

September 28, 1995

Virginia Electric and Power Company
ATTN: Mr. J. P. O'Hanlon
Senior Vice President - Nuclear
Innsbrook Technical Center
5000 Dominion Boulevard
Glen Allen, VA 23060

SUBJECT: METING SUMMARY - REORGANIZATION OF THE OVERSIGHT FUNCTION AT
VIRGINIA ELECTRIC AND POWER COMPANY

Dear Mr. O'Hanlon:

This refers to the meeting conducted at your request at the NRC Region II office in Atlanta, Georgia, on September 12, 1995. The purpose of the meeting was to discuss the reorganization of the oversight function at Virginia Electric Power Company.

It is our opinion that this meeting was beneficial. The discussion provided insight into your quality program overview, quality study team overview, oversight study team implementation plan and organizational impacts and future re-engineering plans. At the time of the meeting on September 12, the reorganization of the oversight function had not been discussed with Virginia Electric and Power Company personnel and the information presented was considered confidential. Based on telephone conversation between Mr. D. Sommers of your staff and Mr. A. Belisle of this office on September 27, 1995, it is our understanding that this reorganization has been discussed with Virginia Electric and Power Company personnel and is no longer considered to be confidential.

A list of attendees and a copies of your handouts are enclosed.

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

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

Sincerely

Orig signed by Kerry D. Landis

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PDR ADOCK 05000280
P PDR

Kerry D. Landis, Acting Branch Chief
Division of Reactor Projects

Docket Nos. 50-280, 50-281
50-338, 50-339
License Nos. DPR-32, DPR-37
NPF-4, NPF-7

Enclosures: 1. List of Attendees
2. VEPCO Presentation

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IEYS

cc w/encls:

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cc w/encls: Continued see page 3

VEPCO

3

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Distribution w/encls:

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PUBLIC

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SEND TO PUBLIC DOCUMENT ROOM?		YES	NO				
OFFICE	RII	RII					
SIGNATURE	<i>LG</i>	<i>GB</i>					
NAME	LGarner	GBelisle					
DATE	09/27/95	09/27/95	09 / / 95	09 / / 95	09 / / 95	09 / / 95	09 / / 95
COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

LIST OF ATTENDEES

NRC Attendees:

S. D. Ebnetter, Regional Administrator, Region II (RII)
L. A. Reyes, Deputy Regional Administrator, RII
E. W. Merschoff, Division Director, Division of Reactor Projects (DRP), RII
A. F. Gibson, Division Director, Division of Reactor Safety, RII
G. A. Belisle, Chief, Reactor Projects Section 2A, DRP, RII
S. Vora, Staff Attorney, Office of General Counsel

Licensee Attendees:

J. P. O'Hanlon, Senior Vice President - Nuclear
M. R. Karsler, Vice President, Nuclear Services
T. M. Williams, Manager, Nuclear Quality Assurance
G. C. Clark, Manager, Quality Assurance
M. D. Christ, Director, Corporate Nuclear Safety
D. W. Roberts, Supervisor, Station Nuclear Services, North Anna Power Station
(NAPS)
R. S. Hayes, Supervisor, Quality Assurance, Surry Power Station (SPS)
W. B. Willaford, Nuclear Specialist, NAPS
R. J. Scanlan, Shift Technical Advisor, SPS

AGENDA

Introduction

J.P. O'Hanlon

Quality Program Overview

M.R. Kansler

Oversight Study Team Overview

T.M. Williams/Study Team

**Oversight Study Team
Implementation Plan**

T.M. Williams

**Organizational Impacts And
Future Re-Engineering Plans**

M.R. Kansler

Closing Comments

J.P. O'Hanlon



VIRGINIA POWER

QUALITY PROGRAM

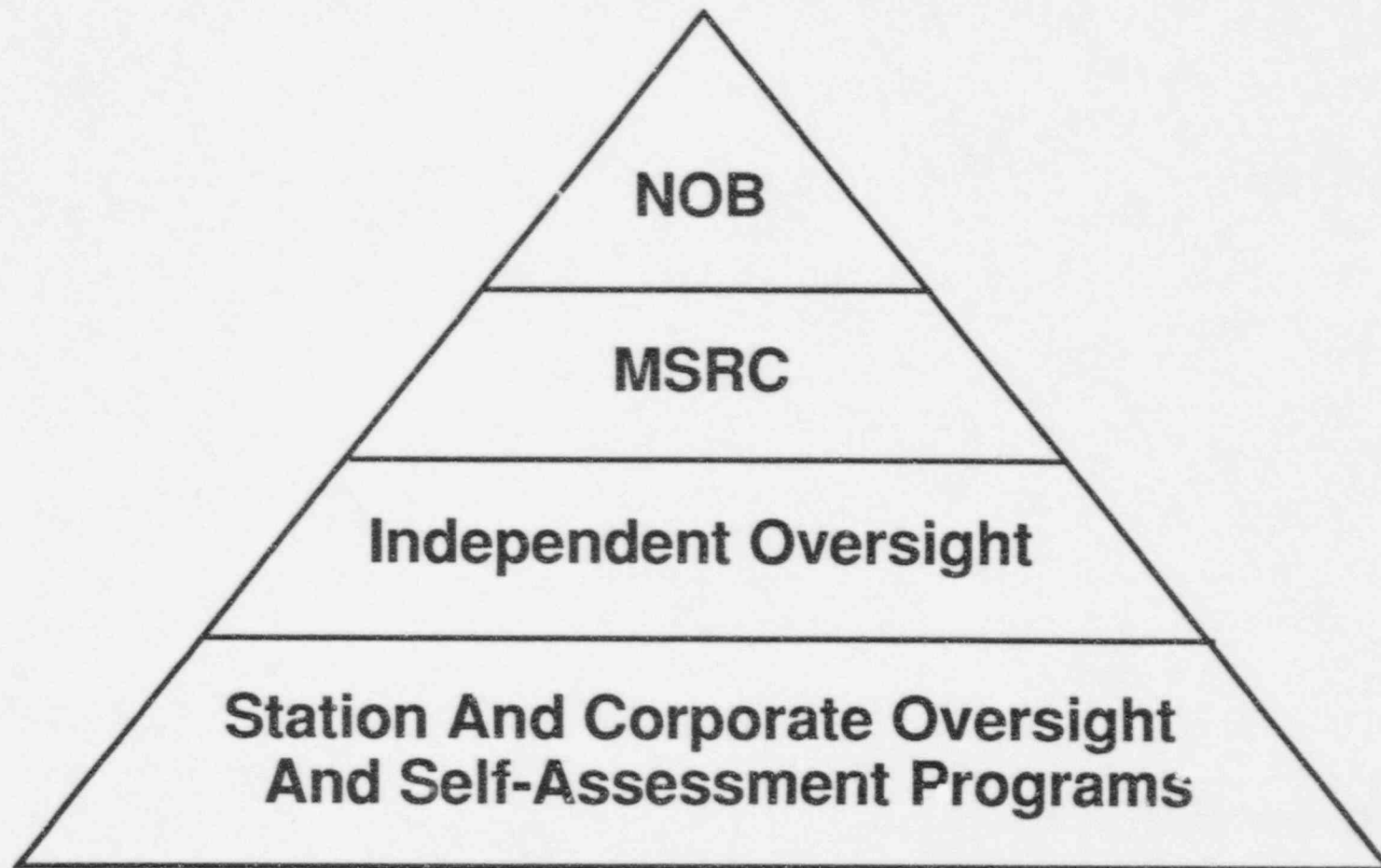
OVERVIEW

M.R. KANSLER

BASIC ASSUMPTIONS

- **The Station And Corporate Support Organizations Are Responsible For The Quality Of Their Own Work**
- **Assessments Are The Responsibility Of The Cognizant Organization**
- **Nuclear Oversight Must Be Separate And Independent And Should Report Directly To The Senior Vice President Nuclear**

VIRGINIA POWER QUALITY PROGRAM



ATTRIBUTES OF LINE MANAGEMENT OVERSIGHT

Attributes of Management Self-Assessment

- **Scope Should Cover All Areas Important to Safe Operation**
- **Standards Should Be Defined and Promoted**
- **Assessment Criteria Should Be Measurable Performance and Should Be Able to Detect Both Short and Long Term Trends**
- **Frequency Should Be Sufficient to Keep Management at All Levels Updated with Current Performance**
- **Purpose and Results Should Be Visible to All Plant Staff**
- **Training, Qualification and Experience of Personnel Involved in the Assessment Program Must Be Appropriate to the Activity Being Assessed**

STATION OVERSIGHT AND SELF-ASSESSMENT PROGRAM

- **Quality Maintenance Teams**
- **Station Deviation Report Trending**
- **Station Performance Annunicator Windows**
- **Station Management and Operations Review Board**
- **Plant Safety Indicators (Power and Shutdown Operations)**
- **Nuclear Safety Assessments**
- **Root Cause Evaluations**
- **Event and Safety System Assessments**
- **Coordinating INPO and SALP Peer Evaluations**
- **Station Level I Program**

CORPORATE OVERSIGHT AND SELF-ASSESSMENT PROGRAMS

- **Review of Daily Plant Status**
- **Nuclear Business Plan Goal Performance Indicators**
- **Integrated Trending Program**
- **Corporate Level I Program**
- **Functional Program Self-Assessments (MOV, Chemistry, Appendix R, EQ, Training, etc.)**

ATTRIBUTES OF INDEPENDENT OVERSIGHT

- **Independent Of Station Or Corporate Support Activities**
- **Not A Line Item In A Procedure, Process Or Program**
- **External To The Corrective Action Process**
- **Both Internal and External To The Organization**

TWO LEVELS OF INDEPENDENT OVERSIGHT

- **Management Oversight Committees
(External and Internal)**

Nuclear Oversight Board

*Management Safety Review Committee
(MSRC)*

*Station Nuclear Safety and Operating
Committee*

- **Nuclear Oversight Department (Internal)**

NUCLEAR OVERSIGHT STUDY TEAM



VIRGINIA POWER

OVERSIGHT STUDY TEAM OVERVIEW

TERRY WILLIAMS - MANAGER NUCLEAR QUALITY ASSURANCE

NUCLEAR OVERSIGHT STUDY TEAM

TERRY WILLIAMS - MANAGER NUCLEAR QUALITY ASSURANCE

GIANNA CLARK - MANAGER QUALITY ASSURANCE

MICHAEL CRIST - DIRECTOR CORPORATE NUCLEAR SAFETY

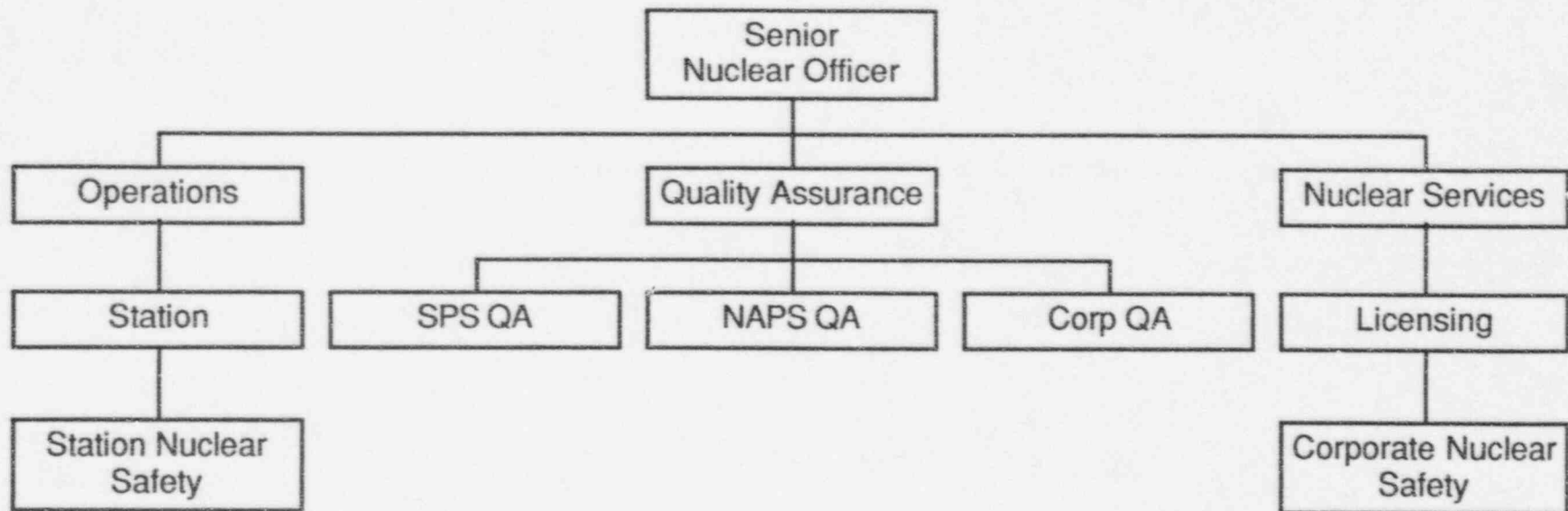
DAVID ROBERTS - SUPERVISOR STATION NUCLEAR SAFETY, NAPS

ROBERT HAYES - SUPERVISOR QUALITY ASSURANCE, SPS

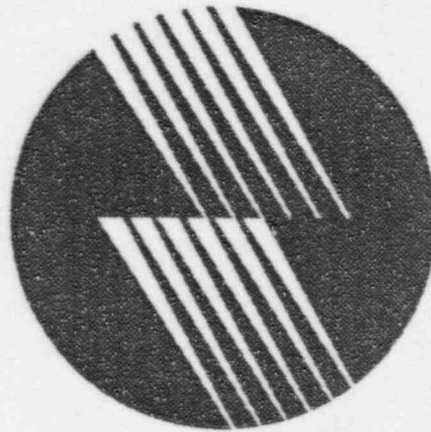
WILLIAM WILLAFORD - NUCLEAR SPECIALIST, NAPS

ROBERT SCANLAN - SHIFT TECHNICAL ADVISOR, SPS

NUCLEAR QUALITY ASSURANCE



NUCLEAR OVERSIGHT STUDY TEAM



VIRGINIA POWER

***QUALITY ASSURANCE
HOLD POINTS***

ROBERT HAYES - SUPERVISOR QUALITY ASSURANCE, SPS

RECOMMENDATIONS FOR POWER STATIONS

QA HOLD POINTS

- **Move Quality Inspectors To NSS (3 Per Station) And Maintenance (1 Per Station)**
- **Create A Quality Inspection Coordinator Position Under Nuclear Safety And Licensing (1 Per Station)**
[This Position Is Responsible For Duties Currently Performed By The QA QMT Coach And Supervisor Quality And Has Free Access To Inspection Personnel.]
- **Meet Outage Inspection Requirements Through Augmentation**

RECOMMENDATIONS FOR POWER STATIONS

QA HOLD POINTS (Cont'd)

- **Nuclear Training Assumes Responsibility For Training, Administering JPMs, And Certification Of All Inspection Personnel**
- **Nuclear Training Will Track All Inspector Certifications**
- **Train Radiation Protection Personnel To Perform Required Inspections For Radioactive Waste Shipments Currently Performed By Quality Assurance**
- **Provide Refresher Training To Surry QMT Weld Inspectors And Allow Them To Perform Safety-Related Weld Inspection**

RECOMMENDATIONS FOR POWER STATIONS

QA HOLD POINTS (Cont'd)

- **Evaluate The Need To Obtain Contract VT Inspectors To Support VT Inspection Demand During North Anna Refueling Outages**
- **Evaluate Nuclear Site Services Quality Assurance Inspection Staffing As Capital Project Activity Diminishes**
- **Evaluate Effect Of QA Hold Point Reduction Effort On Long Term Resource Requirements**

NUCLEAR OVERSIGHT STUDY TEAM



VIRGINIA POWER

CORPORATE NUCLEAR SAFETY

MICHAEL CRIST - DIRECTOR CORPORATE NUCLEAR SAFETY

RECOMMENDATIONS FOR CORPORATE NUCLEAR SAFETY

- **Reassign Assessments, Tracking And Trending To Station Nuclear Safety By Transferring 3 Positions Per Station**
- **Retain Operating Experience Function In Nuclear Licensing & Operations Support (1 Coordinator and 5 Reviewers)**
- **Retain Responsibility For Primary WOG Representative Duties In Nuclear Licensing & Operations Support**
- **Retain Senior Staff Assistant Responsible For Operating Experience And WOG In Nuclear Licensing & Operations Support**
- **Retain RCE Program Coordination In Nuclear Licensing & Operations Support**
- **Retain The Code Manager Responsibilities For The DR Database In Nuclear Licensing & Operations Support**
- **Nuclear Oversight to Coordinate Integrated Trending**

RECOMMENDATIONS FOR CORPORATE NUCLEAR SAFETY

- **MSRC Coordinator Will Report To The Manager Nuclear Oversight And Assume Tracking Responsibilities For The Independent Review Sampling Plan**
- **Have The Required Biennial Audit Of Quality Assurance Performed Under MSRC Direction**

NUCLEAR OVERSIGHT STUDY TEAM



VIRGINIA POWER

ASSESSMENTS

DAVID ROBERTS - SUPERVISOR STATION NUCLEAR SAFETY, NAPS
ROBERT SCANLAN - SHIFT TECHNICAL ADVISOR, SPS

RECOMMENDATIONS FOR POWER STATIONS

ASSESSMENTS

- **Move Assessment Functions Currently Performed By Corporate Nuclear Safety And Quality Assurance To Station Nuclear Safety By Transferring 3 Positions To Each Station From Corporate Nuclear Safety**

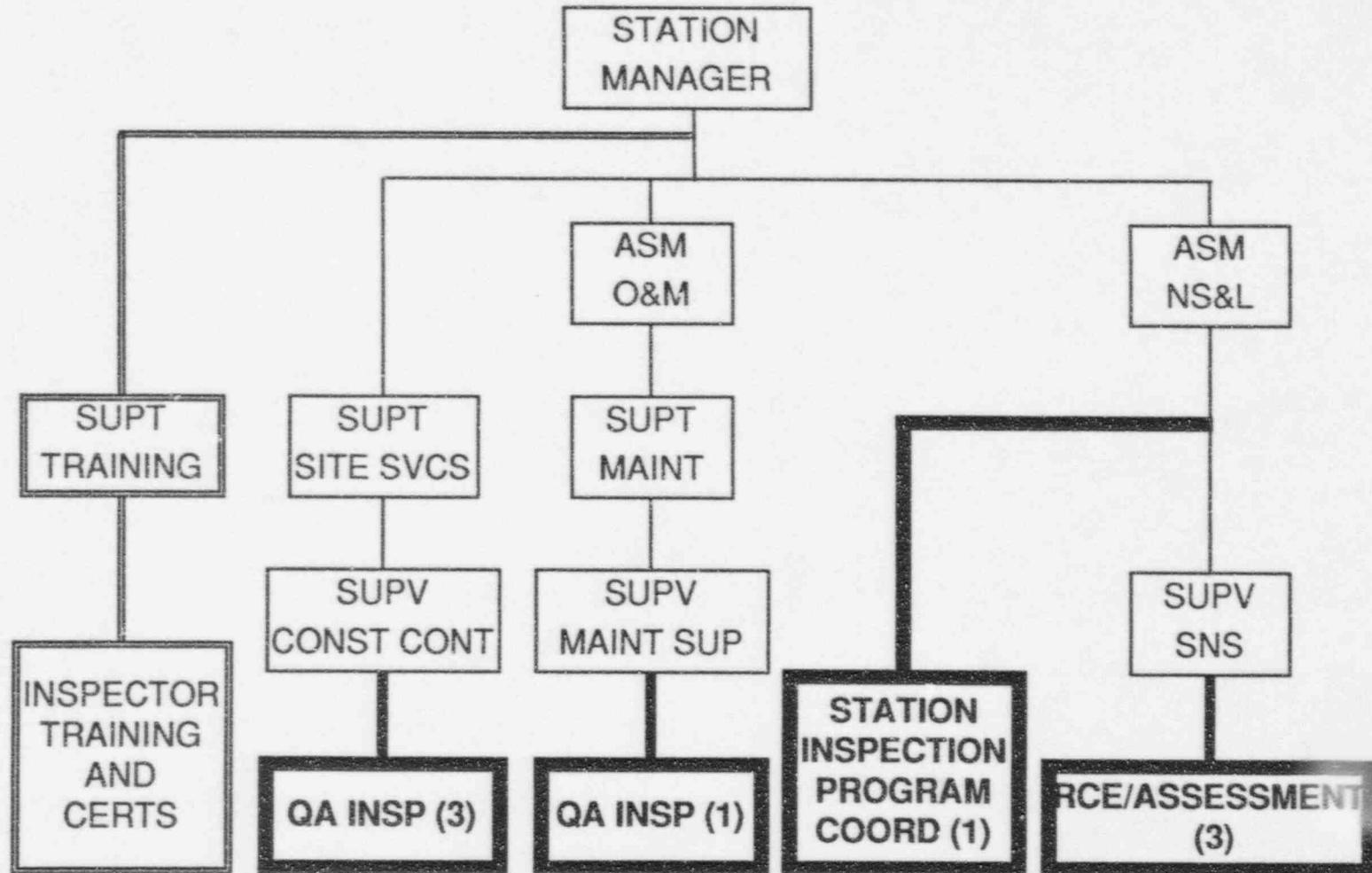
RCE/ASSESSMENT

ADDITIONAL SNS FUNCTIONS

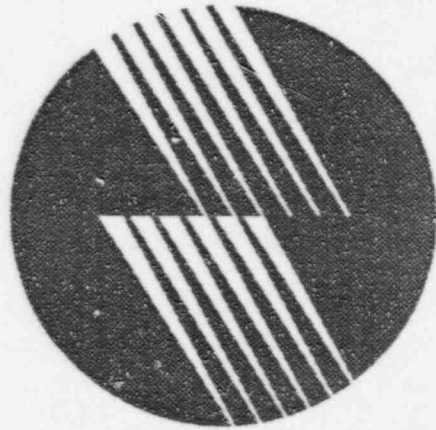
(Previously performed by CNS or QA):

- **Identify Significant Events and Precursors**
- **Perform Station Assessments**
- **Perform Root Cause Evaluations**
- **Conduct Safety System Assessments**
- **Pre-SALP/IPAP (Integrated Performance Assessment Process)**
- **Coordinate Peer Assessment**

POWER STATIONS



NUCLEAR OVERSIGHT STUDY TEAM



VIRGINIA POWER

NUCLEAR OVERSIGHT ORGANIZATION

WILLIAM WILLAFORD - NUCLEAR SPECIALIST, NAPS

MISSION STATEMENT

Oversight: Ensure Daily Activities Of The Nuclear Business Unit Are Conducted With A Focus On Nuclear Safety

- *Management Decision Making*
- *Change Management*
- *Corrective Action Program To Preclude Long Standing Problems With Equipment, Programs And Procedures*

Auditing: Ensure Programs, Processes And Procedures Are Effectively Implemented And Are Designed To Sustain World Class Performance

RECOMMENDATIONS FOR NUCLEAR OVERSIGHT

- **The Nuclear Oversight Organization Will Consist Of A Manager And A Staff Of 41**
- **The Corporate Nuclear Oversight Staff Will Include**
 - Vendor Audit Group
 - One Nuclear Specialist
 - One Audit Coordinator
 - One MSRC Coordinator
 - Two Administrative Support
- **The Station Nuclear Oversight Staff Will Include (Each Station)**
 - One Director
 - Seven Person Audit Group
 - Four Nuclear Specialists
 - One Administrative Support

RECOMMENDATIONS FOR NUCLEAR OVERSIGHT

- **The Nuclear Oversight Positions Should Be Staffed With Top Performing Individuals**
 - **Nuclear Specialists: Recommend 2-3 Year Rotation**
 - **Auditors: Recommend 4-6 Year Rotation**
- **The Station Nuclear Specialists Should Be Aligned To The SALP Functional Areas**
- **Composition Of The Audit Team Members Should Reflect The Skills Necessary To Perform The Required Audits**

AUDIT MANNING

14 Person Manning Provides For 2 Audit Teams of 5; 2 Persons Planning The Next Audit; 2 Persons Reporting The Previous Audit

OVERSIGHT AUDITS

<u>AUDIT NAME</u>	<u>FREQ</u>	<u># PER TEAM</u>	<u>SKILLS</u>
SECURITY/FFD	1YR	5	GENERAL
EMERGENCY PLAN	1YR	5	HP/OPS/ENGR
NUCLEAR FUELS	2 YR	4	ENGR
NUCLEAR TRAINING	2 YR	5	MULTI- DISCIPLINE
FIRE PROTECTION QA	2 YR	4	ENGR
FIRE PROTECTION	2 YR	6	ENGR
CHEMISTRY	2 YR	4	CHEMISTRY
SPECIAL PROCESSES	2 YR	4	WELDING/ NDE/ COATING
OPERATIONS	2 YR	5	OPS
RADIOLOGICAL PROT	1 YR	5	RP

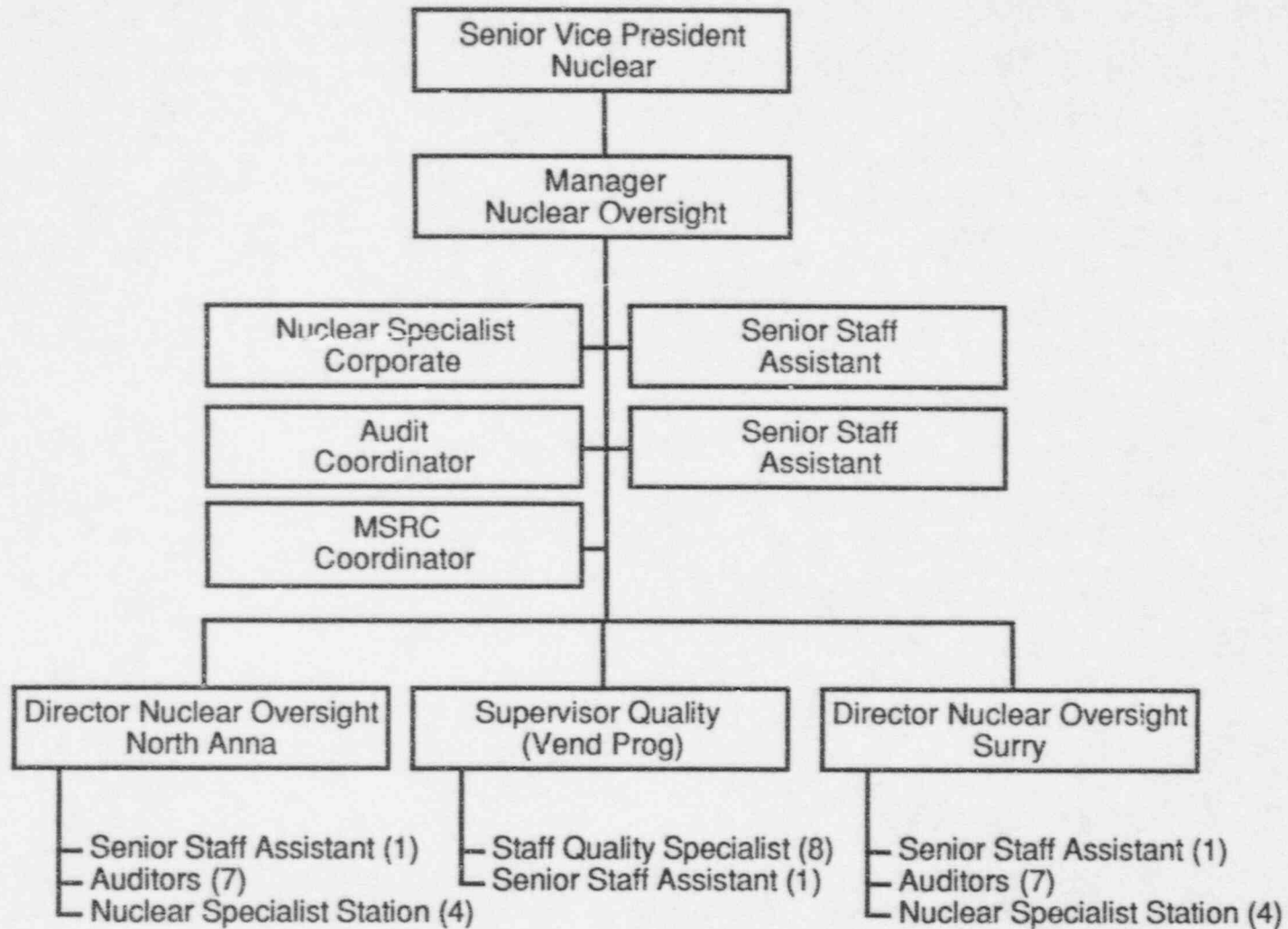
OVERSIGHT AUDITS (CONT)

<u>AUDIT NAME</u>	<u>FREQ</u>	<u># PER TEAM</u>	<u>SKILLS</u>
NON-RADIOLOGICAL ENVIRONMENT	2 YR	4	GENERAL GENERAL
REFUELING ACTIVITIES M & TE	2YR 2 YR	4 4	OPS I & C
DOCUMENT CONTROL	2 YR	5	GENERAL
PROCUREMENT/ MATERIAL	2 YR	6	ENGR
ODCM/PCP/REM	2 YR	6	HP/RP
TECH SPEC/LICENSE	2 YR	7	OPS/ENGR/ I&C
MAINTENANCE	2 YR	6	MECH/ELEC/ I&C

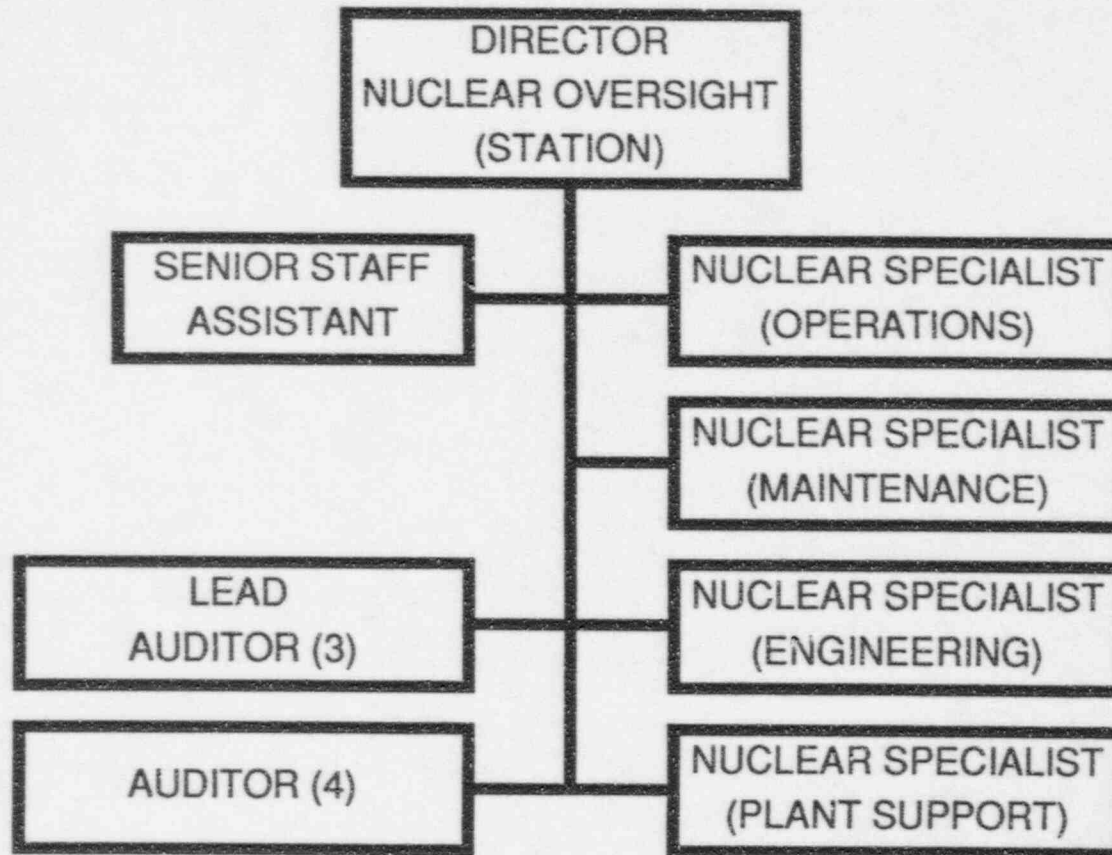
OVERSIGHT AUDITS (CONT)

<u>AUDIT NAME</u>	<u>FREQ</u>	<u># PER TEAM</u>	<u>SKILLS</u>
CORRECTIVE ACTION	1 YR	4	ENGR/OPS
DESIGN CONTROL & ENGR PROGRAMS	2 YR	6	ENGR
ISI	2 YR	6	SECTION XI ENGR

NUCLEAR OVERSIGHT



NUCLEAR OVERSIGHT STATION ORGANIZATION



NUCLEAR OVERSIGHT STUDY TEAM



VIRGINIA POWER

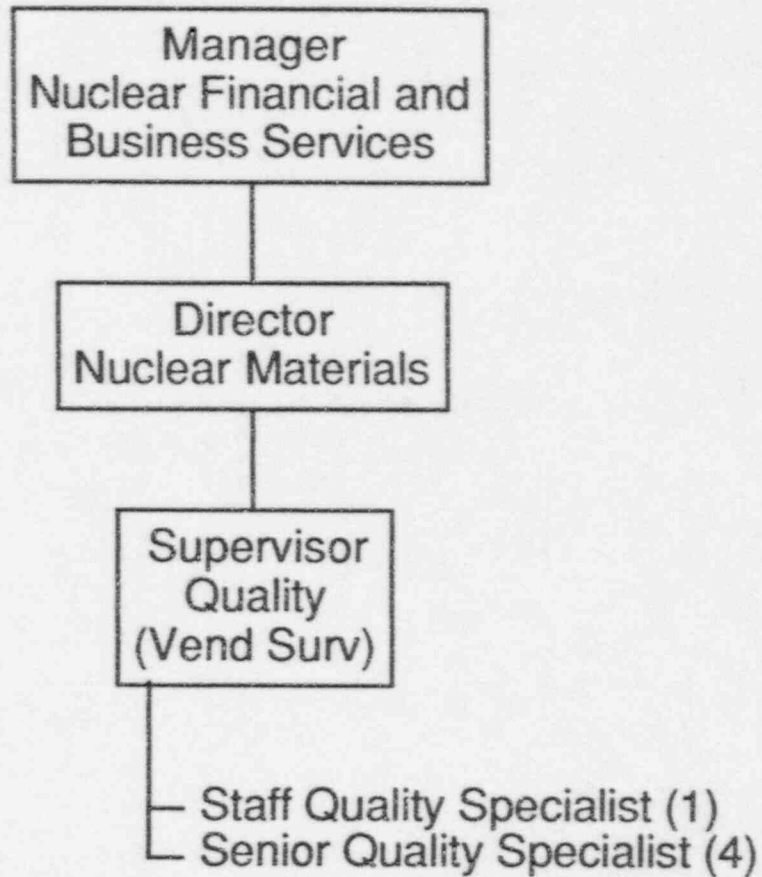
PROCUREMENT QUALITY & SUMMARY

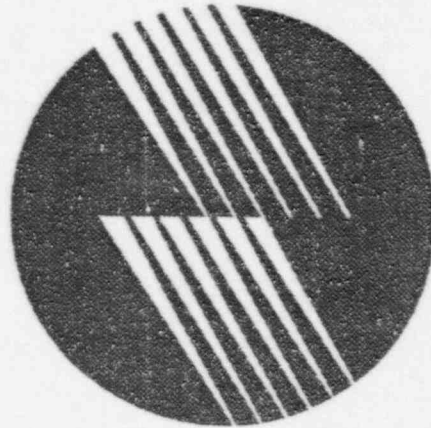
GIANNA CLARK - MANAGER QUALITY ASSURANCE

RECOMMENDATIONS FOR PROCUREMENT QUALITY

- **Have Vendor Audit Group Report Directly To
Manager Nuclear Oversight**
- **Move Current Vendor Surveillance Group To
The Director Nuclear Materials in Nuclear
Financial Business Services**
- **Discontinue Dedicated Vendor Trending
Resource**
- **Evaluate Integrating Vendor Trending With
Existing Materials Trending Efforts**

PROCUREMENT QUALITY





VIRGINIA POWER

***OVERSIGHT STUDY
IMPLEMENTATION PLAN***

TERRY WILLIAMS- MANAGER NUCLEAR QUALITY ASSURANCE

REGULATORY REQUIREMENTS

**Changes Do Not Pose a Reduction in Meeting
Regulatory Requirements**

- **Audits and Inspections as Well as
Commitments for Performing Assessments
Will Continue to Be Met**
- **“Independence” from Cost and Schedule Will
Be Retained**
- **Revisions to the QA Topical Report Which
Define the New Organization Will Be Made**

NUCLEAR OVERSIGHT IMPLEMENTATION PLAN

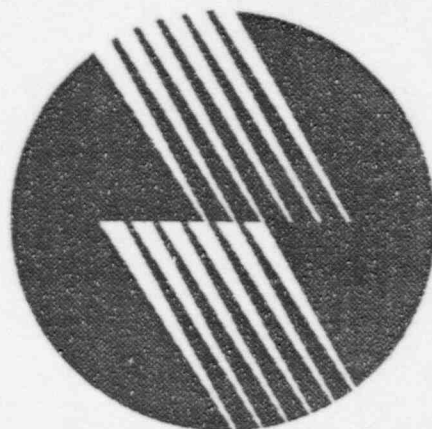
- **Brief Regulatory Agencies On Proposed Oversight Organization by 9/15/95**
- **Coordinate Proposed Oversight Organization Implementation With Manager Nuclear Administrative Services & Security by 10/15/95**
- **Coordinate Changes and Turnovers With Affected Managers by 11/1/95**

NUCLEAR OVERSIGHT IMPLEMENTATION PLAN (CONT)

- **Revise UFSAR, QA Topical Report, And Administrative Procedures by 11/1/95**
- **Implement Communication Plan**

OVERSIGHT STUDY TEAM IMPLEMENTATION ASSURANCE PLAN

- **Independent Assessment of Oversight Implementation Changes Within 3 Months of Implementation**
- **Performance Monitoring of Changes**
 - Inspection Program
 - Assessment/RCE
 - Oversight
 - Procurement Quality
- **Independent Oversight of the Nuclear Oversight Organization by the MSRC**
- **Independent Audit of Nuclear Oversight in 1996 as Required by Technical Specifications, Appendix B, and Topical Report**



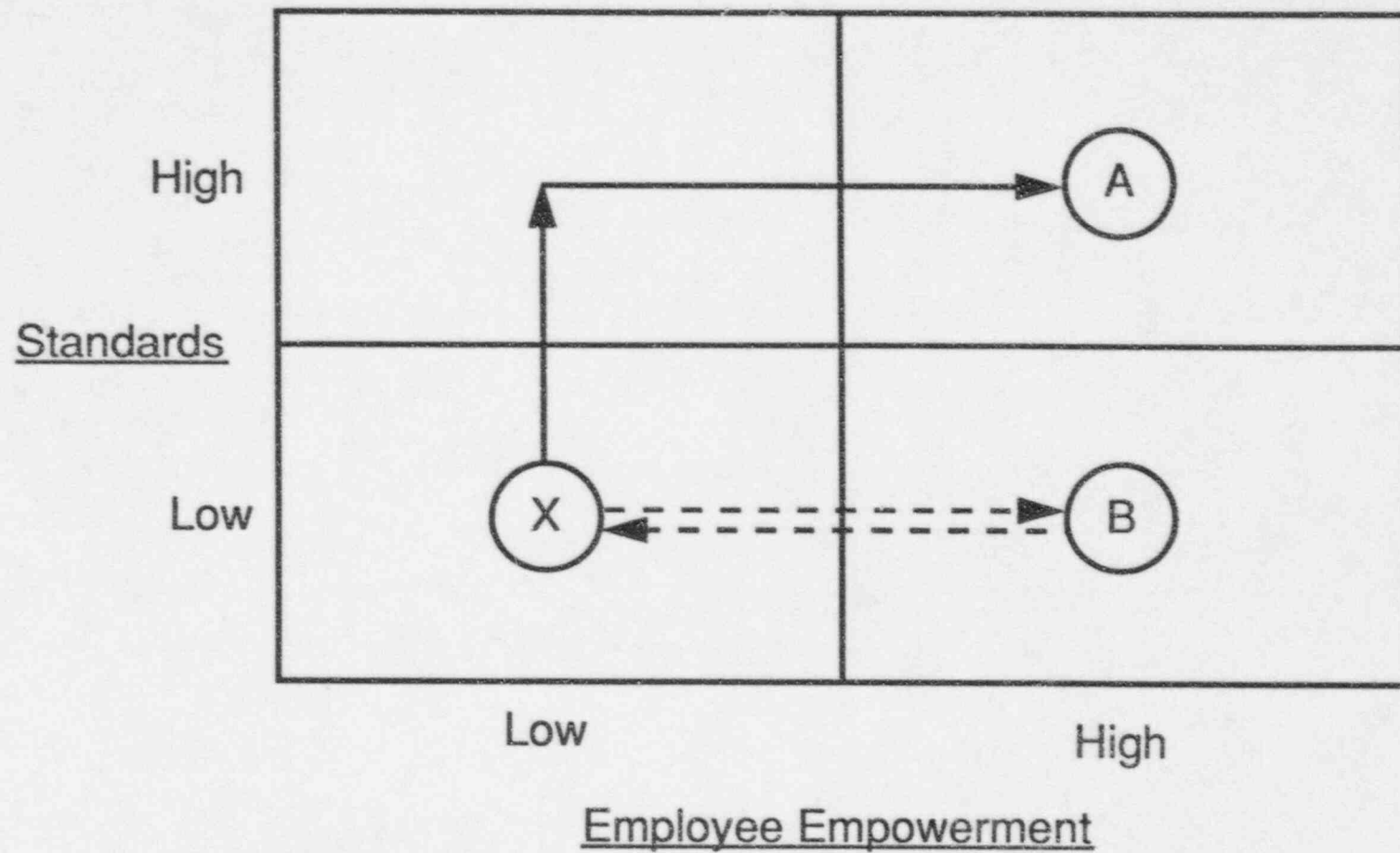
VIRGINIA POWER

***ORGANIZATIONAL IMPACT AND
FUTURE RE-ENGINEERING PLANS***

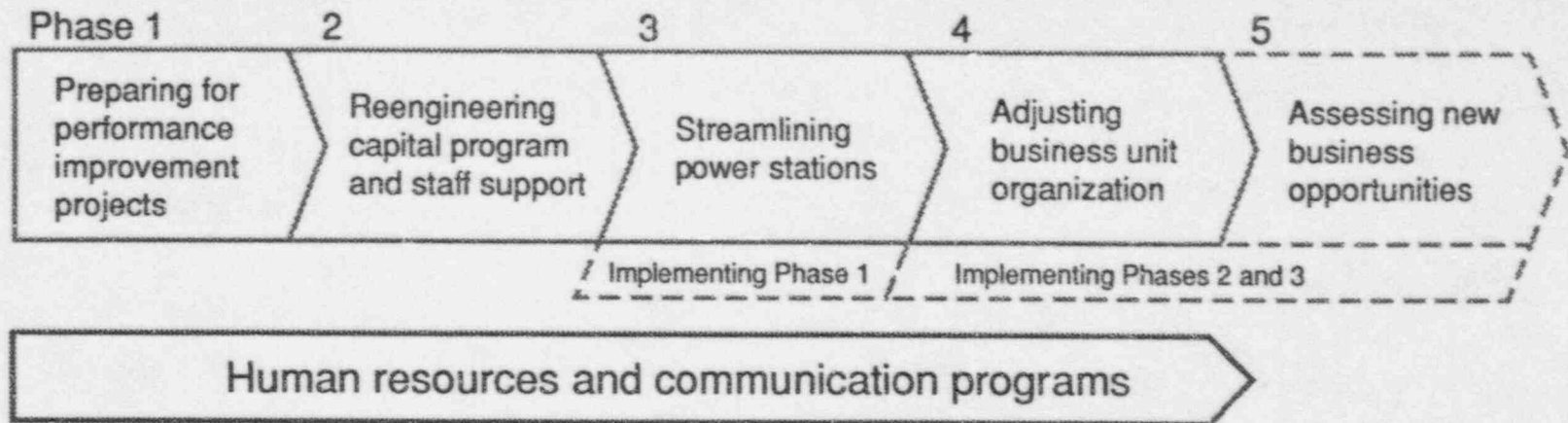
M. R. KANSLER- VICE PRESIDENT NUCLEAR SERVICES

ORGANIZATIONAL IMPACTS

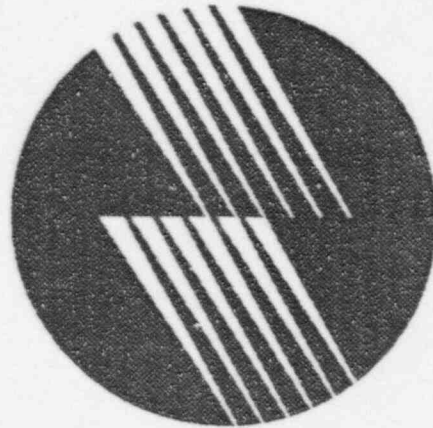
- **Need to Increase Line Management Efforts to Verify Quality and to Perform Self Assessment**
- **Additional Training Required**
- **Reduction in Staff Resources**
- **Need to Continue to Raise Standards**



NUCLEAR REENGINEERING PLAN



Timing	September	October - March	April - ?	TBD	TBD
Scope	<p>Role of SBU-center</p> <p>Alternate reengineering approaches</p> <p>Team preparation</p>	<p>Capital expenses</p> <p>Staff support</p> <ul style="list-style-type: none"> •Engineering •Nuclear Services •Admin •Security •Personnel •QA/Oversight •Corporate overhead 	<p>Outage O&M</p> <p>Routine O&M</p> <p>Station overhead</p>	<p>Organizational structure</p> <p>Performance measures and incentives</p> <p>Staffing and training requirements</p> <p>Business mgmt processes/style</p>	



VIRGINIA POWER

CLOSING COMMENTS

J. P. O'HANLON- SENIOR VICE PRESIDENT NUCLEAR