

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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PERIODIC BRIEFING ON OPERATING REACTORS
AND FUEL FACILITIES

- - - -

PUBLIC MEETING

Nuclear Regulatory Commission
One White Flint North
Rockville, Maryland

Friday, June 25, 1993

The Commission met in open session,
pursuant to notice, at 9:30 a.m., Ivan Selin,
Chairman, presiding.

COMMISSIONERS PRESENT:

IVAN SELIN, Chairman of the Commission
JAMES R. CURTISS, Commissioner
FORREST J. REMICK, Commissioner
E. GAIL de PLANQUE, Commissioner

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STAFF SEATED AT THE COMMISSION TABLE:

JAMES TAYLOR, Executive Director for Operations

THOMAS MURLEY, Director, NRR

THOMAS MARTIN, Region I Administrator

STEWART EBNETER, Region II Administrator

JOHN MARTIN, Region III Administrator

JAMES MILHOAN, Region IV Administrator

BOBBY FAULKENBERRY, Region V Administrator

CARL PAPERIELLO, Director Designate, Division of
Industrial and Medical Nuclear Safety, NMSS

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P-R-O-C-E-E-D-I-N-G-S

9:30 a.m.

CHAIRMAN SELIN: Good morning, ladies and gentlemen.

The Commission is meeting at this time to receive a briefing by the staff on the status of operating reactors and operating fuel facilities. It's a semiannual presentation of the results of discussions at the most recent NRC senior management meeting held on June 15th, 16th in the Region II office in Atlanta.

These meetings, which are an outgrowth of some of the more difficult experiences of the late '70s and early '80s, bring together the senior managers to share their experiences on some of the more pressing operational and management problems that face the Agency. The senior NRC staff performs detailed evaluations of those licensees selected for discussion. The Commission, of course, is eager to receive your collective advice, observations and recommendations on these topics.

I understand viewgraphs are available.

Commissioners, would you care to say anything?

Mr. Taylor, you may proceed, please.

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1 MR. TAYLOR: Good morning. With me at the
2 table are Doctor Murley and Carl Paperiello. Carl is
3 from the NMSS, and the five regional administrators.

4 This was the 15th semiannual senior
5 management meeting, the first having been held back in
6 April of 1986. I looked back then in 1986 and at that
7 time, after reviewing performance cross country we had
8 14 plants at nine stations on what we call our problem
9 plant list. Just with that reflection on history, I
10 think through the years the NRC senior managers
11 believe this process of reviewing performance is very
12 important to us and is an effective way to concentrate
13 NRC attention and resources where appropriate with
14 regard to plant performance. We do consider the
15 process an important element to NRC's basic safety
16 mission.

17 This most recent meeting was held in
18 Atlanta in June 14th to 16th and I'll now ask Tom
19 Murley to begin presenting the important results of
20 that meeting.

21 DOCTOR MURLEY: Thank you, Jim,
22 Commissioners.

23 I'll remind the Commission that in
24 preparation for our June senior management meeting NRR
25 and AEOD staff met with the regional staff in a series

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1 of meetings here in Headquarters where we reviewed the
2 performance of each nuclear plant in the country and
3 from these screening meetings then the regional
4 administrators and I select for further analysis and
5 in-depth discussion those plants that we wanted to
6 discuss further at the senior management meeting.

7 This review process, we believe, has
8 become a major feature of the staff's process for
9 evaluating operational safety in the United States.
10 The meetings bring together the most experienced
11 people in the Agency with a purpose of being able to
12 get the views from each of the senior management there
13 and that includes my senior staff as well as the
14 regional administrators.

15 The focus of the meetings is to determine
16 whether the operational performance of these plants
17 being discussed has revealed weaknesses or downward
18 trends that warrant increased NRC regulatory
19 attention. At our preliminary screening meetings, we
20 also review plants that have been found to have good
21 safety performance over the past year or so and we
22 discussed those at the senior management meeting as
23 well. Among those plants, we've concluded that eight
24 have shown consistently high performance and warrant
25 recognition and reduced inspection activity.

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1 (Slide) If I could have slide 6.

2 These eight plants are Diablo Canyon 1 and
3 2, St. Lucie 1 and 2, Summer, Susquehanna 1 and 2,
4 which were on the list last time. A new plant that
5 has been added this time is Grand Gulf.

6 (Slide) If I can now turn to the watch
7 list plants, slide 2, which shows the category 1
8 plants, these are the plants that have been removed
9 from the watch list and there were no category 1
10 plants this time. That is, none removed from the
11 watch list.

12 (Slide) Slide 3.

13 Category 2 plants are those that are
14 authorized to operate, but that the NRC believes must
15 be monitored closely. Category 2 plants are Brunswick
16 1 and 2, Dresden 2 and 3, Fitzpatrick, Indian Point 3,
17 and South Texas 1 and 2. With Fitzpatrick and Indian
18 Point 3 on the category 2 list, that means that both
19 of New York Power Authority's plants are on the watch
20 list. Indian Point 3, as you know, was added this
21 time, as was South Texas 1 and 2.

22 (Slide) If I could have slide 4, please.

23 Category 3 plants are those that are
24 shutdown and which require NRC approval, that is
25 Commission approval, to operate and which NRC monitors

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1 closely while they are shutdown. And, of course,
2 Browns Ferry 1 and 3 have been on category 3 for some
3 time now and they remain category 3 plants.

4 Finally, in response to the Commission's
5 suggestion in a staff requirements memorandum of May
6 the 6th of this year, during the senior management
7 meeting we did identify a plant whose performance we
8 believe is trending downwards but has not reached a
9 point such that its performance would indicate that it
10 be placed on the watch list at this time.

11 (Slide) If I could have slide 7, please.

12 We, in fact, did not have to stretch to
13 find a plant that fit this category. The Perry plant
14 is one that we discussed and it's one whose
15 performance meet these criteria. The staff will
16 advise the Perry Board of Directors by letter of our
17 concerns and will request a meeting to discuss those
18 concerns. Jack Martin will say a few words about
19 Perry at the end of our watch list discussion. But I
20 emphasize, it is not on the watch list.

21 So, in summary, three plants were added to
22 the category 2 watch list and none were taken off. I
23 think the staff is disappointed to some extent at
24 this. On the other hand, we think our system is
25 working as it should. We don't believe we've changed

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1 our standards that we've been using for the last
2 several years. We see no obvious common reason why
3 the three plants were added this time, but we will
4 continue the same program and the same effort that
5 we've had over the past few years.

6 I'll turn now to the regional
7 administrators to discuss the specific plants and Tim
8 Martin will begin for Region I.

9 MR. T. MARTIN: The first plant I'll talk
10 about is the Indian Point 3 plant. Indian Point 3
11 Nuclear Power Plant was first discussed at the June
12 1992 senior management meeting. In recognition that
13 many of the problems identified at the licensee's
14 Fitzpatrick facility were related to inadequate
15 corporate management oversight and support, the NRC
16 had increased the attention to Indian Point 3 to
17 determine if similar problems existed. Many similar
18 concerns were identified.

19 The SALP for the period June '91 through
20 August of '92 identified declining performance in five
21 of seven functional areas, with security showing some
22 improvement and radiological controls remaining
23 superior. Of particular concern was performance of
24 engineering and tech support, which declined from
25 category 2 to 3 with noted examples of inadequate

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1 evaluation of identified equipment deficiencies,
2 inadequately engineered or untimely design changes and
3 poor communications within and between organizational
4 units. Concern was also identified with a heavy work
5 load, large work backlog, and weak management
6 prioritization, coordination and oversight.

7 The NRC was also concerned with the
8 effectiveness of the correction action system, the
9 control and oversight of the surveillance test program
10 and the trend in material condition.

11 During 1992, NRC took escalated
12 enforcement action against Indian Point 3 on four
13 occasions, with civil penalties totaling \$462,500.00.
14 Recurring elements at route to these actions included
15 inadequate procedure adherence, questioning attitude
16 and attention to detail, inadequate implementation of
17 the surveillance test program, untimely or ineffective
18 corrective action for identified problems, inadequate
19 or inaccurate information flow, and inadequate
20 management guidance, oversight and control.

21 During the fall and winter of 1992, the
22 New York Power Authority performed a self-assessment
23 and developed a performance improvement program,
24 including 120 separate issues to address these
25 concerns. In recognition of the continuing decline in

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1 performance, we expanded our then existing Fitzpatrick
2 assessment panel to encompass all NRC activities
3 related to the New York Power Authority, thereby
4 assuring coordination and integrated assessment of
5 licensee performance.

6 During the last senior management meeting,
7 Doctor Murley and I committed to conduct a broad-based
8 special team inspection to assess the New York Power
9 Authority's performance related to Indian Point 3.
10 Since the last senior management meeting, two
11 significant events have occurred. First, on January
12 12th, the New York Power Authority determined that the
13 anticipated transient without scram mitigation system
14 actuation circuitry, better known as AMSAC, has been
15 inoperable since July of 1992. After substantial
16 additional investigation by the NRC staff and
17 discussions with licensee management, the New York
18 Power Authority concluded that they had not maintained
19 the AMSAC system in compliance with NRC regulations
20 and shut the plant down on February 26th, 1993.
21 Further review by NYPA and NRC indicated the AMSAC
22 system had been inoperable since initial installation
23 in May 1989.

24 In recognition that the plant was shutdown
25 but preparing for restart and that the New York Power

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1 Authority management was beginning to identify
2 additional problems with their surveillance testing,
3 corrective action and commitment tracking programs, we
4 decided to delay our special team inspection to avoid
5 further distraction of management from the necessary
6 oversight of plant activities. Subsequently, NYPA
7 announced the extension of the shutdown as a plant
8 performance improvement outage with some 70 new
9 performance improvement items, 41 of which were
10 required to be completed prior to restart. The
11 licensee also voluntarily committed to not restart the
12 unit until they were satisfied with the readiness and
13 the NRC had agreed.

14 The second event, on March 19th, 1993,
15 involved testing of the ultrasonic level monitoring
16 system used during midloop operations. In this case,
17 reactor operators isolated the only remaining direct
18 indicating reactor coolant level indicating system
19 when it did not show agreement with the ultrasonic
20 system during reactor coolant system drain down.
21 Plant operators did not notify licensee management of
22 indicating system deficiencies as their procedures
23 would require and conducted unauthorized testing on
24 the level indicating system. Additionally,
25 maintenance staff began disassembly of the reactor

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1 coolant pump seals without the operating crews'
2 knowledge of appropriate plant conditions being set.

3 Enforcement action for both these events
4 and additional problems with implementation of their
5 surveillance testing and corrective action programs is
6 pending.

7 Despite the importance and breadth of
8 issues for which the licensee is committed to resolve,
9 we were not and are still not confident that the list
10 of restart issues are comprehensive and in early April
11 announced plans to resume our previously suspended
12 special team inspection. The three week special team
13 inspection was recently completed and concluded that
14 the root causes of past performance deficiencies could
15 be grouped into three categories, including weak
16 management processes and controls, weak management
17 skills and vigor, and weak independent oversight.
18 Specific problems were identified with the programs
19 for corrective action, commitment tracking,
20 surveillance testing, emergency diesel generator
21 preventive maintenance and dissemination of
22 administrative policy and guidance, with performance
23 and planning and scheduling, establishing
24 accountability, management of change and
25 organizational communications, and with oversight

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1 provided by the QA organization, corporate on-site
2 management and the on and off-site safety review
3 committees.

4 The EDO, Director of NRR and I have
5 recently toured the Indian Point 3 site, met with
6 senior plant managers and the New York Power
7 Authority's Board of Trustees to personally assess the
8 situation and clearly communicate the NRC's concerns
9 with the decline in Indian Point 3's performance. The
10 licensee acknowledges they have problems and have
11 committed to fix them.

12 The New York Power Authority has hired an
13 experienced nuclear plant manager who became the new
14 Indian Point 3 resident manager on April 8th, 1993.
15 The Board of Trustees also hired a management
16 consultant to assess the performance of the nuclear
17 generation department to determine what went wrong and
18 to make recommendations for corrective action. It
19 should be noted that in less than a year nearly half
20 of the top 28 NYPA management positions responsible
21 for oversight and support of activities at Indian
22 Point 3 have experienced personnel changes. NYPA must
23 assure the pace and substance of these moves does not
24 distract the management team from providing necessary
25 support and oversight of plant activities.

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1 CHAIRMAN SELIN: Mr. Martin, are those
2 changes still going on?

3 MR. T. MARTIN: Yes, sir, they are.

4 CHAIRMAN SELIN: So, they've not reached
5 a stable position?

6 MR. T. MARTIN: There were a couple more
7 announced yesterday.

8 Recently, improvements have been noted in
9 problem identification, evaluation and resolution.
10 Further, the new resident manager has provided
11 stronger oversight of day to day activities and is
12 fostering better communications, performance tracking
13 and accountability.

14 In summary, Indian Point 3 has shut down
15 and the New York Power Authority management and staff
16 are engaged in a substantive performance improvement
17 program. Further, NYPA has committed not to restart
18 the unit until they are ready and we agree. However,
19 in light of the hardware and program problems
20 identified to date, the improvements necessary in
21 plant management and staff performance and the need to
22 demonstrate plant readiness for restart, the NRC staff
23 has concluded that Indian Point 3 should be listed as
24 a category 2 plant subject to close NRC monitoring.

25 Are there any questions?

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1 CHAIRMAN SELIN: Do you want to ask
2 questions or do you want to go through -- why don't we
3 just go through and if people have questions, they'll
4 intercede. Otherwise, just continue with your
5 presentation.

6 MR. T. MARTIN: The next plant, New York
7 Power Authority's James A. Fitzpatrick Nuclear Power
8 Plant, was first discussed during the June 1991 senior
9 management meeting. Those discussions were
10 precipitated by declining performance in the
11 functional areas of operations, radiological controls
12 and safety assessment quality verification. The
13 occurrence of an unmonitored radioactive release from
14 their house-heating boiler and the identification of
15 an unsatisfactory licensed operator requalification
16 program in the months immediately preceding the senior
17 management meeting further supported those concerns.

18 As a result, the EDO directed the
19 performance of a diagnostic evaluation team assessment
20 to determine the root causes for the poor performance
21 at the plant. The licensee utilized the results of
22 their own evaluation, along with those of the DET, to
23 develop a long-term results improvement program which
24 they still implement.

25 The licensee shut down Fitzpatrick in

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1 November 1991 and subsequently extended the shutdown
2 in order to resolve numerous design and engineering
3 deficiencies, most notably in the fire protection and
4 Appendix R safe shutdown programs. During the January
5 1992 senior management meeting, we placed Fitzpatrick
6 on the watch list as a category 2 facility. Last
7 August, the NRC concluded that the Fitzpatrick results
8 improvement program adequately addressed the root
9 causes and corrective actions for the previously
10 identified performance problems and provided a
11 reasonable process for assessing the effectiveness of
12 those activities.

13 The licensee completed a significant
14 number of major work tasks during the extended 14
15 month shutdown and the work was typically well
16 controlled and performed. Over 5,000 work requests
17 were completed. Further, the reduction in
18 contaminated areas and combustible material in the
19 plant and the improvements in plant equipment
20 preservation and cleanliness were notable.

21 Last December, the NRC agreed with the New
22 York Power Authority's conclusion that the facility
23 and staff were ready to safely support restart and
24 power operations and on January 3rd the reactor was
25 again made critical.

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1 During unit restart and power ascension,
2 the control room was quiet and professional. The
3 shift supervisors exhibited good command and control.
4 Evolutions in progress were closely controlled to
5 minimize any interference or distraction. Overall,
6 the start-up was conducted in a deliberate and safe
7 manner with excellent management oversight and
8 control. The plant reached 100 percent power on
9 January 30th, 1993 and all required actions and
10 milestones of the licensee's start-up plan were
11 successfully completed.

12 Since the plant restart, the licensee has
13 experienced five forced outages due to equipment
14 failures or design deficiencies, two of which resulted
15 in reactor scrams. In each case, operator response to
16 the event, licensee staff safety perspective and
17 outage performance and oversight were good. Overall,
18 the licensee has made significant changes to promote
19 both short and long-term improvements in performance.
20 Corporate management has provided substantial
21 resources and oversight. Licensed operator staffing
22 has been improved. The operator requalification
23 program is again satisfactory and the performance and
24 operations, maintenance surveillance, radiological
25 controls and safety assessment quality verification

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1 have improved.

2 In addition, the plant's material
3 condition has been improved. Operating, maintenance
4 and surveillance procedures have been enhanced. The
5 long needed new administration building is nearing
6 completion. The facilities management team under the
7 new resident manager has been effective.

8 However, with site and corporate
9 engineering performance has been generally acceptable
10 and some tangible improvements have been achieved,
11 there have been notable examples of poor performance.
12 Although we acknowledge the licensee has devoted
13 substantial time and resources to improve performance
14 in this function, strong licensee management attention
15 remains warranted in this area.

16 In summary, we are encouraged in the
17 improvements we have seen at the Fitzpatrick facility.
18 Improved management oversight, increased staff
19 accountability and a conservative safety attitude
20 toward operations has been evident. However, in light
21 of our continuing concerns with the performance of
22 engineering and tech support, the recent changes in
23 corporate staff and the decline of performance at
24 Indian Point 3, each of which presents a significant
25 opportunity for distraction of management attention

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1 necessary to sustained continued improvement, the NRC
2 staff has concluded that Fitzpatrick should remain a
3 category 2 plant subject to close NRC monitoring.

4 DOCTOR MURLEY: Okay. We'll move on then.

5 CHAIRMAN SELIN: I'd like to ask a
6 question.

7 The report on Fitzpatrick is moderately
8 encouraging. The evaluation of the situation at
9 Indian Point 3 was pretty devastating to the quality
10 of the management. Basically the three points that
11 you brought up encompassed most of what you expect
12 management to do. When I visited the plant a little
13 while ago, I was struck by the fact that there's
14 nothing all that difficult about the plant. It's a
15 reasonably well designed plant. There's nothing
16 terrible about the material condition which reinforces
17 the impression that there's been pretty broad
18 management failure first at Fitzpatrick and then at
19 New York Power Authority. So, I think it is fair to
20 ask if in your opinion management's attention is truly
21 engaged and engaged to get fundamental root cause
22 improvements and not just enough to get this
23 particular crisis over and then get on with their
24 operations.

25 MR. T. MARTIN: Mr. Chairman, looking at

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1 what they have done at Fitzpatrick, I think it's
2 pretty clear that they want that to be a very good
3 running plant. For whatever reason, Indian Point 3
4 did not come along with that improvement that occurred
5 at Fitzpatrick. I think more recently they have
6 recognized the depths of their problems, although
7 maybe not all the specifics, at Indian Point 3 and I
8 see a renewed commitment there to improving things.

9 I agree with you there are no
10 insurmountable hurdles here and the Fitzpatrick plant
11 did have some real hardware issues that had to be
12 dealt with. Indian Point 3 has nowhere near those
13 hardware problems to deal with. Both had some
14 substantive improvements they had to engage in in
15 management activities and oversight and that's what
16 they're doing right now. My sense is that they really
17 are going to turn this around, but it's going to take
18 some time.

19 CHAIRMAN SELIN: Thank you.

20 DOCTOR MURLEY: Could I add a point there?

21 CHAIRMAN SELIN: Please.

22 DOCTOR MURLEY: Jim Taylor and I went up
23 with Tim. I had not been at the plant for several
24 years. I guess I was disappointed that its
25 performance has gone downhill substantially since the

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1 time I remembered in the mid-'80s. What I found there
2 that was most troubling was an attitudinal problem at
3 the plant, at least at some workers and some manager
4 level, and this attitudinal problem had to do with
5 their attitude toward safety and maintaining safety
6 equipment and that sort of thing.

7 I'm convinced that no one wants to be on
8 the watch list. No one wants this kind of attention
9 and so I'm convinced like Tim is that they want to do
10 better. But I guess I'm not as sanguine that they
11 are -- I think we're just going to have to wait and
12 see whether they take the steps to really change the
13 attitude at the plant so that there is long-term
14 improvement that lasts. I think we just have to wait.

15 CHAIRMAN SELIN: Okay. Thank you.

16 DOCTOR MURLEY: We'll move on to Region II
17 plants, Stu Ebnetter.

18 MR. EBNETER: The first plant to discuss
19 is Brunswick. Brunswick, a two unit boiling water
20 reactor site in Southport, North Carolina. It's owned
21 by the Carolina Power and Light Company, CP&L. Unit
22 2 has been restarted and is operating at 100 percent
23 power. Unit 1 remains shut down and is tentatively
24 scheduled for restart in late September of '93.

25 Brunswick was placed on the watch list in

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1 June of 1992 because of poor performance traceable to
2 management issues, ineffective self-assessments and a
3 weak corrective action program. These were manifested
4 in operational difficulties, inadequate work control
5 procedures, large maintenance backlogs and a degraded
6 plant material condition. CP&L voluntarily shut down
7 both units in April of 1992 and subsequently developed
8 both a short-term corrective action plan and a long-
9 term corporate improvement plan. NRC affirmed these
10 through a confirmatory action letter in December.

11 In implementing the plan, CP&L has made
12 extensive changes in management in organizational
13 structure. Senior executives with extensive nuclear
14 operations experience in diverse corporate backgrounds
15 have been placed in key positions both at the
16 corporate office and at the station. The organization
17 has been realigned to provide enhanced support to the
18 station. Oversight of those functions that directly
19 impact station operations have been transferred back
20 to the station such that two of the most important
21 ones are engineering and training.

22 The management expectations and standards
23 have been defined and were clearly communicated to the
24 staff through meetings and training sessions.
25 Accountability has been emphasized throughout the

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1 organization. Self-assessments have been
2 strengthened, findings are meaningful and more
3 importantly we find that these findings are actually
4 now being used by management to take corrective
5 actions in response to the assessments.

6 Nuclear safety review boards with outside
7 experience have been installed at both the corporate
8 level and at station level to provide additional
9 oversight and feedback and assessment to the senior
10 management.

11 CP&L actions to correct root causes
12 related to degraded material condition of the plant
13 were completed in accordance with their commitments.
14 Emergency diesel generators were reworked, seismic
15 walls have been upgraded, corroded equipment replaced
16 and deficiencies in structural steel were corrected.
17 A new work control system was instituted which
18 provides more control of the work and minimized impact
19 on control room activities.

20 Brunswick performed self-assessments to
21 assess readiness to operate Unit 2 and the NRC
22 conducted an operational readiness assessment team
23 inspection to verify and confirm restart readiness.
24 Restart readiness was concurred in by the NRC on April
25 27th, 1993. The Unit 2 restart was well managed,

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1 conservative and proceeded in a very deliberate
2 manner. Very few problems were encountered during the
3 start-up and power ascension phase. The equipment
4 performed well and the operations staff handled
5 evolutions properly and did a very good job on just
6 handling all the evolutions as they came. The NRC
7 conducted around the clock inspections during the
8 start-up and power ascension to verify activities and
9 monitor licensee performance. As noted when I first
10 started, Unit 2 is at 100 percent power and has been
11 running almost a month now with no operational
12 difficulties.

13 Unit 1 is in a refueling mode undergoing
14 a process similar to the one used for the recovery of
15 Unit 2. NRC has extensive inspection effort going on
16 there. Unit 2 is tentatively scheduled to restart in
17 late September of '93.

18 Any questions?

19 CHAIRMAN SELIN: You seem generally pretty
20 happy with the progress at Brunswick. Is that a fair
21 summary?

22 MR. EBNETER: Yes, lately. Since last
23 January, significant progress has been made. We see
24 much improved station, good management interaction,
25 senior management actively involved at the station.

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1 The start-up was probably one of the smoothest I have
2 experienced.

3 CHAIRMAN SELIN: Communications between
4 the different levels was not terrific.

5 MR. EBNETER: No, it's much improved. The
6 president has monthly meetings at the station and he
7 has a 4 C program in which he actively is involved
8 with station staff and they interact. The station
9 manager has a similar system. They have developed
10 several new communications path via station
11 newspapers, announcements, and there is very active
12 line management interacting with the station. About
13 two years ago you couldn't -- if you checked the plant
14 entry logs, you found very few managers getting into
15 the plant and now you find a big change in this.

16 CHAIRMAN SELIN: The employees take
17 advantage of their -- whatever they call their
18 program, the allegations program? Do they seem to
19 feel free to come to management with comments?

20 MR. EBNETER: I think they feel freer now.
21 I'm not so sure that the speak-out type program, and
22 they do have one, I'm not sure that that's as
23 effective as it could be. We have not done an
24 extensive inspection on that, but I have the feeling,
25 just some preliminary numbers, that that is more or

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1 less for processing people out as opposed to feeding
2 problems back.

3 Brunswick will remain on the list as a
4 category 2 plant until they demonstrate a sustained
5 performance.

6 Browns Ferry is the next plant. Browns
7 Ferry, three unit boiling water reactor located near
8 Athens, Alabama, owned by the Tennessee Valley
9 Authority. Unit 2 was restarted from an extensive
10 outage on May 25th. It is operating at 100 percent
11 power and operating quite well. Units 1 and 3 are
12 shutdown, listed as category 3 units on the watch
13 list. They have been on the watch list since October
14 of 1986.

15 TVA has designated the recovery of unit 3
16 as a priority task. Extensive engineering and
17 modification work are prerequisite to the restart of
18 the unit. Progress on engineering work has been very
19 slow for the past year and since engineering is the
20 pacing activity for the unit, all other activities
21 have fallen behind projected schedules.

22 The difficulties that they were having
23 with the recovery of this new work, TVA identified
24 these as being organizational interface problems and
25 low productivity. In addition, the management

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1 oversight was not very effective. TVA reorganized the
2 site, placed all the work activity under the site vice
3 president. Prior to this, responsibility to the site
4 had been split between a vice president for design and
5 construction and an operating vice president and now
6 it has been consolidated all under the operating vice
7 president.

8 Additional management changes were made by
9 the contractors who were doing the engineering work,
10 and we think this helped also. The result was an
11 overall increase in productivity for output in the
12 engineering aspects. However, the priority at TVA was
13 on this extensive Unit 2 outage which was about 120
14 day outage and a significant portion of the resources
15 that were used for Unit 3 were transferred to Unit 2
16 to assure rapid recovery from the outage, and that
17 delayed the Unit 3 work further.

18 The Unit 2 completion of the outage work,
19 once that was over they did take those resources and
20 have reapplied them to Unit 3. The TVA is currently
21 reanalyzing the total scope of effort at Unit 3 and
22 they have identified additional work to be done and
23 this has further pushed the scheduled out. The
24 current schedule is still January 1994, which is not
25 very realistic and I expect to get a new schedule from

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1 TVA within the next few weeks. Browns Ferry Units 1
2 and 3 remain on the watch list as category 3.

3 CHAIRMAN SELIN: Is there any
4 interaction -- I mean TVA's got major projects going
5 on Browns Ferry 3, on Watts Bar and at Sequoyah. Are
6 there interactions among these? How are the other two
7 projects doing compared to TVA's? Are their
8 evaluations realistic or are they too optimistic on
9 the other projects also?

10 MR. EBNETER: Sequoyah, both units have
11 shutdown. I think their original projections were
12 optimistic. We had a meeting this week on Sequoyah
13 and I think they have now realigned their schedules in
14 accordance with the work load and I think they have a
15 realistic schedule now and they have adequate
16 resources on that one.

17 Watts Bar, we had a meeting this week
18 also. Significant progress is now being made at Watts
19 Bar. There's a significant number of craft on-site
20 and it's very obvious from a plant tour that work is
21 really moving forward. Their announced schedule is
22 spring of '94 for fueling of Watts Bar 1. That's
23 probably achievable, but it means everything has to be
24 quite efficient as they go. But I think we do see
25 increased management attention now to all of the

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1 projects.

2 CHAIRMAN SELIN: Is the nuclear complex
3 getting enough management attention and resources to
4 meet the standards that they've set and the promises
5 that they've made?

6 MR. EBNETER: I think the realignments are
7 helping that and senior management is more involved.
8 They have been very visible at the meetings last
9 month. I think there are adequate numbers of
10 resources, but I still think they need some
11 improvement in the management control of these
12 projects.

13 CHAIRMAN SELIN: And the employee
14 dissatisfactions as expressed in large numbers of
15 allegations, et cetera, has that continued at Watts
16 Bar or is that --

17 MR. EBNETER: That's continuing at a
18 fairly high level at Watts Bar, to a much lesser
19 degree at the other sites.

20 DOCTOR MURLEY: Okay. Jack Martin will
21 talk about Region III plants.

22 MR. J. MARTIN: Thank you.

23 Dresden was first placed on the problem
24 plant list in June of 1987 and was removed in December
25 of 1988. It was again placed on the problem plant

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1 list in January of 1992. The major causes for being
2 placed on the problem plant list the second time were
3 non-compliance with procedures, inadequate procedure
4 quality, poor communications and weak engineering and
5 licensing support. At the time, the staff judged that
6 performance by the station staff and inadequate
7 management direction were considered to be responsible
8 in about equal proportions.

9 Since the last senior management meeting
10 there's been several developments at Dresden and I'll
11 go through a few of them. They have mostly completed
12 a staff reorganization at the Dresden station. A new
13 site vice president is on board and the major
14 department heads are in place. A new site manager or
15 plant manager will be in place in the very near
16 future. The new management team appears to be capable
17 and energetic and the task at hand now appears to be
18 to learn to work together and work out the interfaces
19 among all these new people.

20 Progress is being made in addressing some
21 longstanding equipment and material condition issues.
22 On Unit 2 during the last outage, there were some
23 major upgrades of large safety pumps and some of the
24 valves. Many of the equipment that had been repaired
25 had been a problem at Dresden for many years. They

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1 made a sizeable dent in repairing and upgrading these
2 pumps during the last outage and they seem to be
3 performing very much better. I think this was a major
4 success for them. This was done largely through the
5 use of some outside maintenance contractors and the
6 Dresden management is trying to use this as an example
7 of how their own system engineers should be operating
8 and to establish a new baseline of expectations for
9 that group.

10 The Dresden people estimate that they'll
11 need at least one more large outage on Unit 2 and two
12 large outages on Unit 3 to finish upgrading the
13 equipment in the plant to the state that they desire.
14 Progress is also being made in the operations area.
15 Engineering and quality assurance, however, are
16 struggling to find their proper role and still need
17 work. Improvements are also needed in the
18 radiological protection area.

19 In general, the basic programs and systems
20 have been put in place for managing Dresden and it
21 seems to be under management control, but the task at
22 hand now is to provide the leadership and execute the
23 improvement programs, develop better teamwork and
24 promote good values throughout the site. Based on the
25 need for continued improvement and the need to

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1 demonstrate the effectiveness of completed
2 improvements, the staff determined that Dresden
3 station should remain a category 2 plant.

4 CHAIRMAN SELIN: How is Zion doing since
5 it came off? Have they kept up the energy?

6 MR. J. MARTIN: My impression is yes, Mr.
7 Chairman. I have only spent a couple days there since
8 the first of the year, but I had the impression that
9 it has maintained the improvements they've made and
10 are perhaps slowly improving. There's been a recent
11 dislocation there where the plant manager, who is a
12 very key figure in making these improvements, has been
13 reassigned and it's not clear who is going to replace
14 him and whether that will have a problem in upsetting
15 the chemistry of that site, I just don't know. But it
16 seemed on a good track when I was there.

17 DOCTOR MURLEY: I think the NRR staff
18 feels the same way, that the trend is improving. Like
19 Jack, we are concerned, I'm concerned that when you
20 change a key member of a team like that, sometimes it
21 doesn't -- you don't maintain the momentum. So, we're
22 going to keep an eye on it.

23 CHAIRMAN SELIN: Commonwealth seems to be
24 able to keep working on its problems without seeing
25 slippage elsewhere? I mean they're able to find the

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1 resources or the energy to handle all six of their
2 locations?

3 MR. J. MARTIN: Well, I'm not in a real
4 good position to judge that yet. My sense is they're
5 struggling to -- you know, there's only so many
6 experienced people to go around and whether making
7 changes here adversely effects things over there, I
8 think there's some evidence of that where people were
9 reassigned from Quad Cities a few months ago and that
10 station seems to be not performing as well as it was.
11 So, I do worry about that a great deal, whether
12 there's enough people with good experience to go
13 around.

14 And I think the other issue I'm concerned
15 about is whether the company can maintain focus on a
16 problem long enough to, in fact, get it fixed rather
17 than just see improvement and then move to something
18 else. But those are just initial impressions and I
19 can't be real definitive.

20 CHAIRMAN SELIN: I sure hope we don't get
21 faced with a Quad Cities problem just at the time
22 Dresden is starting to come off.

23 MR. J. MARTIN: I would hope that's the
24 case.

25 CHAIRMAN SELIN: That would be very

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1 disappointing after the work that the company has put
2 in and the progress they've shown in the last year.

3 COMMISSIONER REMICK: Jack, it's my
4 understanding that since Commonwealth instituted the
5 site vice president idea, which generally seemed like
6 it was a good thing to do perhaps, but there has been
7 a change in every plant manager at every one of the
8 sites. No plant manager has been there more than
9 about nine months. Is it too early to know whether
10 that's good or bad, if my understanding is correct?

11 MR. J. MARTIN: Well, like I say, the
12 three plants that I was most concerned about, Dresden,
13 Quad and Zion, have all changed their plant manager
14 within just the very recent past and I don't know --

15 COMMISSIONER REMICK: It's my
16 understanding all plants have.

17 MR. J. MARTIN: Well, the others, I guess
18 I hadn't thought of that, but I think that's right.
19 Whether that kind of turbulence -- you know, it's been
20 my experience it takes a number of years to actually
21 consolidate these kinds of gains and sometimes
22 changing a key player just upsets the whole balance.
23 I'm worried about that, but I don't know and I just
24 don't have enough time to judge.

25 DOCTOR MURLEY: We will, of course, keep

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1 an eye on the plants.

2 Jim Milhoan will talk about Region IV
3 plants.

4 MR. MILHOAN: Good morning.

5 The South Texas project, a two unit PWR
6 located approximately 90 miles south/southwest of
7 Houston, Texas, had declining performance during the
8 last two systematic assessment of licensee performance
9 periods, stemming mainly from material condition and
10 housekeeping, human performance and organizational
11 performance.

12 The SALP report issued in October of 1992
13 noted that additional management attention was
14 required to prevent further decline. We encouraged
15 management to consider six items. First, to improve
16 material condition by resolving longstanding equipment
17 problems, including providing necessary maintenance
18 support to balance the plant systems. Second, to
19 provide effective guidance and support to plant
20 operations. Third, to improve work control and
21 coordination. Fourth, to reduce unnecessary
22 engineered safety features actuations and to further
23 reduce personnel errors that resulted in plant
24 challenges. Fifth, to increase management involvement
25 in day to day operations and supervisory presence in

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1 the plant. And lastly, to assess the overall
2 effectiveness of various improvement initiatives.
3 Performance continued to decline at STP since the last
4 senior management meeting.

5 Actions taken by the licensee to improve
6 implementation of the corrective action program and
7 other licensee programs was not effective. Several
8 senior management changes have recently been made at
9 South Texas. Among them are the group vice president
10 nuclear, the vice president nuclear operations and the
11 vice president nuclear engineering. In addition, a
12 new position, that of vice president nuclear support,
13 has been added. Because these changes are recent, it
14 is too early to tell the effectiveness of the changes.

15 STP has been issued five civil penalties
16 totalling \$500,000.00 since the last senior management
17 meeting. A diagnostic evaluation team reviewed the
18 situation at South Texas subsequent to the last senior
19 management meeting which was held in January. The DET
20 identified performance deficiencies in the areas of
21 operations, maintenance and testing, and engineering
22 support, and found weaknesses in management that
23 contributed to these deficiencies. The team found
24 that, although management had been aware of many of
25 the problems for some time, they had not been

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1 effective in resolving underlying root causes and
2 bringing about improved performance.

3 Specifically, the team found that the
4 staffing levels in operations were strained. The
5 planning and scheduling and work control process was
6 ineffective and inefficient. Deficiencies existed in
7 maintenance craft training and skills. The material
8 condition of some equipment was poor. The system
9 engineering program was ineffective. Problem
10 identification and root cause determinations and
11 corrective actions for some equipment failures were
12 inadequate and management had not provided effective
13 direction or support.

14 The team documented four root causes of
15 the problems at South Texas: first, failure of
16 management to provide adequate support; second,
17 ineffective management direction and oversight; third,
18 failure to effectively utilize self-assessment and
19 quality oversight functions; and lastly, an
20 ineffective root cause and corrective action process.

21 Houston Lighting and Power has been
22 requested to provide the EDO with its plans for
23 addressing root causes of performance deficiencies
24 within 60 days of the DET report which was issued June
25 the 10th.

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1 In addition, before restart can be
2 considered for Units 1 and 2 which are currently in
3 outages, resolution of items addressed in my
4 confirmatory action letters and a readiness to resume
5 operation must be verified.

6 An oversight panel composed of managers
7 from Region IV and NRR has been established to assure
8 a consistent Agency approach to issues being
9 identified, to schedule significant meetings and
10 inspections, to assure that concerns of different NRC
11 offices are properly addressed, and to assure proper
12 coordination of follow-up of issues identified by the
13 DET.

14 In summary, the NRC decided to place the
15 South Texas plant on the NRC's watch list as a
16 category 2 plant in view of its performance problems.
17 In addition to our other ongoing interactions with the
18 licensee, the EDO, the Director of NRR, and I plan to
19 meet with Houston Power and Light Company's Board of
20 Directors in August to discuss South Texas issues.

21 In a recent meeting with me, the group
22 vice president has indicated that his staff is
23 reviewing each DET issue including how each issue may
24 impact restart. He indicated that it was necessary
25 for them to have a good understanding of the depth of

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1 the DET issues when preparing for restart. He further
2 indicated that South Texas took the DET report
3 seriously and needed to integrate lessons learned in
4 its business plan to assure resources are consistent
5 with management expectations and long-term good
6 performance is achieved and maintained.

7 This concludes my discussion of South
8 Texas.

9 CHAIRMAN SELIN: That's a pretty
10 devastating management report. It's a funny plant.
11 I mean, they had a lot of trouble during construction
12 and yet at one point it was a rather well operated
13 plant. Is it your opinion that management understands
14 how deep these problems run and what kind of depth of
15 commitment -- that they're not going to just turn this
16 around with a few quick things overnight?

17 MR. MILHOAN: Based upon my interactions
18 with senior STP managers, it's my belief that they are
19 taking the report very seriously. It's also my
20 opinion that they will actively look at these issues
21 and address the root causes of these issues. It
22 remains to be seen the implementation of their
23 effectiveness of what they address the issues. But I
24 do think they are -- appear to be committed to
25 correcting the problems.

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1 CHAIRMAN SELIN: Disaffection of the work
2 force is reflected in all kinds of allegations at all
3 levels. It seems to be pretty deep. Do you see steps
4 being taken to come to grips squarely with that?

5 MR. MILHOAN: I see indications of that.
6 I see outside management studies being conducted of
7 different parts of the organization at STP. I see
8 them looking at employee concerns issues. We will
9 follow up on their look at the issues prior to
10 considering restart of the units.

11 CHAIRMAN SELIN: Could I ask you and Mr.
12 Ebnetter a question?

13 Entergy has been one of the best run
14 utilities for awhile, and to see one of their plants
15 come on the good performers list is very satisfying,
16 but they have lost a lot of people to a lot of other
17 companies, which I guess is a kind of a terrific
18 compliment. But are they doing okay? Are they
19 filling in the gaps? The plants fall between your
20 two --

21 MR. EBNETTER: From my standpoint, yes. We
22 had a major meeting with Entergy, Don Hintz who
23 replaced Bill Cavanaugh, and you're absolutely right,
24 they've lost a lot of senior level people. We have
25 not seen any major impact on that yet. At the last

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1 meeting, performance -- they're very goal-oriented,
2 performance-oriented and they stick pretty much to it.
3 It seems as though they have a good succession plan
4 and I have not seen any impact yet.

5 MR. MILHOAN: I would agree with those
6 comments. I see them developing people from within
7 the organization, plus I also see not a hesitancy to
8 bring in good people from outside to their
9 organization.

10 CHAIRMAN SELIN: Good. Thank you.

11 DOCTOR MURLEY: Mr. Chairman, we, at our
12 senior management meeting, have always discussed
13 plants that we felt were trending downward. This
14 time, of course, the Commission felt it was important
15 enough to ask us to identify those plants and we have
16 done that, and we felt that we should mention it to
17 the Commission at this meeting. This is a new feature
18 of these briefings.

19 Jack Martin will tell you about Perry.

20 MR. J. MARTIN: Yes. The Perry plant is
21 a single unit, BWR-6. There's a second plant on the
22 site that was never completed. It began commercial
23 operation in late 1988. It's located on Lake Erie,
24 just east of Cleveland.

25 In the last year or so, there have been

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1 several issues at Perry requiring increased NRC staff
2 attention. Among these are repeated failure of the
3 main steam isolation valves to pass the leak test
4 criteria. The motor-operated valve program was found
5 quite deficient and an additional feature, this
6 problem was that it had been previously pointed out by
7 their own QA staff and nothing much had been done
8 about it.

9 During the third refueling, a reactor fuel
10 assembly was improperly installed in the core. This
11 was later found in reviewing some videotapes after the
12 plant had resumed operation and they had to shutdown
13 and disassemble the reactor and fix this problem.

14 Engineering evaluations of equipment
15 problems have not always been adequate. We've had
16 quite a few problems with that.

17 But most significantly a recent issue came
18 up involving the fouling of the emergency core cooling
19 system strainers. Also the strainers that serve the
20 RCIC suction were fouled. The company was very slow
21 to recognize this as a significant safety issue and
22 slow to take corrective action. But most vexing is
23 after this problem was fully developed and everybody
24 recognized it as a problem and recognized how
25 sensitive the plant is to debris and the containment,

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1 our resident inspectors found a couple of small trash
2 cans full of plastic and that sort of thing in the
3 containment after it was declared clean.

4 I reviewed our SALP evaluations the last
5 few years and the latest SALP was last fall and it
6 indicated a downturn.

7 On the other hand, the company has
8 completed an internal self-assessment. That was
9 pretty hard hitting and found three major conclusions:
10 lack of well understood standards; ineffective
11 communications within the company; and a lack of
12 common goals and values. On the 21st of June, just
13 this week, a major reorganization was announced and
14 most of the department heads were replaced with proven
15 managers either from Davis-Besse or elsewhere within
16 the Perry organization, which is quite a major move
17 for that company. They are also planning a major
18 self-diagnostic this summer.

19 Because of the problems at Perry and their
20 duration, we decided to classify or the staff decided
21 to classify Perry as a plant that was trending
22 inadversely and merited early notification of the
23 senior manager's concerns.

24 CHAIRMAN SELIN: It's interesting that the
25 weaknesses at Perry in many ways mirror in an

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1 asymmetrical fashion some of the strengths at Davis-
2 Besse, a very good motor-operated valve program that
3 they have there, very tough self-assessment, et
4 cetera.

5 MR. J. MARTIN: Well, I visited Perry very
6 early in my tours of the plant and the next stop was
7 Davis-Besse and it was hard to believe you were at the
8 same company.

9 CHAIRMAN SELIN: That's the end of the
10 list.

11 DOCTOR MURLEY: That's the end of the
12 reactor discussion.

13 CHAIRMAN SELIN: Why don't we open to
14 general questions.

15 Commissioner Remick?

16 COMMISSIONER REMICK: I'd just go back to
17 one for you, Jim. On previous occasions where we've
18 discussed the diagnostic examinations, I have pointed
19 out a criticism I've heard. I can't say that I know
20 that it's absolutely true, but a criticism that in
21 making the findings we're sometimes not careful to
22 relate those findings to either regulations or safety
23 and therefore it's difficult for licensees to put the
24 findings in the priority perspective. I certainly
25 think it's appropriate in the case of a DET to make

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1 observations and so forth, but we should clearly
2 distinguish between our observations and
3 recommendations that are general, not necessarily tied
4 to regulations and safety.

5 I have not had an opportunity yet to read
6 the report in this case. But based on your reading of
7 the report, are there any areas where we feel that
8 perhaps we have not carefully clarified when we make
9 findings and recommendations whether they're tied to
10 our regulations and their safety or these are general
11 observations or recommendations for consideration?

12 MR. MILHOAN: I guess to answer that
13 question, of course the nature of the report is a
14 diagnostic report. It's not a normal inspection
15 report. So, the format and the content of it would
16 certainly be different. Any subsequent enforcement
17 action out of the DET report would be handled through
18 our normal inspection process, our follow-up
19 inspection process. So, I see a difference in the
20 format and content of the report that doesn't lend
21 itself to directly tying into each individual
22 regulation.

23 MR. TAYLOR: This report is very
24 performance directed and has examples of performance
25 issues wherever it indicates a point of weakness in

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1 the performance. Some of those may or may not reach
2 an enforcement level, but I believe this report is
3 fairly thorough.

4 COMMISSIONER REMICK: I wasn't thinking
5 necessarily of enforcement.

6 MR. TAYLOR: No, I understand. But you
7 asked to the regulation base itself.

8 COMMISSIONER REMICK: Yes.

9 MR. TAYLOR: But this report is heavily
10 performance and has in most cases examples of issues
11 to relate to the discussion of performance. Some of
12 those aren't very -- and that's a regional -- after
13 the team completes its work, then the region takes and
14 evaluates that with regard to the specifics of
15 violation of a regulation as such. So, that's the
16 process, but it is -- I commend it. If you haven't
17 had a chance to look at it, I commend it to your
18 reading it.

19 COMMISSIONER REMICK: I will.

20 MR. TAYLOR: It's, I think, a very well
21 done report.

22 Tom, you've read it. I think it's --

23 DOCTOR MURLEY: Yes. Perhaps we need to
24 go back and look for some of the examples that you
25 mentioned, Commissioner, because our intent, of

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1 course, is to focus on the safety, the operational
2 safety performance. If something doesn't really bear
3 on that, then we need to probably edit that kind of
4 stuff out of their reports. But a diagnostic report
5 of operational safety necessarily, I think, gets into
6 management questions. So, there will be some of that
7 in these reports, I'm sure.

8 COMMISSIONER REMICK: Yes. I'm not sure
9 it would be proper to edit it out because I think
10 those observations and so forth can be helpful. But
11 the thing that I've heard is that people have -- since
12 they have to respond to this and also certain things
13 will enter into a question of when they can start up,
14 and some of these things are helpful observations but
15 they're not necessary to be completed necessarily for
16 start-up or maybe even be changed.

17 MR. TAYLOR: We agree with that.

18 COMMISSIONER REMICK: The other comment
19 that I heard from one of the more recent DETs before
20 this was that at the exit of the DET and discussing
21 some of the observations, additional information was
22 provided which basically caused the finding not to be
23 true or necessary.

24 MR. TAYLOR: Not be valid.

25 COMMISSIONER REMICK: Valid, thank you.

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1 That's the word. But that it still remained in the
2 report. So then people at the plant had to go through
3 the process of answering in writing what they had
4 provided at or during the DET or at the exit. Of
5 course, to provide a response, it has to go through a
6 lot of change of channels and so forth.

7 MR. TAYLOR: That doesn't make sense. If
8 that could be identified to me, I'll make it sure it
9 doesn't happen.

10 COMMISSIONER REMICK: Okay. Fine. And as
11 a result, when it comes to the Commission, the staff
12 goes through a process of reviewing those and so forth
13 and channels and that there's a spinning of wheels
14 unnecessarily for things that perhaps were answered at
15 the time.

16 MR. TAYLOR: That's certainly not our
17 intent and if it's happened, if I could have the
18 specifics, I'll share that.

19 COMMISSIONER REMICK: Okay.

20 MR. TAYLOR: Wherever possible, we don't--

21 COMMISSIONER REMICK: I'm hoping that --
22 and I fully support the DET and the value of the
23 diagnostic examination, but I think we do have to be
24 careful that we're clear what are the important items
25 and what are our helpful suggestions and so forth that

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1 we're making so that people know what is necessary to
2 respond to and what's necessary for start-up.

3 MR. MILHOAN: In this case we're going to
4 start having periodic meetings with South Texas to
5 assure that the issues are firmly understood and if
6 there's any type of that situation, that it comes up
7 very early in the process.

8 COMMISSIONER REMICK: Thank you.

9 CHAIRMAN SELIN: I'd like to ask you a
10 little more generic question, Doctor Murley. We have
11 both more poor performers and more good performers
12 sitting here today than we've had for a little while
13 on the list. Do you think the plants are tending to
14 diverge a little bit or is it just a statistically
15 insignificant fluke or are we getting a little quicker
16 to pick out both good and bad trends? Is there any
17 generality geared to that?

18 DOCTOR MURLEY: Yes. Well, there is a
19 trend that I notice and that is there are more plants
20 performing better today than ever and I think that
21 when the management attention of a utility is directed
22 and dedicated toward improved performance, that it is
23 effective. We've seen that time and time again.

24 But there's also another thing at work
25 here and it reminds me of a statement that former

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1 Chairman Carr made to one of our House oversight
2 committees and it is that the nuclear business is not
3 one where you can get things operating smoothly and
4 then just let them continue to run smoothly. You have
5 to pay constant attention to the performance of a
6 nuclear plant and its management systems and things.

7 What's happened in these plants where they
8 do get on our watch list is that the management has
9 not paid attention and let performance drift. Now,
10 the reasons behind that I just can't -- I don't see
11 any common reason why they've done that. But I think
12 it's fair to say that that has happened.

13 CHAIRMAN SELIN: Mr. Taylor?

14 MR. TAYLOR: We have one additional very
15 short subject. Doctor Paperiello will cover it. If
16 there are any questions, Jim Milhoan will talk about
17 it. This is on the materials side, material and fuel
18 facilities.

19 Doctor Paperiello?

20 DOCTOR PAPERIELLO: There has been one
21 facility, Sequoyah Fuels, on the priority materials
22 facility list. With the permanent cessation of
23 operations at Sequoyah Fuels and its intent to
24 decommission, the staff is planning to remove this
25 facility from the priority materials facility list.

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1 But the staff is switching its focus to proper
2 decommissioning and Sequoyah Fuels will become an SDMP
3 facility.

4 That's my presentation.

5 MR. TAYLOR: And for the public, I'd say
6 the SDMP is the site decommissioning management plan,
7 a special plan, which the Commission is well aware of,
8 within the staff.

9 CHAIRMAN SELIN: Even with footnotes,
10 Doctor Paperiello, you reached a new level of
11 concision.

12 COMMISSIONER REMICK: Just a question of
13 Carl.

14 I assume that what we will use for
15 criteria are the existing branch technical positions
16 and reg. guides and so forth that are available we've
17 used in the past until we have decommissioning
18 criteria?

19 DOCTOR PAPERIELLO: i have somebody from
20 my staff that can answer that.

21 MR. TAYLOR: This is Doctor John Austin
22 from the staff.

23 DOCTOR PAPERIELLO: Who is doing the
24 review.

25 DOCTOR AUSTIN: Yes. That plant was

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1 recently shifted from the Fuel Cycle to
2 Decommissioning and Regulatory Issues Branch for
3 purposes of decommissioning. Sequoyah Fuels has
4 proposed to remediate their site by being declared an
5 11(e)(ii) site. They therefore used Part 40, Appendix
6 A.

7 CHAIRMAN SELIN: Do you want to translate
8 that to English?

9 DOCTOR AUSTIN: Mill tailings. They want
10 to be treated like a mill tailings --

11 CHAIRMAN SELIN: We've been calling them
12 a mine all these years and they finally recognized it?

13 DOCTOR AUSTIN: Yes. And we have a legal
14 opinion that says they cannot do that. So, at this
15 point, we would intend to apply existing criteria in
16 the action plan, but that has strong ramifications on
17 the cost. The cost that they estimate for remediating
18 the site are dependent on constructing a cell like a
19 mill tailings unit. If we were to apply the criteria
20 in the action plan, the cost likely would be
21 substantially greater.

22 COMMISSIONER REMICK: Action plan? Which
23 action plan?

24 DOCTOR AUSTIN: The site decommissioning
25 management plan, action plan.

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1 COMMISSIONER REMICK: Site -- okay.

2 DOCTOR AUSTIN: Because they are now
3 listed on the SDMP. But that's one of the early
4 decisions that we need to make on this case because
5 the remediation criteria will drive the cost.

6 MR. TAYLOR: Because of the importance of
7 this, we will keep the Commission closely advised
8 before decisions are made.

9 CHAIRMAN SELIN: Well, if I might just
10 follow-up on Commissioner Remick's point, the SDMP and
11 things like that are really for our convenience.
12 There's an enormous amount of flexibility given the
13 staff and the Commission about just how to carry these
14 pieces out. So, I assume we're going to be driven by
15 the site specific safety and environmental issues and
16 not taking something that was designed for really a
17 much smaller facility and just mechanically scaling it
18 up to meet the --

19 DOCTOR AUSTIN: Yes. As you'll recall,
20 the action plan does allow for consideration of ALARA,
21 as low as reasonably achievable. And if that analysis
22 supports something of less stringency than
23 specifically identified in the action plan, then we
24 would seriously consider that.

25 CHAIRMAN SELIN: Yes. I'm not

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1 recommending any particular standards, but that plant
2 is really suigeneris and I hope we look at it in the
3 context of our regulations, but with a fair amount of
4 attention to the specifics of the -- and there are all
5 kinds of materials in that plant, not just
6 radiological. So, we're going to need a plan that
7 meets the needs of all of the --

8 MR. TAYLOR: EPA and NRC. Yes, we're very
9 conscious of that.

10 CHAIRMAN SELIN: Yes. And there should be
11 one single remediation plan that takes care of
12 everybody and can --

13 MR. TAYLOR: We're cooperating with EPA.

14 DOCTOR AUSTIN: With EPA. We are
15 developing a memorandum of understanding with EPA on
16 this case.

17 CHAIRMAN SELIN: Thank you.

18 Commissioner de Planque?

19 MR. TAYLOR: That concludes our --

20 CHAIRMAN SELIN: This was a very good
21 presentation. I think I'd like to follow-up just on
22 Doctor Murley's point, which is that the differences
23 in performance really can't be explained by
24 differences in engineering and physical condition, et
25 cetera, and that complacency really is the enemy.

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1 Like South Texas just came off a world record run and
2 it's not out of the question that the length of that
3 run might have hidden from both them and us problems
4 that were building up along the way.

5 So, you're to be commended for really the
6 clear-eyed hard hitting approach that you've taken and
7 we, the licensees and general public are well served
8 by this continued vigilance, even as we put a lot of
9 effort into the future since this is the basis on
10 which all of the future depends.

11 Thank you very much.

12 (Whereupon, at 10:42 a.m., the above-
13 entitled matter was concluded.)
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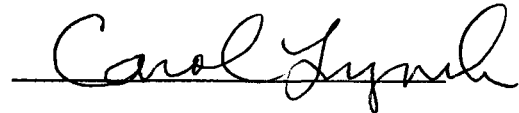
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TITLE OF MEETING: PERIODIC BRIEFING ON OPERATING REACTORS AND
FUEL FACILITIES

PLACE OF MEETING: ROCKVILLE, MARYLAND

DATE OF MEETING: JUNE 25, 1993

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PERIODIC BRIEFING ON OPERATING REACTORS AND MATERIAL FACILITIES

June 25, 1993

J. Taylor

T. Murley

R. Bernero

Regional Administrators

CATEGORY 1

PLANTS REMOVED FROM THE LIST OF PROBLEM FACILITIES

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

NONE

CATEGORY 2

PLANTS AUTHORIZED TO OPERATE THAT THE NRC WILL MONITOR CLOSELY

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

BRUNSWICK 1 & 2

DRESDEN 2 & 3

FITZPATRICK

INDIAN POINT 3

SOUTH TEXAS 1 & 2

CATEGORY 3

SHUTDOWN PLANTS REQUIRING NRC AUTHORIZATION TO OPERATE AND WHICH THE NRC WILL MONITOR CLOSELY

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

BROWNS FERRY 1 & 3

PRIORITY MATERIAL FACILITIES

GENERAL ATOMICS - SEQUOYAH FUELS - GORE, OK

**PLANTS WITH SUSTAINED
HIGH LEVEL OF
SAFETY PERFORMANCE**

DIABLO CANYON 1 & 2

GRAND GULF

ST. LUCIE 1 & 2

SUMMER

SUSQUEHANNA 1 & 2

SAFETY PERFORMANCE TRENDING DOWNWARD

PERRY