

APR 20 1992

Docket No. 50-266
Docket No. 50-301

Wisconsin Electric Power Company
ATTN: Mr. James J. Zach
Vice President
Nuclear Power
231 West Michigan Street - P379
Milwaukee, WI 53201

Dear Mr. Zach:

Enclosed for your review, before our scheduled meeting of April 30, 1992, is the initial SALP 9 Report for the Point Beach Nuclear Plant, covering the period September 1, 1990, through January 31, 1992.

In accordance with NRC policy, I have reviewed the SALP Board Assessment and concur with their ratings. It is my view that your overall conduct of nuclear activities in connection with the Point Beach facility was adequate.

It is recognized that substantial programs have been initiated by Wisconsin Electric Power Company's senior officials to improve plant performance, and that time is required for positive results to be achieved. Because of perceived weaknesses and declining performance in several functional areas, however, continued management involvement and oversight is needed to assure that the overall effectiveness of these initiatives is maintained. Specific areas I would like to highlight are:

1. The areas of Emergency Preparedness and Radiological Controls continued to improve from the last assessment period, being rated Category 1 and Category 2 Improving, respectively. In the first area the improvement was the result of aggressive management involvement and strong corrective actions for previously identified weaknesses. The improving trend in the second area was attributed to extensive training initiatives, along with decreased and low site exposure levels and numbers of contaminations. Broader support of the ALARA (as-low-as-reasonably-achievable) program should be considered.
2. The area of Security remained good and demonstrated strong operational readiness and intrusion protection. Weaknesses in management oversight and resources, noted early in the assessment period, were effectively corrected.

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3. While the area of Operations remained excellent, a declining trend was noted during the assessment period. This decline related to an increase in personnel errors and the failure to correct procedural adequacy and compliance concerns.
4. The area of Maintenance/Surveillance was good but declined during this assessment period to a Category 2. It was noted that the material condition of the plant continued to be good and that the staff was highly experienced. However, an increase in personnel errors, continued procedure deficiencies and weaknesses in equipment performance trending warrant management attention.
5. The area of Engineering/Technical Support was rated Category 2. However, with the weaknesses noted in this area, there was considerable Board discussion on whether a Category 3 rating would be more appropriate. The final rating was influenced by the positive aspects of your performance and the aggressive steps taken by senior management to deal with problem areas. These included increasing engineering presence onsite and using a team approach for large scale modifications. Weaknesses included untimely resolution of issues and lack of a proactive approach toward equipment problems. These weaknesses were exhibited in the case of the failed main steam isolation valves. Although staffing was strained, the core of the engineering group has good experience and expertise and new staff have been added.
6. The area of Safety Assessment/Quality Verification was rated Category 3 with an improving trend. Emerging issues identified during this assessment period revealed weaknesses that existed during previous periods. Had the NRC known of these weaknesses, the rating for the previous assessment period would have been lower. The overall corrective action system was considered weak due to inadequate root cause evaluations, limited corrective actions, and poor planning and prioritization. Weaknesses in inter-departmental communication were also noted. We recognize that actions have been taken in these areas to address these weaknesses. These included restructuring the offsite review committee, continuing a comprehensive cultural adjustment and team building program, improving open item control and dedicating resources to monitor the existing corrective action programs. It is too early to judge the long-term effects of these actions which we will continue to closely monitor. Finally, we consider the continuation of other initiatives such as design basis reconstitution and safety system function inspections to be important.

At the SALP meeting, you should be prepared to discuss our assessments and your plans to improve performance. The meeting is intended to be a candid dialogue wherein any comments you may have regarding our report are discussed. Additionally, you may provide written comments within 30 days after the meeting. Your comments, a summary of our meeting, and my disposition of your comments will be issued as the Final SALP Report.

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In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the Initial SALP Report will be placed in the NRC's Public Document Room.

Should you have any questions concerning the Initial SALP Report, we would be pleased to discuss them with you.

Sincerely, *Original signed by*
A. Bert Davis
A. Bert Davis
Regional Administrator

Enclosures: Initial SALP 9 Reports
No. 266/92001(DRP); 301/92001(DRP)

cc w/enclosures:
G. J. Maxfield, Plant Manager
DCD/DCB (RIDS)
OC/LFOCB
Resident Inspector, RIII
Virgil Kanable, Chief
Boiler Section
Charles Thompson, Chairman
Wisconsin Public Service
Commission
Robert M. Thompson, Administrator
WI Div of Emergency Govt.
INPO

The Chairman
K. C. Rogers, Commissioner
J. R. Curtiss, Commissioner
F. J. Remick, Commissioner
E. G. de Planque, Commissioner
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NRR/LPEB (2 copies)
J. N. Hannon, NRR Director, Project Directorate III-3
J. Lieberman, Director, Office of Enforcement
L. R. Greger, RIII
K. Jury, SRI
L. L. Cox, RIII (2 copies)

TSS, RIII
RIII Files
RIII PRR

RIII *yes*
Jay
Bavula/da
4/20/92

RIII
Jackiw
4/24/92

RIII
Brown
4/20/92

RIII
Hasse
4/20/92

Yes
RIII
RCK
Knop
4/20/92

NRR
Hannon
4/20/92

RIII
Greenman
4/20/92

RIII
Miller
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