

July 18, 1983



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Director of Nuclear Reactor Regulation
Attention: Mr. John F. Stolz
Operating Reactor Branch No. 4
Division of Operating Reactors
United States Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Stolz:

The purpose of this letter is to provide a status report on Toledo Edison's ongoing activities towards developing and implementing its Integrated Living Schedule Program (ILSP) for the Davis-Besse Nuclear Power Station Unit No. 1. The present letter is pursuant to our letter of May 10, 1983 (Serial No. 940).

Since our May 10, 1983 letter we have progressed aggressively towards internalizing the ILSP into our normal management programs and processes. During this period we have been concentrating our efforts on developing the Fiscal Year 1984 Capital and Operating & Maintenance Budgets for Davis-Besse. In accordance with standard company practices, the budget development and approval cycle commences during the late spring and is completed during the winter of each year. This year, the budget development activities have been modified to incorporate all of the basic concepts that will constitute our ILSP.

We are currently prioritizing projects, planning their implementation based upon the relative priorities and realistic planning constraints criteria, and preparing detailed implementation schedules using our Project/2 planning and scheduling system. While these ongoing activities have provided us with valuable information on how to improve the implementation of many of the ILSP concepts, they have also delayed the actual submission of our ILSP draft plan to the NRC. We believe that the delay in submission of the plan, due to the demands of our budget development process and the lessons learned during 20, will definitely benefit the actual product ultimately submitted to the NRC. As you will note from the subsequent discussion, we have clearly initiated internal implementation of the ILSP and have also identified a reasonable program for submitting a meaningful plan to the NRC.

During the period subsequent to our May 10, 1983 letter, we finalized and issued a Toledo Edison Nuclear Mission "Practices and Procedures" which incorporated the philosophy and concepts of the ILSP into our standard management operating practices. The issuance of this specific "Nuclear Practices and Procedures" formally established the ILSP as a policy directive within Toledo Edison.

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The Davis-Besse Work Scope Committee (DBWSC), which represents the management entity in the Nuclear Mission responsible for recommending and ultimately managing our overall budget programs, has primary responsibility for directing the internal implementation of our ILSP. This committee was initiated prior to ILSP development and we have expanded the charter to include operating and maintenance projects to be consistent with the ILSP philosophy. The DBWSC accomplished the following pertinent activities during the months of May and June:

1. A "Prioritization Subcommittee" to the DBWSC was established. This subcommittee contains representatives from the following Toledo Edison Divisions: Davis-Besse Station; Nuclear Facility Engineering; Nuclear Services (including Nuclear Licensing); Nuclear Projects; and Nuclear Safety. This subcommittee was tasked with the responsibility to assign projects to specific prioritization categories as part of the ILSP. In addition, during the development of Fiscal Year 1984 budgets, the subcommittee has also been assigned the responsibility to validate the planning information associated with all projects incorporated into the ILSP.
2. A guidance memorandum addressing the "Integrated Living Schedule Program - Project Prioritization Activities" was finalized and issued. This memorandum will and has already been used by the Prioritization Subcommittee in accomplishing its responsibilities. The guidance offered by the DBWSC addresses the following prioritization factors: (a) nuclear safety; (b) regulatory significance; (c) plant reliability/availability; (d) practicality/economics; (e) personnel safety.
3. A guidance memorandum addressing the "Integrated Living Schedule Program - Scenario Development" was finalized and issued. This memorandum identifies the general planning constraints and evaluations that should be performed in developing the overall Project/2 schedule scenario's for the ILSP. The memorandum also discusses the planning review and analyses that must be prepared and presented to the DBWSC when "new" projects are added to, or existing projects are modified in the ILSP.
4. The Fiscal Year 1984 Budget development process (capital and operating & maintenance projects) was commenced. As stated previously the budgets are being established with full cognizance and utilization of the ILSP concepts.

In addition to the DBWSC activities identified above, we have also accomplished the following pertinent activities:

1. Finalization and issuance of specific projects related procedures that address the following activities within the context of the ILSP; issuance of work authorizations; development of planning worksheet

inputs that are necessary for both prioritization and ILSP scenario development activities; preparation of detailed project implementation schedules; and modifications to the approved capital budget.

2. The Research and Development Division in cooperation with Nuclear Services, Nuclear Safety, and Davis-Besse Station has initiated a program to improve our internal capabilities (tools, information, expertise) for assessing the safety related priorities for proposed capital and operating & maintenance projects at Davis-Besse. This program will involve the use of existing PRA analyses, coupled with available Davis-Besse specific PRA related information to improve our basis for assigning safety related priorities. In addition, we have retained a highly qualified consulting organization experienced in developing and utilizing PRA's to work jointly with Toledo Edison personnel in order to help us implement this program and to train Toledo Edison personnel in PRA related techniques and uses.

As evident from the preceding discussions we have made significant progress in developing and internalizing our ILSP. When we initiated our ILSP activities late last year, we were only considering safety and regulatory factors in our prioritization process. This year we have expanded the prioritization effort to include plant performance characteristics, personnel safety considerations, and practicality/economic factors. This prioritization effort, of necessity, is still primarily using qualitative based criteria. However, we have formally internalized the process within which the prioritization activity occurs and we have specified a common set of criteria for each prioritization factor being considered. In addition, as indicated, we are working towards an improved and more quantitative approach to assessing safety related priorities. We expect results from this effort will be available for use as a "technical validation" of the safety related priorities that will be assigned to the Fiscal Year 1984 budgeted projects based upon our current "critical safety function" criteria.

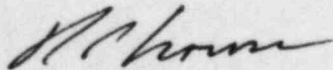
Given our current status, we have identified a schedule for finalizing and submitting a draft ILSP Plan to the NRC. The submission schedule recognizes the fact that our internal budget development process and the scheduled July outage for Davis-Besse represent real and significant events affecting the timing for submission of the Plan to the NRC. In addition, our experience to date indicates that the most productive dialogue with the NRC concerning the Plan would occur after we have completed implementing many of the ILSP concepts during the preparation of the Fiscal Year 1984 recommended budget. In this regard, we have established an internal schedule that results in the submission of a draft ILSP Plan to the NRC by September 1, 1983. We expect the Plan will contain the types of information indicated previously in our May 10, 1983 letter. Furthermore, we anticipate the Plan would be incorporated as a license amendment and would be treated from a regulatory perspective in a similar manner as our security plan.

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Shortly after September 1, 1983 we expect to have the Implementation Schedule for the Fiscal Year Budget 1984 activities available for presentation to the NRC. While we definitely intend to have our ILSP include all of our known activities (beyond a threshold level of expenditures), we have separated the overall ILSP into two parts. The first part extends over approximately a 2 year time period and is called an "Implementation Schedule". The "Implementation Schedule" represents all of the activities that have been included in an approved budget. This is the portion of the overall ILSP that would be available in September. The second part of the ILSP is designated the "Long Range Plan". The "Long Range Plan" will be scheduled by activity task and is expected to extend from approximately Year 2 through Year 5. We do not expect to have the complete "Long Range Plan" part of our ILSP available by September 1, 1983.

I trust the information presented in this letter has been useful and informative. We will continue our efforts toward the development and implementation of the ILSP and will keep our NRC-Project Manager informed of its status. Unless our schedule for submission of the draft plan to the NRC changes, we do not plan to formally submit additional status information to you, prior to September 1, 1983.

Very truly yours,



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cc: DB-1 NRC Resident Inspector