEAM MEETING IN VAN

REVISED: AUGUST 12, 1994

COOPER STATION
SPECIAL EVALUATION TEAM
INTERVIEW SCHEDULE
FOR

TUESDAY AUGUST 16, 1994

OPS/TRAINING PETER ESELGROTH	MAINT/TESTING PETE PRESCOTT	ENGR.SUPPORT RON LLOYD	MGMT.& ORG. ALAN MADISON	TEAM MANAGER ELLIS W. MERSCHOFF
		8:00 - 10:00 CONNOLLEY	8:00 - 10:00 JAY DOERING	8:00 - 10:00 JAY DOERING A. MADISON
				10:00 - 12:00 DON BECKMAN
12:00 - 12:30 LUNCH	12:00 - 12:30 LUNCH	12:00 - 12:30 LUNCH	12:00 - 12:30 LUNCH	12:00 - 12:30 LUNCH
				1:00 - 3:00 RALPH BEEDLE
				3:00 - 4:30 AVAILABLE FOR ISSUE WALKDOWNS
				4:30 - 6:30 OBSERVE DSA TEAM MEETING
				6:30 - 7:30 SE TEAM MEETING VAN

REVISED: AUGUST 12, 1994

COOPER STATION
SPECIAL EVALUATION TEAM
INTERVIEW SCHEDULE
FOR

WEDNESDAY AUGUST 17, 1994

OPS/TRAINING PETER ESELGROTH	MAINT/TESTING PETE PRESCOTT	ENGR.SUPPORT RON LLOYD	MGMT.& ORG. ALAN MADISON	TEAM MANAGER ELLIS W. MERSCHOFF
8:00 - 10:00 DAVE VAN DERKAMP			TIME TBD BOB VEILKE	TIME TBD BOB BEILKE A. MADISON
10:00 - 12:00 JIM SURETTE				
12:00 - 12:30 LUNCH	12:00 - 12:30 LUNCH	12:00 - 12:30 LUNCH	12:00 - 12:30 LUNCH	12:00 - 12:30 LUNCH
12:30 - 2:30 WES BARUTH				3:00 - 4:30 AVAILABLE FOR ISSUE WALKDOWNS
				Observe Counterpart Brief with Beedle/Horn
				Review DSA RFIs & Response
				SE TEAM MEETING IN VAN

REVISED: AUGUST 12, 1994

COOPER STATION
SPECIAL EVALUATION TEAM
INTERVIEW SCHEDULE
FOR

THURSDAY AUGUST 18, 1994

OPS/TRAINING PETER ESELGROTH	MAINT/TESTING PETE PRESCOTT	ENGR.SUPPORT RON LLOYD	MGMT.& ORG. ALAN MADISON	TEAM MANAGER ELLIS W. MERSCHOFF
				OBSERVE DSA ROOT CAUSE MEETING
12:00 - 12:30 LUNCH	12:00 - 12:30 LUNCH	12:00 - 12:30 LUNCH	12:00 - 12:30 LUNCH	12:00 - 12:30 LUNCH

REVISED: AUGUST 12, 1994

COOPER STATION
SPECIAL EVALUATION TEAM
INTERVIEW SCHEDULE
FOR

FRIDAY AUGUST 19, 1994

OPS/TRAINING PETER ESELGROTH	MAINT/TESTING PETE PRESCOTT	ENGR.SUPPORT RON LLOYD	MGMT.& ORG. ALAN MADISON	TEAM MANAGER ELLIS W. MERSCHOFF
				6:30 - 9:00 SE TEAM MEETING/HOTEL
				10:00 - 12:00 OBSERVE DSA EXIT
12:00 - 12:30 LUNCH	12:00 - 12:30 LUNCH	12:00 - 12:30 LUNCH	12:00 - 12:30 LUNCH	12:00 - 12:30 LUNCH
				12:30 - 1:30 CONDUCT SE EXIT
				1:30 - EXIT FOR AIRPORT

REVISED: AUGUST 12, 1994

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DEIIB Weekly Highlights: Week ending August 5, 1994

The Executive Director for Operations has initiated actions to conduct a Special Evaluation (SE) of the Cooper Nuclear Station located near Brownville, Nebraska to obtain additional information regarding the performance of the Cooper Station. A meeting is scheduled for August 8th and 9th, 1994 at the Cooper facility to discuss evaluation processes, interfaces and logistics. The SE will perform an assessment of the ongoing Cooper Nuclear Station's Diagnostic Self Assessment (DSA), and will also perform an independent assessment of selected safety performance problems and causes. The Team Manager for the SE is Ellis Merschoff, Director, Division of Reactor Projects in Region II. Areas to be evaluated include Operations and Training, Maintenance and Testing, Engineering Support, and Management and Organization.

DEIIB Weekly Highlights: Week ending August 12, 1994

On August 8th and 9th, meetings were held with the Cooper Diagnostic Self Assessment (DSA) Team and staff from the Cooper Nuclear Station to discuss the NRC Special Evaluation (SE) Team's goals and objectives. An overview of the Cooper SE was presented by Ellis Merschoff, Team Manager for the SE, to familiarize those in attendance with the nature of the SE, special features, the reasons for having an SE, functional areas to be observed and evaluated, and the SE evaluation process. Preparations were being made to support the initial onsite visit to the Cooper facility during August 15 through August 19.

DEIIB Weekly Highlights: Week ending August 19, 1994

During the week of August 15-19, 1994, the Cooper Nuclear Station Special Evaluation (SET) Team reviewed findings and conclusions made by the Cooper Diagnostic Self Assessment (DSA) team. Several DSA team members and licensee staff were interviewed to understand the DSA evaluation process. On August 16, 1994, the SE also attended an all day root cause meeting held by the DSA team. On August 19, 1994, exit meetings were held with the licensee where the DSA presented their findings, conclusions, and root causes. Ellis Merschoff, Team Manager for the SE, presented a review of the team's activities during the week and reiterated the SE schedule and function during the two week onsite evaluation period beginning September 26, 1994.

DEIIB Weekly Highlights: Week ending August 26, 1994

During the week of August 22 through 26, the Cooper Nuclear Station Special Evaluation (SE) reviewed the findings and conclusions reached by the Cooper Diagnostic Self Assessment (DSA) and briefed the EDO on the DSA process and results. The SE is continuing to perform a detailed review of NRC data, information, and licensee records, and has met with the Region IV Regional Administrator to develop areas of special interest to be included in the SE's on site independent assessment activities scheduled for September 26 through October 7, 1994.

DEIIB Weekly Highlights: Week ending September 2, 1994

The Cooper Nuclear Station Special Evaluation (SE) Team continued to review information being provided by the licensee and the Diagnostic Self Assessment (DSA) Team. On September 1, 1994, E. Merschoff, Team Manager for the SE, and

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another SE team member attended a corporate meeting held in Columbus, Nebraska to discuss the recent DSA team findings.

DEIIB Weekly Highlights: Week ending September 9, 1994

On September 1, 1994, the Cooper Special Evaluation Team Manager attended a public meeting of the Nebraska Public Power District Board of Directors to observe presentation of the results of the licensee's Diagnostic Self Assessment (DSA). All eleven members of the Board of Directors were briefed for approximately three hours by the Vice President Nuclear, G. Horn with support for answering questions provided by the DSA Team Leader R. Beedle and the Cooper Nuclear Station Site Manager, J. Mueller. The briefing concluded with a brief discussion of the DSA identified Root Causes for Cooper Nuclear Station's performance problems:

1. Senior Management was ineffective in establishing a Corporate Culture that encourages the highest standards of Safe Nuclear Plant Operation.

2. Senior Management did not establish the vision or provide direction supported by High Performance Standards to improve station performance.

3. Ineffective monitoring and critical self assessment prevented management from recognizing and taking action to correct program and process deficiencies.

The DSA's final report was issued the following day documenting these root causes as well as a fourth:

4. An ineffective management development program has resulted in a lack of management and leadership skills necessary to ensure that strong leaders and managers are available to fill key corporate and station positions.

DEIIB Weekly Highlights: Week ending September 16, 1994

The Cooper Nuclear Station Special Evaluation effort is continuing, with the in office review of the Licensee's Diagnostic Self Assessment and Plant performance information nearing completion. The two week on-site Assessment phase begins September 26, 1994, and a Public Exit Meeting has been scheduled for November 17, 1994, at the Cooper Nuclear Station.

DEIIB Weekly Highlights: Week ending September 21, 1994

The Cooper Nuclear Station Special Evaluation Team has completed the in-office review of plant performance information, and will perform the second on-site phase of the Assessment from September 26 to October 7, 1994. The first on-site phase was accomplished from August 15 - August 19, 1994, to review the licensee's Diagnostic Self Assessment effort. A Public Exit Meeting has been scheduled for November 17, 1994, at the Cooper Nuclear Station.

DEIIB Weekly Highlights: Week ending September 30, 1994

The Cooper Nuclear Station Special Evaluation Team (SET) completed its first of two weeks of performance assessment on site, and in the Corporate Offices in Columbus. Nebraska. The Team has observed safety related work in progress, walked down safety related systems, observed operations and shift turnovers during backshift period, interviewed a broad spectrum of managers, supervisors, and craft, and developed a preliminary assessment of performance of both the corporate and site organizations. An iterim exit will be held at the Cooper Nuclear Station on October 7, 1994, followed by a formal exit conducted at a Public Meeting on site scheduled for 10:00 a.m., November 17, 1994.

DEIIB Weekly Highlights: Week ending October 5, 1994

The Cooper Special Evaluation Team completed the two week on site phase of te evalution on October 7, 1994. Significant weaknesses were identified, and discussed with the licensee in the areas of low expectations and standards, living with problems, weak independent oversight, poor communications, self assessment, planning, root cause analysis, and corrective action programs.

A Public exit meeting is scheduled to be conducted on site November 17, 1994.

DEIIB Weekly Highlights: Week ending October 14, 1994

The Cooper Special Evaluation Team (SET) met with the Cooper Site Manager and Licensing Manager on October 17, 1994, to close out questions remaining from the assessment activities on site. The evaluation team's efforts are proceeding on schedule for a public exit on November 17, 1994.

DEIIB Weekly Highlights: Week ending October 21, 1994

No input!

DEIIB Weekly Highlights: Week ending October 28, 1994

The Cooper Special Evaluation Team has completed all field work and is in the process of assessing the findings and developing the report. A Public Exit is scheduled for November 17, 1994, at the Cooper Nuclear Station.

DEIIB Weekly Highlights: Week ending November 5, 1994

No input!

DEIIB Weekly Highlights: Week ending November 12, 1994

The Cooper Nuclear Station Special Evaluation Team will conduct a Public Exit Meeting at the Cooper Station on November 17, 1994. Significant findings in the areas of the effectiveness of the Cooper Station's safety related programs, self-

assessment and independent oversight, management; and equipment performance will be discussed.

DEIIB Weekly Highlights: Week ending November 18, 1994

The results of the Special Evaluation of the Nebraska Public Power District's (NPPD) Cooper Nuclear Station were presented by the Team Manager and the EDO at a Public Exit Meeting held at the Station on November 17, 1994. The Root Causes of Cooper Nuclear Station performance deficiencies discussed at this meeting were:

1. NPPD management did not provide the leadership and direction necessary to maintain appropriate corporate wide standards of performance.

2. Major programs and processes were poorly defined, and as implemented, did not assure the consistent and effective accomplishment of program goals and objectives.

3. Independent oversight self-assessment were not effective in monitoring ongoing activities, detecting deficiencies, or assuring that identified deficiencies were resolved.

The Cooper Nuclear Station was shut down by the licensee on May 25, 1994, due to the inoperability of the Diesel Generators, and remains shut down, pending completion of planned corrective actions.

DEIIB Weekly Highlights: Week ending November 25, 1994

No input.

DEIIB Weekly Highlights: Week ending December 2, 1994

The Cooper Nuclear Station Special Evaluation Team Report was issued November 29, 1994, thus completing the effort. Team members have been released to their normally assigned duties, with the exception of the Team Manager and Management Assistant, who will remain assigned to AEOD until completion of the Special Evaluation Process Commission briefing scheduled for December 7, 1994.

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CONCLUSIONS: Executive and Senior Management Lacks Long Term Vision

Corporate Management Support of NPG and CNS Weak

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RC Brown

NPPD and NPG executive and senior management was either unwilling or unable to establish a long term corporate vision that encouraged high standards for nuclear safety and improved CNS performance. A long term vision would have served to convey management expectations downward through the organization. Also, management did not provide adequate support of NPG and CNS in the areas of leadership, direction and performance standards necessary to maintain performance at a level commensurate with the rest of the industry.

A NPPD Strategic Plan does not exist although in 1987 an effort was made to issue one. Another effort to produce a Strategic Plan has been in preparation for approximately one year but nothing has been issued yet in any form. A NPPD Business Plan does not exist and does not appear to be in-process. The absence of these types of Corporate plans does not provide a base for the preparation and implementation of similar, lower tier plans, such as for NPG and CNS. No long term plan of any type existed within NPG until a Business Plan was issued in mid-1994.

NPG Directive 1.4, entitled Integrated Planning Document, was issued in September 1993 but the required planning document was never issued, again indicating lack of management leadership, and direction and communication of the wrong expectations. When questioned as to the absence of an integrated plan, the licensee response was to cancel NPG 1.4 in favor of the Performance Improvement Plans, which were still being developed. The NPG Business Plan was not diligently pursued, i.e., failure to report status and progress each month and failure to issue Branch Business Plans, and was soon superceded by the Performance Improvement Plans. In fact, the Business Plan was lacking in other areas such as failure to include GL 89-10 and failure to provide complete and comprehensive performance indicators. A plan called the Strategic Plan for Performance Improvement was issued in October, 1993, but was also soon superceded by the Business Plan, because of admitted ineffectiveness.

The absence of a long term vision and the lack of communication of management expectations did not provide NPG or CNS managers with the information and direction to establish effective performance monitoring processes and programs, which would have enabled them to effectively detect and correct declining performance.

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Negative management expectations can also be communicated both by lack of positive, published expectations and by management example. A result of this negative communication of expectations has resulted in a reactive organization that is incapable of identifying and correcting declining performance.The licensee has admitted to the existence of an attitude of resistance to change. This attitude was a direct result of management communicating the wrong expectations, such as:

* Failure to establish and operate an effective independent oversight function which could have detected declining performance. When important safety and performance issues were identified, they were seldom addressed and resolved in a timely way.(See sections on SRAB and QA)

* A strong self-assessment culture was not engendered. The prevailing attitude was to not look for problems or to table actions for resolution at a later date. (See Self-assessment root cause)

* The problem reporting program or system was weak and ineffective, indicating a management adversity, rather than encouragement, for employees to report problems without fear of retribution.

* No employee concerns program has been developed which would encourage employees to voice their concerns and suggestions, anonymously, if desired.

* A compliance mentality was evident from the top down which encouraged minimumm compliance and little emphasis on performance or performance improvement.

* No management training or development was established to ensure a steady stream of trained leaders for the future.

* No HPES program has been staffed or implemented, even though it is a requirement of the IEP and Business Plan.

Other shortcomings were apparent because of the lack of a vision, direction, leadership and communication of expectations which contributed to declining performance:

- Although the PIP consists of three phases, only Phase I, the so-called Startup Plan, is issued and in progress. Plan management saw no urgency in developing Phases II and III, again demonstrating a short term focus and lack of vision. Only after repeated urging by others did the plan management agree to commence work on Phase II.

- The DCD effort was budgeted but work has been stopped on it twice.

- The Work Control and Work Planning programs and processes were repeatedly criticized, both internally and externally, as being weak and ineffective. CNS is just now initiating a work planning process with a short term (5 day) look ahead schedule and a longer term (12 wek) rolling schedule. Neither of these have been in existence long enough to determine effectiveness. There are several examples of poor work control activities from both the DSA and SET, such as no central CR work control outside of the control room; heavy reliance on SS to control work (OPS JT 15); EDG 24 hour run (PJP 3); poor status control (OPS 19 and 15); DSA items.

- The Tim Martin Study found staffing to be low in virtually every area, yet it took management many months to approve staff increases and then only partially.

The DSA includes several examples of how performance is affected by an improper organizational mindset. Include them???

The DSA has stated that strong corporate leadership could have been beneficial in several ways. Include them??

How does high overtime relate to this area? Budgeting and planning??

SET INTERVIEW SCHEDULE FOR
MONDAY, TUESDAY AND WEDNESDAY

OPERATIONS/TRAINING	MAINTENANCE/TESTING	ENGINEERING	MANAGEMENT/ORGANIZATION
MONDAY A.M. AFTER 10:00 OPERATIONS TRAINING PROGAM SUPERVISOR	MONDAY A.M. AFTER 8:00 MEETING WITH COUNTERPARTS INTERVIEW WITH EDG SYS EDG SYS WALKDOWN	MONDAY A.M. TRAINING (TONY) MONDAY A.M. AFTER 8:00 INTERVIEW SHULTZ (RON)	MONDAY A.M. TRAINING (RUSS) BEGIN AFTER 8:30 A.M. INTERVIEW (ALAN) INTERVIEW MUELLER INTERVIEW GARDNER INTERVIEW SESSOMS
MONDAY P.M. AFTER 12:30 - 4:45 SURVEILLANCE COORDINATOR AND SAFETY REVIEW GROUP SUPERVISOR	MONDAY P.M. AFTER 12:00 INTERVIEW WITH MAINT. MANAGER	MONDAY P.M. AFTER 12:00 INTERVIEW CROW (RON) MONDAY P.M. AFTER 12:00 INTERVIEW DYKSTRA (TONY)	MONDAY P.M. INTERVIEW ESTES (RUSS) INTERVIEW FOUST (ALAN) COUNTERPART DEBRIEF 4:15 PM DAILY
TUESDAY A.M. 9:00 - 12:00 ONE REACTOR OPERATOR UPERATIONS SUPERVISOR	TUESDAY A.M. 7:30 - 12:00 MEETING WITH COUNTERPART INTERVIEW RHR ENGINEER	TUESDAY A.M. INTERVIEW SPENCER (RON) INTERVIEW SWANSON (TONY) INTERVIEW FREBORG (TONY)	TUESDAY A.M. AFTER 8:30 BRUNGART (ALAN) JANSKY (ALAN) SAYER (ALAN MACE (ALAN) LAST INTERVIEW NO LATER THAN 1:30PM
		TUESDAY P.M. INTERVIEW RUHAAM (RON) INTERVIEW UNRUH (TONY)	TUESDAY P.M. INTERVIEW JOBE (RUSS) COUNTERPART DEBRIEF 3:30 P.M.
		WEDNESDAY A.M. INTERVIEW TKOCHANOWIC (RON) INTERVIEW WELBUR (RON) INTERVIEW ALMCUIST (TONY)	@ CORPORATE (COLUMBUS) (RUSS) WEDNESDAY A.M. BEGIN AFTER 8:30 G. S. MCCLURE (w/LLOYD) D. J. SCHAECHER B. L. ANDERSON D. A. WHITMAN @CORPORATE (COLUBUS) (ALAN) WEDNESDAY A.M. BEGIN AFTER 8:30 MR. WATKINS (w/ELLIS) MR. HORN (w/Ellis) J. C. MCCLURE R. L. GANGEL
TUESDAY P.M. NONE	TUESDAY P.M. NONE	WEDNESDAY P.M. INTERVIEW G. S. MCCLURE (RON) INTERVIEW EHACKNEY (RON) INTERVIEW MZACK (TONY)	@ CORPORATE (COLUMBUS) (RUSS) R. E. WILBUR A. L. DOSTAL A. J. HUBL @ CORPORATE (COLUMBUS) (ALAN) J. M. MEACHAM J. R. MCPHAIL

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ENCLOSURE 1

TASK ORDER NO. 4, Revision 2

TECHNICAL ASSISTANCE TO SUPPORT A SPECIAL DIAGNOSTIC

EVALUATION AT COOPER NUCLEAR STATIION, MANAGEMENT AND ORGANIZATION

I. BACKGROUND/OBJECTIVES

Diagnostic Evaluations at nuclear power plants provide NRC senior management with an assessment of licensee safety performance which augments information provided by the Systematic Assessment of Licensee Performance (SALP) Program, the Performance Indicator (PI) Program and the various inspections performed by NRC Headquarters and Regional Offices. The assessment is independent in the sense that the administration and management of the program is independent of the licensing, inspection and enforcement process. Diagnostic evaluations are conducted with intensive team efforts beginning with a study of background information on plant design, procedures and organization, continuing with an onsite evaluation and concluding with a detailed report of the evaluation.

This task order is for the performance of a management and organization evaluation as a part of the Special Diagnostic Evaluation at Cooper Nuclear Station. The methods and techniques as described in the AEOD's Diagnostic Guidelines will be used to accomplish the evaluation. Cooper is located near Nebraska City, Nebraska and the corporate office is located in Brownville, Nebraska.

II. STATEMENT OF WORK AND DELIVERABLES

The evaluation shall be coordinated between an NRC Management and Organization team leader and the contractor's personnel.

In the evaluation of management and organization, the Contractor shall furnish one expert. This expert shall be required to accomplish the following tasks:

1. Prepare for the evaluation by a review of the overall Evaluation Plan (provided by NRC), and a review of licensee background and technical information. The Evaluation Plan will outline the areas to be evaluated. The expert shall establish a specific management and organization evaluation plan including preliminary findings, based upon the guidance in the overall Evaluation Plan.

2. The onsite evaluation shall concentrate on information gathering including an examination of the licensee's activities and performance in specific areas. The examination shall include interviews with key licensee personnel at all levels, programmatic reviews and assessments, and direct observations of operations.

Evaluation methodologies include a qualitative evaluation of licensee management controls, oversight and involvement, and organizational effectiveness which are relevant to plant safety performance. The evaluation shall also examine preliminary findings, perform special case study evaluation of specific issue areas, and establish and validate root causes.

3. The Contractor shall prepare input to the final evaluation team report and submit it to the NRC management and organization evaluation team leader. The evaluation team report shall be in accordance with Attachment 7 of Section J of the basic contract. Additional information on the format, style, level of detail and quality expected will be made known to the Contractor during the preparation phase of the evaluation. All predecisional data shall be returned to the NRC Project Officer upon completion of the report.

III. PERIOD OF PERFORMANCE - PLACE OF PERFORMANCE

The period of performance for this task is from August 29, 1994 to October 28, 1994. Work will be accomplished at the home offices of the Contractor. NRC offices in Rockville, Maryland, Cooper Nuclear Station, and corporate offices of Nebraska Public Power District in Brownville, Nebraska.

IV. TECHNICAL CONTACT

Alan Madison, DEIIB/AEOD, (301) 415-6412.

V. REPORTING REQUIREMENTS

1. A Financial Status Report report describing expenditures shall be submitted for this task in accordance with Section F.2 of the basic contract. A standard licensee fee recovery costs report should also be included.

2. Management and Organization Evaluation plans as described in Section II, shall be submitted at the beginning of the week prior to the second team meeting.

3. Technical Progress reports, as described in Section II, shall be submitted in accordance with Section F.3 of the basic contract.

4. Contractor input to the Evaluation Team Report shall be submitted within two (2) weeks of the completion of the onsite evaluation.

VI. MEETINGS AND TRAVEL

Three (3) trips to NRC, Rockville, Maryland for preparation during August and September 1994, totaling five (15) working days.

One (1) trip to onsite and corporate headquarters during September and October 1994, totaling twelve (12) working days. Approximately one (1) day will be at corporate, ten (10) days onsite, and travel time.

Transportation between airports and site/corporate and transportation while onsite will be provided by the NRC.

One (1) trip to NRC, Rockville, Maryland during October 1994 to participate in report writing, totaling ten (10) working days.

VII. NRC FURNISHED MATERIAL

The NRC will provide necessary background information such as licensee organization charts, inspection reports, safety program descriptions, or other material/guidance specified by the Team Manager.