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MEMORANDUM FOR: Chairman Carr
 Commissioner Roberts
 Commissioner Rogers
 Commissioner Curtiss
 Commissioner Remick

FROM: James M. Taylor
 Executive Director for Operations

SUBJECT: RESULTS OF NRC MANAGEMENT MEETING HELD JANUARY 22-23, 1990

The purpose of this memorandum is to provide the Commission with a summary of discussions held at the January 22-23, 1990, NRC Senior Management Meeting, and to provide the Commission copies of letters to be sent to the licensees of plants that will be discussed at the February 15, 1990 Commission meeting.

As the Commission is aware, NRC senior managers meet approximately biannually to review the performance of operating nuclear power plants licensed by the NRC. These meetings are conducted to assure NRC is focusing its resources on plants and related issues of greatest safety significance.

Nuclear power plant performance was a major topic of discussion at this latest NRC Management Meeting. A summary of the results of this discussion is presented in enclosure 1.

By the close of business on February 12, 1990, the staff will mail the enclosed letters to the chief executive officers of licensees of plants in categories 1, 2, or 3 informing them of the staff's assessment of their plants and of the February 15, 1990, Commission meeting. In addition, the staff plans to telephone each of these licensees on February 12 to advise them that their plant will be subject to discussion at the February 15 meeting, thus giving them an opportunity to attend if they so choose. Enclosure 2 contains copies of letters to be mailed to the licensees, enclosure 3 is a summary of the January 22-23, 1990 NRC Senior Management Meeting, and enclosure 4 is a list of attendees at that meeting.

Information in this record was deleted
 in accordance with the Freedom of Information
 Act, exemptions 5
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Please note that the information contained with this memorandum is sensitive and will be discussed at the February 15, 1990, Commission meeting. Following the meeting, the letters to licensees will be placed in the Public Document Room.

Original Signed By:
James M. Taylor

James M. Taylor
Executive Director for Operations

Enclosures:

1. Summary of Senior Management Meeting Results
2. Letter to Licensees
3. Management Meeting Summary
4. List of Attendees

cc w/enclosures:

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Summary of Senior Management Meeting Results

<u>Meeting Dates</u>	<u>Category 3</u>	<u>Category 2</u>	<u>Category 1</u>
January 22-23, 1990	Browns Ferry 1, 2 & 3	Nine Mile Point 1&2 Calvert Cliffs 1&2 Surry 1&2	Pilgrim Peach Bottom 2&3 Turkey Point 3&4
May 17-18, 1989	Browns Ferry 1, 2 & 3	Nine Mile Point 1&2 Peach Bottom 2&3 Pilgrim Calvert Cliffs 1&2 Turkey Point 3&4 Surry 1&2	Sequoyah 1&2 Fermi 2 Fort Calhoun

Category 1 Plants Removed from the List of Problem Facilities

Plants in this category have taken effective action to correct identified problems and to implement programs for improved performance. No further NRC special attention is necessary beyond the regional office's current level of monitoring to ensure improvement continues.

Category 2 Plants Authorized to Operate & 30 CFR 101.11 Monitor Closely

Plants in this category have been identified as having weaknesses that warrant increased NRC attention from both headquarters and the regional office. A plant will remain in this category until the licensee demonstrates a period of improved performance.

Category 3 Shutdown Plants Requiring NRC Authorization to Operate and Which the NRC Will Monitor Closely

Plants in this category have been identified as having significant weaknesses that warrant maintaining the plant in a shutdown condition until the licensee can demonstrate to the NRC that adequate programs have both been established and implemented to ensure substantial improvement.

ENCLOSURE 2

LETTERS TO LICENSEES



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

Docket No. 50-293

Mr. Stephen J. Sweeney
Chairman and Chief Executive
Officer
Boston Edison Company
800 Boylston Street
Boston, Massachusetts 02199

Dear Mr. Sweeney:

On January 22 and 23, 1990, NRC senior managers met to review the performance of nuclear power plants licensed to operate by the NRC. This meeting is conducted semiannually to focus NRC resources on those plants and related issues of greatest safety significance. At this meeting, it was concluded Pilgrim has demonstrated sustained improvement sufficient to warrant removal from the category of plants that require increased attention from both NRC Headquarters and the Regional office.

A summary of the discussion held relating to Pilgrim is provided below:

Boston Edison has effectively implemented a comprehensive corrective action plan which addressed the root causes of their historical poor performance. The plant's performance during the early phases of power ascension was marked by both equipment problems and personnel error. The licensee has thoroughly evaluated these events and extracted important lessons learned. Corrective actions have been largely effective in addressing the root causes of these events. The later phases of power ascension were well conducted including a planned outage in October 1989 and a shutdown from outside the control room. The licensee has also effectively assessed its own performance and identified areas for continuing emphasis. Three of these areas, procedure upgrade, procedure adherence, and management self-assessment will be the focus of ongoing Regional staff oversight.

The licensee, State and local officials' efforts in correcting Federal Emergency Management Agency (FEMA) identified planning deficiencies in the off-site Emergency Response Plans have significantly improved emergency preparedness. A full-scale emergency drill was conducted in October 1989, which satisfied the schedular exemption to conduct a drill within 120 days of completion of power ascension. However, because FEMA has not yet issued its exercise report nor reached conclusions on the previous planning deficiencies, the Regional staff will continue to monitor off-site emergency preparedness progress.

Mr. Stephen J. Sweeney

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An NRC Commission meeting open to the public has been scheduled for February 15, 1990, to review the results of the latest meeting of NRC managers. Mr. William T. Russell, the Region I Administrator, has discussed the basis for our conclusions with regard to the Pilgrim facility with members of your staff.

If you have any questions, do not hesitate to call me.

Sincerely,

James M. Taylor
Executive Director for
Operations

cc: See Next Page



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

Docket Nos. 50-277
50-278

Mr. Joseph Paquette
Chairman of the Board, Chief
Executive Officer and President
Philadelphia Electric Company
2301 Market Street
Philadelphia, PA 19101

Dear Mr. Paquette:

On January 22 and 23, 1990, NRC senior managers met to review the performance of nuclear power plants licensed to operate by the NRC. This meeting is conducted semiannually to focus NRC resources on those plants and related issues of greatest safety significance. At this meeting, it was concluded Peach Bottom has demonstrated sustained improvement sufficient to warrant removal from the category of plants that require increased attention from both NRC Headquarters and the Regional office.

A summary of the discussions held relating to Peach Bottom is provided below:

The overall performance of the Philadelphia Electric Company and the Peach Bottom Station in 1988 and 1989 is improved and is characterized by a positive overall safety culture. During the Unit 2 phased power ascension, the NRC staff closely monitored plant operations, including 24 hour coverage during key evolutions. The approach to operations was controlled and cautious, with emphasis on doing the job correctly the first time. The effectiveness of the new Shift Managers in safely conducting operations was particularly noteworthy. There has been a positive change in attitude and approach to operations within the operations department. The high quality operations of Unit 2 during power ascension formed the basis for fully lifting the Shutdown Order of March 1987. The pipe replacement outage and subsequent startup on Unit 3 were noteworthy in their absence of significant events. The licensee's ability to assess its own performance, identify areas for further improvement and implement corrective action has repeatedly been demonstrated. This capability has significantly contributed to improved performance and NRC confidence in both corporate and station management.

An NRC Commission meeting open to the public has been scheduled for February 15, 1990, to review the results of the latest meeting of NRC managers. Mr. William T. Russell, the Region I Administrator, has discussed the basis for our conclusions with regard to the Peach Bottom facility with members of your staff.

Joseph Paquette

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If you have any questions, do not hesitate to call me.

Sincerely,

James M. Taylor
Executive Director for
Operations

cc: See Next Page



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

Docket Nos. 50-250
50-251

Mr. James L. Broadhead
Chairman of the Board and
Chief Executive Officer
Florida Power and Light Company
Post Office Box 086801
North Palm Beach, FL 33408

Dear Mr. Broadhead:

On January 22 and 23, 1990, NRC senior managers met to review the performance of nuclear power plants licensed to operate by the NRC. This meeting is conducted semiannually to focus NRC resources on those plants and issues of greatest safety significance. At this meeting, it was concluded Florida Power and Light Company's (FPL) Turkey Point facility has demonstrated sustained improvement sufficient to warrant removal from the category of plants that require increased attention from both NRC Headquarters and the Regional office.

A summary of NRC discussions held relating to Turkey Point is provided below:

Performance of the Turkey Point plant has been discussed at NRC Senior Management Meetings since 1986. At the last meeting, it was noted that some positive indications of improved overall performance had been identified at the Station but that concerns still existed with senior management stability and certain functional areas. Senior management changes and additions have reduced our concern. These changes have been effective in accelerating improved performance in the weak functional areas. Overall performance has demonstrated that the programmatic changes made in response to NRC concerns and FPL self-assessments have been effectively implemented. Performance over the past few years had been characterized by improving trends but the occurrences of significant events during those periods indicated the need for additional attention. This past period was characterized by successful and safe operations resulting from revitalized management, long-term plant enhancements, and an improved safety culture. The FPL management should continue to place priority attention on the safe operation of Turkey Point to assure that neither management nor staff become complacent about safety improvements attained.

An NRC Commission meeting open to the public has been scheduled for February 15, 1990, to review the results of the latest meeting of NRC managers. Mr. Stewart D. Ebner, the Region II Administrator, has discussed the basis for our conclusions with regard to the Turkey Point facility with members of your staff.

Mr. James L. Broadhead

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If you have questions regarding this matter, do not hesitate to call me.

Sincerely,

James M. Taylor
Executive Director
for Operations

cc: See next page



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

Docket Nos. 50-220
50-410

Mr. John M. Endries
President
Niagara Mohawk Power Corporation
300 Erie Boulevard West
Syracuse, New York 13202

Dear Mr. Endries:

On January 22 and 23, 1990, NRC senior managers met to review the performance of nuclear power plants licensed to operate by the NRC. This meeting is conducted semiannually to focus NRC resources on those plants and related issues of greatest safety significance. At this meeting, Nine Mile Point Units 1 and 2 were categorized as continuing to require close monitoring. Plants in this category have been identified as having weaknesses that warrant increased NRC attention from both Headquarters and the Regional Office until the licensee demonstrates a period of improved performance.

A summary of the discussions held relating to Nine Mile Point Units 1 and 2 is provided below:

Since the May 1989 Senior Management Meeting, significant progress has been made in implementing corrective actions which address the underlying root causes of prior poor performance. An Integrated Assessment Team Inspection concluded that the Restart Plan for Unit 1 was in place, well disseminated and generally understood; however, the degree of implementation of the Plan varied. NRC inspection observations indicate that additional work is needed to ensure all levels in the organization understand their roles and responsibilities related to new management policies and procedures.

Progress in making Unit 1 ready for restart has been slow as a result of a conservative approach to ensuring system readiness for fuel loading and underestimating the time needed to implement needed DC electrical system modifications. Operational performance in September and October on Unit 2 declined as a result of several avoidable human errors. The licensee is reassessing the effectiveness of prior corrective actions in light of these errors. As a result of the July 1989 Unit 2 Requalification Examination failures, several programmatic changes and extensive retraining have been implemented. The licensee efforts with respect to decontamination of the old radwaste building basement are proceeding. An aggressive personnel exposure budget has been established for the decontamination.

The licensee is planning to delay the Unit 2 refueling outage until August 1990 in order to better plan the outage and minimize overlap with the Unit 1 startup, which is currently estimated to begin in late April 1990. NRC concern has been expressed regarding the August 1990 timing of a licensee self-assessment related to efficiency and budget because of its potential to divert management attention during the planned power ascension of Unit 1 and the Unit 2 outage and restart. Independent close monitoring and confirmation of readiness of Unit 1 for restart will continue.

NRC concern was also expressed regarding the potential adverse impact of future management losses and the need for management succession planning and the development or recruiting of senior corporate and plant managers.

An NRC Commission meeting open to the public has been scheduled for February 15, 1990, to review the results of the latest meeting of NRC managers. Mr. William T. Russell, the Region 1 Administrator, has discussed the basis for our conclusions with regard to Nine Mile Point Units 1 and 2 with members of your staff.

If you have any questions, do not hesitate to call me.

Sincerely,

James M. Taylor
Executive Director for Operations

cc: See Next Page



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

Docket Nos: 50-317
50-318

Mr. George V. McGowan
Chairman of the Board and
Chief Executive Officer
Baltimore Gas and Electric Company
P.O. Box 1475
Baltimore, Maryland 21202

Dear Mr. McGowan:

On January 22 and 23, 1990, NRC senior managers met to review the performance of nuclear power plants licensed to operate by the NRC. This meeting is conducted semiannually to focus NRC resources on those plants and related issues of greatest safety significance. At this meeting, the Calvert Cliffs facility was categorized as continuing to require close monitoring. Plants in this category have been identified as having weaknesses that warrant increased NRC attention from both Headquarters and the Regional Office until the licensee demonstrates a period of improved performance.

A summary of the discussions held relating to Calvert Cliffs is provided below:

Licensee performance has slowly improved since the May 1989 Senior Management Meeting. The licensee has focused its efforts on the short term actions needed for restart of Unit 1. As a result, longer term activities under the Performance Improvement Plan have proceeded at a slower pace than expected. In October 1989, the licensee reported the short term actions needed for restart had been completed and were ready for NRC inspection. The NRC team inspection in November confirmed significant improvement in most areas; however, additional work is required to ensure adequate safety tagging, coordination and tracking of corrective actions, and follow up to ensure that new programs are effectively implemented. A recently identified significant issue related to inadequate low temperature overpressure protection for the reactor vessel was also discussed. Past organizational performance related to implementation of administrative controls to minimize the pressure transients was not satisfactory. The generic implications of this event with respect to implementation of past licensee commitments are to be resolved prior to restart. Readiness for restart and the longer term Performance Improvement Plan will continue to receive close monitoring.

An NRC Commission meeting open to the public has been scheduled for February 15, 1990, to review the results of the latest meeting of NRC managers. Mr. William T. Russell, the Region I Administrator, has discussed the basis for our conclusions with regard to the Calvert Cliffs facility with members of your staff.

George V. McGowan

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If you have any questions, do not hesitate to call me.

Sincerely,

James M. Taylor
Executive Director for
Operations

cc: See Next Page



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

Docket Nos. 50-280
50-281

Mr. J. T. Rhodes, President
and Chief Executive Officer
Virginia Electric and Power Company
P. O. Box 26666
Richmond, VA 23261

Dear Mr. Rhodes:

On January 22 and 23, 1990, NRC senior managers met to review the performance of nuclear power plants licensed to operate by the NRC. This meeting is conducted semiannually to focus NRC resources on those plants and issues of greatest safety significance. At this meeting, the Surry facility was categorized as requiring close monitoring. Plants in this category have been identified as having weaknesses that warrant increased NRC attention from both Headquarters and the Regional Office until the licensee demonstrates a period of improved performance.

A summary of NRC discussions held relating to Surry is provided below:

Performance of the Surry plant has been discussed at the Senior Management Meeting since December 1988 as a result of NRC concerns related to significant events, escalated enforcement issues and lack of management aggressiveness in pursuing resolution of issues. Corporate and site management changes, coupled with a reorganization to a dedicated nuclear department, have had a positive impact on the station performance. Programmatic changes reflect an aggressive approach to problem resolution. Equipment upgrades such as the service water modification and additions to the operations and maintenance staffs are contributing to improved operating performance in the short term. Although performance has improved in most areas, Surry should concentrate on full implementation of programmatic changes and corrective actions to demonstrate continued improvement for the long run.

An NRC Commission meeting open to the public has been scheduled for February 15, 1990, to review the results of the latest meeting of NRC managers. Mr. Stewart D. Ebner, the Region II Administrator, has discussed the basis for our conclusions with regard to the Surry facility with members of your staff.

Mr. J. T. Rhodes

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If you have any questions regarding this matter, do not hesitate to call me.

Sincerely,

James M. Taylor
Executive Director
for Operations

cc: See next page



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

Docket Nos. 50-259, 50-260,
and 50-296

Mr. Oliver D. Kingsley, Jr.
Senior Vice President, Nuclear Power
Tennessee Valley Authority
6N 38A Lookout Place
1101 Market Street
Chattanooga, Tennessee 37402-2801

Dear Mr. Kingsley:

On January 22 and 23, 1990, NRC senior managers met to review the performance of nuclear power plants licensed to operate by the NRC. This meeting is conducted semiannually to focus NRC resources on those plants and issues of greatest safety significance. At this meeting, Browns Ferry was discussed. It was decided that it is appropriate to maintain Browns Ferry Units 1, 2, and 3 in the category of plants that require NRC authorization to operate and receive close monitoring by the NRC. Plants placed in this category are having or have had significant weaknesses that warrant maintaining the plant in a shutdown condition until the licensee can demonstrate to the NRC that adequate programs have both been established and implemented to ensure substantial improvement.

A summary of discussions held relating to Browns Ferry is provided below:

Engineering work at the site has recently shown an improved trend in both quality and timeliness. However, your own verification efforts are still showing areas requiring significant modification, thereby, resulting in a further slippage in your restart effort. Improvements in other areas have occurred: approach to resolution of problems (fix instead of analyze), conservative approach to issues and stability of management organization.

In the area of operational readiness, we are concerned about the error rate in performing surveillances. We also have concerns regarding operator readiness as indicated in your 1989 requalification examination results.

The NRC staff's inspection program continues to find mixed results. While good results were obtained from the Appendix R and maintenance inspections, surveillance and design change inspections were less positive. These results continue to confirm the staff's ongoing assessment that successful implementation of the Unit 2 programs is still a goal not yet achieved. Other areas receiving enhanced staff attention include equipment qualification and electrical design.

Mr. Oliver D. Kingsley, Jr.

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An NRC Commission meeting open to the public has been scheduled for February 15, 1990 to review the results of the latest meeting of NRC managers. Mr. Dennis M. Crutchfield, Associate Director for Special Projects, Office of Nuclear Reactor Regulation, has discussed the basis for our conclusions with regard to the Browns Ferry facility with you or members of your staff.

If you have any questions regarding this matter, please do not hesitate to call me.

Sincerely,

James M. Taylor
Executive Director
for Operations

cc: See next page

NRC SENIOR MANAGEMENT MEETING SUMMARY
January 22-23, 1990
Region V

Focus on Licensee Performance

Following the June 1985 loss of feedwater event at Davis-Besse, one resulting NRC action was that senior NRC managers periodically meet to discuss the plants of greatest concern to the agency and to plan a coordinated course of action. This was the eighth such meeting. The last meeting was held in Region III in May 1989. The meeting in Region V was structured to review the status of the plants discussed at the last meeting and to review the performance of other plants to determine if any changes should be made to the list of problem facilities.

In reviewing the plants that have experienced significant performance problems, the NRC managers have set the following levels of categories of performance based upon plant actions to date to correct the problems and to achieve improved operations.

1. Plants removed from the list of problem facilities.

Plants in this category have taken effective action to correct identified problems and to implement programs for improved performance. No further NRC special attention is necessary beyond the regional office's current level of monitoring to ensure improvement continues.

2. Plants authorized to operate that the NRC will monitor closely.

Plants in this category have been identified as having weaknesses that warrant increased NRC attention from both headquarters and the regional office. A plant will remain in this category until the licensee demonstrates a period of improved performance.

3. Shutdown plants requiring NRC authorization to operate and which the NRC will monitor closely.

Plants in this category have been identified as having significant weaknesses that warrant maintaining the plant in a shutdown condition until the licensee can demonstrate to the NRC that adequate programs have both been established and implemented to ensure substantial improvement.

The Following Chart Lists Conclusions from this Meeting and from the Previous Meeting

<u>Meeting Dates</u>	<u>Category.3</u>	<u>Category.2</u>	<u>Category.1</u>
January 22-23, 1990	Browns Ferry 1,2 & 3	Nine Mile Point 1&2 Calvert Cliffs, 1&2 Surry 1&2	Pilgrim Peach Bottom 2&3 Turkey Point 3&4
May 17-18, 1989	Browns Ferry 1,2 & 3	Nine Mile Point 1&2 Peach Bottom 2&3 Pilgrim Calvert Cliffs 1&2 Turkey Point 3&4 Surry 1&2	Sequoyah 1&2 Fermi 2 Fort Calhoun

NRC senior management plans to review the status of all the reactors on an approximate 6-month frequency. Determinations will then be made to add or delete licensees from this list based on demonstrated performance. This program represents a concerted effort by the NRC senior management to focus NRC resources on those plants and issues of greatest safety significance and risk.

Specific Discussion of Problem Facilities

Plants that have been removed from the list of problem facilities

Pilgrim

Pilgrim has been discussed [REDACTED] when the plant was shutdown and a Confirmatory Action Letter (CAL) issued for programmatic weaknesses in several functional areas which were not corrected by Boston Edison Company (BECO). In response to the CAL, BECO implemented extensive organizational changes including the appointment of Mr. Ralph Bird as Senior Vice President, Nuclear. Additional staff positions were also created and filled to alleviate shortages. Extensive hardware modifications were initiated to improve plant reliability and a self-assessment program was developed. On December 30, 1988 the licensee was allowed to restart the plant. Early power ascension test program operations were marked with several problems involving failure to follow administrative procedures and control of maintenance activities. The most significant event involved RCIC system overpressurization which resulted in escalated enforcement and a civil penalty.

Immediately after the last senior management meeting plant operations continued to show some problems with procedure adherence and adequacy. Three of the four reactor scrams during this period were due to problems with procedure adequacy and adherence. Additionally, condensate pump suction piping was overpressurized due to a lack of adherence to proper procedures. At every occasion, the licensee performed a detailed self-assessment of the problems and took prompt corrective actions to correct the individuals or procedures involved. As a result, problems significantly decreased toward the end of the power ascension program. The maintenance outage in October 1989 and a shutdown from the outside control room were well controlled. In December 1989, the licensee published a Final Assessment Report which concluded that improvements in the procedural support for routine evolution did not keep up with the support provided to the test program. This lack of support coupled with the long period of non-power operation resulted in inconsistent plant operations. Three areas of continuing management emphasis were identified in the Final Assessment Report: procedure upgrades, procedure adherence and management self-assessment.

In October 1989 the licensee successfully conducted a full-scale emergency exercise, which included participation of the Commonwealth of Massachusetts and fulfilled the schedular exemption to conduct a drill within 120 days of completion of power ascension. The NRC assessment concluded that the onsite portion of the drill was successful. The preliminary FEMA assessment indicated improvements in previously identified deficient areas with the offsite response. FEMA has not yet issued an exercise report nor reached conclusions about the full resolution previous planning deficiencies.

Also, in October 1989 BECo settled three rate cases before the Massachusetts Department of Public Utilities (DPU). The agreement is unique in that a broad range of performance indicators will be used to apply financial rewards or penalties to the utility. These indicators include plant capacity factor, NRC SALP ratings, various NRC performance indicators, and two INPO indicators. DPU has approved the agreement. The use of such incentives is currently under NRC review. A major FERC rate case is still unresolved between Boston Edison and utilities that had contracted to purchase Pilgrim power. To date, these activities have not appeared to affect the quality of licensee activities.

Based on the continued improvement shown by the licensee since the last senior management meeting and the effective self-assessment program, NRC management concluded that increased monitoring of licensee performance by both NRC headquarters and Region I offices is no longer required. Region I will continue to provide close monitoring of the site with three resident inspectors. The NRC staff will continue to closely monitor offsite emergency preparedness progress and will periodically report the status to the Commission.

Peach Bottom-2&3

Peach Bottom has been discussed [REDACTED] due to a variety of problems. Ultimately, the NRC issued an Order suspending power operation on March 31, 1987 as the result of allegations concerning sleeping operators on shift. Following the plant shutdown Order, the licensee implemented extensive organizational and management personnel changes from the CEO to the shift managers, increased staff resources, and enhanced management's presence on shift through the shift manager program. On April 17, 1989, the Commission voted to allow restart of Peach Bottom. In June 1989 the NRC issued a Confirmatory Action Letter to document increased licensee commitments to quality as the result of an agreement with the Commonwealth of Pennsylvania. This agreement also provided for increased state oversight of the Peach Bottom facility.

The Unit 2 restart and low power operations were well controlled. Expanded NRC inspection coverage was provided during the restart activities. [REDACTED]

[REDACTED] The line management oversight of plant activities was effective and demonstrated a conservative approach toward operations and plant safety. The new shift manager program was viewed as a positive initiative. As a result of this controlled approach, the 1987 order was terminated on October 5, 1989. Unit 2 has experienced three scrams since startup; all were caused by equipment problems which could not be related to poor maintenance.

Unit 3 declared an Unusual Event on August 29, 1989 when several circuit breaker control wires were found cut as the result of tampering. Licensee response to this event appeared to be cautious and conservative. Unit 3 was restarted on November 19, 1989 after successful completion of a pipe replacement outage and an NRC Readiness Assessment Team Inspection. The NRC provided around-the-clock coverage for the startup and portions of the power ascension test program and found the approach to be cautious and controlled with an emphasis on doing the job correctly the first time.

Licensee activities since lifting the 1987 order continue to be directed towards improvement and indicate a different culture than previously existed at the utility. The licensee is currently involved in an effort to upgrade surveillance procedures, including human performance issues. Self-initiated SSFIs are planned in 1990 beginning with the electrical systems to provide a better understanding of the system design bases. Recent personnel reassignments were made to broaden middle management experience and provide a larger pool of resources for selection of superintendents and plant managers. These activities have raised NRC confidence in licensee management, indicate a positive overall safety culture and justify removal from the list of plants requiring increased NRC monitoring by both headquarters and regional offices.

Turkey Point 3&4

Turkey Point was placed on the list of problem plants at the first senior management meeting in April 1986. Since then, Turkey Point has remained a plant of concern and has been discussed at each senior management meeting due to an inability to correct problems and sustain improved performance. Beginning late in 1988, changes in onsite management's operating philosophy and attitude initiated culture changes so that operators began to accept accountability for the plant and its operation.

There are indications of increased management involvement in all aspects of Turkey Point's improving performance. The results of the SALP for the 13-month period ending July 31, 1989, showed improvements resulting from that involvement. Operations and Maintenance/Surveillance received Category 2 ratings, up from 3s the previous period. Security remained a Category 3 but was rated with an improving trend. NRC has noted improvements in control room professionalism, teamwork, and communications. Plant material condition is good and management has taken steps to improve plant reliability through improved plant equipment performance. The licensee took extensive and effective corrective action to overcome the problems identified during the March 1989 NRC-administered requalification exams in which 12 of 24 licensed operators and 3 of 6 crews failed. In September 1989, NRR conducted a review of the licensee's design basis reconstitution process and found a generally effective and well implemented program. Overall, site management has taken a conservative approach toward improving plant operations and has demonstrated competency in handling events affecting plant reliability. Based on these improvements, NRC senior management concluded that continued increased monitoring of activities by both headquarters and the regional office is no longer warranted. Periodic management meetings between the NRC and the licensee continue to be held on a bimonthly basis.

Plants authorized to operate that the NRC will monitor closely

Nine Mile Point-1&2

Unit 1 has been shut down since December 1987 and a Confirmatory Action Letter (CAL) was issued in July 1988, documenting the licensee's commitment not to restart without NRC permission. Unit 2 restarted in April 1989 and completed its longest run in September 1989 when an automatic scram occurred during plant shutdown. Activities during a two-week maintenance outage and subsequent power operations were marked by several personnel errors resulting in plant transients and reactor scrams.

NRC inspection activities have yielded mixed results at NMP-1. A SSFI followup inspection and special intimidation and harassment inspection showed clear improvements in these areas. After two inspections the EOP program was determined to be adequate. The Integrated Assessment Team Inspection (IATI) revealed that the NMP-1 Restart Action Plan (RAP) was in place, well disseminated and generally understood; however, the degree of implementation varied. Two of the five underlying causes for NMP-1 management deficiencies had not been adequately addressed: problem solving and setting standards for performance. The licensee established an Independent Assessment Group to overview RAP implementation and provide the Executive Vice President, Nuclear with valuable feedback on the process. An AIT was sent to review the circumstances surrounding a contaminated Radwaste Building. The licensee has subsequently established a cleanup program with an aggressive personnel exposure budget for the decontamination. Progress in making Unit 1 ready for restart has been slow because of the licensee's cautious approach and underestimating the time needed to complete 125Vdc system modifications.

NRC inspection activities at NMP-2 indicate a declining performance trend since the last senior management meeting. The requalification program was declared unsatisfactory during a recent NRC team inspection. Additionally, routine followup of events has identified several avoidable mistakes. As a result, the licensee has implemented a significant retraining effort with its operators and is reassessing previous corrective actions in deficient areas. The licensee has also recently made some management changes at NMP-2 to better support operations.

The New York Public Service Commission recently settled with Niagara Mohawk Power Corporation on a rate case proceeding providing stability for NMP-2 funding. The settlement requires executive salary caps, corporate self-assessments, with financial incentives attached to the results, and a formal study on the viability of continued operations of NMP-1. Senior NRC management was concerned that the self-assessment was scheduled to coincide with the completion of the NMP-2 outage and the NMP-1 power ascension program, diverting management attention from these key activities. Additionally, NRC senior management was concerned about the depth of NMPC management and their ability to manage two diverse plants. Continued close NRC monitoring is appropriate for both NMP-1 and NMP-2.

Calvert Cliffs 1&2

Calvert Cliffs

was placed on the problem plant list during the December 1988 meeting. The licensee developed a long-term Performance Improvement Plan (PIP) in April 1989. Problems discovered during an NRC Special Team Inspection (STI) conducted in March 1989 and plant events included poor work control, procedure adherence, and procedure adequacy. The STI team also found an excessive emphasis on production over safety and quality of activities. Both units were shutdown in May 1989 because of a problem with Unit 2 pressurizer heater sleeve cracks. The problem was subsequently traced to a process used exclusively on Unit 2, but Confirmatory Action Letter (CAL) 89-08 was issued to document a licensee commitment not to restart either plant until a number of corrective actions had been taken, including resolution of the Unit 2 pressurizer heater problem.

In August 1989, Mr. C. H. Poindexter was named as Vice Chairman of the Baltimore Gas and Electric Board of Directors responsible solely for improving Calvert Cliffs operations. This elevated the Nuclear organization to the direct attention of the board of directors. The licensee also conducted a self-assessment in the SALP functional areas and presented the findings to the NRC at the mid-SALP review in August 1989. The licensee appeared to be more self-critical of their performance than the NRC, but felt that their performance was turning around. The NRC concluded that activities at Calvert Cliffs did not provide an adequate opportunity to trend performance.

The NRC conducted an Operational Readiness Assessment Team (ORAT) inspection in November 1989. Controls for the maintenance and surveillance areas were improved; however, the tighter controls had resulted in a significant backlog of maintenance activities which could impact the scheduled date for Unit 1 restart. Quality assurance and safety verification activities were generally improved and could support operations except for corrective action programs which were not well coordinated. The operations area was improved with the exception of safety tagging, equipment control, and the adequacy of operating procedures. An NRC inspection also determined that licensee commitments for Low Temperature Over Pressure (LTOP) Protection were not properly implemented and that this deficiency should have been identified by licensee analyses in 1987.

NRC senior management was concerned that licensee improvements were progressing more slowly than expected as indicated by the ORAT and LTOP inspection findings. The licensee has recently reorganized the site to three management organizations with broad responsibilities that could cause overlapping functions and a lack of accountability. An NRC Calvert Cliffs Assessment Panel is still reviewing the licensee's PIP and a SALP Board will be convened in February 1990. Further inspections of the licensee's readiness for restart will also be required before release from CAL 89-08. Based on these activities, close monitoring of licensee activities related to the readiness for restart and the longer term PIP is warranted.

Surry 1&2

→ Surry [REDACTED]

[REDACTED] was identified as a Category 2 plant at the May 1989 meeting as a result of numerous events which resulted in escalated enforcement actions, significant equipment problems, and weaknesses that demonstrated a major breakdown in management control of corrective actions. An escalated enforcement package composed of several Severity Level III violations and a \$500,000 Civil Penalty was issued on May 18, 1989. Significant management changes have been made starting in late 1988 and continuing through 1989.

Surry, in general, has made progress since the last senior management meeting. Improvements in the upgrade of their staff, the plant material condition, and efforts to develop accurate design basis documentation are most notable. The licensee's primary focus has been on the restart of both units; however, the licensee has pursued several improvement projects including the development of design basis documents, a Maintenance and Operations Procedures Upgrade Program (MOPUP) affecting about 7500 procedures, and an Administrative Control Upgrade Program (ACUP) involving about 350 administrative procedures. An emergency exercise conducted in November 1989 was considered fully successful and significantly better than the two previous exercises. The latest Surry SALP period ended on June 30, 1989. Surry received Category 3 ratings in Maintenance/Surveillance, Emergency Preparedness, Plant Operations, Radiological Controls, and Safety Assessment/Quality Verification.

The licensee restarted Unit 1 in June 1989. The restart was uneventful and professionally managed although difficulties were encountered in meeting technical specification requirements for control room habitability. Although initially identified at North Anna in 1987, this problem was not promptly reviewed by Surry and resolution delayed the Unit 1 restart. The licensee restarted Unit 2 in September 1989. During the Unit 2 restart, one automatic reactor trip resulted from equipment problems and one automatic trip was caused by operator error. Also during restart, Surry experienced several problems with radiation area access control.

→ NRC senior managers concluded that further improvements at Surry were required before decreased attention was warranted. An EOP inspection is scheduled for the April/May 1990 time frame, and a Maintenance Team Inspection is scheduled for April 1990. Additional individual and team inspections will be planned around the licensee's schedule for implementing programs and modifications. Management meetings will continue to be held frequently with the licensee.

Shutdown plants requiring NRC authorization to operate and which the NRC will monitor closely

Browns Ferry

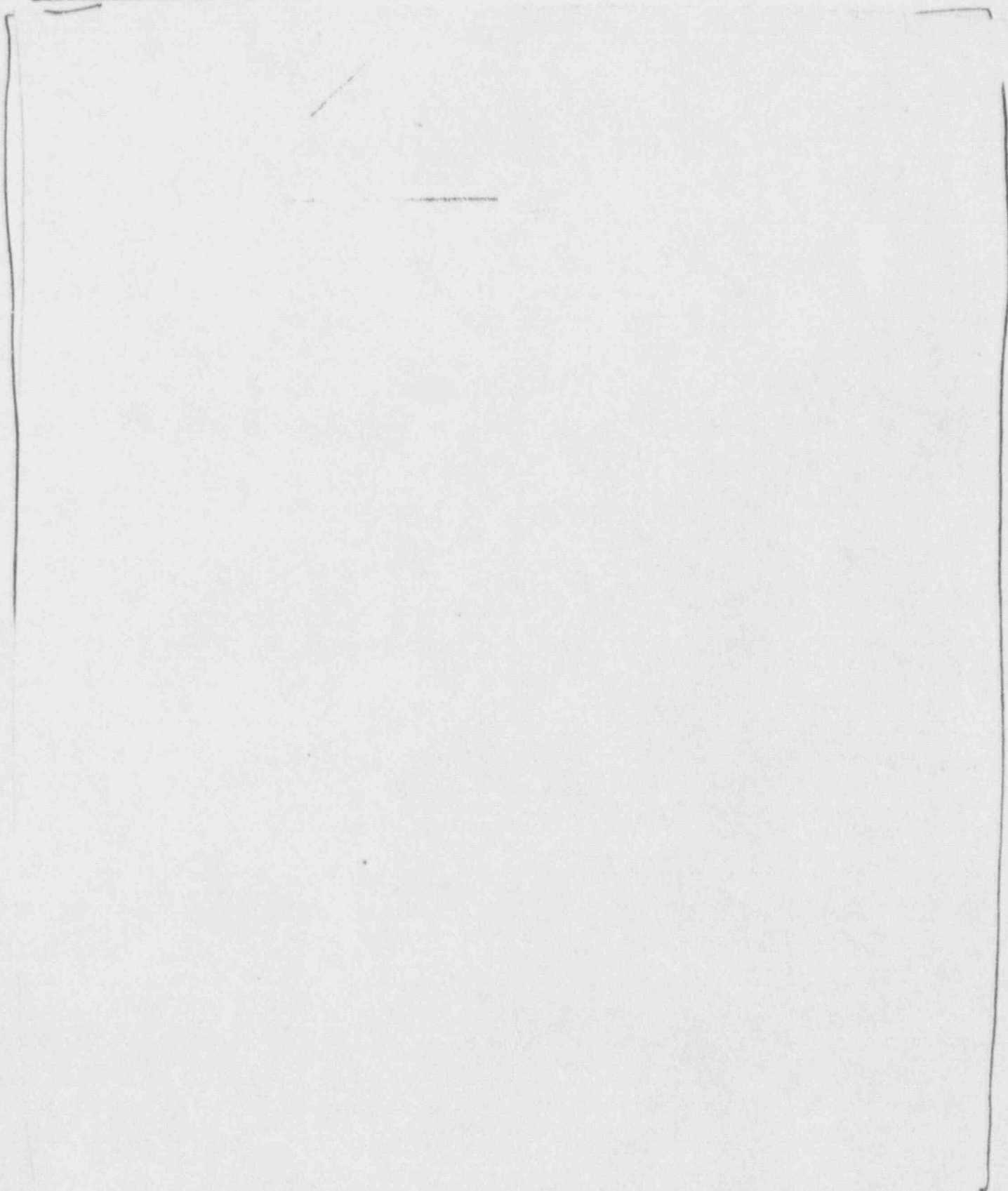
Browns Ferry has been of considerable concern to the NRC for the last six years. In February 1984, TVA initiated a Regulatory Performance Improvement Program (RPIP) at Browns Ferry because of an unsatisfactory enforcement history. In 1985 the three units were shut down and defueled due to poor SALP performance, significant enforcement actions, several operational events, equipment failures, and the inability of management to identify and correct problems. Browns Ferry was identified as a Category 3 plant at the October 1986 senior management meeting.

Management changes continue to be made. A new Plant Operations Manager position was created and filled. Also, a new Compliance Manager was created.

The licensee has targeted Unit 2 restart for mid-May 1990. However, additional problems identified since the last meeting include an unsatisfactory licensed operator requalification program and significant problems with procedures in the surveillance program. Additionally, TVA has significant modification work remaining in the areas of seismic design (hangers and supports) and electrical design (fuse and cable replacement). These problem areas are expected to impact the restart schedule. Other problem areas being worked on by the licensee include a high number of personnel errors and various hardware issues. A number of NRC inspections conducted since the May 1989 Senior Management meeting yielded mixed results. Good results were obtained from the Appendix R and maintenance team inspections, but surveillance and design change inspections were less positive. A full scale emergency preparedness exercise was successfully conducted on November 1 and 2, 1989.

Progress at Browns Ferry appears to be slow, but improvements continue to be made. NRC senior management decided that continued rating as a Category 3 plant was justified pending release for startup after a complete readiness assessment. Major inspections planned for Browns Ferry in the first quarter of 1990 include an operational readiness inspection, another NRC requalification examination, and an EQ close out inspection. Also in February, TVA plans to have a third party audit of their operational readiness review for Browns Ferry.

Other Plants Discussed







Additional Topics Discussed

1. Discussions with the Chairman

Chairman Carr attended the meeting on the morning of January 22, and addressed the managers on various topics. He was pleased with the progress made on the priority issues he identified at the beginning of his tenure as Chairman and urged first-line staff participation in revision of the NRC Five-Year Plan to build commitment to the Commission's goals. The Chairman emphasized career planning, employee training and fair appraisals as critical elements for ensuring an adequate supply of qualified personnel to meet NRC needs of the future. He hoped that the staff's efforts for internal quality assurance would concentrate on improving the content of written documents, while minimizing the number of concurrences and amount of time spent on editorial reviews. He also encouraged the staff to bring to the Commission's attention divergent views on issues to be considered by the Commission. Chairman Carr wants SALP reports to become more concise and timely in the future.

2. Materials Licensees

Six materials licensees were discussed at this senior management meeting. Each licensee had been previously discussed at the May 1989 meeting.

Safety Light Corporation of Bloomsburg, PA, was discussed because of staff concerns with site contamination and the financial ability of the licensee to pay for the cleanup. Operations ceased when DOE stopped shipping tritium to the site; the company has made some arrangements to operate in Canada. On August 21, 1989 the NRC issued an order to Safety Light Corporation to establish a \$1 million trust fund for cleanup. The ASLB has subsequently stayed the order.

Combustion Engineering of Windsor, CT was discussed because of breakdowns in the management of radiation protection and nuclear criticality. The licensee implemented an Integrated Improvement Plan (IIP) and decided to shift fuel pellet production to the Hematite facility. The Windsor, CT facility will be decontaminated and used only for fuel element assembly.

Radiation Sterilizers, Inc. of Decatur, GA, and Westerville, OH, was discussed because of contamination problems in Decatur caused by leaking Cs-137 WESF capsules. Only one cesium chloride capsule had failed at Decatur, but several were found to be deformed. The capsules will all be shipped back to the DOE facility at Hanford, WA, when shipping casks have been certified. Based on the number of capsules at the facilities, their transfer to Hanford, WA, should take approximately one year.

3M Company was discussed because of inadequate management oversight and quality control on the production and distribution of static eliminators which led to widespread incidents of leakage and contamination in 1988.

All of the static eliminators have been recalled and field investigation and decontamination work has been completed. The static eliminator distribution license has been suspended and all of 3M's material license activities have been examined. 3M has made improvements in its product QC by establishing an independent organization dedicated to QC; however, senior management involvement is still limited and some problems continue.

Advanced Medical Systems (AMS), Inc., was discussed because of contamination at the facility in Cleveland, OH, and required plant modifications. There have been no major operational changes at the facility since the last meeting. The plant modifications are in progress and actions were taken to decontaminate the facility to reduce the radiation levels. A contamination control program has been established and the AMS material license has been renewed.

United States Testing Company of Hoboken, NJ, was discussed to update NRC management on the implementation status of their corrective action program. The plan appears to be effectively implemented to ensure proper management of current activities. However, the Department of Transportation recently fined the licensee for improper shipment of radioactive materials.

3.

4.

5. Timing of Diagnostic Evaluations with SALP

The timing of an AEOD Diagnostic Evaluation in close proximity to the end of a SALP period has the potential for sending mixed signals to the licensee, [REDACTED] and creating an unnecessary burden on licensees responding to both the SALP and Diagnostic Evaluation reports. X

The degree of flexibility in SALP schedules was discussed. NRC senior management decided that Diagnostic Evaluations must be scheduled to support senior management meeting deliberations and that coordination between AEOD and the regions regarding potential interactions with SALP should minimize impacts. X

6.

7. DOE High Level Waste (HLW) Program Changes Impact on Waste Confidence Decisions

NMSS provided a history of the DOE and Congressional activities concerning HLW from 1982 to the present. The recent DOE report (November 29, 1989) provides plans to have a repository in operation before the year 2010 and monitored retrievable storage (MRS) available by 1998. Congressional hearings are expected on the newly proposed slip of 7 years in the HLW repository schedule. Such a major slip may pose a challenge to the NRC Waste Confidence Finding, although recently proposed changes in that finding saw the repository available as late as the year 2025. The NRC Waste Confidence Finding sees safe storage of spent fuel for at least 100 years which is based on 40-year life of the plant, 30-year license renewal and 30-year storage period.

B. NRC/EPA Overlapping Responsibilities

NMSS discussed the interface issues between the EPA and the NRC as well as how these issues arose from legislation, court orders and vested authorities of the two agencies. The major areas of concern included the

Clean Air Act, Below Regulatory Concern, HLW and LLW Standards, Uranium Mill Tailing regulations and use of the Superfund for site cleanup. Interface problems have arisen between the agencies because of different risk management approaches, enforcement strategies and methods of implementing regulations. Historically, there has been inadequate integration and a general lack of understanding between the agencies. Several areas of improvement are currently being considered, including legislative changes, Memoranda of Understanding, joint task forces, interchanging staff and third party resolution of conflicts. SECY 89-383, dated December 27, 1989, outlines key NRC concerns in this area.

9.

10. NRC Response to Abandoned Radioactive Material in Public

Abandoned radioactive material has been found in all NRC regions and the response by the states has been varied. NRC Regional Officers are neither equipped nor located to effectively retrieve and store material. NMSS is pursuing resolution with DOE and progress has been made identifying the issues and seeking pertinent legal advice. A draft MOU is being prepared between DOE and the NRC. In the interim DOE has agreed to support specific requests from the NRC on a case-by-case basis when an emergency exists.

11. Licensing a Uranium Enrichment Facility

Louisiana Energy Services (LES) Inc. was formed to develop a uranium enrichment facility using gas centrifuge technology. The partners in the project are Duke Power, Louisiana Power and Light, Northern States Power Co., Fluor Daniel, Inc., and Urenco. LES, Inc. will utilize a patented foreign technology from Urenco which will also be a minority owner and the principal supplier of equipment. A site has been selected near Shreveport, LA, and operations are scheduled to begin in 1995. Several major issues remain to be resolved in the licensing of this facility including national energy and security policy questions about foreign ownership, international agreements and safeguards of equipment and material. The licensing proceeding is expected to be very similar to a Part 52 proceeding since the centrifuge plant is essentially a complete standard design.

12. Guidelines for Removal of Plants from the NRC Watchlist

The proposed guidelines outlined in NRR Memorandum dated November 1, 1989 were reviewed and discussed at the meeting. These guidelines were developed from a historical review of the reasons for removing plants from previous watchlists and were organized into four general criteria: (1) root cause of problems identified and corrected, (2) improved self-assessment and problem resolution, (3) licensee management organization and oversight, and (4) NRC assessment complete. A checklist expanding these criteria will undergo further review and development and the EDO will promulgate the guidance when fully developed.

13. Identification of Good Performing Plants

Several plants were recommended as candidates for a list of plants with sustained outstanding safety performance. However, only a few achieved this recognition using the criteria established by the NRR Memorandum dated November 30, 1989 that a good performing plant should be: (1) one the NRC would publicly announce as a good performer and (2) one at which the NRC would reduce the inspection effort. Based on these criteria, the following plants were selected as good performers:

Yankee Rowe
Kewaunee
Prairie Island 1 and 2
Calloway

14.

NRC Senior Management Meeting
January 22-23, 1990
Region V

LIST OF ATTENDEES

J. Taylor, EDO
H. Thompson, DEDS
T. Murley, NRR
J. Sniezek, NRR
F. Miraglia, NRR
J. Partlow, NRR
D. Crutchfield, NRR
E. Jordan, AEOD
R. Bernero, NMSS
E. Beckjord, RES
J. Scinto, OGC
B. Hayes, OI
W. Russell, RI
S. Ebneten, RII
A. Davis, RIII
R. Martin, RIV
J. Martin, RV
J. Lieberman, OE
T. Gody, NRR
T. Martin, RIII
J. Dyer, OEDO