



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406

16 JUN 1988

The Honorable William Donald Schaefer
Governor of Maryland
Annapolis, Maryland 21404

Dear Governor Schaefer:

Thank you for the comments on the Philadelphia Electric Company (PECO) Plan for Restart of Peach Bottom Atomic Power Station. We have forwarded your comments to PECO for their consideration in revising their plan. We note that your concerns are generally consistent with many of those which we have previously transmitted to PECO.

We agree that people's actions and not the words of the restart plan will assure safe operation of the plant. After NRC completes its review and approves the restart plan, and after PECO has completed implementation of the approved restart plan and has completed their own assessment of readiness for restart (including an INPO evaluation), the NRC will conduct an Integrated Performance Assessment Team inspection (IPAT). The purpose of this final major inspection is to evaluate implementation of the restart plan to determine if there is reasonable assurance that the plant can and will be operated safely. As I stated to Secretaries Brown and Walsh when I met with them on March 22, 1988, the State of Maryland may have an observer at this inspection. We will keep Mr. Thomas Magette informed regarding this inspection.

Your comments are being factored into our review of the PECO plan. We will inform you of the results of our evaluation of all issues relevant to the shutdown order.

Once again, thank you for your thoughtful comments. We will continue to keep your staff informed of developments at Peach Bottom.

Sincerely,

William T. Russell
Regional Administrator

cc:
Mr. Thomas Magette
Dr. Max Zisenberg
Mr. David Carroll

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May 26, 1988

Mr. William T. Russell
Regional Administrator
United States Nuclear Regulatory Commission
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Dear Mr. Russell:

I am writing to provide the State of Maryland's initial comments on the Plan for Restart of Peach Bottom Atomic Power Station, Revision I, published by the Philadelphia Electric Company on April 8, 1988.

My position remains that Peach Bottom should only be restarted if it will be operated in a manner that assures the protection of the health and safety of the public. I believe that with some modifications the Restart Plan can completely describe corrective actions needed at Peach Bottom. I do not believe, however, that this or any other plan can assure safe operation of the plant. Only people can do that. That is why we must focus our efforts on ensuring that the Restart Plan is successfully implemented, once it has been revised.

I have repeatedly asked the NRC to establish restart criteria against which to judge PECO's efforts. In his April 7, 1988 letter to me, NRC Chairman Lando Zech stated that the Restart Plan itself, once accepted by the NRC, represents restart criteria. While I am willing to agree that an acceptable restart plan contains minimum standards which PECO must meet prior to restart, I am uncomfortable calling the plan restart criteria for two reasons. The first is that accepting the Restart Plan as criteria does not address the issue of effectiveness. One still must identify means for determining if and when PECO has successfully implemented the tasks outlined in the Restart Plan.

In his letter, Chairman Zech also stated that PECO's most difficult challenge will be addressing the attitude problem. The attitude problem also poses a formidable challenge to the NRC. You must assure that PECO has successfully addressed this problem, as well as having successfully addressed the other elements of their Restart Plan, once approved. After all, it is results, not plans, that ultimately are important. Reviewing the

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effectiveness of PECO's corrective actions is even more important than identifying those areas requiring correction. Obviously some of the changes at Peach Bottom are more important than others. The effectiveness of these changes must be reviewed with particular care. The changes for which effective implementation is most important, as well as most difficult to verify, are listed in an attachment.

Several independent reviews of the effectiveness of PECO's corrective actions are underway. In addition to the NRC's review, PECO's efforts are being scrutinized by the Institute of Nuclear Power Operations and the Advisory Committee for Reactor Safeguards. Satisfying the concerns of these reviewers will be a critical step for PECO. It will be important for each of these organizations to identify criteria against which to measure the effectiveness of PECO's efforts. The State of Maryland intends to independently evaluate effectiveness, as well as monitor the other reviews.

The Restart Plan as submitted generally corrects the serious deficiencies of the plan submitted last August. The attention given to the responsibility of corporate management for the problems at Peach Bottom, the correlation between the tasks listed and specific shutdown issues, and the focus on issues directly related to restart are significant improvements. I find that with few exceptions, my previous concerns have been addressed. There are still certain issues which are either not addressed, or not addressed in adequate detail.

The most significant shortcoming of the Restart Plan is that it fails to adequately address the issue of providing enough operators to ensure safe operation of the plant. It is clear that the number of operators at Peach Bottom prior to the shutdown was inadequate. In the Restart Plan, PECO states that it will implement a plan to ensure that there are adequate numbers at restart. I do not believe that this is sufficient. The Restart Plan should explicitly address the number of operators necessary to operate the plant without resorting to excessive overtime, and whether or not PECO presently has in its employ or on contract this many licensed operators. This issue is directly related to the problems which led to the shutdown, and it must be addressed prior to restart. I have attached to this letter a description of other issues not adequately addressed by the Restart Plan.

This leads to my second concern with the NRC's definition of restart criteria. Once the plan has been revised as necessary, the NRC has stated that "fulfilling the requirements of this plan

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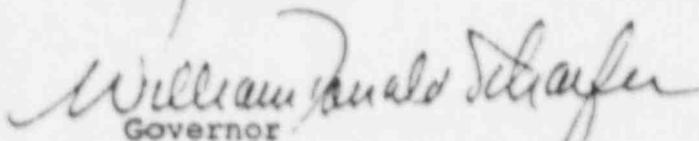
become the essential 'restart criteria'..." However, in spite of our extensive reviews, there is the possibility that the activities outlined in the Restart Plan might be inadequate to address certain problems. Our analyses of effectiveness may lead us to conclude that new corrective actions are required. Thus, completing the tasks outlined in the Restart Plan does not in itself justify restart.

I am pleased that PECO seems to now have in place corporate officers who understand the effort necessary to ensure the safe operation of Peach Bottom. With the improvements I have suggested, the Restart Plan can serve as the outline of necessary changes. Effective implementation can ensure safe operation of Peach Bottom.

Effectively implementing the approved Restart Plan and receiving permission to restart will not be the end of the road for PECO. Many of the changes now taking place at Peach Bottom will require literally years to implement fully. Achieving the level of excellence that the new PECO management insists is their ultimate objective for Peach Bottom will also take years. The State of Maryland will continue to review the progress towards these long term goals. We will continue to monitor PECO's progress towards meeting long term commitments to the NRC and INPO. We will continue to monitor the status of all outstanding technical issues, including resolution of the MARK I containment issues and emergency planning activities. Thus, I expect to work closely with the NRC on activities at Peach Bottom for a long time.

I hope you find these comments useful in your ongoing evaluation. I am interested in your response to these comments, and I look forward to providing additional input on PECO's efforts to correct the problems at Peach Bottom. Please continue to direct all information to Mr. Thomas Magette of the Power Plant Research Program, who is coordinating the State's review of all issues concerning the shutdown of Peach Bottom. Also please continue to provide concurrent notification to Dr. Max Eisenberg of the Maryland Department of the Environment and Mr. David Carroll of my staff.

Sincerely,


Governor

cc: Lando W. Zech, Jr.
Secretary Torrey C. Brown
Secretary Martin W. Walsh, Jr.
David Carroll

ATTACHMENT 1

CHANGES REQUIRING MOST RIGOROUS REVIEW

1. Performance

The most obvious symptom of problems at the Peach Bottom Atomic Power Station was inadequate performance, most particularly on the part of licensed operators and their supervisors. Since the shutdown it has become clear that improved performance must be required not only of these individuals, but of substantial numbers of other PECO employees. Ensuring that there has been substantial improvement in performance of Peach Bottom employees as well as management to the highest levels of the company should be the highest priority of the NRC's review.

2. Shift Managers

The most serious performance problems were in the control room. In an effort to improve supervision of the licensed operators, PECO has revamped the management of activities in the control room. The cornerstone of this new arrangement is the Shift Manager, a new position. Use of this system should be carefully evaluated to ensure that the desired changes in licensed operator performance, attitude, and morale have resulted.

3. Self Assessment Capability

PECO has taken several steps to improve their internal evaluation processes to ensure that once the plant is restarted they will be able to identify and correct deficiencies in performance long before they become as serious as they had by March 1987. This self assessment capability is critical, and the effectiveness of PECO's changes must be carefully evaluated.

4. Management Training

The Management Analysis Company report identified ineffective managers as one of the principal underlying problems at Peach Bottom. It is crucial that managers receive the training necessary to help them correct problems with their own performance as well as that of their subordinates.

5. Corporate and Site Reorganization

Shortly after the shutdown of Peach Bottom, PECO realized that their nuclear power activities were in need of restructuring and organization. With the preliminary permission of NRC, PECO has completed this reorganization. This reorganization is intended to contribute to the improvement of several aspects of operation, among them:

- * Communication between site and corporate management
- * Accountability of site and corporate management
- * Improved (shortened and strengthened) chain of command
- * More managers
- * Scheduling and control of work onsite

It is critical to ensure that reorganization has improved operation of Peach Bottom.

ATTACHMENT 2

SPECIFIC COMMENTS ON THE
PLAN FOR RESTART OF PEACH BOTTOM
ATOMIC POWER STATION

1. The Restart Plan should give the number of operators required for normal operation of the plant without excessive overtime and describe how PECO will provide this number of operators.

Major Activities 2-1.1.1, 2-1.1.2, and 2-1.1.3 describe PECO's commitment to assess operator availability, accelerate operator training, and supplement operator corp with contractor and co-owner personnel. This should be augmented to include more detail, including the number of operators required, and specifically how PECO will provide these operators.

2. The Restart Plan should describe the role in the new organization of those individuals serving as Shift Superintendents at the time of shutdown.

It is not clear from the Restart Plan whether or not the former Shift Superintendents will be in supervisory positions under the new organization. PECO should avoid using these individuals to supervise personnel which have undergone rehabilitation training, or address how this could be done without compromising efforts to effect an attitudinal change at Peach Bottom.

3. Face-to-face performance evaluations of all employees at Peach Bottom should be conducted prior to restart.

Major Activity 3-2.2.3 commits PECO to developing a plan for training managers in how to conduct face-to-face evaluations. Face-to-face performance evaluations are important in evaluating improvement in performance and attitude. Because they have been conducted poorly if at all in the past, they should be conducted for all employees prior to restart. The results of these evaluations are critical for assessing PECO's success in changing attitudes and improving performance.

4. Additional management training should be conducted for supervisory personnel.

Major Activities 3-2.1.1 through 3-2.1.4 and 3-2.2.1 through 3-2.2.6 describe management training given some supervisory personnel at Peach Bottom. PECO should provide all supervisory personnel with management training or describe and justify the method used in selecting those individuals who received training.

5. PECO should modify its personnel disciplinary guidelines to identify infractions warranting immediate dismissal.

Major Activity 3-4.1.1 states that disciplinary guidelines have been modified to identify infractions warranting immediate suspension. These should be further strengthened to identify even more serious measures, such as immediate dismissal, when justified.

6. Opportunities for rotating operators off-shift should be identified and implemented prior to restart.

Major Activity 2-2.1.1 concerns developing opportunities for operators to rotate off-shift, and ultimately to enjoy career opportunities off-shift. While promotional opportunities can be developed over time, opportunities for licensed operators to have temporary relief from shift duty should be developed and implemented prior to restart. It is recognized that the overall number of operators may limit these opportunities in the near future.

7. The Restart Plan should address the maintenance backlog, both preventive and corrective, and how it will be reduced to an acceptable level.

The maintenance backlog at Peach Bottom has received a great deal of attention. Much of the outstanding corrective and preventive maintenance should be completed prior to restart. The Restart Plan should address commitments made to INPO concerning maintenance, any maintenance tasks which will be outstanding at the time of restart, and the schedule for completing all maintenance tasks.

8. The Restart Plan should address all outstanding commitments to NRC and INPO, and PECO's schedule for addressing them.

PECO has made several commitments to the NRC and INPO concerning corrective actions identified in, for example, NRC Inspection Reports, Information Notices, and INPO evaluations. While many of these commitments go beyond restart issues, it is important to ensure that PECO has an acceptable plan for addressing all issues, no matter how long term, prior to restart. The Restart Plan should contain a plan and schedule for addressing these additional commitments.