

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

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In the matter of:

COMMISSION MEETING

DISCUSSION OF PLANT ISSUES WITH  
REGIONAL ADMINISTRATORS

Docket No.

Location: Washington, D.C.

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1 UNITED STATES OF AMERICA  
2 NUCLEAR REGULATORY COMMISSION

3 -- -- --  
4 DISCUSSION OF PLANT ISSUES  
5 WITH REGIONAL ADMINISTRATORS

6 -- -- --  
7 PUBLIC MEETING

8 Room 1130

9 1717 H Street, N.W.

10 Washington, D.C.

11 Wednesday 11 September 1985

12 The Commission met, pursuant to notice, at 3:44 p.m.

13 COMMISSIONERS PRESENT:

14 NUNZIO PALLADINO, Chairman of the Commission

15 JAMES ASSELSTINE, Commissioner

16 FREDERICK BERNTHAL, Commissioner

17 LANDO ZECH, Commissioner

18 THOMAS ROBERTS, Commissioner

19 STAFF AND PRESENTERS SEATED AT COMMISSION TABLE:

20 SAMUEL CHILK

21 JAMES KEPPLER

22 J. NELSON GRACE

23 WILLIAM DIRCKS

24 THOMAS MURLEY

25 HERZEL PLAINE

## MARTIN MALSCH

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P R O C E E D I N G S

CHAIRMAN PALLADINO: Please come to order. This afternoon the Commission meets with the agency's regional administrators from Regions I, II and III. A meeting with Region IV and V administrators has been scheduled for October 1st, 1985.

I should point out that representatives of Region II, IV and V are listening in by telephone.

The Commission intends to hold such meetings on a periodic basis to discuss topics of mutual interest. Our last such meeting was held on January 29th. The purpose of today's meeting or the plan for today's meeting is to have a 30 minute discussion with each regional administrator about the major accomplishments, problems, and methods of achieving consistency in the region's activities, as well as matters of interest in specific plants in the region.

Since the last meeting there have been significant concerns at Davis-Besse and TVA plants among others. During each of the administrator's presentation today it would be helpful to receive any thoughts about trend or plant safety since January. Your concerns about whether problem plants were isolated examples or indicative of a bad trend would be worthwhile. Since you're intimately involved in the daily operation of plants your thoughts will be a valuable input and will provide a basis for Commission perspective.

1           We also ask the EDO to make any preliminary  
2       comments that he may wish to make at this time. So unless  
3       commissioners have other opening remarks I plan to turn  
4       the meeting over to Mr. Dircks.

5           COMMISSIONER ZECH: No.

6           COMMISSIONER ASSELSTINE: No.

7           CHAIRMAN FALLADINO: Okay.

8           MR. DIRCKS: Well, we're going to cover the topics  
9       you mentioned, Mr. Chairman. We do have a meeting on TVA  
10      coming up so we're not going to dwell too much on that  
11      problem. We'll refer to it.

12           We do have a lengthy session next week on Toledo  
13      Edison and the Davis-Besse plants, and we're not going to  
14      get into that issue in great depth today. We might refer to  
15      it.

16           But just a logistical problem, Tom is going to  
17      be number one. So at some point during the proceedings he  
18      may disappear because he has to get a plane out of town.  
19      So I'd like him to go number one, and he may, as I said,  
20      leave the table after awhile. At that point, I'm sure that  
21      Nelson and Jim will be discussing their problems.

22           CHAIRMAN FALLADINO: Okay, thank you.

23           MR. MURLEY: Thank you. I will touch, Mr. Chairman,  
24      on some of the points that you raised in your opening  
25      remarks.

1           First a brief word about the near term operating  
2 license plants. We have four in the region that are  
3 scheduled for fuel load within a year, Millstone 3, Hope Creek,  
4 Nine Mile Point 2 and Seabrook. They seem to be going well.  
5 Millstone 3 and Hope Creek we expect within a couple months  
6 should be nearing completion.

7           We are prepared, as you know, for round-the-clock  
8 inspection coverage at TMI-1 if it restarts. We have  
9 cranked up that 24-hour coverage twice now and so far we're  
10 well trained.

11           Shoreham is completing its low power testing,  
12 I understand, in a couple weeks. I just talked with our  
13 resident there yesterday.

14           So we could have four more -- and with perhaps  
15 TMI -- five more plants operating within a year in Region I.

16           With regard to operating plants, the sense that  
17 my staff and I have is that the operation of the plants in  
18 the region is generally improving. Insofar as plant  
19 availability is an indicator of good operations, I would  
20 point out that within the past year there have been six  
21 plants in the region that have exceeded their all-time  
22 availability records. Haddam Neck, Millstone 1, Yankee Rowe,  
23 Indian Point 2, Salem 1, and Ginna.

24           So I think that is an indicator. I don't make  
25 too much of it. But I think it's one indicator we should

1 pay attention to.

2 COMMISSIONER BERNTHAL: What is Yankee Rowe's  
3 lifetime availability, do you know?

4 MR. MURLEY: I don't. Some of the -- the pattern  
5 is mixed, however. There are some of the traditional better  
6 operating plants have had some slip-ups lately. And I  
7 don't -- we keep our eye open to see if those are trends  
8 or if they are, in fact, isolated slip-ups. But we do keep  
9 our eye on that. Haddam Neck has had some problems. And  
10 Vermont Yankee has had some problems.

11 These have been over the years, some of our best  
12 performers. And I'm confident that the management there is  
13 taking them seriously and working on them to correct them.

14 COMMISSIONER ASSELSTINE: Why do you think those  
15 things happen, Tom? I mean, is there a root cause for those  
16 kinds of things at some of the older plants that have been  
17 historically better?

18 MR. MURLEY: Well, a kind of a facile answer is  
19 they kind of take their eye off the ball. On Haddam Neck,  
20 the licensee, the utility is focused very much now on getting  
21 Millstone 3 operational. So that does take a lot of  
22 management time.

23 Whether it takes away enough attention that they  
24 get a little lackadaisical, I suspect there's some of that  
25 in it. I don't think there is a common reason for all this,

1 you know.

2 If I may, in Anna Karenina, Tolstoy says that  
3 all happy families are alike, but every unhappy family is  
4 unhappy in its own way. I think in some regard each of these  
5 plants --

6 CHAIRMAN PALLADINO: Our meetings are getting much  
7 more literate.

8 MR. MURLEY: So this applies to --

9 COMMISSIONER BERNTHAL: Can we have a five-minute  
10 pause to think about that?

11 (Laughter.)

12 COMMISSIONER ROBERTS: I'm going to check you in  
13 Bartlett's though. I'm not sure --

14 MR. MURLEY: A good sign that the staff and I  
15 see is that all the plants that I talked about here last  
16 January have shown clear signs of improvement. Beaver Valley  
17 2 and Nine Mile 2 in construction, and Maine Yankee and  
18 Salem in operations.

19 I want to take just a minute to talk about Salem.  
20 They have had traditional record of problems there. There  
21 has been management changes in the last six months. And the  
22 signs that we see are quite encouraging. They're reduced  
23 the contractor personnel onsite, so that what one sees is  
24 an increased sense of accountability on the part of the  
25 licensee people there.

1           The housekeeping has improved visibly. The  
2 contaminated area in the plant is reduced. The manrem  
3 exposure is down from the last few years.

4           CHAIRMAN PALLADINO: You're talking now about  
5 Salem?

6           MR. MURLEY: This is Salem, yes. The NRC  
7 violations are down by about a half. And Unit 1, as I said,  
8 is on a record run. I think since January 1st. So they've  
9 had no trips.

10           Unit 2 is still having some problems. They've  
11 had nine -- in terms of trips -- they've had nine trips in  
12 a four-month period, which is quite high. So they're not  
13 out of the woods yet, but the signs are very good.

14           COMMISSIONER ASSELSTINE: What are the causes of  
15 the trips?

16           MR. MURLEY: They're mixed. But one still sees  
17 feedwater control problems. That seems to show up.  
18 Instrument technician problems, that kind of thing.

19           CHAIRMAN PALLADINO: Do you think it could be  
20 related to relative training of the two groups?

21           MR. MURLEY: No.

22           I asked our resident inspectors in preparation  
23 for this meeting what their thoughts were when we had them  
24 all together a few weeks ago. One of the residents --  
25 senior residents sent me a note. I'll share it with you.

1 He says, there's no doubt in his mind that the key to  
2 safe operation is upper plant management. He said, he's  
3 been -- the last two plants that he's been at there have  
4 been changes in the management at the site, senior site  
5 management, and with an aggressive manager. He said, but  
6 the same plant equipment, the same people there's -- he sees  
7 improved attitude of the workers, improved philosophy of  
8 doing business, and improved work production at the plant.

9 Now that kind of just reiterates what we've been  
10 saying all along, that the key is, I think, a good, aggressive  
11 manager at the plant and a good vice president of nuclear  
12 operations.

13 COMMISSIONER ASSELSTINE: And you think at Salem  
14 you've got that now?

15 MR. MURLEY: I rest a lot better because of the  
16 team that's there at Salem. I think they've got some  
17 improvements to make. You can't change things overnight.  
18 But all the signs are good, yes.

19 COMMISSIONER ASSELSTINE: Is it fair to say that  
20 you'd be very surprised to see a recurrence of the kind of  
21 incident that they had with the breakers, or say that  
22 Davis-Besse had on June 9th at Salem?

23 MR. MURLEY: Oh, boy. The conditions --

24 COMMISSIONER ROBERTS: You'd better duck that one.

25 (Laughter.)

1 MR. MURLEY: I don't discount that there could  
2 be an event at any plant in my region.

3 COMMISSIONER ASSELSTINE: On that magnitude?

4 MR. MURLEY: I don't believe that the conditions  
5 that existed at Salem in terms of lacksadaisical maintenance,  
6 attitudes are still there.

7 COMMISSIONER ASSELSTINE: Yes.

8 CHAIRMAN PALLADINO: Is the maintenance improved?

9 MR. MURLEY: The maintenance has improved, yes.  
10 And their attitude toward preventive maintenance has improved.  
11 Largely as a result of the actions that NRC required of all  
12 plants after that event. But if you say, would I be surprised  
13 to see an event, I can't say that.

14 How do we look for problems in the region and  
15 what do we do about them? There's a few basic principles  
16 that we apply. We try to anticipate where there could be  
17 problems. And a place where we've seen them in the past is  
18 when a plant is coming out of a long outage, like a piping  
19 replacement where they've been out for sometimes eight to  
20 12 months. The operators have gotten rusty. There's certain  
21 equipment that they just haven't operated, even if they have  
22 been on simulators. It's not quite the same.

23 So we do a readiness inspection, and we pay  
24 special inspection to the sharpness of the operators when  
25 we look into those.



1           We try to give prompt attention to warning signs  
2 that come up. And here, allegations that come to us we get  
3 right on top of and follow those up. Any events, even though  
4 they may appear to be minor, we try to follow through and  
5 try to draw conclusions from them.

6           We use the SALP to do an overall assessment and  
7 pull together our thoughts. We get together, as you know,  
8 we with resident inspectors. But also all of our specialists,  
9 our health physicists, our materials experts. And from that  
10 emerges a picture that gives us, at least yearly, an overall  
11 assessment of how a plant is doing.

12          Where we see problems, we talk with the top  
13 management about the problems. I would say that we don't  
14 do it systematically, but at least on the average, I would  
15 guess probably twice a year I talk with the senior management  
16 at each of the licensees on the region. We have 17 licensees,  
17 so that is a -- I'm fairly frequently in touch with senior  
18 management.

19          Sometimes enforcements is necessary to get the  
20 corrective action that we think is needed. And what comes  
21 to mind is in the past year and-a-half we have issued some  
22 orders that -- enforcement orders -- that have required  
23 improvements in certain areas where we just weren't getting  
24 improvement.

25          The couple that come to mind are at Indian Point

1 and at Pilgrim in the radiological program. We just -- we  
2 were talking with them, we were pointing out the program's  
3 problems. We just weren't getting effective action, we  
4 didn't believe. So in conjunction with I&E we issued orders  
5 modifying the license, which required them to get an outside  
6 view and an outside review of their health physics program.

7 And I can say that that has led to improvements  
8 in both cases.

9 So those are some of the ways that we look for  
10 problems and ways that we try to deal with them.

11 COMMISSIONER ASSELSTINE: Tom, you mentioned Salem.  
12 For the other three plants that you talked about the last  
13 time, Beaver Valley 2, Nine Mile 2 on construction side,  
14 Maine Yankee on the operations side, how did you go about  
15 gauging the extent to which you were comfortable that they  
16 were really making real progress in correcting the problems?

17 MR. MURLEY: Well, I got my senior staff together  
18 and the resident inspectors, and we looked at these kinds of  
19 things. I think we've probably had a SALP meeting at each  
20 plant in between then. But at least with regard to each  
21 of them there have been management changes. And what we see  
22 is an improved attitude.

23 At Maine Yankee, for example, they're much more  
24 pro-active in looking at problems. That was one of the  
25 problems that we -- I talked about last time is that, it

1     seemed like we kind of had to nag them a bit to get them  
2     to look into problems. Now we don't see that.

3             They still -- we just had an enforcement meeting  
4     with them this week with a problem that they had. But the  
5     difference was they were way out ahead of us in terms of  
6     corrective actions. And so that's a sign, I think, of  
7     improvement.

8             Let me turn a minute to a problem that's ongoing  
9     in Region I, and that is the emergency planning and emergency  
10    preparedness exercises. I'm afraid that that's going to be  
11    a continuing problem in Region I. There are -- of course,  
12    it's a high population density region, but there's also a  
13    tradition in the Northeast of autonomy of town and local  
14    governments.

15            And this autonomy leads -- if one of them, for  
16    whatever reason decides not to play in an exercise, then  
17    that leads to deficiencies by -- in FEMA's evaluation. I  
18    deal with three FEMA regions in my region, Boston, New York  
19    and Philadelphia. And I have met with all three regional  
20    directors. My staff has continuous dealings with FEMA. And  
21    I would say our relations are good.

22            It's just that they have guidelines that they have  
23    to follow, and in these emergency exercises a non-participating  
24    county or a town leads to a -- what they call a Category A  
25    deficiency.

1 COMMISSIONER ROBERTS: Is FEMA consistent region  
2 to region in your judgment?

3 MR. MURLEY: Generally, yes. There are some  
4 differences in the way they approach problems. But in terms  
5 of categorization, I would say they're pretty consistent.  
6 And they are, of course, watched over by their own  
7 headquarters here in Washington.

8 COMMISSIONER ASSELSTINE: Have you had any exercises  
9 over the past year where Category A deficiencies have been  
10 identified?

11 MR. MURLEY: Many. There have been 30 Category A  
12 deficiencies in the past three years.

13 COMMISSIONER ASSELSTINE: For how many plants?

14 MR. MURLEY: That encompasses nine sites out of  
15 the 19 sites in Region I. So just about half of my sites  
16 at one time or another have had Category A deficiencies.

17 Just recently --

18 CHAIRMAN PALLADINO: What fraction of them were  
19 to failure on the part of the local government to participate  
20 actively?

21 MR. MURLEY: Seven. Seven of those 30 deficiencies  
22 -- which means seven of the sites, really, were due to --

23 CHAIRMAN PALLADINO: Seven of the sites?

24 MR. MURLEY: Seven of the sites were due to  
25 non-participating communities.

1 COMMISSIONER ASSELSTINE: Did you start the 120-day  
2 clock in each of those instances?

3 MR. MURLEY: No. In fact, we haven't.

4 COMMISSIONER ASSELSTINE: What guides your decision  
5 on when you do and when you don't?

6 MR. MURLEY: What we do is we sit down with FEMA  
7 and assess the seriousness of the deficiency. I was going  
8 to mention one we've just had recently with Susquehanna.  
9 There was a little community -- I think it was called Fishing  
10 Creek -- of 900-some people, did not participate. And  
11 sometimes it's not necessarily just willfulness. The few  
12 people can be off on vacation and they're just not available.  
13 I mean, it could be --

14 CHAIRMAN PALLADINO: Yes, when you've got a town  
15 of 900, that's right.

16 MR. MURLEY: One little community up in  
17 Massachusetts the fire chief and the police chief couldn't  
18 agree. And neither one of them, I think, sounded the alarm  
19 or something like that.

20 Where we judge it's not a serious fundamental  
21 flaw in their program -- we do have to make some judgments --  
22 we sit down with FEMA and the states and the local communities  
23 and they usually do a remedial drill.

24 So in every one of these cases, the deficiency has  
25 been cleared, and we have not started the 120-day clock.

1 COMMISSIONER ASSELSTINE: So you differentiate  
2 among Category A deficiencies then in terms of --

3 MR. MURLEY: Yes, we --

4 COMMISSIONER ASSELSTINE: Even though that's the  
5 category that is the most significant under FEMA's own  
6 rating plan?

7 MR. MURLEY: Yes.

8 MR. DIRCKS: I think FEMA has a role too. They  
9 say, well, this police chief, his phone was disconnected, or  
10 he didn't get the message. We can fix this up. It's a  
11 Category A by definition, but it's a Category A -- not a  
12 Category A in practice. They say, we can go back and fix it.  
13 He's ready to participate.

14 I think Tom and others rely on that. But if they  
15 come in and said, we've got a real problem here because  
16 they're not going to participate and there's no way to make  
17 them participate, or they don't have the equipment, then  
18 that immediately flags the 120-day issue.

19 COMMISSIONER ASSELSTINE: Did you start the  
20 120-day clock in any of those cases, the nine sites over the  
21 past three years?

22 MR. MURLEY: No. In every case there was a --  
23 well, see the state can take corrective action. Compensatory  
24 action they call it. Or they can have a remedial drill,  
25 and I'm sure that's what will happen in the Susquehanna case.

1 The state will say, we can cover that community and compensate  
2 for them.

3 And I don't know for a fact, but I'm pretty sure  
4 there will be a remedial drill and we'll see how that goes.  
5 But that's been the pattern in the past.

6 The reason I bring it up is because it is a  
7 continuing burden on the staff. And I don't see that we will  
8 be -- a change in the pattern in the next two years.

9 Finally, I wanted to mention briefly that we are  
10 beginning to use PRA, probabilistic risk assessment techniques  
11 to guide our inspection program. As you know, we can't  
12 inspect everything in the plant. The inspection modules that  
13 we have are quite useful, but we can't do all of them.

14 And so we have started some trial programs in  
15 the region to help us sort out what's important to safety,  
16 and what rocks to look under. We've used -- we don't  
17 generate the PRA ourselves. And where we need some analysis  
18 help we turn to a laboratory. I don't want to turn my  
19 inspectors into PRA experts.

20 But it does help to use the insights that have  
21 come out of these PRA's to judge what's important to safety  
22 and where we should be putting our limited inspection  
23 resources. I will only say here that I think the results  
24 so far have been encouraging, and I think after we get a little  
25 more experience under our belts, I might want to come down

1 and tell you a little more in detail what we're doing and  
2 the kinds of results that we see coming out of it.

3 COMMISSIONER ASSELSTINE: Have you seen any  
4 instances so far where PRA's, reliability studies, those  
5 kinds of things would lead you to one conclusion, such as  
6 a system or particular system in a plant is one of very  
7 high reliability and yet then you see operating experience  
8 that directly contradicts that?

9 MR. MURLEY: We haven't looked enough yet to find  
10 that. But there -- I can give you an example. It really --  
11 I guess the initiative between AEOD and ourselves was kind  
12 of at the same time. They have been looking over the past  
13 several months at -- in boiling water reactors -- the so-called  
14 interfacing system LOCA, Event V event.

15 And they've looked back over operating history.  
16 And what they're finding is that there have been four cases  
17 of over-pressurization, of low pressure ECC systems in  
18 boiling water reactors. They did not lead to a break in  
19 those systems but they -- it's marginal. They could have.

20 For example, some -- I think it was 300 psi design  
21 system, suction system saw primary system temperatures and  
22 presumably pressures at Pilgrim and a couple -- I think there  
23 were three other plants.

24 COMMISSIONER ASSELSTINE: Browns Ferry I think was  
25 one of --



1 MR. MURLEY: Browns Ferry was another, yes.

2 COMMISSIONER ASSELSTINE: Although I thought there  
3 was a leak there, but maybe not.

4 MR. MURLEY: I think a pump seal was leaking.

5 COMMISSIONER ASSELSTINE: Right.

6 MR. MURLEY: Now what we were doing at kind of the  
7 same time was using -- you know, PRA tells us that Event V  
8 is an important thing to look at. So we went out and inspected  
9 these plants to see what their valve lineups were. But we  
10 go even further. We look at the procedures and their  
11 maintenance details, which the PRA people don't do. They  
12 don't really get down to the kind of level that our inspectors  
13 do.

14 COMMISSIONER ASSELSTINE: Did the PRA's tell you  
15 that this was a significant sequence for a boiling water  
16 reactor?

17 MR. MURLEY: No, it didn't, and that was my point.  
18 AEOD is -- they didn't do a complete reassessment, but they  
19 -- they're suggesting that it may be a factor of ten, or  
20 maybe even more greater frequencies of a small LOCA due to  
21 this event than had been thought before.

22 I don't claim credit for that, but I'm saying  
23 that that's an area that we were looking at and we might  
24 have come to the same conclusion.

25 COMMISSIONER ASSELSTINE: I guess what I'm wondering

1 is, is that an example where the PRA's were sort of leading  
2 us down one path, you don't have to worry about this sequence  
3 for a boiler, and then the operating experience actually  
4 began to say, oh, yes you do.

5 CHAIRMAN PALLADINO: I think you gain some benefit  
6 from PRA, but I'd be worried that we don't take a sampling  
7 of other systems as well, because you can get into trouble  
8 in a lot of different ways, not only by those that give you  
9 the highest consequence to the situation.

10 MR. MURLEY: I should mention that we're not going  
11 to throw out our traditional inspection program.

12 CHAIRMAN PALLADINO: Yes, I didn't think you were.

13 MR. MURLEY: But I do believe that this is a  
14 better way to look at a plant. One other example, we took  
15 Calvert Cliff which has an IREP PRA, and the staff picked  
16 out two sequences that the PRA showed to be high risk. One  
17 is failure of a DC bus followed by loss of all auxiliary  
18 feedwater.

19 And they followed that -- they did a lot of  
20 homework back in the region as to what equipment was important  
21 in that sequence, what equipment failed, what maintenance  
22 procedures were important to that equipment, what recovery  
23 procedures were important. And then when they got to the  
24 plant, they followed it down. And it caused them to look  
25 into some nooks and crannies that the normal inspection program

1 would not look at.

2 For example, they found some labeling on an  
3 auxiliary feedwater pump that was either misleading or  
4 wrong. We normally might not catch that in our inspection  
5 program. And it was the kind of labeling that you would --  
6 that would be important in recovery of this particular  
7 sequence.

8 So I think that's an example of how we might use  
9 that. And why don't I just close there, because I think  
10 I'll leave you with that. It's a new way of looking at  
11 inspections. It's not the final answer, and we're just not  
12 done yet.

13 COMMISSIONER BERNTHAL: I think it's a good  
14 approach. And I would urge you to continue to make use of  
15 that kind of information.

16 CHAIRMAN PALLADINO: Okay, any other questions  
17 or comments?

18 (No response.)

19 COMMISSIONER ROBERTS: Your attribution was correct.

20 CHAIRMAN PALLADINO: Okay, shall we --

21 COMMISSIONER ASSELSTINE: Maybe one other question  
22 for Tom. You talked about the plants that six or eight  
23 months ago or so you thought were having difficulties and  
24 the progress that's been made to date. How about any going  
25 the other direction? Six or eight months ago looked pretty

1 good and now they seem to be going in a declining direction?

2 MR. MURLEY: I can't say that there's any that  
3 I'm sure are declining. There are those plants that -- I  
4 mentioned two, Connecticut Yankee and Vermont Yankee that  
5 have had problems and that we're keeping our eye on. Now  
6 I bet I've met with the management of those two utilities  
7 three times since that meeting. And I'm convinced that they  
8 are seriously concerned about improving.

9 But in terms of, are there any I'm sure that are  
10 on a downcline, I can't say.

11 COMMISSIONER ASSELSTINE: One other question. When  
12 we go to the older plants in your region and in others as  
13 well, one thing I sense when you compare the older ones to  
14 the newer ones is a greater sense of informality. Less of  
15 a reliance on real detailed procedures, on how things are  
16 to be done. There's more of a reliance on experience, people  
17 who have been there for many, many years.

18 Is that a contributing factor in any way to, you  
19 know, some of these -- a couple of the problems that you  
20 mentioned at some of the older plants that have had fairly  
21 long operating experience? That is, when some of those older  
22 experienced people leave, move up the chain of command so  
23 that they're no longer at the plant with the same kinds of  
24 responsibilities they've had for years and years, the new  
25 people come in, that that more informal approach leads to

1 things falling through the cracks on occasion?

2 I guess one thing that comes to mind is the  
3 check-in -- the inspection of replacement parts at Vermont  
4 Yankee.

5 MR. MURLEY: Yes, I'll have to agree, there is  
6 an element of that informality. And in the one way, there's  
7 a strength there. And that strength comes from this  
8 experience.

9 COMMISSIONER ASSELSTINE: That's right.

10 MR. MURLEY: The older plants also tend to have  
11 simpler tech specs, and simpler plants all the way around.  
12 So, it's more important that the newer ones have a discipline,  
13 I think.

14 But on balance, I think the experience that we see  
15 in the older plants, more than outweighs the informality.  
16 I wouldn't say it's uniformly informal, but there are  
17 instances of it, and it's a good point.

18 As the old generation moves out we have to keep  
19 our eye on that.

20 COMMISSIONER ASSELSTINE: One other thing on  
21 Vermont Yankee that I'd mentioned. I was very impressed  
22 with the pre-planning they were doing for the pipe replacement.  
23 And I wonder if so far your sense is that that's really  
24 moving fairly well. It was a tremendous effort, it looked  
25 like to me, to pre-plan, pre-train people with a very

1 aggressive schedule. I was wondering how that was  
2 progressing.

3 MR. MURLEY: Well, they haven't actually shut down  
4 yet for the outage. But I agree, my staff was quite impressed  
5 with the quality of the planning that's gone into that. We'll  
6 have to wait and see.

7 CHAIRMAN PALLADINO: Tom, one item that's been  
8 on my mind recently has to do with fitness for duty. Have  
9 you observed any fitness for duty problems? Without getting  
10 into specifics, and how do you feel about fitness for duty  
11 requirements?

12 MR. MURLEY: We have not had a major problem  
13 that I know of. Most of the utilities in Region I are old  
14 experienced nuclear utilities, so they have programs in place.  
15 And they've -- I just am not aware that there has been a  
16 serious problem.

17 CHAIRMAN PALLADINO: Okay, any other comments  
18 or questions? All right, well, thank you very much, Tom.  
19 And when you feel you have to leave, you just go right ahead.

20 MR. DIRCKS: I might have Jim Keppler go next.

21 MR. KEPPLER: You want me to go next?

22 MR. DIRCKS: Yes, why don't you go next?

23 CHAIRMAN PALLADINO: I think they're going to  
24 stay overnight.

25 COMMISSIONER ROBERTS: That shouldn't have anything

1 to do with the length of the meeting, however.

2 (Laughter.)

3 CHAIRMAN PALLADINO: My target is 5:00.

4 MR. KEPPLER: I've got some plants to talk about.

5 CHAIRMAN PALLADINO: It will probably be 5:15.

6 Okay, go ahead, Jim.

7 MR. KEPPLER: I think back when I briefed the  
8 Commission, I guess it was February of this year on the  
9 Davis-Besse plant. I hope I don't prove to be another  
10 precursor.

11 CHAIRMAN PALLADINO: Another what?

12 MR. KEPPLER: Precursor of problems. Mr. Dircks  
13 mentioned that we will be having a full Commission meeting  
14 on Davis-Besse next week so I won't discuss that plant here  
15 today.

16 At our last meeting --

17 CHAIRMAN PALLADINO: In mentioning those plants  
18 I wasn't thinking specifically about the plant, but rather  
19 are problem plants isolated, or do you see trends? That was  
20 really the thrust of what I intended. But go ahead, Jim.

21 MR. KEPPLER: At the last meeting when I talked  
22 about Davis-Besse I expressed my views to you that I felt  
23 the agency as a whole had to be more timely in its  
24 identification of problem areas at plants, and problem  
25 facilities in general, and try to come to grips with these

1 problem quicker.

2 And I think we've been doing that. I outlined  
3 to you some initiatives we had undertaken at the last meeting  
4 to try to be more aggressive in our identification of problems,  
5 and to see if we couldn't focus our attention on it quicker.  
6 And I'm very pleased with the efforts we've made that way.

7 I think we are focusing our inspections more on  
8 problem areas, more on problem plants. And I think this is  
9 the way to go.

10 I want to talk to you today a little bit about  
11 some of the plants we're having problems with, particularly  
12 LaSalle and Byron, Fermi and the Cook plant. And I'll say  
13 a couple words on Palisades also. Let me talk as a general  
14 comment about NTOL plants though, since Tom did.

15 Since the Three Mile Island accident we have had  
16 five plants licensed in Region III, Callaway, the two LaSalle  
17 units, Byron 1 and Fermi. You will recall that Callaway  
18 had a lot of initial problems in its low power testing such  
19 that I delayed bringing that plant to the Commission's  
20 attention for a full power license consideration until those  
21 problems were worked out.

22 I'm happy to say that Callaway is doing a lot  
23 better today. And in fact of the five plants that were  
24 licensed, I would clearly rank Callaway at the top of the  
25 list in Region III. That plant has done well in terms of



1 online time, the numbers of mistakes have reduced. I still  
2 have some concern over what I consider to be too many scrams.  
3 But I see the company putting a lot of attention to it. And  
4 my view is that Callaway is progressing nicely.

5 COMMISSIONER BERNTHAL: Jim, is that perception  
6 that you have of the quality of their operation compared to  
7 others in your region reflective of the plant itself in some  
8 way? Is it partly because it is the latest design PWR and  
9 it's easier to run or something? Or is it simply the human  
10 factor?

11 MR. KEPPLER: No, in fact Tom made the comment that  
12 the newer plants are more complex and I certainly agree with  
13 that.

14 COMMISSIONER BERNTHAL: Well, that doesn't  
15 necessarily mean that they aren't easier to run.

16 MR. KEPPLER: I think there's two reasons why  
17 Callaway is doing well. One is that it was a SNUPS design,  
18 and I think it received a lot more attention by the AE's  
19 and the companies involved.

20 But perhaps more importantly, I think they have  
21 very good upper plant management that Tom talked about as  
22 an essential element. But they have involved top management  
23 in the plant. And they have an insistence on accountability  
24 in their operations. And I think all three of those are  
25 very key elements toward a good operation.

1 COMMISSIONER ASSELSTINE: Effective, and the  
2 record at Wolf Creek, I would submit those are probably the  
3 most significant.

4 MR. KEPPLER: Yes.

5 COMMISSIONER BERNTHAL: Well, you're saying it's  
6 both. It's because it's SNUPS, but it's also the human  
7 factor.

8 MR. KEPPLER: Well, that's my view, yes.

9 COMMISSIONER BERNTHAL: Okay.

10 COMMISSIONER ASSELSTINE: It's interesting that  
11 of the NTOL's, that is the new inexperienced utility.

12 MR. KEPPLER: Well, we were very high on the  
13 project before it got a license. The regional people thought  
14 Callaway was a good licensee, and its initial slip-ups in the  
15 beginning were disappointing. But I think the company is  
16 the better for it today.

17 COMMISSIONER ASSELSTINE: How many trips are they  
18 having, say so far this year?

19 MR. KEPPLER: So far this year I'd say they've  
20 had a dozen trips. That's still a lot of trips.

21 COMMISSIONER BERNTHAL: Does that have something  
22 to do with the plant, the design, SNUPS?

23 MR. KEPPLER: I think most of the trips are in  
24 the secondary side of the plant.

25 COMMISSIONER BERNTHAL: I see.

1           MR. KEPPLER: And the company is now putting  
2 extra attention in that area. But my last recount of that  
3 was that better than 50 percent of the trips were in the  
4 secondary side of the plant.

5           Let me talk a little bit about LaSalle and Byron.  
6 LaSalle Unit 1 is now three years old. And the disappointing  
7 part of the LaSalle operation, in my view, is that it's  
8 still acting like a new plant. The plant has tripped over  
9 35 times since initial startup. It's had many repetitive  
10 equipment problems. There's a high rate of personnel errors.  
11 The health physics practices have caused us some concern.  
12 And their control over EQ, equipment qualification modifications  
13 have just resulted in a number of problems that we'll be  
14 taking enforcement action on.

15           Let me talk about Byron and then come back and  
16 link the two together, if I could. Byron started up,  
17 received its full power license early this year. And it has  
18 had a difficult startup period. I certainly expected a  
19 better startup period out of Commonwealth Edison.

20           The plant has had 26 scrams so far this year.  
21 It's had four safety injections. It's had over 80 LER's  
22 written against it. They've had over 25 missed surveillances.  
23 A lot of problems.

24           Now in 1983 I had a number of concerns with  
25 Commonwealth Edison in general. We had some -- we had issued

1 10 fines at the operating plants in 1983. And we had some  
2 very intense meetings with top utility management, the CEO  
3 of the company and others, to get them to improve their  
4 regulatory performance.

5 At the -- at one of the Commission meetings --  
6 I believe it was on Byron -- we discussed the regulatory  
7 improvement program that was put into effect, and we submitted  
8 a copy to the Commission. Commonwealth Edison's performance  
9 has really improved at Dresden, Quad Cities and Zion. I  
10 feel very comfortable today with the performance of those  
11 plants.

12 But for some reason the performance at LaSalle  
13 does not measure up to what I think it ought to be. And  
14 Byron has had its difficulties in the startup period. This  
15 has rekindled a concern I've had over whether the company  
16 may be spread too thin at the top levels.

17 In a case like Callaway --

18 COMMISSIONER ASSELSTINE: And they've got three  
19 more units to go, too.

20 MR. KEPPLER: Let me just elaborate a minute. In  
21 a case like Callaway, I see a high quality individual at  
22 the top of the operation in Don Shnell. He spends -- he's  
23 a senior vice president. He puts his total time on the  
24 Callaway project.

25 In Commonwealth Edison's case Cordell Reed --

1 another person who I have a high regard for -- is overseeing  
2 five nuclear stations. And that's a tremendous responsibility.  
3 And I don't know whether it's achievable.

4 I have discussed the concern with the company.  
5 They have even brought in outside consultants to look at  
6 their organizational set-up. And they are trying something  
7 different at both LaSalle and Byron by putting another layer  
8 of management in under Cordell Reed, between the station and  
9 him.

10 It's too early to tell whether this will help  
11 or not. But we're watching it closely.

12 I have -- in the case of LaSalle, I have asked my  
13 staff to conduct an in-depth review of the operation to date,  
14 and I plan to get with the senior management of NRR and I&E  
15 and discuss strategy of where we go with LaSalle project.  
16 But I think clearly we've got to move the company in a  
17 direction of improved performance.

18 In fairness on Byron, I am seeing some improvement  
19 over the last couple of months. But I -- that's a very short  
20 time frame, and we're going to continue to watch that closely.

21 Let me mention Fermi. Fermi received a full  
22 power license on July 15th of this year, and we have not  
23 let the utility go above 5 percent power yet. And I have  
24 a hold on the utility going above 5 percent power.

25 The startup of Fermi has been extremely

1     disappointing. Disappointing to me personally because I  
2     felt very strong that here was a company that was ready to  
3     move along, move in the right direction. I think all of  
4     you gentlemen felt comfortable with Fermi.

5             COMMISSIONER ASSELSTINE: Yes.

6             MR. KEPPLER: Several of you were out there. We  
7     were -- we were praising the company. And I recall the  
8     Commission meeting --

9             COMMISSIONER ASSELSTINE: We did too.

10            MR. KEPPLER: -- being a rather pat-on-the-back  
11     type of meeting for everybody.

12            CHAIRMAN PALLADINO: Everything was glowing, it  
13     seemed.

14            MR. KEPPLER: Everything was glowing.

15            COMMISSIONER ZECH: I agree.

16            MR. KEPPLER: They had an unplanned criticality  
17     event. They've already submitted over 50 LER's in the  
18     operation to date. About half of these --

19            COMMISSIONER ZECH: Fifty since when?

20            MR. KEPPLER: Since the initial licensing of the  
21     plant in the spring.

22            COMMISSIONER ZECH: Okay.

23            MR. KEPPLER: About half of these are people  
24     mistakes. We learned recently that they have been operating  
25     for several months violating containment integrity. They had

1 a hole in the system.

2 COMMISSIONER ASSELSTINE: Yes.

3 MR. KEPPLER: Through valving errors.

4 COMMISSIONER BERNTHAL: How does that happen? I  
5 have never understood why there are not detection systems  
6 available that don't tell you immediately if you've got a  
7 hole in your containment?

8 MR. KEPPLER: Well, these were small lines that  
9 were omitted from the startup checklist. And they weren't  
10 monitored in the control -- were not displayed.

11 COMMISSIONER BERNTHAL: Isn't there a heat monitor  
12 or something? There surely is the technology for that sort  
13 of thing.

14 MR. KEPPLER: We've had problems before, Commissioner,  
15 that plants, that you just don't --

16 COMMISSIONER BERNTHAL: I know. I think I've  
17 asked this question before. I guess I need to talk to a good  
18 engineer and find out why we can't do something about that.

19 CHAIRMAN FALLADINO: Don't they also make leak  
20 tightness tests once?

21 MR. KEPPLER: They do them at the beginning of  
22 the -- before the plant was licensed they did a leak tightness  
23 test. So it had to happen afterward.

24 COMMISSIONER ASSELSTINE: It was a two-inch line,  
25 wasn't it?

1 MR. KEPPLER: I believe it was an inch and-a-half  
2 line.

3 COMMISSIONER BERNTHAL: If NASA can leak test some  
4 of its devices, the size that they are, it seems to me we  
5 ought to be able to figure out a way to leak test a  
6 containment.

7 MR. KEPPLER: I can tell you that the company is  
8 very disappointed in its performance. They were in to meet  
9 with me yesterday. They have a good attitude right at the  
10 moment. They're not trying to jump ahead and bring this  
11 plant up fast. They feel they have let everybody down. They  
12 have taken a number of actions that sound good. But I intend  
13 to see them operate at the 5 percent plateau for a while  
14 before I consider letting the plant go above that level.

15 I mentioned briefly the Cook plant. Cook has  
16 been a plant that's been around for some time. A plant that  
17 has been, over the years, average to perhaps slightly below  
18 average. And the -- we've been putting more attention on  
19 that plant simply because I feel the progress that's been  
20 made is just not good enough. I feel they ought to be  
21 performing at a better level. And we're focusing attention  
22 that way.

23 They've had a number of problems in the areas of  
24 operator licensing testing. They've had a high fail rate  
25 there. There was a PAT team inspection out there that



1 identified a number of problems in the surveillance area  
2 that we're going to look at. And I just feel that the  
3 company should be operating at a higher level of excellence  
4 and that's where I'm pushing my attention with them.

5 On a positive note, I would say on Palisades  
6 last -- beginning of this year we gave them a fairly negative  
7 SALP appraisal. The performance had been declining  
8 significantly in the operations and maintenance areas. And  
9 I took a trip over to the plant a couple months ago and they  
10 have a new plant superintendent in there, who I was quite  
11 impressed with.

12 I thought there was considerable effort to improve  
13 the appearance of the plant, and to improve the maintenance  
14 capabilities of the plant. And I found it interesting that  
15 they were actively monitoring all of the good practices of  
16 INPO and trending their performance, and showing progress on  
17 the performance.

18 So I came away with a better feeling on Palisades  
19 at this time.

20 Did NRR want to say anything on Palisades?

21 MR. DIRCKS: This is one of the five plants, so  
22 I'd thought we'd cover that one now. We've got another one  
23 tomorrow. And then we pick up the other plants when we see  
24 Regions IV and V.

25 MR. THOMPSON: As you know, Palisades was one of

1 a handful of plants that we had identified to the Commission.  
2 I'd like to make sure that you don't think those are all the  
3 issues the staff is working on. I guess there are some  
4 subset of plants we look for. We talked with the regional  
5 administrators to see if he had some concerns about their  
6 performance in the maintenance area, the operations area.  
7 And as Jim said, this had been one of the plants.

8 And we also looked -- had there been an issue that  
9 had been ongoing for a fairly long period of time without  
10 being -- reaching a resolution. And particular, where a  
11 proposed resolution had been accepted by the utility, and  
12 at the same time, there had been a proposal to stop  
13 implementation of that particular fix because of an analysis,  
14 a PRA or analysis.

15 In this particular case Palisades had made a  
16 commitment to install a fix to a main steam isolation valve,  
17 single failure problem that would result in both steam  
18 generators blowing down, in the event of a main steam line  
19 break in a particular area. Our evaluation had been -- had  
20 detected this as part of the SEP program. And we have  
21 recently received their analysis in, I guess it was June --  
22 May, and we have underway a review by our technical staff.  
23 And we expect to have a resolution of the issue toward the  
24 end of this year, the first part of the year.

25 So the issues -- the resolution of the issue is

1 fairly well in hand right now. It's one that we've identified,  
2 I guess, sometime both in the SEP program. And the utility  
3 is being very responsive. We've had them in to again  
4 address this issue. And this is just, again, one of the  
5 issues that is not necessarily a huge safety issue, just  
6 one that had been around for some period of time and seemed  
7 to fit that category, that the Davis-Besse third auxiliary  
8 feedwater pump issue did.

9 If you want to go into additional details we  
10 can do that, but I think that's generally where we are on  
11 that issue. I know Congressman Markey's staff is, you know,  
12 discussing with us lots of details on it. But I think that's  
13 kind of where we are.

14 CHAIRMAN PALLADINO: What's the problem with the  
15 main steam isolation valve?

16 MR. THOMPSON: If you have -- the current design  
17 is such that if you have a failure of one of the main steam  
18 isolation valves, and a failure upstream of the other main  
19 steam isolation valve, you can blow down both steam generators.  
20 That is a condition that has not been analyzed, and the  
21 question then is, how do you remove decay heat, you know,  
22 in the event of an accident. Just in a design basis activity.

23 You still will have, you know, an auxiliary  
24 feedwater pump available to feed it. And the question, I  
25 believe -- correct me if I'm wrong, Denny -- goes into the

1 containment integrity issue as you're -- because the most  
2 likely place for this rupture would be in the containment  
3 of the unisolated leak.

4 CHAIRMAN PALLADINO: Don't any other plants face  
5 this same thing?

6 MR. THOMPSON: As far as I know, this is similar --  
7 this is a unique design, and it may be due to the way their  
8 crossover -- the main steam isolation header is connected.  
9 Denny?

10 MR. CRUTCHFIELD: Their main steam isolation valves  
11 are check valves. They have an operator that holds the  
12 valve open. The main steam flow is out from the steam  
13 generator to the turbines. But, if you will, the isolation  
14 valves are installed backwards. So that when you have a  
15 main steam isolation signal, the operator disengages, the  
16 check valve goes shut.

17 Therefore, it would allow flow to come from the  
18 turbine direction back towards the steam generator. And  
19 with the crossover they have, a single failure of the  
20 unbroken MSIV would allow flow out through the break.

21 MR. THOMPSON: But I think that backward  
22 installation is the way it was designed to be. I mean --

23 MR. CRUTCHFIELD: That's the design, that's  
24 correct.

25 CHAIRMAN PALLADINO: Okay, thank you.

1 MR. KEPPLER: Let me just take another couple of  
2 minutes and talk about the John C. Haines decontamination.  
3 You will recall, we kept the Commission informed of this  
4 matter in which a licensee in Ohio had americium in excess  
5 of his license. And we learned about that through an  
6 allegation that he was conducting irradiation of diamonds  
7 using material that he wasn't licensed for.

8 And we worked with the FBI, the Department of  
9 Justice, DOE, and EPA to successfully recover that material  
10 and to have the place decontaminated and restored to public  
11 use again. And I thought that was really a good success  
12 story. We don't have too many of those to tell at times.  
13 And I felt very pleased with the performance of all of the  
14 sister government agencies that we worked with.

15 And I thought I would prepare some letters for  
16 your signature, Mr. Chairman, to go to the key officials  
17 of these other agencies to thank them for the help we got  
18 on that.

19 CHAIRMAN PALLADINO: I think I already signed  
20 one to EPA.

21 MR. KEPPLER: You may have.

22 COMMISSIONER ZECH: Well, I'd like to say, I  
23 think Region III did a very outstanding job in coordinating  
24 that event and bringing it to a successful conclusion.

25 MR. KEPPLER: Thank you, Commissioner.

1 COMMISSIONER ZECH: They did a very good job.

2 COMMISSIONER ASSELSTINE: I would agree with that.  
3 Thank you very much. Does that company still have a license  
4 from us for anything?

5 MR. KEPPLER: No, it was an individual.

6 COMMISSIONER ASSELSTINE: Okay, the individual?

7 MR. KEPPLER: Very strange individual.

8 COMMISSIONER ASSELSTINE: Yes.

9 MR. KEPPLER: We took care of that.

10 COMMISSIONER ASSELSTINE: All right, good.

11 CHAIRMAN PALLADINO: He was driving without a  
12 license.

13 MR. DIRCKS: Are you finished, Jim?

14 MR. KEPPLER: Yes.

15 MR. DIRCKS: Okay, Nelson?

16 COMMISSIONER ASSELSTINE: I had maybe one question  
17 for Jim. In the case of LaSalle, Byron, Fermi and Cook,  
18 do you have a sense for how the senior management of the  
19 utilities view the problems? Do they view them the same  
20 way you do? Are they sufficiently concerned about the  
21 situation at those plants?

22 MR. KEPPLER: There's no question in my mind that  
23 the management at Fermi is embarrassed and concerned, and  
24 dedicated to doing the right thing. I think Commonwealth  
25 top management is also concerned and -- I guess if I have

1 a feeling it's that I'm not sure they see things with the  
2 same perspective that I do.

3 COMMISSIONER ASSELSTINE: Okay.

4 MR. KEPPLER: Or the same sense of urgency. That's  
5 my perception.

6 In the case of Cook, I think the record speaks  
7 for itself. The project has gone on with some degree of  
8 mediocrity, and I feel that we just have to push harder to  
9 get them to perform at a higher level of excellence. And  
10 we're doing that.

11 COMMISSIONER ASSELSTINE: You mentioned there were  
12 some changes at Fermi. What changes have they made?

13 MR. KEPPLER: They have taken steps to get in  
14 their shift operating advisors who we were relying on to  
15 bridge the gap for lack of experience. They're involving  
16 them more in the day-to-day routine operations. And the  
17 shift technical advisors. These people were really almost  
18 only on-call before.

19 And I see them more involved. They have taken  
20 some of the administrative burdens away from people in the  
21 control rooms so that they can devote greater attention to  
22 ongoing activities, ongoing plant operations. And there was  
23 a whole slew of items that I just can't recall others.

24 COMMISSIONER ASSELSTINE: Anything with regard to  
25 the people that were involved in the unplanned criticality?



1           MR. KEPPLER: They pulled the operator that was  
2 involved off shift for additional training, and I don't know  
3 whether he has been put back on. In terms of -- I think  
4 we'll be discussing this at an additional time.

5           COMMISSIONER ASSELSTINE: Fine, okay.

6           CHAIRMAN PALLADINO: But how about training  
7 generally? You mentioned, I think that was the plant you  
8 said half of the LER's were due to human error or operator  
9 error.

10          MR. KEPPLER: Well, I think -- it's interesting.  
11 I asked the president of the company yesterday what he felt  
12 went wrong in terms of why -- here was a company who everybody  
13 thought was well prepared. And he had two thoughts that I'll  
14 pass on to you.

15                 One thought was that as they were doing the  
16 pre-op program -- and that by the way was the only licensee  
17 we ever gave a Category 1 to in pre-op testing, the only  
18 one -- that they had counterparts there advising them and  
19 working with them. And these people are gone now.

20                 And the second thing he felt was they got too  
21 cocky. He said, you told me not to get cocky, but he said,  
22 I think that's what happened. I think we were overconfident.

23           COMMISSIONER ASSELSTINE: Yes, I have to say,  
24 when I think back to the time that we issued the license,  
25 they looked awfully good. The senior managers actively



1 involved in the project; there at the site on a regular  
2 basis; hadn't skimped; first-class in terms of putting the  
3 facilities together; experienced people.

4 MR. KEPPLER: They're not offering defensiveness  
5 on this thing. They're facing up to the issues.

6 CHAIRMAN PALLADINO: Okay, any other questions?

7 COMMISSIONER ZECH: No, but I'll be back to take  
8 a look at some of those plants again.

9 MR. KEPPLER: I hope you will.

10 COMMISSIONER ZECH: LaSalle I haven't had a chance  
11 to go to yet, but Byron I've been to, and also Fermi. But  
12 I'd like to go back and see, if you're having troubles at  
13 Fermi like you've told us, I think I'll go back again sometime  
14 fairly soon if I can and see what happened out there myself  
15 firsthand. And Byron too. That's kind of a disappointment.  
16 So I think I'll go back there again too. You can tell them  
17 I'm coming, will you?

18 COMMISSIONER ASSELSTINE: And tell them I'm coming  
19 too.

20 MR. KEPPLER: I already have.

21 (Laughter.)

22 COMMISSIONER ZECH: Good.

23 COMMISSIONER BERNTHAL: I would urge the Admiral  
24 to do that. I think that has a salutary effect, I'll be back.

25 COMMISSIONER ZECH: I expect to hear good things

1 from them. And not only hear good things, but see performance.  
2 And tell them I'll be watching them from now on, very  
3 carefully.

4 CHAIRMAN PALLADINO: Tell them, I shall return,  
5 to quote a general.

6 Ready to move on to Region II?

7 MR. GRACE: The four main categories on the agenda  
8 that you have were suggested to me by the EDO's office as  
9 areas that you'd be interested in. And I've added some  
10 bullets under each of the four categories. If you can bear  
11 with me, I'll skim through the first three and get to the  
12 facilities that are getting increased attention.

13 As you know, I was assigned to Region II in  
14 February of this year, six or seven months ago. And  
15 immediately was faced with the problem of installing new  
16 people in many of the key positions. Of course, I was new  
17 and had just two years with the agency, having spent one  
18 year in I&E last year, and spent '83 with NRR on the CRBR.

19 First thing I had to do was select a deputy. And  
20 I was fortunate in having John O'Shinsky available who  
21 has been serving as the deputy regional administrator. In  
22 addition we had a vacancy created in the division of reactor  
23 projects then, and we selected Roger Walker, who had come  
24 to Region II a few months earlier from Region III. And he's  
25 been serving us very well. He's with us today.

1           We had to select a deputy for that office, division  
2 of reactor projects, and we've done that. But he is  
3 currently serving as acting division director in reactor  
4 safety. And that's because Paul Beamis has left to go with  
5 Jim what's-his-name up the street.

6           (Laughter.)

7           MR. GRACE: Now I'm recruiting, I'm interviewing  
8 a number of finalists on Friday when I get back to the  
9 office to fill that position. Then Al Gibson can move over  
10 to the deputy slot, unless he's selected for the division  
11 of reactor safety.

12           Now we've just received authorization to recruit  
13 a deputy for the division of reactor safety, so that's being  
14 posted immediately.

15           In addition I've replaced the director of  
16 enforcement to do our part to enhance communications with  
17 headquarters in that respect. We're fortunate that our  
18 director of the division of safeguards has been with the --  
19 well, he's been with the region for just six months I think  
20 of last year. And that's Phil Store, and he's with us today.

21           So it's been a probably in developing a new  
22 management team, selecting people, and getting installed.  
23 We're not there yet, but I think we've made considerable  
24 progress and we're learning to work well together and  
25 communicate with each other.

1           We've also made an attempt to communicate with  
2 the residents. I've been to some 16 of the 20 sites in  
3 Region II already to get to know the residents on their  
4 own home turf. At the same time, I got to meet utility  
5 management onsite, which is a key indicator to me as to  
6 where I might expect trouble, and where I think they're  
7 well managed.

8           So we've made considerable progress in this area.  
9 I have weekly staff meetings to communicate, to facilitate  
10 communications with the principal staff. The deputy director  
11 is having daily stand-up meetings to handle the daily  
12 business. And this is a practice that I've followed from our  
13 I&E experience.

14          Then I have monthly staff meetings with the whole  
15 staff to facilitate communications there. And I'm stressing  
16 here two-way communications. I don't manage in the military  
17 style because we don't have a military operation. And I  
18 depend very strongly on the judgment and the input so that  
19 we can arrive at a consensus. I believe in participatory  
20 management, and I didn't learn that from the Japanese, I  
21 learned that from experience over the years.

22          In addition I have visited the other regional  
23 offices to see how they function, and to learn from them.  
24 I visited all the regional offices since last February,  
25 except Region V, which I had visited last year.

1           So the new management team is working well. But  
2 we're not there yet.

3           The second item I want to just touch on is the  
4 Vogle readiness review. You heard a presentation from  
5 Georgia Power recently describing their program and the use  
6 so you know all about that. So far as the NRC activity in  
7 this area, the prime responsibility has been assigned to  
8 Region II to manage this activity and implement the program.  
9 It's moving along well. It's now underway. We've had some  
10 six modules submitted. The first one has been processed  
11 by the NRC, including input from NRR and ELD, and I&E.

12           The other five modules are in various stages of  
13 completion. The whole program is expected to be completed  
14 by the middle of next year. We have just a rough estimate  
15 of the total manpower being expended on this project so far.  
16 It looks like 16 or 17 man-years for the whole effort. And  
17 a little over half of that is Region II effort. And about --  
18 well, the first cut, which is very rough, we had some 30  
19 percent I&E effort and maybe 15 percent from NRR. But that's  
20 a rough cut and that will vary. And we'll keep -- I promised  
21 the EDO to keep him apprised of the resource expenditures.  
22 But we're all committed to meet the schedule and get the  
23 job done.

24           The third bullet, enhanced interfaces with the  
25 program offices. I was told by people in headquarters and

1 by people in the region -- there were complaints both ways --  
2 about communications. And so early on I made a commitment  
3 to my boss to enhance communications between the region and  
4 the program offices in particular.

5 In fact the way I put it, I was going to bring  
6 Region II back into the Union. And I think we've made progress  
7 in that regard. Naturally there was strong management in  
8 headquarters and there was strong management in Region II.  
9 I think we still have strong management, but I think we  
10 can work well with the program offices, and I think we're  
11 accomplishing that.

12 Toward that end, we've had visits to the region  
13 by the director of I&E, his deputy, his division directors  
14 and all his branch chiefs have been to the region for one  
15 reason or another. Next Monday, as a matter of fact, Jim  
16 Taylor is coming back along with John Davis to talk to us  
17 and resolve some problems, some concerns that we have with  
18 the NFS facility at Irving, Tennessee. It's farther down  
19 on the agenda here.

20 So I think we're making progress in that area.  
21 The next major category, regional innovations, operational  
22 readiness reviews. I think a better term for that is team  
23 inspections. These are being done in some of the other  
24 regions as well as Region II.

25 And what it is is a team inspection at NTOL's.

49  
1 This is what we focused on. This was done at St. Lucie, at  
2 Catawba, at Grand Gulf and at Watts Bar. So that is serving  
3 a useful purpose.

4 Quarterly status meetings with licensees. This  
5 we just initiated this spring, and have had meetings with  
6 let's see, Crystal River, with Hatch, and with Grand Gulf  
7 again. There NRR is involved and the practice is really  
8 being tested, I guess, and we're getting favorable feedback  
9 from the licensees as well as NRR. They all like it. It's  
10 a means of surfacing problems and helping to identify  
11 priorities.

12 The fuel facility SALP is an idea, I'm told, was  
13 originated in Region II last year. That was before my time  
14 so I can't take credit for it. But Mr. Dircks recently  
15 urged that that be done, has given new impetus to the effort.  
16 In fact, Region II has now completed its regional office  
17 instruction on that subject and working cooperatively with  
18 I&E and NMSS, the first such fuel facility SALP will be  
19 done at B&W Navy in November.

20 Another item that was suggested was the interfaces  
21 with states, local government, et cetera. I might just  
22 mention briefly that there is a southeast compact on low  
23 level waste, which comprises eight of the ten states in  
24 Region II. Kentucky is allied with Illinois and the central  
25 group, and that will, of course, be monitored by Region III.



1           West Virginia is allied with Pennsylvania and  
2           that will be overseen by Region I. And they expect to find  
3           a site in Pennsylvania. The eight states in Region II that  
4           have formed the Southeast Compact have a very aggressive  
5           program. They have already met with the public in four  
6           of the eight states, and they expect to select a site by  
7           next summer. We wish them luck.

8           CHAIRMAN PALLADINO: Which group is this?

9           MR. GRACE: The Southeast Compact.

10          CHAIRMAN PALLADINO: I see.

11          MR. GRACE: Now agreement state status is Region  
12          II. Again eight of the ten states are agreement states.  
13          Those that are not are West Virginia and Virginia. Virginia  
14          already has taken initiatives to establish themselves as an  
15          agreement state. So that's in process.

16          West Virginia we doubt will ever become an agreement  
17          state, but they have so little activity, it's probably not  
18          justified. So that's in good shape.

19          Moving along to the last item which is probably  
20          of greatest interest, I have nuclear fuel services on here  
21          because of concerns across the board of -- there have been  
22          escalated enforcement actions with civil penalties in the  
23          criticality control area, a couple of them last year, in  
24          the radiation protection area, and in security.

25          The problem is compounded today by their being in



1 the midst of a strike. It's a rather hostile situation.  
2 There's been some violence and this causes us concern.

3 This facility has been in operation since '59 or  
4 so, 25 years or thereabouts. It's changed hands several  
5 times. It's currently owned by Texaco, and there's a rumor  
6 afoot that Texaco may sell out.

7 But I toured the place a few months ago and Jim  
8 Taylor was with me, and had an uncomfortable feeling frankly.  
9 Not only because the record of violations, but also the  
10 observation that there are a lot of contaminated areas that  
11 are not being decontaminated and decommissioned.

12 They make fuel primarily. They make  
13 fuel material for the Navy program, which is dear to  
14 my heart because this is the fuel that goes into the reactor  
15 that I designed last for the Navy at Bettis, which is now  
16 being mass produced. They produce a beautiful product, but  
17 the process introduces some concerns.

18 Of course, they have an opportunity for criticality  
19 in a number of stages. And having once had responsibility  
20 for a fuel making facility myself for our critical experiments  
21 at Bettis, I'm extremely sensitive to that sort of thing.

22 So they have also made fuel for -- they've made  
23 thorium and uranium 233 for the light water breeder reactor  
24 at Shippingport. And that facility though is no longer in  
25 production, of course. They also made plutonium for Seaford,

1 the G.E. plant, liquid metal cooled plant. That facility  
2 is no longer in use.

3 But these facilities remain undecontaminated  
4 and they haven't been decommissioned for the most part.  
5 So we're going to discuss Monday what actions we might take  
6 and what we might ask the EDO to take.

7 CHAIRMAN PALLADINO: Do you have any comment on  
8 the letter that we received from the union?

9 MR. GRACE: Yes, I understand -- I haven't seen  
10 that letter, but I understand that letter has come from the  
11 union.

12 COMMISSIONER BERNTHAL: You better look at it.

13 CHAIRMAN PALLADINO: Yes, it's quite a letter.

14 MR. GRACE: Okay, I must -- I might say, we  
15 recently were faced with the question of should we allow  
16 them to start up operations again with supervisory management  
17 of the process. Operations, actually.

18 And we reviewed the situation carefully as did  
19 NMSS and I&E. We also had the benefit of the results of a  
20 by a subcontractor. Bechtel, some part of Bechtel organization.  
21 We reviewed that, didn't see any surprises, didn't see any  
22 problems we weren't already aware of. And so we and NMSS  
23 concurred that we had no reason to lift their license or  
24 shut them down. They were actually -- they had an operating  
25 license and it would take that kind of a deliberate action

1 on our part, and we didn't have that justification was the  
2 consensus.

3 But of course, the union doesn't like the idea  
4 that somebody else can do their work for them and may have  
5 some legitimate concerns as well.

6 CHAIRMAN PALLADINO: The allegations sound very  
7 serious to me, and I think you ought to look at it carefully.

8 MR. GRACE: Sure will.

9 COMMISSIONER BERNTHAL: I'd just make a comment.  
10 First of all, I intend to get a memo out on that letter  
11 fairly promptly. Without prejudging anything because I don't  
12 know the facts and I keep saying I'm going to go down and  
13 walk through that place. Been saying it for seven years,  
14 and I haven't done it yet.

15 CHAIRMAN PALLADINO: Yes, I've got to do it to.

16 COMMISSIONER BERNTHAL: We went through this  
17 exercise about seven years ago when they were on strike. A  
18 rather similar acrimonious affair. A number of charges and  
19 allegations. And it just seems to me without saying anything  
20 further at this point that it's time to get the whole thing  
21 straightened out.

22 I'm troubled by this pattern of union/management  
23 discord that apparently, at least, if not in reality has  
24 safety implications for the operation of that plant. And  
25 I think this is two, if not three strikes, as far as I'm

1 concerned.

2 MR. GRACE: Well, of course, they've had a very  
3 bad management/union relationship for some time. Of course  
4 that's a reflection on both sides, and that's a serious  
5 concern.

6 COMMISSIONER BERNTHAL: And that should be a  
7 concern to the Navy too, and I'm surprised frankly that it  
8 hasn't surfaced as a greater issue from the Navy itself.

9 MR. GRACE: Well, we'll be discussing all of these  
10 facets when John Davis and Jim Taylor are in Atlanta on  
11 Monday, and then develop a plan of action.

12 COMMISSIONER BERNTHAL: Okay, good.

13 MR. GRACE: Let me ask Jim or NMSS representatives,  
14 do you have anything to add to this NFS issue?

15 MR. TAYLOR: No. I've not seen the letter.

16 MR. GRACE: We're anxious to see the letter.

17 MR. DIRCKS: Was the letter addressed to the  
18 Commission?

19 COMMISSIONER ASSELSTINE: Yes.

20 MR. DIRCKS: And it just came in?

21 CHAIRMAN PALLADINO: Yes. In the last couple days.

22 MR. GRACE: No presentation by Region II would be  
23 complete without the TVA. That's occupied a lot of our  
24 attention particularly in the last six months. We are going  
25 to cover that tomorrow, but let me just give you a few of

1 the highlights of Region II involvement before the matter  
2 reached the newspapers a couple of months ago.

3 Browns Ferry in particular has had a poor track  
4 record in operations and maintenance in six categories all  
5 together. They've had category three ratings in SALP for  
6 a long time. Last spring, which was the time of the last  
7 SALP, spring of '84, because of the continuing marginal  
8 performance they developed a regulatory performance improvement  
9 program, which was then put in place by conformatory action  
10 order from Region II.

11 And it also required that they meet quarterly  
12 with the board of directors at TVA. That program over the  
13 rest of the year, obviously wasn't having much effect. The  
14 violations continued, in some cases seemed to get worse. I  
15 don't know why it happened. Perhaps, sometimes I have seen  
16 in other programs where the existence of a program is thought  
17 to be an end in itself, rather than a means to an end. And  
18 I'm speaking of the regulatory improvement program.

19 I don't know. It would be unfair for me to  
20 speculate. I might be unfair to somebody. But it wasn't  
21 working. And we're looking at the bottom line, not the  
22 program.

23 So when I was assigned to Region II in February,  
24 I had spent a large part of the time in January in Region  
25 II getting up to speed. And it was obvious at the outset

1     that Browns Ferry was our number one problem.

2             I was on the job, I guess, one week when I paid  
3     my first visit to Browns Ferry. And I told them that I was  
4     new on the job. I couldn't formulate any final judgments,  
5     but my opinion, I had a very uncomfortable feeling that there  
6     was a significant probability -- and I don't mean 10 to  
7     the -8 -- that they were going to have an embarrassing  
8     event at Browns Ferry within the next year or so. And I  
9     told this to the site director Jim Coffey.

10            He mentioned that, well, we have this improvement  
11     program. It's going to take a couple of years to get it  
12     going. And I said, you don't have a couple of years. I must  
13     say to Jim Coffey's benefit, he did turn things around, begin  
14     to turn things around rather quickly. We got his attention.

15            It was the middle of February when I visited  
16     Browns Ferry again, this time with Commissioner Asselstine.  
17     We had an opportunity to meet the chairman of the board  
18     at dinner at night. And this was the opportunity I was looking  
19     for because I've learned over the years that if you want to  
20     get a problem fixed you have to start at the top. It may  
21     or may not get fixed if you try to manage for them at lower  
22     levels.

23            So I expressed a similar concern, as the commissioner  
24     will remember, at dinner that evening. I think we began to  
25     get their attention. Why their attention was not had earlier

1 I don't know. They did have quarterly meetings. Perhaps  
2 the impression that the board had was that, well, NRC is  
3 taking care of the problems. They assured us, the program's  
4 in place and they could get a progress report from time to  
5 time.

6 Apparently they were not concerned, because when  
7 we met the last time with the chairman in the EDO's office  
8 he asked us, why didn't you tell me we had a problem. Well,  
9 maybe that's a good question. I thought he was told. But  
10 a better question would be, why hasn't his staff told him  
11 he's having problems.

12 We found that there's been a serious lack of  
13 communication in the upper echelon at TVA. Now I mention  
14 these faults that we found because I also want to mention  
15 -- and maybe we'll get into this tomorrow -- the positive  
16 aspects. Because in contrast to what I found just a few  
17 months ago, I think they're making every attempt to turn  
18 things around. Whether they'll succeed or not remains to  
19 be seen.

20 COMMISSIONER ROBERTS: Is our meeting tomorrow  
21 on TVA open or closed?

22 COMMISSIONER ASSELSTINE: It's open.

23 MR. GRACE: Now just a couple more points on  
24 this. It was two weeks after that meeting with the chairman  
25 of the board at Browns Ferry that they had another incident



1 at Browns Ferry. This was the famous water level discrepancy  
2 where their water level instruments in the reactor vessel  
3 were reading two feet apart, or roughly two feet different.

4 They increased feed flow as if they believed the  
5 lower level, and yet they continued to operate as if they  
6 believed the upper level and didn't take the conservative  
7 route, which is somewhat typical of some other incidents that  
8 have occurred there. This, I thought, was the last straw  
9 and convened my staff and asked, now do we shut them down.  
10 Cooler heads prevailed and it was suggested that I not shoot  
11 first and ask questions later.

12 So I called Hugh Parris, who was the manager of  
13 power and engineering who is one person I had sensed I could  
14 communicate well with. He was concerned. And asked him to  
15 come in immediately and justify their continued operation  
16 of Browns Ferry 3.

17 Well, his first response was, couldn't it wait  
18 a couple of weeks, Jim Darling is about to go on leave. And  
19 he was quickly persuaded that it couldn't wait two weeks and  
20 they agreed -- this was a Friday, I believe -- and they  
21 agreed to come in on Tuesday. Well, Saturday they shut down.  
22 The board took the action to shut down. And it may have  
23 been increased sensitivity on the part of Chairman Dean.

24 So from this point on they've been extremely  
25 conservative in their approach. Well, I shouldn't say



1 extremely, but certainly conservative. Two weeks after that  
2 they had to shut down Unit 1 at Browns Ferry because they  
3 had to maintain some valves that they couldn't maintain at  
4 power to stay within their specs. So they shut down. Then  
5 they decided since they were running out of reactivity  
6 lifetime they'd stay shut down.

7 So the entire Browns Ferry facility has been  
8 shut down since mid-March. I should wrap this up. I know  
9 we're running overtime.

10 MR. DIRCKS: We're going to get into TVA tomorrow.

11 MR. GRACE: We'll talk about a lot more details  
12 tomorrow.

13 CHAIRMAN PALLADINO: We'll be interested in your  
14 recommendations tomorrow.

15 MR. GRACE: Okay. So thank you for your attention.  
16 Any questions?

17 CHAIRMAN PALLADINO: Okay, any questions?

18 COMMISSIONER BERNTHAL: I take it this was a  
19 "voluntary" shutdown, as opposed to a voluntary shutdown.

20 MR. GRACE: Well, I could speculate on that, but  
21 I think that they saw the writing on the wall. But at the  
22 same time they were sensitive to -- they were becoming  
23 sensitive to the problems.

24 COMMISSIONER BERNTHAL: Is that unprecedented?  
25 Have we ever -- has this agency ever, in effect, shut down

1 or caused to be shut down a facility of that size for that  
2 length of time? Other than Three Mile Island, of course.

3 Well, that's not the right statement. Other than  
4 a facility that had some major operation difficulty.

5 COMMISSIONER ASSELSTINE: We kept Salem down for  
6 several months. Davis-Besse obviously for awhile, for several  
7 months.

8 COMMISSIONER BERNTHAL: But those were major events.

9 MR. KEPPLER: There have been plants that have  
10 had problems and the NRC has prevented them from starting up  
11 until that problem was fully corrected.

12 COMMISSIONER BERNTHAL: I think Davis-Besse and  
13 it's a small point, but not really parallel. This was a  
14 pattern here rather than a single major event that we felt  
15 was a serious safety event. Whereas here I gather it's just  
16 been a pattern over some period of time.

17 CHAIRMAN PALLADINO: Well, in a sense Davis-Besse  
18 is also that, whole bunch of reasons.

19 COMMISSIONER ASSELSTINE: Yes. Brunswick I think  
20 came kind of close, too, didn't it, in terms of a history  
21 of a pattern of events. And basically there was an agreement  
22 that some fairly significant work would be done before --  
23 on their procedures before the plant would run.

24 MR. GRACE: Yes, as I understand the history, they  
25 also put in effect a performance improvement program.

1 COMMISSIONER ASSELSTINE: That's right.

2 MR. GRACE: And this has proved to be rather  
3 successful. I visited the Brunswick site recently and was  
4 impressed with the management there. I guess I have a  
5 couple of concerns.

6 They had delegated a lot of authority to the site  
7 when they first underwent this change. I sense now that  
8 perhaps they're pulling the strings back a little bit. And  
9 for example, on the simulator, they were proud that they had  
10 installed their simulator last year. Then I learned that  
11 it was a 1981 model in effect. There were many modifications  
12 that had not been incorporated. Is that in the budget? Well,  
13 maybe next year it's in the budget. And headquarters is  
14 holding the purse strings.

15 So this is not a major indictment, but it's just  
16 an indicator that causes me a little bit of concern.

17 MR. DIRCKS: I think once it gets -- once one of  
18 these facilities gets the attention and people start probing  
19 in it, it could be a small incident, it could be a medium  
20 size. Once you start peeling back the layers, and as they  
21 see us peeling back the layers, many times these facilities  
22 will say, we're going to shut down.

23 And we've seen this in a couple -- I guess out  
24 west Rancho Seco is in the same boat right now.

25 COMMISSIONER ASSELSTINE: That's right. Yes, I

1 think we're still peeling there.

2 MR. DIRCKS: Well, it's a process. It takes --  
3 we're still peeling at TVA.

4 MR. GRACE: And we're almost in a position of  
5 keeping Crystal River shut down because of the failure rate  
6 of their operators on their recall exam. But they fortunately  
7 got ready by the skin of their teeth and started up.

8 I might -- you mentioned the Davis-Besse thing.  
9 I might mention that we've had some concerns at Turkey Point.  
10 They've had an improvement program that has progressed quite  
11 well. But we've had some concerns in the maintenance area  
12 and in the follow up to modifications and testing after plant  
13 modifications and in the design review of modifications.

14 We did a special inspection down there a month  
15 or so ago on this subject, and when I learned that I&E was  
16 planning a series of inspections at other sites looking for  
17 the Davis-Besse kind of symptoms I suggested that they go  
18 to Turkey Point. So that review is not yet complete, but  
19 that is also a concern.

20 MR. DIRCKS: I think, Fred, you raised a point  
21 and we were talking about it earlier. It's, the Commission  
22 has moved now into this regulating, operating facilities.  
23 And we're regulating -- we're looking at these things more  
24 and more on the level of performance than on a failure to  
25 adhere to out and out regulations. I think it's this level

1 of performance that we all have to get comfortable with.

2 And I think the Commission has to get comfortable  
3 with the notion too, that it's going to be a judgment call  
4 in many cases how you treat these plants.

5 COMMISSIONER ASSELSTINE: I have just one for  
6 Nelson. I think you've covered two of my three. Brunswick,  
7 I gather, you feel is still making continued progress.

8 MR. GRACE: Oh, yes indeed.

9 COMMISSIONER ASSELSTINE: They're still moving in  
10 the right direction?

11 MR. GRACE: There are a few minor concerns.

12 COMMISSIONER ASSELSTINE: And Turkey Point?

13 MR. GRACE: I think -- I visited Turkey Point early  
14 on and I was really impressed with their progress in the  
15 improvement program, and the people who spoke for each  
16 category, and their dedication and determination to fix things.  
17 And that was in contrast to a review I had had very near in  
18 time at Browns Ferry and their improvement program. So that's  
19 a rather sharp comparison.

20 But there's just this recent concern about  
21 maintenance and the modifications that suggest that perhaps  
22 a problem in that area.

23 COMMISSIONER ASSELSTINE: The third one that I  
24 wanted to ask you about was Grand Gulf.

25 MR. GRACE: Grand Gulf, they have essentially

1 changed out all the top management over the last year  
2 and-a-half. They made significant strides in requalifying  
3 their operators. I was there in January with my predecessor  
4 on the occasion of giving out operator certificates.

5 And there was a lot of patting on the back and  
6 praise and mutual admiration and so forth, and it seemed to  
7 be well justified. I didn't have a good measure myself at  
8 the time.

9 I think they're in good shape. It's a clean  
10 plant. I've been there. I've been very much impressed with  
11 Jim Cross the plant manager. And they recently acquired a  
12 man from Farley who oversees Jim Cross, and it remains to  
13 be seen how that's going to be working -- work out. But  
14 he's a strong leader from Farley.

15 I'm very confident of Grand Gulf. I must say it  
16 was a little embarrassing when we had to issue a \$500,000  
17 civil penalty after all of this was accomplished. But that's  
18 inherent in the system. I wish I knew a way to expedite  
19 that process.

20 MR. DIRCKS: There was one warning light that  
21 went up on some of those middle south plants. And it dealt  
22 with our concern with the relationship of the PUC actions  
23 to maintaining very high standards of performance at the  
24 facilities. And I think it was yesterday I sent a letter  
25 to the heads of Louisiana Power & Light, Mississippi and

1 Arkansas saying that we took note of this scale back in the  
2 allowable return on those plants. And we wanted to know  
3 how it might affect their plans on training, maintenance  
4 and some of these infrastructure items that affect plant  
5 performance and safety.

6 And we are -- we did ask for specific information  
7 on these facilities. We're not saying there's unsafe  
8 operations there now, but we do want to know how these  
9 actions have affected their support of these infrastructure  
10 items.

11 COMMISSIONER ASSELSTINE: Yes.

12 COMMISSIONER BERNTHAL: A matter of curiosity --  
13 a broad question. Some of these plants that you have  
14 discussed here have been older ones, Turkey Point, and I  
15 don't know how long Brunswick has been running, I guess, but  
16 it's not --

17 COMMISSIONER ASSELSTINE: Ten, 11 years.

18 COMMISSIONER BERNTHAL: Yes, it's older too. When  
19 we talk about a plant like that being subpar in operations,  
20 is there the institutional memory to tell me how it would  
21 compare with whatever, seven, eight years ago? Have our  
22 standards moved up and they stood still? Is that what has  
23 happened? Or have they just gone downhill from what they  
24 once were? Anybody know?

25 MR. KEPPLER: I think that from my perspective,

1 I think we all are searching for a higher level of excellence.  
2 And perhaps the ground rules that were judged as acceptable  
3 before are at a higher level today. I think that's true.  
4 TMI taught us certainly an awful lot of lessons. And I'd  
5 like to think we learned from all these lessons.

6 So the objective, I think, is to try to bring  
7 about a higher level of excellence.

8 COMMISSIONER BERNTHAL: Well, I agree and  
9 obviously I concur in that objective. I'm curious whether  
10 it's a fact that if you walked into the average plant ten  
11 years ago, let's say, and looked at operations you would  
12 say this is unacceptable.

13 MR. KEPPLER: I think plants today are clearly  
14 safer than they were --

15 COMMISSIONER BERNTHAL: Through today's eyes.

16 MR. KEPPLER: -- ten years ago. I believe that  
17 firmly. But I also believe there can be improvements and  
18 should be improvements.

19 COMMISSIONER ROBERTS: I commend to everybody  
20 Chairman Markey's closing remarks of today.

21 CHAIRMAN PALLADINO: What was that?

22 COMMISSIONER ROBERTS: I want that reserved.  
23 Markey's last comment to us --

24 COMMISSIONER ASSELSTINE: Best is great, but  
25 better is good, or something to that effect.



1 COMMISSIONER ROBERTS: Well, perfection is not  
2 possible.

3 COMMISSIONER ASSELSTINE: That's true. Yes,  
4 that's right.

5 CHAIRMAN PALLADINO: But we ought to get as much  
6 as we can.

7 COMMISSIONER ROBERTS: I would not disagree with  
8 that.

9 CHAIRMAN PALLADINO: No, that's what I think he  
10 added.

11 MR. KEPPLER: I think it's very important --  
12 people who try for zero mistakes, recognizing that you can't  
13 achieve, if they try for it, that's the goal. I think they're  
14 better than those people, those organizations that accept the  
15 fact that mistakes are going to be made as a way of life.

16 COMMISSIONER BERNTHAL: I was actually asking a  
17 factual question, not interested in philosophy.

18 MR. KEPPLER: Well, I thought I'd give you my  
19 philosophy in the meantime.

20 COMMISSIONER ASSELSTINE: I think, Fred, it depends  
21 upon the plant too. If you look at Brunswick, in my  
22 recollection of when we went through the enforcement thing  
23 was that there had been a substandard level of performance  
24 for a long time, really starting with the beginning of  
25 operation of the plant. And there had been lots of efforts

1 to fix that and it just hadn't been done.

2 And at Turkey Point, I remember quite vividly  
3 that when I was down there, the senior management of the  
4 company was quite open and quite candid and they said, you  
5 know, our plant staff did what we asked them to do, which  
6 is run the plant and get high performance and high output  
7 from the plant. And we didn't pay attention to maintenance  
8 as we should have done, and now we've got a pack of problems  
9 here and we've got to deal with those problems. And they  
10 did what we asked them to do, and it turns out it wasn't  
11 exactly the right thing.

12 COMMISSIONER BERNTHAL: Unfortunately, Ed Case  
13 isn't here. But Harold, you've been around a long time,  
14 what's your opinion?

15 MR. DENTON: On Brunswick or plants in --

16 COMMISSIONER BERNTHAL: Just in general.

17 MR. DENTON: -- on all plants. I think plants  
18 are safer today than they were. If you look back --

19 COMMISSIONER BERNTHAL: That's not the question  
20 I'm asking. I'm asking, if you walked in today and looked  
21 at a typical operating plant of ten years ago what would  
22 the reaction most likely be about operations?

23 MR. DENTON: We would be shocked at the lack of  
24 rigor and --

25 COMMISSIONER BERNTHAL: That's what I thought.

1 MR. DENTON: -- procedural control that was in  
2 place ten years ago compared to what we have today, I think.  
3 The plants look a lot the same, but they were not run nearly  
4 so formally as we now require. And they had a lot less  
5 NRC surveillance. We didn't have residents, we didn't have  
6 as many rules. It was a lot more of an audit process.

7 COMMISSIONER ASSELSTINE: I'm reminded of a  
8 comment by a nuclear utility executive that I saw not too  
9 long ago who said, back in the old AEC days you called up  
10 and asked if you could come to my plant. Now you just show  
11 up.

12 CHAIRMAN PALLADINO: Incidentally, an observation  
13 made on my Japanese trip. The Japanese have very good  
14 plant availability now, but they point out that it wasn't  
15 too long ago when they had a lot of difficulty. And they  
16 said, it was getting attention to those problems that resulted  
17 in the good availability. It was not going after availability  
18 per se, but going after good maintenance and good operational  
19 practice and procedures.

20 Well, let me -- I think we ought to promptly  
21 bring this meeting to a close, but not because it's not an  
22 interesting subject. You as our field officers are on the  
23 firing line, and I think it is very important for us to  
24 communicate on a regular basis. And I find every one of  
25 these meetings worthwhile.

1 But I would say that when there are problems,  
2 make sure that they get to top management here, as well as  
3 expecting top management in the other companies. But I'm  
4 sure you have a good channel for that. But I do want to  
5 express our appreciation for all the things that you do. And  
6 I know as a result you often get a lot of abuse. But  
7 nevertheless, we're very supportive and look forward to  
8 continuing interaction with each of you.

9 Anything more?

10 COMMISSIONER ZECH: I agree.

11 CHAIRMAN PALLADINO: Thank you, and we'll stand  
12 adjourned.

13 (Whereupon, at 5:24 p.m., the commission meeting  
14 was adjourned.)  
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## AGENDA

### MEETING WITH THE COMMISSIONERS

SEPTEMBER 11, 1985

3:00 p.m. Thirty-minute presentations by each Regional Administrator on the following issues and topics

#### Region I (Thomas E. Murley)

1. Improvements at Plants Receiving Increased Attention
  - o Management Changes
  - o Improved Operations
2. Regional Actions to Identify and Deal with Problem Plants
  - o Team Inspections
  - o Use of SALP
3. Emergency Planning Issues
  - o Exercise Deficiencies
  - o Coordination with FEMA
4. Initiatives to Use PRA Results to Guide Inspections
  - o Focus on Safety
  - o Trial Programs at Indian Point and Calvert Cliffs

#### Region II (J. Nelson Grace)

1. Main Accomplishments in Last Six Months
  - o Establishment of Regional Management Team
  - o Vogtle Readiness Review
  - o Enhanced Interface with Program Offices
2. Regional Innovations
  - o Operational Readiness Reviews
  - o Quarterly Status Meeting with Licensees
  - o Fuel Facility SALP

Region II  
(Continued)

3. Significant Interfaces/Issues with States, Local Governments, PUCs
  - o Low Level Waste Compact Status
  - o Agreement State Status
4. Facilities Receiving Increased Attention
  - o Nuclear Fuel Services, Incorporated (NFS)
  - o Tennessee Valley Authority (TVA)

Region III

(James G. Keppler)

1. Initiatives to Improve Performance of Licensees
  - o Methods for Early Identification of Problems
  - o Action Plan to Resolve Problems in a Timely Manner
2. Fermi Premature Criticality
3. Facilities Receiving Increased Attention
  - o Facilities - LaSalle, Byron, Cook
  - o Major Concerns and Problems
  - o Assessments in Process
  - o Planned Actions
4. John C. Haynes Company Decontamination
5. State Interfaces/Initiatives
  - o Agreement State Status and Plans
  - o Illinois Regulatory Initiatives

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