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 RECIP.NAME RECIPIENT AFFILIATION
 MARTIN,J.B. Region 5 (Post 820201)

SUBJECT: Responds to SALP rept covering period 900901-911231.Plans to improve performance for plant operations & safety assessment/quality verification provided.

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 TITLE: Systematic Assessment of Licensee Performance (SAIP) Report

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March 20, 1992
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Docket No. 50-397

J. B. Martin, Regional Administrator
U.S. Nuclear Regulatory Commission
Region V
1450 Maria Lane
Walnut Creek, CA 94596-5368

Dear Mr. Martin:

Subject: **RESPONSE TO SYSTEMATIC ASSESSMENT OF LICENSEE
PERFORMANCE (SALP) REPORT**

Reference: Letter dated February 11, 1992, J. B. Martin to D. W. Mazur, Systematic
Assessment of Licensee Performance

Your letter of February 11, 1992 (reference) transmitted a copy of the NRC's Systematic Assessment of Licensee Performance (SALP) report for the Supply System's WNP-2, covering the period September 1, 1990 through December 31, 1991.

Overall, the SALP Board found the performance of licensed activities at WNP-2 to be acceptable and directed toward safe facility operation. The Board did, however, conclude that the Supply System had not sustained the level of performance observed during the previous assessment period. Specifically, the Board assigned a Category 3 rating to the functional areas of "Plant Operations" and "Safety Assessment/Quality Verification". As a result of the Category 3 ratings, the Supply System was requested to provide a written response to address plans to improve performance in these functional areas. The attachment to this letter provides the requested response.

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J. B. Martin, Regional Administrator

March 20, 1992

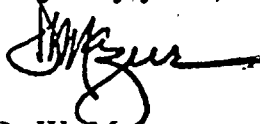
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**RESPONSE TO SYSTEMATIC ASSESSMENT OF LICENSEE
PERFORMANCE (SALP) REPORT**

While a major focus of our corrective actions this past year, as well as the findings of the SALP report, was centered on the operator requalification failures, we have not lost sight of the fact that this was symptomatic of other organizational and management problems. Our corrective actions are intended to deal with all aspects of our problems. We are applying all of the lessons learned from the operator requalification failures to other areas of our operation. Through these efforts, we expect to improve our overall effectiveness in supporting the safe operation of WNP-2.

We appreciated the opportunity to meet with members of your staff on February 20, 1992 to discuss the SALP report. As we indicated at that meeting, and as more thoroughly discussed in the attachment to this letter, the Supply System has taken steps to correct a number of deficiencies, and we fully expect that our actions will result in continued improvement in all areas of our performance.

Very truly yours,



D. W. Mazur

Managing Director (Mail Drop 387)

GCS:sn

Attachment

cc: TR Quay, NRC
NS Reynolds, W&S
DL Williams, BPA (399)
NRC Site Inspector (901A)

ATTACHMENT TO SALP RESPONSE
WNP-2

I. PLANT OPERATIONS

A. RECOMMENDATIONS

The Board recommends that management maintain active involvement in monitoring the performance of the operator requalification training and Emergency Operating Procedure (EOP) improvement programs. The Supply System is also strongly encouraged to continue its active participation in various nuclear industry groups to stay abreast of current initiatives and lessons learned from other Boiling Water Reactor (BWR) licensees. The licensee is also encouraged to pursue identified control room staffing initiatives.

B. RESPONSE

The Supply System agrees with the Nuclear Regulatory Commission (NRC) recommendations in the Plant Operations area. As a result of the operator requalification program failures during 1991, significant management attention has been directed toward the operator requalification training and EOP improvement programs. Recent successes in the operator requalification program demonstrate that improvements in the program are meeting our objectives. Our plan to improve and maintain performance in the Plant Operations functional area includes the following elements:

- The Licensed Operator Requalification Training Program Corrective Action Plan
- The Supply System "Structure Trees"
- EOP Phase I and II Action Plans
- Operations/Training Task Force Recommendations

The Licensed Operator Requalification Training Program Corrective Action Plan was developed in response to identified problems with the requalification program in the spring of 1991. The plan has undergone several revisions (currently Revision 8) during the past year in response to lessons learned from our own experiences and input from outside consultants and industry peer evaluators. Completion of short, intermediate, and long term actions in the plan have already resulted in a marked improvement in operator training and performance.

The corrective action plan was most recently submitted to the NRC on January 14, 1992, and evaluated by the NRC during the week of February 24, 1992. As

of the date of this letter, all short term actions are complete. Two intermediate term actions remain open and will be completed by May 1992. Most long term actions are complete and the balance will be completed prior to the end of August 1992, as discussed with NRC the week of February 24.

An initial licensed operator class was started in November 1991. These candidates will take the NRC license examination in December 1992. We are currently screening equipment operator candidates. The hiring of new equipment operators will permit existing equipment operators to enroll in a subsequent initial license class to begin early next year. The addition of new licensed operators will eliminate many of the staffing issues encountered during the past year and will also provide an opportunity to rotate licensed operators into other positions within the organization.

The identified deficiencies in the WNP-2 EOP's were addressed in a meeting with the NRC in August, 1991. The Phase I EOP upgrades have been completed and work on Phase II is advancing on the schedule agreed to with the NRC. We are, however, concerned that we have not received any detailed feedback from our December 1991 submittal which described our proposed resolution based on the August meeting with NRR. It was our understanding at the August 1991 meeting that this was to be a Regional decision. Recent conversations indicate that NRR has been asked to become more deeply involved; yet, the NRR review has not been scheduled. We are anxious to meet with the appropriate NRC parties in the near future to assure that there is agreement on closure of the open items. The Supply System has utilized the services of outside experts to evaluate the WNP-2 EOP's and we have performed our own benchmarking of the WNP-2 EOP's against other BWR EOP's.

Significant changes have been made in the Supply System's training program as it relates to control room operations. Command and control has been enhanced with all operating crews. Management expectations are clearly communicated and these expectations are reinforced through the simulator training and control room experiences.

In addition to the items addressed above, we organized an Operations/Training task force in January 1992 to further review the lessons learned from the requalification program failure, and assure that the program becomes a stable, consistent, predictable process for operator requalification. The task force consists of management and staff from both the Operations and Training organizations with an independent facilitator. The group has conducted interviews with all of the operating shift crews, the licensed operator training groups, the shift technical advisors, and the oversight personnel. They have also reviewed our corrective action plan, our root cause analyses, and the report of the independent consultant hired by the Supply System Executive Board, in an

effort to assure that all issues related to our technical training program are discussed (not just operator requalification). Working teams are being assembled to address the issues raised and assure that resolution is accomplished. These working teams will be comprised of staff members most affected by the respective issues. Periodic progress reports will be made to senior management and our Executive Board.

The scope of our training review goes well beyond the operator requalification training program. Actions being taken include providing simulator time for trainers, developing a long term schedule and more definitive criteria for participation in the initial license class, Operations and Training staffing, rotational assignment responsibilities between Operations and Training and providing career paths for licensed personnel.

Included in the Supply System budget for the coming fiscal year are increased travel funds to provide Training and Operations personnel the opportunity to observe other utility requalification activities. This will allow us to continually benchmark our program against the industry. In addition, we are participating in NUMARC ad hoc committees and INPO evaluation team visits, as well as inviting peer visits by other utility personnel to our facilities.

We are convinced that the painful lessons learned during the past year are being incorporated into our operating and management culture. Completion of the action plans discussed above will correct the identified deficiencies and assure that the experiences are not repeated. These lessons will be reinforced through our technical training programs, management involvement, and assuring that our expectations for improvement are clearly communicated to all levels.

II. SAFETY ASSESSMENT/QUALITY VERIFICATION

A. RECOMMENDATIONS

Strong leadership is needed in senior management and safety oversight organizations to stay abreast of industry issues, assure a self-critical approach to improving performance, and aggressively seek to identify areas of weakness. Management should evaluate its efforts to resolve previously identified problems and to ensure that effective corrective actions are taken in a timely manner. The licensee should also assess their program for evaluating potentially reportable events. Quality management should foster an attitude of the quality organizations aggressively seeking out significant problem areas, and then forcefully bringing issues to senior management.

B. RESPONSE

Supply System management agrees that improvements are required to address the concerns expressed by the NRC in this functional area.

The recent filling of the Assistant Managing Director for Operations position is expected to bring additional strength to the senior management team, allow senior management to be more actively involved in industry groups, aggressively eliminate weaknesses, and pursue corrective actions in a more timely manner. Senior management is involved in the BWR Owner's Group Executive Committee, the NUMARC Board of Directors and the INPO Board of Directors. However, our experiences of the past year have made us aware of the need to be more involved in lower level working groups so that we are more cognizant of and involved in the resolution of emerging issues.

Early in calendar year 1991, Supply System management recognized the need to take a critical look at our performance in a number of vital areas. For several months, a consulting firm (Tenere) reviewed various Supply System practices and completed their report in November 1991. The consultant focused on work processes and functions to identify opportunities for the Supply System to better allocate resources and staff to improve our performance. Recommendations for improvement were made in several work processes including: work control, plant modifications, outage management, project controls, procurement/inventory control, commitment control, and problem resolution process.

We have assigned a corporate senior manager to oversee and coordinate the implementation of all corrective actions. In addition, we have assigned a project manager for development and implementation of the corrective actions, and team leaders for each specific area. Teams are now being formed to develop the plans to implement the recommendations. Implementation will begin this summer and 80% of the expected improvements will be in place within three years. The purpose of this activity is to improve our ability to effectively use our resources, respond more aggressively to issues, spread accountability deeper into the organization, and orient our work priorities better throughout the organization.

While this work is proceeding, we are taking interim actions, as necessary, to deal with immediate issues. We recognize that improvement is needed in responding to and resolving issues that are raised by our own staff, as well as by the NRC, and are proceeding with both short and long-term efforts to accomplish this goal.

Supply System senior management, with assistance from other levels of management, developed a series of "Structure Trees" in the fall of 1991 as a way of implementing the Supply System's strategic plan. The Structure Trees

address three major Supply System goals: (1) Improve Regulatory Performance, (2) Improve Organizational Performance, and (3) Reduce Cost of Power. Organizational, management, and individual goals are directed toward the accomplishment of the tasks identified in the Structure Trees.

One of the Supply System Strategic Targets identified in the Structure Tree "Improve Regulatory Performance" is to "systematically benchmark programs with industry leaders". In performing this task, Supply System organizations are evaluating their performance, identifying industry leaders in various functional areas, and, through personal visits or other communications, obtaining information which will assist in measuring our performance against those leaders. Lessons learned will be incorporated into Supply System practices. The Licensing and Assurance (L&A) organization has recently visited Union Electric (Callaway-1), GPU Nuclear Corp. (TMI-1), Southern California Edison (San Onofre), Pacific Gas & Electric (Diablo Canyon), Energy Operations Inc. (Grand Gulf), Gulf States Utilities (River Bend), and Pennsylvania Power & Light (Susquehanna). Extended visits to two of these utilities are planned for the near future, to obtain experience in working with their systems.

As opportunities have presented themselves to make staffing additions and rotational assignments in the Licensing and Assurance organizations, we have sought to bring in personnel with operational strengths and other technical areas that were lacking in L&A. These additions have resulted in new insights being brought to those organizations. We intend to continue this practice as one method to provide specific expertise in L&A organizations.

The oversight organizations are continuing to focus their attention on improving their ability to identify significant problem areas needing corrective action and bringing them to the attention of senior management for action more expeditiously when necessary. Some of the actions taken include:

- Emphasize performance-based audits, surveillances, and assessments, and initiate management effectiveness reviews as a part of our ongoing audit program.
- Identify significant technical issues encountered in audits, surveillances, and assessments, and escalate them to senior management more quickly.
- Increase the availability of computerized information systems to assist in determining priority areas for audits, surveillances, and assessments, and in subsequent tracking of deficiencies to closure.

- Upgrade technical and administrative capabilities of oversight staff through training, rotations, industry seminars, and benchmarking with other utilities.

A clear expectation has been established that reportability determinations are to be completed in a timely manner, and that delays similar to that encountered with the Containment Atmosphere Control (CAC) system are not to be repeated. In those cases where reportability is not easily determined, but the evaluation has shown the potential for reportability, the NRC will be advised that the issue is reportable.

The Director of Licensing and Assurance has discussed with our Quality organizations, the need to aggressively seek resolution of significant problems and assure that procedural requirements for response times are met. Regular meetings are held with plant and senior management to discuss quality issues. The focus of these meetings in the future will be directed to assuring that significant issues are addressed and agreement reached on a schedule for timely resolution. Recent actions in this area include:

- PPM 1.3.15, Plant Problems-Plant Problem Reports, was revised to streamline processing of corrective actions through closure.
- An Event Corrective Action group has been established to assist line management in closure of corrective actions, including implementing some corrective actions. This has assisted in completing corrective actions in a more timely manner. More visibility of the status of the corrective action backlog is also being provided to line management on a monthly basis, to heighten awareness of items that may require management action.
- The Licensing and Assurance semi-annual report will highlight the need for management to take action when an issue is raised instead of waiting for the issue to become a more serious problem.
- Licensing and Assurance is working with the Office of the Managing Director to develop clear "Standards of Performance" in several key areas, including:
 - Quality
 - Nuclear Safety
 - Adherence to Procedures
 - Industry Experience and Benchmarking
 - Problem Identification and Resolution

The Managing Director has discussed with the Acting Director of Licensing and Assurance the need for L&A to be more aggressive in raising issues to senior management when appropriate corrective actions are not taken in a timely manner. Failure to meet commitments, negative trends, and excuses for failure to perform are a focus of senior management attention. We expect to reverse these inappropriate behavior patterns within our organization during the balance of this year. Part of the L&A oversight effort will also be directed to a review of the effectiveness of corrective actions in achieving the expected results. This will involve looking at:

- Standards of Performance
- Management Expectations
- Communications
- Responsiveness

Supply System management recognizes that performance in aggressively identifying and correcting problems must improve in order to achieve our desired level of performance. The actions described above will assist in accomplishing this goal and will remain a top level priority within all of senior management. Through our Total Quality programs, we are continuing to emphasize to both management and individual contributors the need to take ownership of systems, processes, and actions. Accountability at all levels is stressed. We believe that the lessons learned during this SALP period are being integrated into our work processes and that improvement will continue.

III. GENERAL COMMENTS

The above responses specifically address the two functional areas in which the NRC assessed performance as Category 3. The Supply System has also reviewed the NRC comments related to the other functional areas and we are taking steps to assure that: (1) in those areas where strengths were noted, performance at the current high level is maintained; and (2) for those areas where weaknesses were noted, actions are taken to remedy the weaknesses.

The underlying problem of most of the concerns raised by the NRC in the SALP report can be attributed to a lack of aggressiveness on the part of management to identify and pursue programmatic weaknesses. This issue has been a focus of senior management meetings, as well as discussions with all levels within our organization. We recognize that the attitudes and expectations are built from the top down and we are committed to making the necessary changes in our way of doing business to assure that improvement occurs.