50-259



UNITED STATES NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

June 21, 1996

Mr. Oliver D. Kingsley, Jr. President, TVA Nuclear and Chief Nuclear Officer Tennessee Valley Authority 3B Lookout Place 1101 Market Street Chattanooga, TN 37402-2801

Dear Mr. Kingsley:

On June 4-5, 1996, NRC senior managers met to evaluate the nuclear safety performance of operating reactors, fuel facilities, and other materials licensees. The NRC conducts this meeting semiannually to determine if the operational safety performance of various licensees exhibits sufficient weaknesses to warrant increased NRC attention or if it is trending adversely and requires that steps be taken to communicate concerns to the utility's president or board of directors. At the June 1996 Senior Management Meeting, Browns Ferry Nuclear Plant (BFNP) Units 1 and 3 were discussed.

Based on our discussions, it was concluded that BFNP Unit 3 has demonstrated sustained improvement sufficient to warrant removal from the NRC Watch List category that requires increased attention from both NRC headquarters and Region II. Plants removed from the Watch List have taken effective actions to correct identified problems and to implement programs for improved performance. A summary of NRC discussions related to BFNP Unit 3 follows:

The NRC's inspection program and overview activities have determined that licensee management has substantially corrected the weaknesses and underlying root causes that led to previous performance problems at the BFNP Unit 3. Management has established high standards of performance, implemented improved self-assessment and corrective action programs, and upgraded the material condition of the two units to enhance equipment reliability. BFNP Unit 3 was restarted in November 1995 and successfully completed the power ascension program by mid-December 1995 with minimal problems. Management expectations and standards have been set high, communicated to the staff, and performance has been consistent with these expectations. Unit operations have demonstrated the ability of the BFNP staff to conduct dual unit operations at power and diverse outage/power conditions simultaneously. The transition to dual-unit operations has been successfully completed. Overall performance has been good but not completely free of equipment and personnel errors. Continued attention to detail by TVA should minimize these errors and further improve performance. Maintenance and engineering to support operations have been good and backlogs have been kept relatively low. Self-assessments have been self-critical and comprehensive and have contributed to performance improvement. Corrective actions have been prompt and effective. Management involvement has been at a high level throughout the restart and operations on both Units 2 and 3.

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Mr. Oliver D. Kingsley, Jr. Tennessee Valley Authority

cc:

Mr. O. J. Zeringue, Sr. Vice President Nuclear Operations Tennessee Valley Authority 6A Lookout Place 1101 Market Street Chattanooga, TN 37402-2801

Mr. Mark O. Medford, Vice President Technical Services Tennessee Valley Authority 6A Lookout Place 1101 Market Street Chattanooga, TN 37402-2801

Mr. R. D. Machon, Site Vice President Browns Ferry Nuclear Plant Tennessee Valley Authority P.O. Box 2000 Decatur, AL 35609

General Counsel Tennessee Valley Authority ET 10H 400 West Summit Hill Drive Knoxville, TN 37902

Mr. Raul R. Baron, General Manager Nuclear Licensing Tennessee Valley Authority 4G Blue Ridge 1101 Market Street Chattanooga, TN 37402-2801 Browns Ferry Nuclear Plant

Mr. Pedro Salas Site Licensing Manager Browns Ferry Nuclear Plant Tennessee Valley Authority P.O. Box 2000 Decatur, AL 35609

TVA Representative Tennessee Valley Authority One Massachusetts Avenue, Suite 300 Washington, DC 20001

Mr. Leonard D. Wert Senior Resident Inspector Browns Ferry Nuclear Plant U.S. Nuclear Regulatory Commission 10833 Shaw Road Athens, AL 35611

Chairman Limestone County Commission 310 West Washington Street Athens, AL 35611

State Health Officer Alabama Department of Public Health 434 Monroe Street Montgomery, AL 36130-1701 DISTRIBUTION: for letter to O. Kingsley (BROWNS FERRY)

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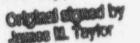
In summary, licensee actions have been effective in improving the operational safety performance of the BFNP Unit 3. Therefore, the NRC has determined that an enhanced level of regulatory monitoring is no longer warranted.

BFNP Unit 1 remains defueled and in long-term layup with the exception of specific systems that support the operations of Units 2 and 3. TVA has stated that they have not reached a decision on the long-term operational status of Unit 1 and that there are no current plans for equipment refurbishment or recovery activities. Based on the commitments and statements in the TVA letter of April 16, 1996, it was concluded that Unit 1 should be removed from the Problem Plant List. Should TVA subsequently plan to restart Unit 1, the commitments in the April 16, 1996, letter to NRC would need to be met prior to resumption of operation. In addition, those Unit 1 systems that support operation of Units 2 and 3 must be maintained in-service commensurate with their importance to safety considerations of Units 2 and 3.

An NRC Commission meeting, open to the public, has been scheduled to be held in the Commissioners' Conference Room in Rockville, Maryland, on June 25, 1996, at 10:00 a.m., to review the results of the latest meeting of NRC senior managers. Mr. Stewart D. Ebneter, Region II Administrator, has discussed the bases for our conclusions with regard to BFNP Units 1 and 3 with members of your staff.

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

Sincerely,



James M. Taylor Executive Director for Operations

Docket Nos. 50-259, 50-296

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