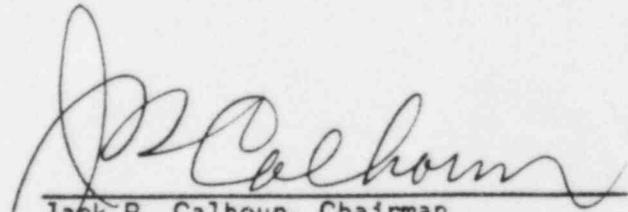


FERMI 2 INDEPENDENT OVERVIEW COMMITTEE

EVALUATION OF DETROIT EDISON MANAGEMENT AT FERMI 2

JANUARY 30, 1986


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PURPOSE

The purpose of this report is to present the results of the Independent Overview Committee's evaluation of the Fermi 2 management in accordance with that Committee's charter. The Committee has been directed to identify, evaluate and analyze problems with management, management structure, and management systems.

INTRODUCTION

By letter dated December 24, 1985, the Administrator for Nuclear Regulatory Commission Region III requested that Detroit Edison furnish a response describing plans and programs to address management and programmatic weaknesses identified by the Nuclear Regulatory Commission. This letter was issued in accordance with the provisions of 10CFR50.54(f) and specifically requested Detroit Edison to evaluate and address:

"The adequacy of management, management structures and systems that have contributed to the performance of Fermi 2; the adequacy of training to assure that responsible personnel recognize and respond, as appropriate, to significant safety conditions; and, changes in controls needed to assure improved regulatory performance. The areas of operations, maintenance, engineering and security should be included in your evaluation."

As part of Detroit Edison's program to respond to this letter, this Independent Overview Committee was formed to provide advice to the Chief Executive Officer and the Board of Directors during startup testing of Fermi 2 and escalation to full power operation.

The Committee met initially with the Chairman of the Board and Chief Executive Officer, the President, and the Vice President, Nuclear Operations to discuss the Committee's charter. The Chairman of the Board emphasized the independence of this Committee and indicated that channels are open for communication with personnel at all levels, with the Board Nuclear Review Committee, with the Board of Directors itself, or with any of its members.

During a one week period, the Committee as a whole, or in groups of two or more members, interviewed the Vice President, Nuclear Operations, the Manager of Nuclear Operations, all four assistant managers, and other key managers in plant operation, maintenance, engineering, licensing, quality assurance, security, administrative services, and training. In addition, the entire Committee also interviewed the Nuclear Regulatory Commission Senior Resident Inspector.

During several sessions, the Committee evaluated and summarized the problems identified during the interviews and developed recommendations for possible corrective action. In reaching its conclusions, the Committee took advantage of the experience with Fermi 2 which some of its members have, either as members of the Nuclear Safety Review Group, as advisor to the plant manager, or as participants in other technical and management work at Fermi 2.

PROBLEM IDENTIFICATION AND EVALUATION

We recognize that the Fermi 2 operating staff participated in plant completion and in the startup testing program up to five percent power. Furthermore, we find that management personnel are conscious of the need for safety in the operation, maintenance and support of Fermi 2.

While many elements of management are satisfactory, there are problems which have prevented the organization from achieving the high standards of performance to which Detroit Edison is committed. During the interviews, it was apparent that most of these problems had already been recognized by those persons interviewed. Following is the Independent Overview Committee's summary of the principal problems. We look forward to reviewing the responses to each of the problems identified below.

A. Lack of Commercial Nuclear Power Plant Operating Experience

Of the levels of management and supervision from the Chairman of the Board down to the Nuclear Shift Supervisors, there is virtually no experience with operating a commercial nuclear power plant. However, some personnel have naval reactor operating experience and others have been assigned for short periods at operating nuclear plants owned by other utilities.

B. Leadership

1. Subordinates often do not know who is in charge, and in some cases have the impression that nobody is in charge.
2. Lack of a consistent definition of mission inhibits appropriate action.
3. Managers are reluctant to define goals and responsibilities and then require lower tier managers to carry them out.
4. The tendency of some upper level managers to engage in micromanagement reduces the effectiveness of lower level managers and supervisors.

C. Accountability

1. Managers fail to hold their subordinates accountable and fail to follow up to verify accomplishment of assigned work.
2. In a few cases, demonstrated lack of management ability is accepted rather than corrected.

D. Management Ineffectiveness

1. There is some reluctance to face facts, identify problems, establish their sources or root causes, work toward timely and effective solutions, and take action to prevent recurrence.
2. There is evidence of lack of effective teamwork within the organization, in terms of concerted, combined efforts to support the needs of an operating plant.
3. Nuclear Production does not always receive the necessary support from other organizations at Fermi 2.
4. Planning is not effective for either short-term or long-term activities, and little consideration is given to contingency planning.
5. Unresolved interdepartmental conflicts persist.
6. Excessive amounts of time are taken to implement important agreements, management directives, and procedural changes.
7. Line management often abrogates its responsibilities by depending upon decisions by committee, a practice which results in too many meetings.

E. Organization

1. The division of responsibilities within Nuclear Engineering is not well balanced and reduces overall effectiveness of the organization.
2. The Quality Assurance organization does not report to a level of management consistent with the necessary emphasis on quality.

F. Management Systems

1. Administrative procedures and controls are excessively rigid and cumbersome.
2. There is no integrated system in use for planning, scheduling and establishing priorities for Nuclear Operations.

RECOMMENDATIONS

We consider that Detroit Edison has sufficient management capabilities to develop the necessary action to resolve the problems listed above. However, in the course of our deliberations, we formulated a number of recommendations which, if adopted, should result in overall improvements in the organization and management. We consider the recommendations and the actions to resolve the problems are not prerequisites for startup.

1. Intensify and expand efforts to recruit and hire personnel for certain key management positions who have extensive experience with operating commercial nuclear power plants, with particular attention to positions in senior management.
2. For the Vice President, Nuclear Operations, provide an advisor who has extensive commercial nuclear power plant experience, to serve in that capacity until the recommended recruitment efforts are successful.
3. Emphasize to other site organizations the importance of fully supporting Nuclear Production, with particular attention to resolution of conflicts with engineering, administration and security. A concerted team effort is needed to eliminate organizational and procedural impediments to accomplishing operational and maintenance objectives.
4. Establish challenging performance goals at all levels of management and, through a system of performance indicators, monitor progress toward achievement of those goals.
5. Realign the organizational structure of Nuclear Engineering and strengthen its overall management.
6. Acquire an experienced nuclear security professional to improve the overall effectiveness of the Security organization.