

UNITED STATES OF AMERICA NUCLEAR REGULATORY COMMISSION

Title: PERIODIC BRIEFING ON OPERATING REACTORS
AND FUEL FACILITIES

Location: ROCKVILLE, MARYLAND

Date: JUNE 23, 1994

Pages: 65 PAGES

SECRETARIAT RECORD COPY

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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

Thursday, June 23, 1994

The Commission met in open session,
pursuant to notice, at 2:00 p.m., Ivan Selin,
Chairman, presiding.

COMMISSIONERS PRESENT:

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

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STAFF SEATED AT THE COMMISSION TABLE:

WILLIAM C. PARLER, General Counsel

JOHN HOYLE, Acting Secretary

JAMES TAYLOR, Executive Director for Operations

WILLIAM RUSSELL, Director, NRR

ROBERT BERNERO, Director, NMSS

THOMAS MARTIN, Region I Administrator

STEWART EBNETER, Region II Administrator

JOHN MARTIN, Region III Administrator

JOE CALLAN, Region IV Administrator

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

2:00 p.m.

CHAIRMAN SELIN: Good afternoon, ladies and gentlemen.

This afternoon the NRC staff will brief the Commission on the status of operating reactors and fuel facilities. This is a semi-annual presentation with results of discussions at the NRC senior management meeting. This one was held on June 7th and 8th in our Region III office.

I was very pleased to have had the opportunity to observe the first day of discussions. I was very impressed by the NRC staff extensive deliberations and, in particular, at the thorough preparation that had been made by the new director of the Office of Nuclear Reactor Regulation and the senior staff of NRR had visited every plant that was under discussion. So, both the broad range of direct hands-on information and the deliberateness of the process were very good. Many aspects of licensee performance were examined during detailed evaluations of each facility that was selected for discussion. We're very anxious to hear the staff's recommendations in this area.

Before I turn the meeting over to Mr.

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1 Taylor, I would like to take special note of the fact
2 that this is the final commission briefing for two
3 participants at the table this morning. As most of
4 you know, Commissioner Forrest Remick's term expires
5 on June 30th, 1994. We will be honoring him at a
6 reception at the Holiday Inn Crowne Plaza next Monday,
7 at which time we will acknowledge, in excruciating
8 detail, his long and distinguished service, not only
9 to the NRC but to the country.

10 We look forward to that next week,
11 Forrest.

12 COMMISSIONER REMICK: Thank you.

13 CHAIRMAN SELIN: At the same time, let me
14 just say how much we've enjoyed working with him over
15 the years.

16 The other individual for whom this is the
17 final Commission briefing is our General Counsel, Bill
18 Parler, who is doing his best to retire unnoticed,
19 something the rest of us are determined not to let
20 happen.

21 So, we are honored, Mr. Parler, to present
22 you, first of all, the NRC flag.

23 MR. PARLER: Thank you very much.

24 CHAIRMAN SELIN: Don't go away yet.

25 MR. PARLER: Oh.

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1 CHAIRMAN SELIN: And a memento that Carl
2 Stoiber put together for you.

3 MR. PARLER: Oh, very good. Thank you
4 very much. It's been my pleasure to serve the
5 Commission, this Commission as well as the several
6 prior Chairmen. I'm always impressed with their
7 dedication to their very important duties, sir.

8 CHAIRMAN SELIN: Thank you.

9 MR. PARLER: Thank you very much.

10 CHAIRMAN SELIN: The voting was two to one
11 that Bill would actually leave the room when this
12 happened. We didn't believe he would quite go to that
13 point.

14 Mr. Taylor?

15 MR. TAYLOR: Good afternoon. With me at
16 the table are Bill Russell, the Director of NRR; Bob
17 Bernero, the Director of NMSS; and the regional
18 administrators.

19 The briefing today will be in two parts.
20 First will be the discussion of the results of the
21 June 7th, 8th senior management meeting. Second, we
22 will respond to two Commission requests in the staff
23 requirements memo, February 14th of this year. The
24 first Commission request was for an update on the
25 status of the pilot program for identifying good

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1 performers.

2 The second Commission request was for
3 feedback from the staff concerning use of the trending
4 letters and a recommendation as to whether the
5 practice should be continued, modified or terminated.

6 The recent June meeting was the 17th
7 biannual NRC senior management meeting to review the
8 performance of operating nuclear power plants which we
9 license. The first such meeting took place in April
10 1986 in the aftermath of the 1985 complete loss of
11 feed water event at Davis-Besse. The staff believes
12 that these meetings are very important to our
13 responsibility with regard to operational nuclear
14 safety at these plants.

15 Mr. Russell will continue the briefing.

16 MR. RUSSELL: Good afternoon.

17 The background and internal procedures for
18 NRC's senior management review process and the
19 criteria used for evaluating operating reactor
20 performance was provided to the Commission in SECY-94-
21 113. The process was discussed by Mr. Taylor, myself
22 and the regional administrators during the May 1994
23 regulatory information conference and copies of the
24 Commission paper were provided to all conference
25 attendees. This was done to better inform the

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1 industry and the public of the procedures, information
2 reviewed and criteria for senior management decisions
3 on good performers, trending plants and problem
4 plants.

5 The process described in SECY-94-113 was
6 used for the June 7th, 8th, 1994 senior management
7 meeting. The senior management meeting process has
8 two principal objectives: first, to identify potential
9 problem performance and adverse trends before becoming
10 actual safety events; and secondly to effectively
11 utilize agency resources in overseeing operating
12 reactor safety. An integrated review of plant safety
13 performance is conducted using plant-specific
14 inspection results, operating experience, PRA
15 insights, systematic assessment of licensee
16 performance reports, performance indicators and
17 enforcement history.

18 Special attention is given to the
19 effectiveness of licensee self-assessments and
20 corrective actions. Specifically we ask questions, is
21 the licensee identifying safety problems or are plant
22 events or NRC inspections identifying safety problems?
23 And are licensee corrective actions addressing these
24 problems and are the corrective actions lasting? We
25 believe the answers to these questions are positive

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1 for good performers and are negative for trending
2 plants and problem plants. We allocate staff
3 resources to those facilities which have adverse
4 trends or are poor performers.

5 I will summarize the overall results of
6 the most recent senior management meeting, after which
7 the regional administrators will summarize plant
8 performance in each of their regions. Following the
9 plant discussions, I will provide the staff
10 recommendations on the two policy issues related to
11 the senior management meeting review process, the
12 continuation of the good performer recognition program
13 and our experience to date with trending letters.

14 (Slide) Can I have slide 2, please?

15 We are recognizing today nine plants who
16 have achieved a high level of sustained safety
17 performance, Byron 1 and 2, Callaway, Diablo Canyon 1
18 and 2, Grand Gulf, Harris, Monticello and Summer.
19 Harris is a new addition this time. Five of the seven
20 sites are single unit sites. The staff recommends
21 that the NRC recognition of plants with sustained
22 superior safety performance be continued and I will
23 discuss this again following the regional
24 administrator's briefing on each plant.

25 (Slide) Can I have the next slide,

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1 please?

2 Category 1 is for plants which are removed
3 from the list of problem facilities. The criteria for
4 removal from the problem plant status was provided in
5 a memorandum from the Executive Director to the
6 Commission on May 8th, 1990. Broadly, we've addressed
7 four areas. First, has the licensee identified and
8 corrected the root causes of performance problems
9 which led to being identified as a problem plant?
10 Second, is improved licensee self-assessment and
11 problem resolution evident? Third, is licensee
12 management of problem resolution and oversight of
13 plant operations effective? Four, NRC assessment of
14 plant performance is complete and supports a normal
15 level of NRC oversight. For dual unit sites, we
16 expect to see a period of operation of both units for
17 two unit sites.

18 This time we concluded that the Brunswick
19 station had met the criteria for being removed from
20 the problem plant list and this will be discussed in
21 more detail by Stu Ebnetter, Region II Administrator.

22 (Slide) Next slide, please.

23 Category 2 are plants which are authorized
24 to operate but will be monitored closely. These
25 plants -- this is the problem plant list in the short-

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1 hand jargon which is used by the staff. These
2 facilities are Dresden 2 and 3, Indian Point 3 and
3 South Texas 1 and 2. There is no change in the status
4 of these plants and they will be briefed also by the
5 regional administrators. There are only five
6 facilities on the problem plant list at this time.

7 (Slide) Next slide, please.

8 Category 3 are plants which are shutdown,
9 requiring NRC Commission authorization to operate for
10 which the staff is monitoring closely. Plants in
11 this category are Browns Ferry 1 and 3, which are
12 continuing shutdown.

13 In summary, there are a total of seven
14 plants in category 2 or category 3. Two were taken
15 off the list this time and a total of nine plants on
16 the good performer list. This is the first time when
17 the number of facilities that are recognized as good
18 performers has exceeded those on the problem plant
19 list.

20 (Slide) Can I have the next slide,
21 please?

22 Five facilities receiving trending letters
23 in January 1994. Each plant had a different set of
24 problems and corrective action for these facilities
25 will require time in order to observe their

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1 effectiveness in improving performance. The regional
2 administrators will discuss each of these plants,
3 after which I will discuss the basis for our
4 recommendation to continue the use of trending letters
5 or follow-up letters for trending facilities. The
6 five facilities in this category are Cooper, LaSalle
7 1 and 2 and Quad Cities 1 and 2.

8 That completes the opening remarks.

9 Bob?

10 MR. BERNERO: (Slide) May I have the next
11 slide, please? Slide 7.

12 At this time there are no material
13 facilities requiring priority management attention.
14 So, I have nothing to discuss there. I defer to Tim
15 Martin to begin the individual plant discussions.

16 MR. T. MARTIN: Mr. Chairman,
17 Commissioners, in Region I we have one plant on the
18 problem plant list. New York Power Authority's Indian
19 Point 3 Nuclear Power Plant was first discussed at our
20 June 1992 senior management meeting. The concerns
21 then were identified with procedural adherence and
22 attention to detail, to surveillance testing and
23 corrective action programs, engineering and tech
24 support, information flow, and management guidance,
25 oversight and control.

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1 In response to a mounting list of
2 problems, NYPA developed their performance improvement
3 program. In February 1993, NYPA shut the plant down
4 and subsequently committed not to restart the unit
5 until they were ready and NRC had agreed. Indian
6 Point 3 was placed on the NRC's watch list in June of
7 '93. During '93, NYPA expended significant efforts
8 and resources in equipment maintenance and
9 modification, process improvements and management
10 changes. A new system for reporting and tracking
11 deficiencies was instituted and the licensee was
12 successful in reducing the threshold for
13 identification and documentation of problems.
14 Additional interfaces with the industry were
15 established to learn from their experiences and
16 outside assistance was sought to review deficiencies
17 and help determine root causes of problems. Finally,
18 the Board of Trustees established a Nuclear Advisory
19 Committee to provide expert advice on the operation of
20 NYPA's nuclear facilities.

21 During the same period, we continued to
22 identify problems with procedural adherence, attention
23 to detail, work control and communications. As a
24 result, NYPA instituted a station-wide work slowdown
25 in December of 1993, which continues until today. Its

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1 purpose was to ensure appropriate control over
2 activities while enhancing work control planning,
3 scheduling and implementation processes. Since the
4 last senior management meeting, overall performance at
5 the facility has not significantly changed. Further,
6 the licensee continues to identify frequent procedural
7 adherence in work control deficiencies. Examples
8 include the backward installation of an air operated
9 valve from Appendix R emergency diesel generator,
10 improper tagging of equipment, deviation from a
11 reactor coolant pump start-up procedure, and failing
12 to remove a jumper following motor-operated valve
13 testing.

14 While it is noteworthy that the problems
15 were self-identified, we remain concerned with the
16 recurrence of problems in this area. There continues
17 to be significant changes in site and corporate
18 management. During the last six months these include
19 the chairman of the board, president and chief
20 executive officer, three vice presidents, the Indian
21 Point 3 resident manager, all three general managers
22 and six function managers. Although we note that
23 their permanent replacement for the position of
24 general manager of operations has not been found and
25 the executive vice president nuclear generation has

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1 not yet taken his position, we see some early signs
2 that a management team is developing.

3 In January 1994, NYPA formed a corporate
4 team to assess the reasons for continued deficiencies
5 in organizational performance, determine actions
6 needed for plant restart and long-term operations, and
7 develop a plant to supersede their performance
8 improvement plan. The resulting restart and
9 continuous improvement plan was unveiled last month.
10 Outlines corrective actions that address NRC concerns
11 and appears to be supported by all levels of NYPA
12 management. We are currently evaluating and closely
13 monitoring its implementation.

14 The material condition of the facility has
15 improved, but the backlog of work remains large.
16 Earlier this month, after extensive preparations and
17 training, NYPA implemented a new work control process
18 to enhance their ability to successfully manage,
19 conduct and complete scheduled plant activities. The
20 new process is being tested with a modest increase in
21 maintenance and modification activities. Although
22 additional effort is needed in the area of work
23 planning and equipment tagging, we have noted
24 improvements in control, cognizance and communications
25 amongst maintenance and operations personnel. NYPA is

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1 currently working to develop a resource load and
2 outage schedule, which they intend to implement in the
3 near future.

4 In summary, overall performance at the
5 facility has not significantly changed since the last
6 senior management meeting. Indian Point 3 remains
7 shut down and the New York Power Authority has
8 committed not to restart the unit until they are ready
9 and we agree. As a result, the NRC staff has
10 concluded that IP 3 should remain a category 2
11 facility.

12 Are there any questions?

13 CHAIRMAN SELIN: I read in the papers this
14 morning that the Authority, or at least the advisors
15 to the Authority, are considering some really quite
16 major budget cuts, many of which, it suggests, would
17 fall on the two nuclear plants of the Authority. Have
18 they discussed these with you?

19 MR. T. MARTIN: Yes, sir. Bob Schomberger
20 called me before they met with the Board of Trustee,
21 briefed me on what their proposal was, indicated that
22 there will be no impact upon Indian Point 3 until
23 after restart. They are looking for a goal in savings
24 of approximately \$50 million and he briefed me on how
25 they intended to try to accomplish that.

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1 CHAIRMAN SELIN: But you're content that
2 at least for the short run that the future of Indian
3 Point 3 and the budget are quite separate issues at
4 this point?

5 MR. T. MARTIN: It appears to be, and
6 further they are still investing in capital
7 improvement items.

8 CHAIRMAN SELIN: Okay. Thank you.

9 MR. T. MARTIN: Thank you.
10 Stu?

11 MR. EBNETER: Good afternoon. I have two
12 plants to discuss this afternoon, the Brunswick
13 Station and the Browns Ferry Nuclear Plant.

14 The Brunswick Station. Brunswick Nuclear
15 Plant is a two unit BWR owned and operated by the
16 Carolina Power and Light Company. Unit 1 is at 100
17 percent power and Unit 2 is restarting from a lengthy
18 refueling outage. Both units were placed on the
19 problem plant list in June 1992 as a result of
20 sporadic performance for a number of years and
21 subsequent declining performance until CP&L
22 voluntarily shut the units down in April of 1992.

23 The root causes of the poor performance
24 were determined to be management weaknesses in setting
25 performance standards and expectations, inadequate

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1 management oversight, poor communications, inadequate
2 self-assessment root cause and corrective action
3 programs and degraded material condition of the
4 physical plant.

5 CP&L management implemented the Brunswick
6 recovery plan and a three year business plan to
7 correct the performance deficiencies. The Brunswick
8 recovery is basically complete. There have been
9 extensive changes in management at both corporate and
10 station level characterized by in-depth nuclear
11 operations experience, diversity of external nuclear
12 companies with operating experience. The new
13 management team instituted new higher standards of
14 performance and they implemented effective programs
15 for root cause analysis, corrective actions and self-
16 assessments. The degraded plant conditions were
17 restored and upgraded by reengineering components and
18 installation of modifications. Material condition of
19 the plant is substantially improved.

20 The effectiveness of the new management
21 team and the plant improvements have been demonstrated
22 by plant performance over the past 15 months.
23 Consider Unit 2. Unit 2 was restarted from a year
24 long service outage in April of 1993. The start-up
25 and power ascension was essentially error free and

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1 devoid of major equipment failures. The unit ran from
2 breaker to breaker. No trips, no forced outages and
3 no consequential personnel errors during this time
4 period. This time period extended over 300 days.

5 The unit was then shutdown for a refueling
6 outage and Brunswick management continued to exhibit
7 good conservative philosophy. They planned a '92
8 outage to repair and inspect the core shroud, install
9 jet pump hold down beams and install additional
10 upgrades to improve the material condition of the
11 station and further reduce their backlogs. This
12 outage was conducted and controlled.

13 With regard to Unit 1, after extensive
14 modifications and refueling during shutdown period of
15 over 20 months, Unit 1 was restarted on February 1st,
16 1994. The restart and power ascension was well
17 controlled, methodical and free of significant
18 equipment errors and/or major personnel errors. The
19 unit has operated continuously for over 130 days
20 without any major problems. A good illustration of
21 their self-assessment capability during this time, for
22 the restart of Unit 1 they reviewed the Unit 2, did
23 lessons learned, self-assessment, applied it to the
24 Unit 1 restart and cut to seven to ten days off of
25 that restart cycle as a result of a good self-

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1 assessment.

2 Brunswick's performance has demonstrated
3 exceptional teamwork, competency of management and
4 staff and the effectiveness of the changes to work
5 control processes, self-assessments and corrective
6 action programs. Brunswick's improved performance no
7 longer warrants the degree of NRC oversight that has
8 been applied in the past two years. Brunswick Units
9 1 and 2 are removed from the watch list category 2.

10 Are there any questions on Brunswick?

11 CHAIRMAN SELIN: I wanted to ask you a
12 little bit about the relatively short observation time
13 on Unit 2. I mean how can you feel comfortable that
14 they're really off the hook when we don't really have
15 an operating pattern on Unit 2 to watch?

16 MR. EBNETER: Unit 2 was the one that ran
17 for over 300 days.

18 CHAIRMAN SELIN: I'm sorry, Unit 1.

19 MR. EBNETER: Unit 1 has run for 130 days
20 and --

21 CHAIRMAN SELIN: Do you feel comfortable
22 that --

23 MR. EBNETER: Very, very comfortable.
24 The no errors, no problems with the start-up and
25 they're essentially using the same procedures and

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1 techniques of running Unit 1 that were applied on Unit
2 2. So, I feel very comfortable. I can tell you if
3 you go to the station, it is significantly different
4 than it was a year ago. There are very significant
5 upgrades and good management overall.

6 The other plant I have to discuss is
7 Browns Ferry. Browns Ferry is a three unit boiling
8 water reactor owned and operated by the Tennessee
9 Valley Authority. Unit 2 is at 100 percent power and
10 is operating at high level performance. Units 3 and
11 1 are shutdown and defueled. Units 3 and 1 are on the
12 problem plant list as category 3 plants.

13 TVA has placed priority on Unit 3 for
14 recovery. Unit 3 remains in a recovery mode and there
15 has been no significant change in status since our
16 last briefing. The engineering work is essentially
17 100 percent complete and modifications of plant
18 hardware are approximately 55 percent complete. The
19 mods are progressing in a very deliberate and
20 controlled fashion. Modifications are ongoing in
21 seismic upgrades, supports and hangers for piping
22 systems, supports and hangers for electrical systems
23 and cable replacements. There are no major problems
24 in the construction processes and quality of work is
25 relatively good.

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1 There is some progress in construction and
2 component testing and preparation for preoperational
3 testing. TVA has plans, procedures in place for
4 systems turnover and readiness for operation. This is
5 approximately five percent complete. There are no
6 major problems in the testing and turnover areas of
7 Browns Ferry.

8 TVA has maintained good oversight of
9 construction activities on Unit 3 to assure there are
10 no adverse impacts on the operating unit. Interfaces
11 that could cause potential interaction and impact on
12 Unit 2 have been identified and effective controls
13 have been put in place.

14 TVA has reassigned several senior managers
15 which has resulted in changes in Browns Ferry site
16 management. The management reassignments have gone
17 very smoothly with no identifiable impacts on Browns
18 Ferry. Management involvement on Unit 3 recovery is
19 adequate. TVA needs to continue to focus on
20 construction completion, contractor oversight and pre-
21 op testing. The Unit 3 fuel load schedule is for late
22 1995. Unit 1 is essentially in a deferred recovery
23 status with no definitive plan on schedule for
24 recovery.

25 Browns Ferry Units 3 and 1 remain on the

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1 problem plant list as category 3 plants and require
2 Commission authorization to restart.

3 COMMISSIONER REMICK: Stu, you said that
4 on Unit 3 the status remained essentially unchanged
5 from the last time, but I interpret that initially to
6 mean that nothing had been done. But that's not the
7 intent you're saying, that they're continuing on the
8 path.

9 MR. EBNETER: There's progress in getting
10 work done, but we still have -- they have a long way
11 to go to complete the plan.

12 MR. RUSSELL: Jack?

13 MR. J. MARTIN: Yes. I have three sites
14 to discuss, Dresden, Quad Cities and LaSalle. Dresden
15 is on the problem plant list. Quad Cities and LaSalle
16 are not. I just want to emphasize that.

17 First of all, Dresden. Dresden was placed
18 on the problem plant list for the first time in June
19 of 1987. An NRC diagnostic inspection was performed
20 and the company responded with a Dresden station
21 improvement plan later in 1987. The plant was removed
22 from the problem plant list in December of 1988.
23 Problems were plant performance appeared again in late
24 1990 and the plant was returned to the problem plant
25 list in January of 1992.

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1 Since our last briefing to the Commission,
2 there's been continued progress, although very slowly
3 in most areas. Plant material condition continues to
4 improve due to good performance by the maintenance
5 organization. Engineering is starting to make
6 contributions to plant material condition as well.
7 This is a significant development in that many of the
8 Dresden equipment issues that have plagued the plant
9 for years were basic engineering issues. By
10 identifying these design problems, devising solutions
11 and repairing the equipment, major improvements have
12 been made in plant reliability. The plant has had
13 fewer safety system failures and longer plant runs.

14 On the other hand, improvement in self-
15 assessment, operations and radiological protection and
16 work practices is slow and there have been notable
17 setbacks. For example, due to a variety of past
18 missed steps, there were several component failures
19 inside the Dresden 1 containment due to freezing this
20 winter. During the reviews of this issue it became
21 clear that there had been the potential for draining
22 of the Unit 1 spent fuel pool. In addition, a number
23 of basic problems were found with the spent fuel
24 storage situation such as the isolation gate being
25 left uninstalled, siphon paths exists, poor pool

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1 chemistry and lack of monitoring.

2 The station actions in response to the
3 incident were slow and incomplete. A few weeks later
4 there was another spill of about 50,000 gallons of
5 slightly radioactive water to the environment out on
6 the ground outside that should have been detected and
7 stopped by the operators. We think the incident,
8 although it occurred on Unit 1, is significant because
9 there wasn't a separate organization for Unit 1. It
10 was the same people that worked on Unit 2 and 3.

11 In the last few months there have been two
12 visits to Dresden by a broad spectrum of senior NRC
13 managers to assess the situation. During these
14 visits, the managers could not find any clear plans
15 for improvement or accelerating improvement at
16 Dresden. It was our conclusion that Dresden should be
17 improving at a much more rapid rate and that clear
18 goals and plans for improvement should be more in
19 evidence.

20 Based on these considerations, the senior
21 managers concluded that Dresden should remain at
22 category 2 plant.

23 CHAIRMAN SELIN: Dresden has been in this
24 condition for basically a year and a half now, I
25 think.

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1 MR. J. MARTIN: Two and a half.

2 CHAIRMAN SELIN: Two and a half years.
3 That's as long as we've had any plant in this
4 situation, more or less. I mean can this just go on
5 indefinitely or will there be some point at which we
6 will insist that either they get significantly better
7 or they not continue to operate? We never thought of
8 the watch list as being an indefinitely situation. It
9 was supposed to be something which we would watch and
10 presumably the watch would result in actions.

11 MR. J. MARTIN: Well, that was the subject
12 of a great deal of discussion at the meeting. What we
13 did was to put a paragraph in the letter, Mr. Taylor's
14 letter, raising this question as to why is progress so
15 slow and asking for their assessment of this and what
16 could be done to accelerate improvement so that
17 Dresden could be returned to a normal status in a
18 reasonable time. I think that will provide the basis
19 for discussion of this issue.

20 CHAIRMAN SELIN: But let me ask Mr. Taylor
21 and Mr. Russell the broader question of could we have
22 a situation -- the problem with Dresden, as I hear it,
23 it's not like say the South Texas where things look
24 pretty good but we want to see it for awhile. I mean,
25 the regional administrator has basically said that the

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1 progress isn't really much there and I assume that if
2 we continue to see this progress at the same low rate,
3 we would have a similar discussion six months from
4 now. It's not as if it's there but we want to observe
5 it for awhile. Is this a situation that we foresee,
6 that you foresee as being -- even apart from Dresden,
7 but just at a plant beyond the watch list on an
8 indefinitely basis?

9 MR. RUSSELL: Let me comment on two
10 aspects. One, we are looking for development of plans
11 for correcting the problems that have existed with
12 those plans, in fact, being implemented and showing
13 progress under the plans.

14 We have seen, as Jack mentioned, progress
15 in the area as it relates to material condition,
16 particularly some improvements in engineering and
17 maintenance related to rotating machinery. However,
18 there are significant areas for further improvement,
19 particularly in the area of radiological controls, and
20 we were disappointed by the response to the
21 radiological control situations that existed
22 associated with the Dresden 1 spent fuel pool and the
23 management response to that event. I visited the
24 station, pointed out a number of things that I felt
25 were in need of attention and I was pleased that when

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1 there was a subsequent visit by senior management that
2 a number of these had been taken care of.

3 I believe that they can put together a
4 plan of action and then execute that plan of action.
5 It is going to take focused effort on the part of the
6 company and the employees at the station to do that.
7 We tried to send a message this time with this letter
8 to indicate that while improvement is being made in
9 some areas, we are not seeing the rate of progress
10 that we would have expected. I'm not able at this
11 point to answer the question as to how long this
12 situation could continue.

13 MR. TAYLOR: I'd like to add to that, Mr.
14 Chairman. I've been at every one of these senior
15 management meetings since they started. There was a
16 previous case involving Turkey Point where a prior
17 Commission expressed a degree of frustration with
18 Turkey Point. And I don't recall the number of times
19 it had been on the list, but it had been a problem
20 plant. It was that sense of frustration that I think
21 spurred authorities at Florida Power and Light to put
22 extra effort into Turkey Point and they did turn that
23 plant around.

24 So, we don't have a specific measure, but
25 I think your concern is a valid one. We'd like to see

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1 this thing move faster.

2 CHAIRMAN SELIN: Let me put this in
3 context. Dresden has been on the problem plant list
4 four years out of the last seven and there's some
5 feeling that maybe we took them off too fast when they
6 weren't on the list. So, for all intents and
7 purposes, on average they've been on the watch list a
8 long time. So, we have problems with Dresden.

9 Also, this is not the way I believe the
10 watch list was intended to operate. I mean, yes, we
11 are watching them, but after awhile one should see
12 some actions. So, I would like to see, in addition to
13 the continued monitoring of Dresden, some
14 methodological recommendations by the staff on what we
15 do if a situation seems to be chronic and not nearly
16 a stage through which the plant is passing and where
17 we have some reasonable confidence that the
18 improvement is at a rate which we can see the end of
19 the situation.

20 MR. TAYLOR: We'll do that and come back.

21 COMMISSIONER REMICK: I'd just add a
22 comment. I don't think there's anything in our
23 regulations that speaks of a problem plant list or
24 watch list or length of time. I think the question
25 boils down to adequately protecting the public health

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1 and safety. I think the real question is is the staff
2 close to a finding of not adequately protecting public
3 health and safety and I don't think you're saying
4 that.

5 MR. TAYLOR: No, we're not saying that.

6 MR. RUSSELL: Let me characterize one
7 additional aspect, and this is one that -- I guess
8 I've been through 15 of these 17 senior management
9 meetings. I recall the discussions that we had on
10 Turkey Point and also the concerns that we had when
11 plants reappeared on the watch list, which is the case
12 for both Turkey Point and Dresden. It triggered
13 coming up with a pretty thorough criteria for making
14 a decision about removing a plant from the watch list
15 and making sure that we had, in fact, addressed the
16 problems that led to the plant going onto the problem
17 plant category. So, we want to make sure that this
18 time when we say Dresden has, in fact, improved and is
19 no longer in a situation where it requires close
20 agency monitoring, that that in fact will be
21 successful and the performance will be sustained from
22 that point on.

23 CHAIRMAN SELIN: There's no problem with
24 that. Commissioner Remick's point is that we don't
25 close plants if they don't individually present a

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1 threat to the public health and safety. On the other
2 hand, the concept of putting a plant on the watch list
3 was to get the intensive attention so that the things
4 would be corrected and it would get off the watch
5 list. So, we have here a possible situation that's
6 between the two and I don't -- I'm not sure that our
7 approach has a response to this intermediate
8 situation. Unjustified closure is not called for,
9 indefinitely permanent locate -- the watch list is to
10 get people's attention and get things fixed. If it's
11 not getting things fixed, then we need to look at some
12 other way to get the situation --

13 MR. TAYLOR: Well, we'll come back to the
14 Commission with some suggestions.

15 MR. RUSSELL: Okay. Jack, you want to
16 continue?

17 MR. J. MARTIN: Next I'll move on to Quad
18 Cities. Quad Cities has been discussed at the senior
19 management meeting several times in the past. In
20 response to concerns raised at the June 1993 senior
21 management meeting, a diagnostic evaluation team was
22 sent to the site in September of 1993. As you know,
23 the diagnostic team is a broad cross section of NRC
24 inspectors and contractors that are not normally
25 associated with a site or the region. The DET, or

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1 diagnostic team, found that management was willing to
2 accept equipment problems without pursuing corrective
3 actions, that the work control processes were
4 ineffectual and that engineering evaluations of
5 degraded equipment were not rigorous.

6 Additionally, the licensee's self-
7 assessment program was considered to be ineffective,
8 root cause analyses weak and the oversight provided by
9 the system engineering program was weak. Of
10 particular concern was failure by the company to
11 follow-up and execute previous plans for improvements
12 at Quad Cities.

13 At the January 1994 senior management
14 meeting, it was decided to send a letter to
15 Commonwealth senior management citing these adverse
16 trends and requesting action. In the last few months,
17 improvements have been made in management staffing and
18 progress has been made in formulating a comprehensive
19 plan for dealing with the problems at Quad Cities.
20 Specific implementing plans are in process of being
21 issued. On the other hand, much needs to be done on
22 getting to the root causes of equipment problems,
23 dealing with a very large radiological source term,
24 and personnel radiation protection work practices and
25 in implementing an effective corrective action

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1 program.

2 A major problem in each of the CECO
3 boiling water reactors is the very large radiological
4 source term. When aggravated by poor radiological
5 work practices and inadequate work planning, it makes
6 it very difficult to perform work well. For example,
7 during the current outage, numerous problems were
8 encountered with the work effort to repaint the torus
9 interior. Basic deficiencies were found with the
10 temporary ventilation design for this job, some
11 pointed out by the Director of NRR himself during a
12 visit. The new NRC resident inspector found other
13 design problems with this system that could have
14 resulted in extensive contamination of the reactor
15 building. The job was planned for about 80 rem but
16 due to the extensive problems it will complete at
17 somewhere around 250 rem.

18 The operations department has improved and
19 is being more demanding of the other departments about
20 equipment issues and work arounds. Some progress has
21 been made in repairing defective equipment, improving
22 plant appearance and eliminating the vibration issues
23 found by our diagnostic inspection. Actions to
24 address the motor-operated valve problems have begun
25 only in the last few months and efforts to find the

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1 root causes of chronic equipment problems are only
2 just starting and are not yet being pursued
3 rigorously. Quad Cities seems to be considerably
4 behind Dresden in this regard.

5 Two recent visits were made by several
6 senior NRC managers to assess the situation at Quad
7 Cities. Their conclusion was that while progress to
8 date has been positive, there just hasn't been
9 sufficient time to assess the effectiveness of the
10 actions in stopping the adverse trends. Accordingly,
11 it was decided to send CECO management a follow-up
12 letter stating this conclusion.

13 CHAIRMAN SELIN: If you just went in today
14 for the first time, nothing to do with follow-up
15 letters, trending letters, watch lists in the past,
16 Quad Cities and Dresden cold, is there a significant
17 difference in the operation between the two plants?

18 MR. J. MARTIN: Well, I think the plant
19 material condition of Dresden is much better and
20 having addressed the basics. They're just getting
21 started on this at Quad right now.

22 CHAIRMAN SELIN: But Dresden is on the
23 watch list and Quad Cities isn't.

24 MR. J. MARTIN: Well, plant material
25 condition is better.

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1 CHAIRMAN SELIN: What about the other
2 aspects of the plant?

3 MR. J. MARTIN: I don't see a lot of
4 difference.

5 MR. RUSSELL: I think that potentially one
6 difference is that progress is being made at Quad
7 Cities in developing a plan of action and laying out
8 the details of those plans as how to implement them so
9 that that may be one area where there is, from a
10 planning, organizing approach, some slight edge at
11 Quad Cities over Dresden.

12 CHAIRMAN SELIN: What I hear you saying,
13 and I don't disagree with this, but I just want to
14 explicit about it, there's a certain amount of
15 stickiness to this process. We don't lightly put
16 people on the watch list. It's not an instantaneous
17 evaluation. There's still hope that Quad Cities will
18 turn itself around before its been on at a condition
19 long enough that we can unequivocally say they deserve
20 more attention. And conversely, we don't take them
21 off the watch list until we're reasonably sure they'll
22 stay off. But if it were an instantaneous evaluation,
23 you don't suggest there's overall as much to choose
24 between the two plants, that one deserves to be one
25 and one off the list.

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1 MR. RUSSELL: I think you have to look at
2 them in the context of the history of where they've
3 been and I think at the time Dresden was placed on the
4 watch list that that was the right decision. The
5 additional tool of the trending plant, which I'll talk
6 about, I believe has caused response on the part of
7 the company. There is activity to address some of the
8 concerns and the expectation is that they will
9 continue. We have seen some progress and it may not
10 be necessary to characterize Quad Cities as being a
11 problem facility.

12 On the other hand, were there a
13 significant event or something else which would cause
14 us to reconsider, circumstances could change.

15 CHAIRMAN SELIN: And you would expect to
16 see significantly more progress by next time.

17 MR. RUSSELL: That's correct. There is
18 clearly hysteresis in our decision making. Once on,
19 we want to make sure that things are better before we
20 take them off. But we also look at it very seriously
21 before we take the step of placing a plant on the
22 problem plant list.

23 CHAIRMAN SELIN: Very well. Okay.

24 MR. J. MARTIN: Well, I'll move on to
25 LaSalle. LaSalle was discussed at the January 1994

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1 senior management meeting and the major concerns were
2 radiological controls and work practices, plant
3 material condition and poor self-assessment
4 capability. There have been recurring radiological
5 controls problems at LaSalle. In part this has been
6 due to the large source term that's been aggravated by
7 poor work practices, inadequate work instructions, an
8 apparent lack of respect for the hazard.

9 There's been a major recent enforcement
10 action involving work practices in the apparent
11 intentional contamination of radiation workers by
12 fellow workers. In addition, there have been
13 significant equipment failures and problems with
14 electrical breakers. Efforts to find and resolve the
15 root causes of component problems have not generally
16 been successful and system engineer have not been
17 entirely effective.

18 As a result of the discussion of these
19 problems at the January senior management meeting, a
20 letter was sent to CECO management expressing concern
21 about these adverse trends. In the last few months,
22 improvements have been made in management staffing and
23 a plan for improvement of the situation has been
24 developed. Implementing plans and schedules are in
25 the process of development similar to that for Quad

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1 Cities. Efforts at self-assessment, root cause
2 analysis of equipment problems and resolving
3 radiological work practices and conditions are just
4 starting and considerable work needs to be done.

5 There have also been two visits in the
6 last few months by groups of senior NRC managers to
7 assess the situation at LaSalle. Again, while efforts
8 to date are positive, the senior managers concluded
9 that more time would be necessary to evaluate their
10 effectiveness. Accordingly, it was decided to send
11 CECO management a follow-up letter similar to that for
12 Quad Cities.

13 CHAIRMAN SELIN: It seems to me that the
14 die is cast and you've taken the appropriate actions
15 and we should watch where they come out. On the other
16 hand, if you talk about mixed messages, within the
17 last year we had Zion come off the watch list, Byron
18 get on the good performers list, Dresden continue
19 indefinitely on the watch list, two other plants
20 getting perilously close to it.

21 So, I think you're doing the right thing
22 for now, but six months from now or nine months from
23 now there's not significant improvement in that
24 overall picture, then I think it will be necessary to
25 sit down and take a look at the whole system and not

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1 just continue to look plant by plant. We've raised
2 the issue on and off are there adequate resources.
3 There have been major changes made both in terms of
4 personnel, a number of resources and most of them
5 sound like steps in the right direction. I think it's
6 perfectly appropriate that you give them a reasonable
7 time to work out. But if we do need to do -- if we do
8 continue to see that mixed picture after awhile, then
9 I think it would be appropriate to take a top down
10 look. We might have a three dimensional problem that
11 we're trying to understand in two dimensions and that
12 never would add up.

13 COMMISSIONER ROGERS: Unrelated to our
14 discussion today, is the staff satisfied that there's
15 a full understanding of the oscillation problem at
16 LaSalle from a couple years ago and our ability to
17 analyze it and understand it?

18 MR. J. MARTIN: Yes. We are making
19 progress on closure on the oscillation issue both for
20 non-ATWS and ATWS events and we are getting close to
21 resolution of those issues.

22 I would comment. One thing that I think
23 is positive as it relates to LaSalle and that is that
24 there was a very self-critical evaluation that was
25 done at LaSalle shortly before the first of year.

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1 That evaluation was shared with us and we discussed it
2 at the January senior management meeting and they have
3 made progress in addressing those issues. So, it's
4 not a question at LaSalle as to whether there's a
5 recognition of what the issues are. It's now taking
6 and turning those into plans and executing the plans.

7 MR. J. MARTIN: Yes, I would agree with
8 that. I don't see that there's any difference of
9 opinion that there's plenty that needs to be done
10 here. It's not a test of wills on is there a problem.
11 It's a question of actually fixing them.

12 MR. RUSSELL: Joe?

13 MR. CALLAN: Thank you.

14 Good afternoon. I'll be discussing two
15 sites this afternoon, South Texas Project, Units 1 and
16 2, which is the only problem plant in Region IV, and
17 Cooper Nuclear Station.

18 South Texas Project was identified as a
19 category 2 watch list plant during the June 1993
20 senior management meeting. This decision was based on
21 observed declining performance marked by long-standing
22 equipment problems, ineffective and inefficient work
23 control processes, inadequate problem identification
24 in corrective action programs, a general lack of
25 effective management direction and support, and

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1 ineffective use of self-assessment and quality
2 oversight functions.

3 Both units of South Texas Project were
4 shut down in February 1993 due to operability concerns
5 with the turbine-driven auxiliary feedwater pumps and
6 a confirmatory action letter was issued by the NRC
7 staff requiring that prior to either unit restarting
8 the staff would be briefed on actions to correct the
9 deficiencies. This original confirmatory action
10 letter was expanded in May 1993 and again in October
11 1993 by supplemental confirmatory action letter that,
12 among other issues, encompassed concerns identified by
13 the NRC's diagnostic evaluation team inspection. This
14 inspection was conducted in the spring of 1993 based
15 on the recommendation from the January 1993 senior
16 management meeting.

17 To support plant restart, an NRC restart
18 panel composed of managers from Region IV and NRR was
19 established to assure a consistent Agency approach to
20 the issues identified, to track progress on completion
21 of the restart issues addressed in the confirmatory
22 action letters, and to assure proper coordination of
23 significant meetings and inspections. The panel has
24 met with Houston Lighting and Power representatives at
25 various times during the past six months corresponding

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1 to key milestone events relating to the restart of the
2 units. These meetings have been open for public
3 observation.

4 The inspections conducted by Region IV and
5 Headquarters staff verified completion of the restart
6 issues for Unit 1 permitting the confirmatory action
7 letter to be lifted for that unit on February 15th,
8 1994, and this allowed plant restart. Subsequently,
9 restart issues for Unit 2 were verified complete
10 allowing the confirmatory action letter to be lifted
11 for that unit on May 17th, 1994. Both units are now
12 operating at full power with Unit 2 reaching full
13 power only last week.

14 During the approach to restart for both
15 units and after restart during power ascension, NRC
16 maintained 24 hour inspection coverage. At
17 approximately midway through power ascension for each
18 unit, the NRC staff conducted an assessment of plant
19 performance. The results of these NRC assessments
20 compared favorably with the results of the self-
21 assessments performed by South Texas Project
22 indicating progress with the licensee's self-
23 assessment capabilities. These inspections and
24 assessments have noted that, although STP performance
25 has shown slow steady improvement, hardware and

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1 personnel performance concerns continue to be
2 identified.

3 One of the most significant hardware
4 issues has been the reliability concerns with the
5 emergency diesel generators, of which there are three
6 for each unit. The South Texas Project staff's
7 approach to resolving these emergency diesel generator
8 issues has been comprehensive and methodical with good
9 interactions between the engineering and maintenance
10 organizations.

11 In my view, the most significant
12 operational issue to have occurred since plant restart
13 was the loss of shutdown cooling while Unit 1 was in
14 mid-loop operation on March 10th, 1994. The event
15 occurred as a direct result of operator error and
16 represented multiple failures of administrative
17 controls and management oversight. Although the
18 safety significance of the event was minimal, the NRC
19 staff was particularly concerned because the event
20 occurred during a period of augmented management
21 oversight of shift activities. Despite this notable
22 example of weak control of operational activities, the
23 extensive NRC inspection coverage over the past
24 several months at South Texas Project has indicated
25 slow but steady improvement in the conduct of

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1 operations.

2 The plant's staff has demonstrated the
3 ability to effectively manage the maintenance backlog
4 with one unit operating. Their progress is
5 encouraging so far in maintaining their maintenance
6 backlog for two operational units.

7 With respect to management effectiveness,
8 a major focus has been to increase management
9 accessibility and to communicate performance standards
10 and management expectations face to face to small
11 groups of plant staff. NRC inspections have indicated
12 that these efforts are beginning to have positive
13 results.

14 The historical lack of effectiveness of
15 the South Texas Project's employee concerns program
16 has been a major concern. Considerable licensee
17 resources and management attention have been devoted
18 to improving the program and employee confidence in
19 it. A recent NRC team assessment of the employee
20 concerns program confirmed that progress is being
21 made.

22 In summary, continued close NRC monitoring
23 of South Texas Project performance is warranted to
24 assure that improvements underway can be sustained.
25 Although NRC inspections and assessments have noted

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1 slow steady progress by South Texas Project in
2 improving staff performance and material conditions at
3 the plant, recent operational and hardware issues
4 continue to indicate considerable improvement is still
5 needed.

6 This concluded my discussions of South
7 Texas Project.

8 Questions?

9 I'll next talk about Cooper Nuclear
10 Station, which is a plant whose performance had been
11 identified in the last senior management meeting as
12 exhibiting an adverse trend.

13 At the last NRC senior management meeting
14 in January of 1994, NRC staff determined that Cooper
15 Nuclear Station was exhibiting an adverse trend in
16 safety performance. This adverse trend in performance
17 became evident to the NRC as a result of problems,
18 especially the demonstrated weaknesses in Cooper's
19 self-assessment and corrective action activities that
20 had been identified during the previous year. At the
21 last senior management meeting, the staff determined
22 that performance improvements were warranted in order
23 to avoid having the noted adverse trend result in more
24 significant problems in the future.

25 In order to provide early notice so that

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1 Nebraska Public Power District would have an
2 opportunity to take appropriate remedial actions, a
3 letter was sent to the President and Chief Executive
4 Officer of Nebraska Public Power District informing
5 him of our concerns. As a follow-up to this letter,
6 I met with him in February to discuss our concerns in
7 more detail. At that meeting, I emphasized the need
8 for improved management oversight and accountability
9 and for the establishment of higher standards of staff
10 performance.

11 The President of Nebraska Public Power
12 District in turn outlined a near-term integrated
13 enhancement program for Cooper. This program
14 identifies the analyzed causes for the declining
15 performance at Cooper Nuclear Station and provides
16 planned actions to resolve these issues. The three
17 most significant challenges were identified as being,
18 first, changing the work attitudes in the Maintenance
19 Department; second, obtaining employee ownership of
20 the required improvements; and third, developing rigor
21 and consistency in handling reactive issues.

22 In addition, management and staffing
23 changes continue to be discussed by Nebraska Public
24 Power District but the initial implementation of these
25 proposed changes has only very recent become evident.

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1 Nebraska Public Power District has made some progress
2 in implementing their integrated enhancement program
3 during the past several months. For example, plant
4 engineering has exhibited improvement. There appears
5 to be more of a willingness by engineers to perform
6 well and the engineering manager has taken steps to
7 improve the engineers' depth of knowledge and
8 capabilities.

9 Housekeeping and plant appearance are
10 improving in most areas of the plant. With the
11 reduction in radiologically contaminated areas, plant
12 personnel are able to better maintain equipment.

13 Plant operations performance shows some
14 improvement with indications that the shift operators
15 are exercising firmer control of shift activities.
16 Control room operator response to operational events
17 during the past few months appeared to be effective.

18 On the other hand, there are recent
19 examples where the Cooper Nuclear Station staff have
20 come up short in their resolution of identified safety
21 issues. For example, after the March 3rd, 1994
22 reactor scram and subsequent activation of the high-
23 pressure core injection system, the Cooper staff was
24 slow to rigorously investigate and determine the root
25 cause of the event. The NRC staff was concerned that

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1 NRC involvement had to serve as a catalyst in order
2 for the issues to be resolved.

3 In April 1994, Cooper staff determined
4 that the plant was unable to meet the design
5 requirements for the control room pressure envelope.
6 Subsequent NRC inspections at the end of May
7 identified that the potential safety concerns were
8 much broader and involved the adequacy of both the
9 control room and the turbine building pressure
10 envelopes and their associated ventilation systems.
11 Again, NRC staff was concerned that NRC involvement
12 was required to stimulate an adequate response from
13 Cooper.

14 And finally, on May 26th 1994, the
15 licensee declared that both emergency diesel
16 generators and their associated vital electrical buses
17 were inoperable due to inadequacies with the testing
18 of the under-voltage load shed devices on the vital
19 buses. As a result of this determination, the
20 licensee shut the plant down until the matter could be
21 resolved.

22 The concern with the vital electrical
23 buses was first surfaced after the discovery the
24 previous week of a tie-wrap disabling the under-
25 voltage coil on a load shed device off one of the

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1 vital buses. Plant staff responded slowly to the
2 discovery of the disabled load shed device and, again,
3 it took the involvement of the NRC over a week later
4 to stimulate the timely identification of the broader
5 implications of the finding. This matter is still
6 unresolved at this time, because the subsequent
7 testing during the past two weeks of the load shed
8 capability of the vital buses has identified equipment
9 problems that potentially could have prevented one or
10 both of the emergency diesel generators from
11 performing their safety functions during certain
12 design basis events.

13 As a result of the concerns identified
14 regarding the operability of the Cooper emergency
15 diesel generators and with the control room pressure
16 envelope, the NRC staff issued a confirmatory action
17 letter on May 27th documenting the commitment made by
18 Cooper management to resolve the technical concerns
19 and to document their resolution in a letter to the
20 NRC before plant restart.

21 As a consequence of the very recent
22 discovery of testing anomalies on the vital electrical
23 buses, the confirmatory action letter was amended last
24 week on June 16th to document the understanding that
25 Cooper management would meet with the NRC staff prior

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1 to restart to discuss the resolution of the various
2 technical concerns identified. These recent plant
3 hardware problems and the corresponding concerns of
4 the NRC staff about Cooper staff's resolution of them
5 indicate that additional time is needed by the NRC to
6 assess the effectiveness of Cooper Nuclear Station's
7 corrective actions.

8 In addition, at the senior management
9 meeting it was noted that further review by Nebraska
10 Public Power District is warranted to assure that the
11 existing corrective action plan is sufficiently
12 responsive to all the identified concerns.

13 That concludes my briefing of Cooper.

14 Are there any questions?

15 CHAIRMAN SELIN: Thank you very much, Mr.
16 Callan.

17 MR. RUSSELL: (Slide) May I have slide 8,
18 please?

19 COMMISSIONER REMICK: Bill, before you
20 proceed, a question that goes back to Jack Martin's
21 presentation. When I first heard of the Dresden I
22 water line break, the first thought that went through
23 my mind, "Gee, I wonder if anybody ever walked through
24 Peach Bottom 1?" But the same question comes up in my
25 mind on GE Morris. Do we inspect enough to know that

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1 people are either at present or expecting --
2 particularly the GE Morris where the water-cooled --

3 MR. RUSSELL: This is an action that's
4 shared between Bob and I.

5 COMMISSIONER REMICK: Oh, I see.

6 MR. RUSSELL: For those facilities which
7 are shut down and have been transferred responsibility
8 to NMSS, I'll let Bob address those.

9 As a result of the Dresden situation, we
10 have a number of activities underway in NRR. In the
11 short-term, we issued a bulletin for facilities which
12 are shut down which have fuel in their pools and we
13 have conducted inspections at those facilities. For
14 example, at Indian Point we found similar concerns
15 with respect to the activity levels in the pool due to
16 leaking fuel, the potential for an unlined pool to be
17 leaking to the environment, so we are following up on
18 those issues.

19 In addition, because of the issues
20 associated with the potential for siphoning, the fact
21 that siphon paths were not a part of the standard
22 review plan on the regulatory review, for earlier
23 facilities we are developing an action plan
24 identifying those facilities and preparing a
25 combination of a generic communication and inspection

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1 guidance for the field to follow-up on, those
2 facilities which are still operating but have concerns
3 regarding potential siphon or drain-down paths
4 associated with the fuel pools.

5 Bob, do you want to discuss --

6 MR. BERNERO: Yes. I'd just like to add,
7 there are some of the older reactors which have been
8 turned over to NMSS. They're still Part 50 licenses
9 for the most part. They are inspected.

10 GE Morris is a water pool, a stainless
11 steel lined water pool. It is a Part 72 license. It
12 was converted from a Part 50.

13 COMMISSIONER REMICK: The first one?

14 MR. BERNERO: Yes. And it is inspected on
15 a regular basis. Of course, it's static. It has 700
16 tons of fuel and no more room, so it just sits there.

17 And we have been, of course, inspecting
18 the new dry storage facilities as they come along, and
19 we have quite a few of those now.

20 COMMISSIONER REMICK: And if I recall,
21 Peach Bottom 1 has no water and is defueled? Am I
22 correct?

23 MR. T. MARTIN: That is correct. We still
24 inspect it once a year.

25 COMMISSIONER REMICK: Do you?

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1 MR. T. MARTIN: They have a requirement to
2 continually monitor the shape of basically the storage
3 until decay occurs and they're going to decommission
4 Unit 2 and 3.

5 COMMISSIONER REMICK: Right.

6 MR. T. MARTIN: We do go in it once a
7 year.

8 COMMISSIONER REMICK: Okay. Good. Thank
9 you.

10 MR. RUSSELL: (Slide) Okay. Can I have
11 slide 8, please?

12 We'll now shift to the two policy issues
13 that the Commission has requested us to address at
14 this briefing. In the Commission's August 23rd, 1990
15 staff requirements memorandum, you directed the staff
16 to establish a pilot program to recognize plants who
17 are reviewed during the senior management meeting
18 process as exhibiting outstanding sustained safety
19 performance and to actually issue a formal letter.
20 Prior to this, we had had categories such as honorable
21 mention or others to recognize good performance.

22 During the three years that the pilot
23 program has been in effect, from June of 1991 through
24 June of 1994, we've identified 16 plants at 11 sites.
25 Nine are still on the list. We've had two plants

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1 recognized once, Harris that just went on the list and
2 Three Mile Island. And we've had a number of
3 facilities that have been recognized two or more
4 times, Byron 1 and 2 twice, Callaway five times,
5 Diablo Canyon six times, Grand Gulf three, Monticello
6 twice, Prairie Island 1 and 2 twice, St. Lucie four
7 times, Summer six times, and Susquehanna 1 and 2 three
8 times.

9 Approximately half of the plants that meet
10 the screening criteria based upon SALP, which under
11 the new SALP program is a 1 in operations, a 1 in
12 maintenance, a 1 in engineering, and either a 1 or a
13 2 in plant support, that's the category that's used at
14 the screening meetings to decide potential good
15 performers. Subsequently at the senior management
16 meeting we discuss those plants' performance and we
17 focus particularly on whether it has been escalated
18 enforcement as a result of repetitive violations -- we
19 don't use a single violation as the basis for
20 excluding, but if there have been repetitive
21 violations -- and also where there have been
22 operational events more recently which raise a
23 question about the validity of the SALP conclusion
24 based upon it being a somewhat backward-looking
25 process.

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1 Overall, we feel that the program provides
2 positive reinforcement and recognition for good safety
3 performance that establishes a standard for others to
4 seek to meet. It is an important factor which the
5 staff considers in allocating resources through its
6 inspection process and we believe that it has not
7 contributed to complacency in those plants which are
8 recognized. In fact, there appears to be a strong
9 desire on the part of the utilities that once
10 recognized to continue the good performance to
11 continue to be recognized.

12 We have had some comments from licensees
13 that being removed from the good performer list has as
14 much of an adverse effect --

15 CHAIRMAN SELIN: Is it better to have
16 loved and lost than never to have --

17 MR. RUSSELL: Along those lines, yes, sir.

18 The second thing that we need to be very
19 cautious about --

20 CHAIRMAN SELIN: But on a slightly more
21 serious note, are these comments to the point where
22 the licensees are comfortable having such a list?

23 MR. RUSSELL: I believe that those that
24 have been recognized are in favor of continuing the
25 process.

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1 CHAIRMAN SELIN: Because, unlike the watch
2 list, this really is a recognition list rather than an
3 operational per se. I mean, we react to the good SALP
4 scores, but we don't treat them differently from the
5 folks who came very close and therefore it does appear
6 to me it behooves us to know what the people, you
7 know, the market thinks about this before we decide
8 definitively whether to continue the program or not.

9 Do you have plans to ask the licensees,
10 not just the ones on the list, but --

11 MR. RUSSELL: We can do that. What I'm
12 describing now are preliminary views and we will be
13 coming back to the Commission with a Commission paper
14 that addresses this in much more detail. The target
15 for that Commission paper is October 30th, 1994.

16 CHAIRMAN SELIN: I personally would like
17 to--

18 MR. RUSSELL: We certainly can do that and
19 see what the views are amongst the licensees and the
20 public as it relates to the good performer activities.

21 I would identify that there were was one
22 caution that we are careful of, and that is to make
23 sure that we objectively evaluate performance and do
24 not let a good performer recognition create a halo
25 effect such that we are indeed objectively evaluating

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1 their performance each time. We do not believe that
2 that has been the case, that in fact we often are
3 concerned that recognizing good performance would
4 reveal itself subsequently that it wasn't such a good
5 idea, and there is extensive debate at the meetings
6 regarding not only the SALP scores but whether the
7 performance indeed is deserving indeed of recognition
8 and whether there's a belief that that performance
9 would be sustained.

10 The consensus, in fact, I believe it's
11 unanimous amongst the senior managers at this point,
12 is that we believe the process should be continued.
13 But we will be developing a recommendation and the
14 supporting analyses for that and procedures.

15 CHAIRMAN SELIN: Continued as is or are
16 there any modifications?

17 MR. RUSSELL: We have made one
18 modification in the course as a result of the change
19 in the SALP program. The second modification that we
20 made we made approximately one year ago and prior to
21 that time we felt that we should not recognize a
22 plant's performance where there was a concern about
23 corporate performance. We've debated that in a number
24 of meetings and we concluded that we should in fact
25 recognize plant performance notwithstanding concerns

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1 for other facilities in a corporation. We had not
2 done this earlier but we started that about a year
3 ago, so that would be a modification that we would
4 propose.

5 We do need to make the changes to conform
6 the procedures to the new SALP process to reflect the
7 experience during the pilot program and we will obtain
8 comment before making the formal recommendation to the
9 Commission.

10 COMMISSIONER REMICK: I'm pleased to hear
11 the staff's inclination as the one who originally
12 suggested this for consideration by the Commission.
13 I think it has a lot of positive benefits. I remember
14 the concerns that were expressed that somebody on the
15 good performer list today might drop out and that's an
16 embarrassment to the staff, but I don't think we
17 should hesitate recognizing good performance when we
18 think we see it. I will remind the staff and my
19 Commission colleagues or other suggestions at that
20 time of possible ways of recognizing individuals and
21 so forth. I would encourage my Commission colleagues
22 and the staff to see if there aren't other positive
23 reinforcement that is a rationale or reasonable thing
24 for the Agency to do. But there were other
25 suggestions at that time. We made this one step on a

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1 pilot basis.

2 MR. RUSSELL: In fact, since that time,
3 recall we have developed a process where we would
4 allow a licensee to perform their own assessment of
5 areas of concern such as the motor-operated valve
6 inspections or the service water inspections that are
7 going on, where they would meet with the staff, lay
8 out their planned course of action, execute their own
9 self-assessment and then advise us as to the results.
10 This has a two-part benefit. One, it's less
11 burdensome on the licensee by way of disruption to
12 their ongoing activities. It costs them less by way
13 of licensee fees since there's less inspection
14 activity and it provides them an opportunity to show
15 us their own self-assessment capabilities which has a
16 potential reinforcing aspect.

17 Those are the two principal mechanisms for
18 recognizing a good performance, along with the obvious
19 reduction of inspection activity.

20 (Slide) Could I have slide number 9,
21 please?

22 Trending letters. We've actually had two
23 staff requirements memorandum addressing trending
24 letters, May 6th, 1993 and February 14th. We
25 implemented this for the first time at the previous

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1 senior management meeting in January. We've had only
2 six to 12 months experience with it and so our
3 experience to date is quite limited. However, we've
4 concluded that this does provide a good tool to alert
5 senior utility management of the potential for a
6 problem plant.

7 We have seen that actions are taken on the
8 part of licensees upon receiving these letters. In
9 one case it was quite extensive with development of
10 plans of action and carrying out activities which we
11 believe were sufficient to conclude that it was no
12 longer -- it was not necessary to issue a follow-up
13 letter. However, we believe that that one instance
14 was probably an exception, that it will, in fact, take
15 at least a year to judge whether the problems which
16 contributed to the downward trend in performance have,
17 in fact, been identified and that corrective actions
18 have been implemented and there's been a period of
19 time to see the actual effects of those.

20 We think that each plant has been unique.
21 We believe that the flexibility provided by the
22 trending letters is important. It provides us another
23 tool to use to communicate our concerns regarding
24 performance problems without having the same stigma
25 associated with being placed on the problem plant

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1 list. So, we believe that the process is an important
2 one, but we do think that additional experience is
3 needed before we can make a formal recommendation to
4 the Commission. So, we'd like to continue with this
5 process for a period of time and come back and make a
6 formal recommendation.

7 CHAIRMAN SELIN: Did you want to say
8 something?

9 COMMISSIONER de PLANQUE: Yes. I guess I
10 still have the concern that we're inadvertently
11 creating another category and it seems to me very
12 important what criteria you're using for needing
13 another "follow-up letter," which is essentially
14 another trend letter with another name. Are you
15 really looking at is the trend towards moving to the
16 problem plant list changing or are you looking at how
17 they, in fact, carry out all the actions? How far are
18 you going with this before keeping them in that
19 "category?"

20 MR. RUSSELL: We spent quite a bit of time
21 debating that point. It's very difficult to see
22 trends in performance, particularly over a short
23 period of time. In fact, there is some time lag
24 between identification of a problem and the ability of
25 the utility to react to that, establish a course of

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1 action and actually implement some steps. So, when
2 you consider those time frames, it's not unreasonable
3 to expect that it would take at least a year in order
4 to be able to see that actions have been taken. In a
5 shorter period of time, you could only conclude, as we
6 did in the case of Perry, that they've done that which
7 is reasonable to do to address the issues and that
8 they have, in fact, identified the problems. In the
9 case of Perry, they took the maintenance outage and
10 effectively addressed a number of the issues which
11 were short-term concerns associated with maintenance
12 and material condition. We think that that's a more
13 unique case.

14 So, what we're saying is that we believe
15 that if the trending letter is used, there would
16 likely be a follow-up or a status letter six months
17 later to address whether they have, in fact, taken the
18 issues of concern seriously and are addressing the
19 problems. But before we would take further action, I
20 believe that we feel that we need more time to really
21 assess it. It's not easy to make a decision in that
22 short period of time.

23 COMMISSIONER de PLANQUE: I guess in my
24 mind the initial idea of alerting the proper level of
25 individuals to what's going on and the danger of

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1 moving to the watch list had some merit. I worry
2 about it being carried too far and not retaining that
3 original concept.

4 CHAIRMAN SELIN: I would like to follow-up
5 a little bit. I think it's a very good idea, but I
6 think we ought to remember it's a trending letter.
7 What that means is the following three things. Number
8 one, if the situation is arrested but not improved, by
9 implication that plant doesn't belong on the watch
10 list. It just means that the trend -- that we still
11 may be worried, but the question is are they trending
12 towards the watch list, not have they turned around.

13 Second related question is the trend list
14 is not a necessary step to go through before plant
15 goes on the watch list.

16 MR. RUSSELL: Absolutely. We agree with
17 that.

18 CHAIRMAN SELIN: That has to be clearly
19 understood, that we can get plants that have been
20 trending. If the trend is uncertain, they may keep
21 watch on them, but they're not on the watch list.
22 Conversely, a plant could go down quickly and you just
23 put it on the watch list next time.

24 MR. RUSSELL: We agree with that.

25 CHAIRMAN SELIN: And the third thing is

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1 that since the trending letter is new, somewhat
2 ambiguous and clearly ominous for people who get them,
3 I would stress that I think it's incumbent on the
4 staff to give progress reports to people who have
5 gotten the trending letters, even if they're not all
6 that clear, we're encouraged, we're not encouraged,
7 we're still watching, we're not concerned anymore.
8 You can't obviously send three trend letters in a row,
9 because how long can they be trending?

10 It's like I was voted the most improved
11 tennis player in my club four years in a row and I
12 wondered if that could really be possible. I should
13 have gotten pretty good after awhile and not just been
14 on the trend up.

15 But use the letter exactly the way it was
16 said, not as a sort of on the watch list, but not
17 quite, or as Commissioner de Planque said, yet another
18 grade.

19 MR. RUSSELL: We would agree with that and
20 our experience with trends in the past as it related
21 to SALP reports, it took through the next SALP cycle
22 really to see what the trends were --

23 CHAIRMAN SELIN: That's fine.

24 MR. RUSSELL: -- and whether they had been
25 arrested.

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1 CHAIRMAN SELIN: That's fine.

2 MR. RUSSELL: We just wanted to alert you
3 that it's not easy to make a decision regarding
4 performance in six months. There is some finite
5 amount of time that's necessary for the licensee to,
6 one, take aboard the message. The usual reaction is
7 shock initially. So, getting agreement that there are
8 problems that need to be addressed and then taking
9 actions to address them and then subsequently seeing
10 that in performance in the plant takes a period of
11 time.

12 That completes the presentation.

13 CHAIRMAN SELIN: Look, as I said at the
14 beginning, the process is good. I think it's getting
15 better. It's getting more objective, it's getting
16 more replicable. That's all to the good. I would
17 just like to make three points. One is we have like
18 nine plants on the good performer list, five on the
19 watch list and five that are in various states of
20 being subject to trending letters. So, that means
21 that 99 plants are neither at one end or the other
22 end, that we are by nature concentrating on the
23 problem plants, but that this shouldn't mislead us
24 that the bulk of the plants really are doing quite
25 well and, in fact, are still -- there's still

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1 improvement from year to year and considerable
2 improvement looking back ten years.

3 The second is that no matter what we say,
4 that this is really a management tool and not a
5 communications tool, of course it's read by many
6 people with many things. So, this puts a very heavy
7 responsibility on us. I think it's always been
8 carried out very well and under your new leadership,
9 Mr. Russell, I think it's been carried out in an even
10 more understandable and objective fashion and that's
11 very good.

12 Three, I commend you on continuing to
13 reexamine the bases, not only for the individual
14 evaluations but for the overall system. If this ever
15 gets to be just a mechanical system, throw in the
16 numbers, add them up, come on and we and the industry
17 are all in serious trouble.

18 MR. TAYLOR: We agree.

19 CHAIRMAN SELIN: Thank you very much.

20 (Whereupon, at 3:17 p.m., the above-
21 entitled matter was concluded.)
22
23
24
25

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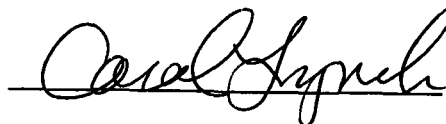
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TITLE OF MEETING: PERIODIC BRIEFING ON OPERATING REACTORS
AND FUEL FACILITIES

PLACE OF MEETING: ROCKVILLE, MARYLAND

DATE OF MEETING: JUNE 23, 1994

were transcribed by me. I further certify that said transcription
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PERIODIC BRIEFING ON OPERATING REACTORS AND MATERIAL FACILITIES

June 23, 1994

J. Taylor

W. Russell

R. Bernero

Regional Administrators

PLANTS WITH SUSTAINED HIGH LEVEL OF SAFETY PERFORMANCE

**BYRON 1 & 2
CALLAWAY
DIABLO CANYON 1 & 2
GRAND GULF
HARRIS
MONTICELLO
SUMMER**

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.

BRUNSWICK 1 & 2

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.

DRESDEN 2 & 3

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

TRENDING LETTER PLANTS FOLLOW-UP

**COOPER
LASALLE 1&2
QUAD CITIES 1&2**

PRIORITY MATERIAL FACILITIES

NONE

GOOD PERFORMER RECOGNITION

- **August 23, 1990, SRM — Pilot Program**
- **16 plants (11 sites) recognized to date**
- **Recognized approximately 50% of plants meeting SALP criteria**
- **Positive reinforcement and recognition**
- **Used in resource allocation**
- **Has not resulted in complacency**
- **Commission paper recommending continuation under development — October 30, 1994**

TRENDING LETTERS

- **May 6, 1993, and February 14, 1994, SRMs**
- **Alert senior management of the potential for a problem plant**
- **6 plants have received trending letters to date**
- **Experience to date**
 - **Each plant is unique**
 - **Licensee actions and management response generally positive**
 - **At least 1 year needed to observe performance change**
- **Flexibility is provided by trending letters, including use of follow-up letters**
- **Additional experience needed before formal recommendation**