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Meeting Title: Periodic Brief on Operating Reactors
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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

Title: PERIODIC BRIEFING ON OPERATING
REACTORS AND FUEL FACILITIES

Location: ROCKVILLE, MARYLAND

Date: FEBRUARY 9, 1993

Pages: 59 PAGES

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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PERIODIC BRIEFING ON OPERATING REACTORS
AND FUEL FACILITIES

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PUBLIC MEETING

Nuclear Regulatory Commission
One White Flint North
Rockville, Maryland

Tuesday, February 9, 1993

The Commission met in open session,
pursuant to notice, at 2:30 p.m., Ivan Selin,
Chairman, presiding.

COMMISSIONERS PRESENT:

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

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STAFF SEATED AT THE COMMISSION TABLE:

JAMES TAYLOR, Executive Director for Operations

DR. THOMAS MURLEY, Director, NRR

THOMAS MARTIN, Region I Administrator

STEWART EBNETER, Region II Administrator

A. BERT DAVIS, Region III Administrator

JAMES MILHOAN, Region IV Administrator

JOHN MARTIN, Region V Administrator

GUY ARLOTTO, Deputy Director, NMSS

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

2:30 p.m.

CHAIRMAN SELIN: Good afternoon, ladies and gentlemen. It's a pleasure to welcome the representatives of the senior staff, including all our regional directors. I hope nothing goes wrong out in the country today, with all this management here.

This morning the staff will brief the Commission on the status of operating reactors and fuel facilities. It's a semi-annual presentation based on the results of discussions at the NRC senior management meeting held on January 26th through 28th in Mr. Martin's Region I office. I was fortunate again to have the chance to spend the first day with the staff during its discussions. I was very impressed with the staff's extensive deliberations. In fact, the whole process by which this is not just a delegated responsibility but something which all the senior staff participates, discusses and, in fact, votes on is really a commendable process.

Many aspects of licensee performance were examined during detailed evaluations of each facility that was selected for discussion. Those plants considered for superior performance are also held up to the closest of scrutiny. We're all eager to hear

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1 the observations of the staff and their
2 recommendations.

3 Do you have any comments?

4 COMMISSIONER ROGERS: Nothing.

5 CHAIRMAN SELIN: Mr. Taylor, would you
6 proceed then?

7 MR. TAYLOR: Good afternoon. With me in
8 addition to the regional administrators are Doctor
9 Murley, NRR, and Guy Arlotto, the Deputy Director of
10 NMSS.

11 I would note that this is the 14th semi-
12 annual session of the senior managers to review the
13 operating nuclear plants and materials facilities
14 licensed by the NRC. The first meeting was held in
15 April 1986. I would note that these meetings assist
16 our senior managers in assuring that we're focusing
17 our attention and our resources on plants and issues
18 of greatest safety significance.

19 With those thoughts I'll now turn the
20 meeting over to Doctor Murley who will proceed and
21 carry on the rest of the meeting.

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

24 As you said, Mr. Chairman, in preparation
25 for the January senior management meeting, the NRR,

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1 the AEOD and the regional staff met in a series of
2 meetings back here in Headquarters in October to
3 review the performance of each nuclear plant in the
4 country. From these screening meetings then, we
5 selected for further analysis and in-depth discussion
6 those plants that were discussed at the recent senior
7 management meeting.

8 This review process has become a major
9 feature of the staff's process for evaluating
10 operational safety. That is evaluating how well the
11 plants are being operated in this country. The
12 meetings bring together the most experienced people in
13 the Agency and although strictly speaking we don't
14 vote, Mr. Chairman, we do seek all the views and get
15 all the views from each of the senior managers there,
16 including some of my staff as well as the regional
17 administrators.

18 We depend on the SALP reports as a base of
19 information, but we go beyond them and we review
20 recent inspection results. Sometimes we have analyses
21 of design strengths and weaknesses that the
22 Headquarters staff has done, and then of course we
23 have AEOD's analysis of operational events and
24 operating trends.

25 The focus of the reviews is to decide

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1 whether the operational performance of any plants
2 reveal weaknesses that warrant increased NRC
3 regulatory attention. But we also discuss a number of
4 plants that our preliminary screening analysis had
5 found to have good safety performance over the last
6 year or so. Among those latter plants, we concluded
7 that seven have shown consistently high performance
8 and warrant recognition and reduced inspection
9 activity.

10 (Slide) If I could have slide 6.

11 These seven plants with sustained high
12 level of safety performance are Diablo Canyon 1 and 2,
13 St. Lucie 1 and 2, Summer and Susquehanna 1 and 2.

14 (Slide) Now if I could have the first
15 slide. Actually slide 2, category 1 plants.

16 Category 1 plants are those that are
17 removed from the watch list facilities and this time
18 we've concluded that Zion 1 and 2's performance
19 warrants their removal from the watch list.

20 (Slide) Could I have the next slide?

21 Category 2 plants are those that are
22 authorized to operate but that the NRC believes must
23 be monitored closely. Category 2 plants are Brunswick
24 1 and 2, Dresden 2 and 3 and Fitzpatrick.

25 (Slide) And then the third slide.

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1 These are category 3 plants that are shut
2 down and they require NRC authorization to operate and
3 which the NRC monitors closely while they are shut
4 down. Here Browns Ferry 1 and 3 remain category 3
5 plants.

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

9 MR. T. MARTIN: Okay, Tom, thank you.

10 The New York Power Authority James A.
11 Fitzpatrick Nuclear Power Plant was first discussed in
12 the June 1991 senior management meeting. Those
13 discussions were precipitated by declining performance
14 in the functional areas of operations, radiological
15 controls and safety assessment quality verification.
16 As a result, the EDO directed the performance of a
17 diagnostic evaluation team assessment to determine the
18 root causes for the poor performance of the plant.
19 The licensee utilized the results of their own
20 evaluations, along with those of the DET, to develop
21 a long-term results improvement program to improve the
22 performance at the site and at the corporate office,
23 which they continue to implement.

24 Fitzpatrick was shut down by the licensee
25 in November 1991 to resolve a containment isolation

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1 logic problem. The plant has remained in an extended
2 refueling outage until very recently in order to
3 resolve numerous design and engineering deficiencies,
4 most notably in the fire protection and 10 CFR 50
5 Appendix R programs.

6 During the January 1992 senior management
7 meeting, we placed Fitzpatrick on the watch list as a
8 category 2 facility. The NRC has since conducted a
9 significant number and scope of inspections and
10 assessment efforts under the direction and oversight
11 of the NRC's Fitzpatrick assessment panel. In
12 September 1992, the NRC proposed to fine the New York
13 Power Authority \$500,000.00 for violations identified
14 during the period October '91 through May of '92. The
15 licensee agreed that the violations occurred, but
16 requested full mitigation of the civil penalties.
17 Those civil penalties have recently been reduced to
18 \$300,000.00 in recognition of the substantial
19 resources and efforts put forward by the licensee to
20 improve site performance and the positive results
21 achieved to date.

22 Since the last senior management meeting,
23 the NRC has concluded that the Fitzpatrick results
24 improvement program adequately addresses the root
25 causes and corrective actions of the previously

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1 identified performance problems and provides a
2 reasonable process for assessing the effectiveness of
3 those activities.

4 Overall, the licensee has made significant
5 changes to promote both short and long-term
6 improvements in performance. Corporate management has
7 provided substantial resources and oversight. The
8 operator requalification program is again
9 satisfactory. The performance in radiation protection
10 has improved. The site engineering support has been
11 upgraded in both quality and quantity. The plant's
12 material condition has been substantially improved.
13 Operating, maintenance and surveillance procedures
14 have been enhanced. The long needed new
15 administration building is nearing completion and the
16 facilities management team under the new resident
17 manager has been effective. Clearly, improvements
18 have been made in management oversight and control at
19 the site and in correcting previously defined
20 performance deficiencies.

21 The NRC's restart assessment team
22 inspection conducted last October concluded that a
23 significant effort had been made to improve
24 performance in operations, maintenance surveillance,
25 engineering tech support and safety assessment quality

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1 verification. A significant number of major work
2 tasks were completed during the extended outage and
3 the work was typically well controlled and performed.
4 Over 5,000 work requests were completed. Further, the
5 reduction in contaminated areas and combustible
6 material in the plant and the improvement in plant and
7 equipment preservation and cleanliness were notable.
8 Clearly the licensee has completed extensive physical
9 work during the extended outage, which included
10 substantial corrective maintenance, modifications and
11 reductions in control room deficiencies and temporary
12 modifications.

13 Following additional work by the licensee
14 to resolve specific concerns for electrical cable
15 separation, the relay room fire suppression system and
16 weld radiograph quality, the NRC staff concluded that
17 the physical condition of the Fitzpatrick plant was
18 adequate to support safe restart and operation.
19 Subsequently the NRC agreed with the New York Power
20 Authority's conclusion that the facility and staff are
21 ready to safety support restart and power operations
22 and on January 3rd their reactor was again made
23 critical.

24 During unit restart and power ascension,
25 the control room was quiet and professional.

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1 Operators used excellent formal communications. The
2 shift supervisors and assistant shift supervisors
3 exhibited good command and control and traffic in the
4 control room was minimal. A corporate vice president
5 was assigned on site for the duration of the restart
6 program and 24 hour coverage by maintenance
7 technicians, plant engineers and Fitzpatrick senior
8 managers was in effect throughout the start-up and
9 power ascension. Evolutions in progress were closely
10 controlled to minimize any interference or
11 distractions.

12 All problems that developed were
13 adequately defined and action plans formulated and
14 approved by site management prior to any work or
15 additional troubleshooting and repairs. Overall,
16 start-up was conducted in a deliberate and safe manner
17 with excellent management oversight and control.

18 The plant reached 100 percent power on
19 January 30th, 1993. All required actions and
20 milestones of the licensee's Fitzpatrick start-up plan
21 have been successfully completed. The licensee
22 currently plans to operate at 100 percent power until
23 the end of February, at which time they will shut down
24 for several days to replace a degraded recirculation
25 pump inner seal and a failed intermediate range

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1 monitor. A meeting will be scheduled in the near
2 future for the licensee to present their restart self-
3 assessment and lessons learned.

4 In summary, the performance of the
5 Fitzpatrick staff and the facility's material
6 condition have improved. However, the facility has
7 just resumed power operation for the first time in
8 over a year and the NRC has yet to see a sustained
9 period of improved performance while in operation.
10 Therefore, Fitzpatrick remains a category 2 plant
11 subject to close NRC monitoring.

12 Are there any questions?

13 COMMISSIONER ROGERS: Yes. You mentioned
14 the improvement of on-site engineering capability. How
15 was that brought about?

16 MR. T. MARTIN: A combination of adding
17 additional staff. They authorized 70 new positions.
18 I think about 60 percent of those are currently
19 filled. They established an organization where the
20 corporate provides major modification and big
21 engineering work support by having a site engineering
22 organization that reports to corporate. They vested
23 in the corporate organization all the design
24 responsibility. They established a tech services
25 organization which acts as the clearinghouse for all

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1 engineering requests. So, an engineering request can
2 be generated anywhere in the organization. It flows
3 to the tech services organization which reports
4 directly to the general manager of operations. He
5 decides or that organization decides is it within the
6 tech services capability, should this be farmed out to
7 the maintenance engineer, the INC engineer, the
8 radiation protection engineer, or is this a large
9 modification or a major work item that needs to be
10 farmed out to the corporate entity which happens to
11 also have assets on site.

12 So, with that clearinghouse and periodic
13 reprioritization of the work, they have shown
14 improvement in their performance there. It's not
15 perfect yet --

16 COMMISSIONER ROGERS: I guess one of the
17 concerns is they had a strong central engineering
18 group, I guess, in White Plains and the concern that
19 I have is that in improving engineering on-site at
20 Fitzpatrick that the Indian Point site doesn't suffer
21 from it in some way.

22 MR. T. MARTIN: Understood. And in large
23 part, they did this by adding these 70 new positions,
24 of which not all of them are filled. The site
25 engineering group, just by the way, is brand new.

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1 That's 34 additional people. So, they have added
2 additional staff. I suspect too that there has been
3 some diversion of focus from Indian Point 3 where it
4 previously was to the Fitzpatrick plant because that
5 was the plant that was getting all the engineering
6 modifications. But if you remember back when the DET
7 had their findings, they found about 75 percent of the
8 corporate resources were going to Indian Point 3 and
9 only about 25 percent were going to Fitzpatrick.

10 We have not remeasured that balance there,
11 but the licensee has provided additional staff and I
12 assume is controlling that.

13 COMMISSIONER ROGERS: Okay.

14 CHAIRMAN SELIN: But to follow up on
15 Commissioner Rogers' question, have you seen
16 comparable deterioration at Indian Point 3 at the same
17 time you've seen the improvements at Fitzpatrick?

18 MR. T. MARTIN: We have seen problems at
19 Indian Point 3 that we need to get on top of. Yes,
20 there are still some communications problems from
21 corporate engineering to the site and where certain
22 requirements or expectations have not been
23 communicated and there are still some deficiencies in
24 the engineering support at Indian Point 3 that we need
25 to get more information on.

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1 CHAIRMAN SELIN: Are they the kind of
2 things you would expect to see from resources being
3 diverted to Fitzpatrick or are they just sort of
4 independent problems at Indian Point?

5 MR. T. MARTIN: It appears that a lot of
6 this is historical and not necessarily a direct result
7 of any diversion resources. Most of it we can trace
8 back to problems that existed prior to the DET.

9 CHAIRMAN SELIN: I'm sorry, problems at
10 Indian Point 3?

11 MR. T. MARTIN: At Indian Point 3, yes,
12 sir.

13 CHAIRMAN SELIN: Okay.

14 DOCTOR MURLEY: Region II, Stu Ebnetter
15 next, please.

16 MR. EBNETER: Good afternoon. I have two
17 plants to discuss, the Brunswick plant and the Browns
18 Ferry plant.

19 Brunswick Nuclear Plant is a two unit
20 boiling water reactor station owned by Carolina Power
21 and Light Company. It was placed on the problem plant
22 list as a category 2 plant in June of 1992. Both
23 units were voluntarily shut down in April of 1992 and
24 they remain shut down in a maintenance outage.

25 Brunswick performance over the years has

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1 been cyclical and continued to decline due to
2 inadequate management involvement, lack of leadership,
3 poor communication of management expectations and
4 standards to the staff, and a weak self-assessment
5 corrective action program. The material condition of
6 the plant had deteriorated substantially due to poor
7 maintenance practices and a poor work control process
8 which contributed to personnel errors in delays and
9 work accomplishment.

10 Since the last Commission briefing,
11 considerable progress has been made by the licensee.
12 A new president and chief operating officer has been
13 appointed and he reported last fall. A new station
14 vice president has been recruited and he reported in
15 January 1993. Both of these executives were recruited
16 from outside of the corporation and have extensive
17 industry experience with the nuclear facilities.

18 In addition, the plant has been
19 reorganized to assign specific management oversight to
20 both units and they have a team now which focuses on
21 recovery activities for both of these units. Since
22 these changes have been made, there's been noticeable
23 increase in progress. The licensee has submitted the
24 performance improvement plan that we asked for in June
25 of 1992. The plan addressed the short-term actions

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1 that must be taken before the units can be restarted
2 and the corrective actions for long-term which include
3 corporate improvement plan. The NRC staff has
4 reviewed and concurred in the short-term plan and we
5 are in the process of reviewing the long-term plan.

6 The physical plant is undergoing
7 substantial change. The structural deficiencies in
8 the diesel generator building walls have been fully
9 identified. They've been corrected. Extensive
10 maintenance has been performed on the diesel
11 generators and at the present time with the last data
12 I had, three of the four diesels had been declared
13 operable with the fourth in the process of final
14 maintenance stages.

15 The review and walk down of station
16 structural steel has been essentially completed and
17 repairs made as appropriate. Good progress has been
18 made on the restoration of plant areas that exhibited
19 excessive corrosion and these are pretty much
20 corrected. The instrument racks have been replaced
21 with stainless steel racks. Electrical and piping
22 supports have been repaired and replaced and the
23 service water building has been essentially recovered.

24 The overall material condition of the
25 plant is much improved and several model rooms have

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1 been established to convey standards to the staff of
2 what they expect the station to look like. A good
3 example is feedwater pump and feedwater heater rooms.
4 Both have been completely refurbished and they really
5 are good examples of high standards.

6 Progress has been made on the backlogs
7 that existed at the time of shutdown, but the
8 walkdowns and reviews have identified so much
9 additional work that the backlogs now are greater than
10 they were at the time of shutdown. The licensee has
11 instituted a screening and prioritization process to
12 deal with the backlog.

13 The NRC has three resident inspectors on
14 site and these are supplemented almost weekly by
15 regional specialists and NRR specialists. We have
16 established an oversight group chaired by an SESer to
17 provide oversight and direction to the staff, and we
18 conducted a systematic assessment of licensee
19 performance which was presented in January 1993. The
20 SALP scores were essentially the same as the previous
21 SALP. They received two category 3s in the
22 maintenance surveillance and safety assessment quality
23 verification functional areas. All other functional
24 areas were rated as category 2.

25 Unit 2 is the lead unit for recovery and

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1 restart is presently scheduled for restart on March
2 21st, 1993 with the Unit 1 restart scheduled for early
3 June of 1993. Restart requires the concurrence of the
4 NRC staff and will not commence until both NRC and the
5 licensee have conducted operational assessment
6 reviews.

7 Brunswick Units 1 and 2 remain on the
8 problem plant list as a category 2.

9 Any questions?

10 CHAIRMAN SELIN: If you came into that
11 plant today and it weren't on the watch list, would
12 you put it on the watch list?

13 MR. EBNETER: Probably, yes.

14 CHAIRMAN SELIN: So, it's not just a
15 question of you want to see the progress for a longer
16 time, they're not in absolute terms where you'd say
17 their performance is acceptable?

18 MR. EBNETER: Well, it certainly has
19 improved. Material condition is far superior than
20 what it was. So, I think if you looked around the
21 plant and based your opinion on what you're seeing of
22 the physical plant, you might not say it's a category
23 2 plant. Some of the hidden features, like the
24 backlogs and the management interaction and those
25 things have improved. I was there about three weeks

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1 ago and dropped in unannounced at an outage meeting.
2 It was by far the best meeting I've attended at
3 Brunswick. There was good team interaction. There is
4 a new outage manager that they brought in from Harris.
5 It was well under control. No excuses for poor
6 performance. They weren't doing it, the managers told
7 themselves.

8 So, those are more important to me
9 actually than looking at the new paint and things.
10 So, there has been good progress made in there, but
11 still a ways to go.

12 CHAIRMAN SELIN: Have you seen any effect
13 of -- have the resources that are at Brunswick been
14 shifted from Harris or Robinson?

15 MR. EBNETER: No, I haven't seen any
16 impact. Certainly there has been some transfers.
17 Particularly there was at least one gentleman from
18 Robinson who was transferred, a number of people from
19 Harris. Harris' recent SALP showed a slight decline
20 in one functional area, but generally they were
21 maintaining their performance levels. Robinson
22 actually has been improving in performance and now has
23 several 1 categories with a one in operations, which
24 is good. So, I have not seen any dilution of the
25 other two stations.

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1 COMMISSIONER REMICK: Stu, if there was an
2 independent observer were to go to the NRC and to the
3 licensee and ask the question, "Does the NRC and the
4 licensee fully understand what are the requirements of
5 the operational readiness review and start-up
6 criteria?" would the answer be they both understand
7 and they're in agreement?

8 MR. EBNETER: Well, I would have to say
9 no, neither of us understand and neither of us are in
10 agreement. We have requested a start-up profile in
11 schedule. Doctor Murley's staff was down there last
12 week with us trying to develop what we want to do for
13 the operational readiness. The licensee still needs
14 to give us some quantitative material on certain
15 aspects of backlogs that we will accept the prior
16 start-up and things in that nature.

17 I think we agree in general because of the
18 start-up plans that we have accepted, but the details,
19 no. I would say that Gene Imbro on Tom's staff and
20 John Johnson on my staff can give you a pretty good
21 generic overview. But the real meat of start-up we
22 have not coordinated yet.

23 COMMISSIONER REMICK: The reason I ask the
24 question, for years at least the allegations that once
25 down it's very difficult to know what it takes to get

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1 permission to restart. It's kind of bring me another
2 rock and I'll tell you when you bring me enough of
3 them and are the right kind. I'm just wondering if
4 that is the situation. I realize some of these things
5 are subjective, but do we have any kind of a method to
6 try to define so people know reasonably well what it
7 is they have to do and can plan on it.

8 MR. EBNETER: I think we know reasonably
9 well in all areas with exception of the backlog. It's
10 very confusing. It can be categorized and
11 characterized in almost an infinite number of ways and
12 I can tell you the last meeting I was at I had a great
13 deal of problem trying to decipher what they were
14 saying. We told them we have to get that quantified.

15 MR. TAYLOR: I'd like to add that when
16 some of the management talked to us just recently,
17 clearly they weren't doing this. They were not really
18 organizing the backlog and this new management has put
19 a great deal of effort to do just what you're saying.
20 They are categorizing and calling the shots of those
21 things that really require fixing as part of the
22 restart effort. I think the staff then will conclude
23 their review and be sure that they've captured --

24 MR. EBNETER: We should have that pretty
25 much defined by March 1st, which is our next meeting.

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1 Tom's operational readiness assessment team is working
2 with us on that. They did give us a sort of a general
3 profile with two hold points on it and we said two
4 hold points are not enough. We need one down in a
5 lower area. So, those are the types of things that
6 we're trying to define.

7 COMMISSIONER REMICK: But when we look at
8 backlog, do we look at number of work orders or do we
9 look at say the safety significance of what needs to
10 be done?

11 MR. EBNETER: Safety significance. They
12 have five categories. When you talk about backlogs,
13 there's probably three or four different backlogs.
14 There's one on temporary conditions and there's one on
15 work request. The work request, a general figure
16 would be around 1800 the last time I talked with them.
17 That's total. Of that there's about 700, 750 that
18 reside in category 1, 2, 3 and 4. Those will all be
19 completed before start-up. The others are in a
20 category 5 which is a fix-as-you-can, not a safety-
21 related issue. But our objective is to get that down
22 as low as we can also and not have a huge inventory of
23 items to finish. So, it is categorized.

24 COMMISSIONER REMICK: If we went from
25 region to region would the expectations for restart of

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1 facilities like this be somewhat comfortable?

2 MR. EBNETER: Absolutely.

3 MR. T. MARTIN: Commissioner, Fitzpatrick
4 was a little further along in the process, and so
5 we've actually done our readiness assessment team
6 inspection. What we did, we went through every one of
7 the backlog items. They told us which ones they were
8 going to defer until after start-up and which ones
9 they were going to be done before. We looked at their
10 process as new ones emerge which category they would
11 go in. One, we found their process was a good one,
12 and two, we agreed with the ones they were deferring,
13 that they were not something that needed to be done
14 for start-up. We did the same thing with control room
15 deficiencies. We did the same thing with temporary
16 modification. So, Region I was a little further along
17 in that our plant was ready to start up.

18 But that was the part of the readiness
19 team inspection that makes sure that we are
20 comfortable with their plants.

21 DOCTOR MURLEY: I had a thought. We do
22 work, of course, with each of the regions and the
23 problems are different at every plant. Several years
24 ago I reminded the Commission of Tolstoy's opening
25 remarks in Anna Karenina that all happy families are

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1 alike, but each unhappy family is unhappy in its own
2 way. That remark applies to the plants here. You
3 can't really compare Brunswick and its problems with
4 Fitzpatrick. But we do keep an eye on it and we do
5 try to issue a confirmatory action letter which lays
6 out the major concerns that we have at each site and
7 I think there is such a letter now on Brunswick.

8 COMMISSIONER REMICK: Those are admittedly
9 very general?

10 DOCTOR MURLEY: They are very general,
11 yes. But at least it lays out the high level
12 considerations that we have at these plants.

13 COMMISSIONER de PLANQUE: Can I follow up
14 on that a minute? Is there any general problem
15 associated with how the backlogs are characterized or
16 how the accounting is done? Is there a great deal of
17 discrepancy and does that cause a problem?

18 MR. EBNETER: No, we don't have a problem
19 with that in this case.

20 COMMISSIONER de PLANQUE: Okay.

21 CHAIRMAN SELIN: There's a great deal of
22 discrepancy, but it doesn't necessarily cause a
23 problem.

24 COMMISSIONER de PLANQUE: But it's not a
25 problem in this case.

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1 CHAIRMAN SELIN: I mean from one plant to
2 another there's an enormous difference.

3 MR. EBNETER: Yes, it's different.
4 Absolutely.

5 Well, just one further comment. Tom's
6 staff will be doing the operational readiness
7 assessment team, which is independent of the region,
8 and they will be independently looking at the backlog
9 in parallel with my staff.

10 COMMISSIONER REMICK: Okay. Thank you.

11 DOCTOR MURLEY: If there are no further
12 questions, the Bert Davis will talk about --

13 MR. EBNETER: I have Browns Ferry.

14 DOCTOR MURLEY: Oh, I'm sorry. Yes.

15 MR. EBNETER: You're just trying to turn
16 me off here.

17 CHAIRMAN SELIN: You can give him the
18 microphone but expect to get it back.

19 MR. EBNETER: Well, maybe we don't want to
20 discuss Browns Ferry.

21 MR. TAYLOR: Go ahead, Stu.

22 MR. EBNETER: Browns Ferry. This is
23 short. Browns Ferry Nuclear Plant is a three unit
24 boiling water reactor station owned by the Tennessee
25 Valley Authority. Browns Ferry was placed on the

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1 problem plant list in October 1986. Unit 2 was
2 restarted in May of 1991 and because of sustained good
3 performance was classified as category 1 at the June
4 1992 senior management meeting. Unit 2 is presently
5 in a scheduled outage. Units 1 and 3 were retained on
6 the list as category 3 and they remain shutdown and
7 defueled.

8 The TVA Board chairman left TVA and was
9 replaced in June 1992 by an existing board member.
10 This has had no noticeable impact on the nuclear
11 organization and the Board continues to be involved in
12 nuclear matters as evidenced by their attendance at
13 SALP and other meetings.

14 The position of senior vice president,
15 Nuclear Operations remains vacant and there is an
16 executive search ongoing for an executive to fill this
17 position. TVA has focused attention on the
18 restoration of Unit 3 which has extensive engineering
19 and modification work that must be accomplished before
20 the unit can return to service. TVA over the last few
21 years has transitioned from doing major engineering
22 and construction work with their in-house staff to
23 contracting out for these services.

24 Browns Ferry has encountered considerable
25 problems in implementing the concept of contracting

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1 out. Interface control problems between contractors
2 and inadequate TVA oversight of the contractor work
3 products have led to delays in recovery of the unit
4 and has been very --

5 CHAIRMAN SELIN: Are you talking about 3
6 now or are you talking about the whole site?

7 MR. EBNETER: Unit 3. In conclusion with
8 that, there has been very little progress on Unit 3.

9 CHAIRMAN SELIN: But it hasn't affected
10 the progress on 2?

11 MR. EBNETER: No, 2 is their highest
12 priority. Unit 2 is in an outage and much of the
13 resources that were used for Unit 3 are working on the
14 outage. It's about 120 day outage, very, very
15 ambitious. So, Unit 2 has not suffered from any
16 divergence.

17 Back to Unit 3, the design calcs work
18 plans have been delayed and field work has fallen
19 behind. Some progress, but not a great deal has been
20 made in piping replacement, condenser retubing and
21 drywell steel.

22 As a result of these, TVA reorganized the
23 Browns Ferry project and placed the responsibility for
24 the entire site, this is all three units now, under
25 the site vice president of operations. Previously the

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1 Units 1 and 3 were reported through the engineering
2 organization. The project is undergoing a complete
3 review and will be rebaselined with a new schedule for
4 fuel load to be developed in May of 1993.

5 The project management of Unit 3 has been
6 reassigned to site engineering and modifications
7 manager who has taken action to overview contractor
8 effort. The effort on Unit 3 has been further delayed
9 by utilization of these resources to support the
10 extended outage of Unit 2.

11 With regard to Unit 1, there has been
12 almost no activity, just some minor walkdowns and the
13 installation of the hardened vent which is applicable
14 to all three units.

15 Because of the extensive rework remaining
16 to be done, the current schedule of January 1994
17 restart of Unit 3 is optimistic at best. TVA expects
18 to provide a revised schedule for Unit 3 in May.
19 There is no restart estimate for Unit 1 and Browns
20 Ferry Units 1 and 3 remain on the problem plant list
21 as category 3 units.

22 DOCTOR MURLEY: Okay. Bert Davis from
23 Region III will talk about Zion and Dresden sites.

24 MR. DAVIS: Good afternoon, Mr. Chairman
25 and Commissioners. In today's discussion I plan to

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1 discuss several topics, the status of corporate
2 initiatives to improve performance across the year
3 Operations Division of Commonwealth Edison Company,
4 the Zion station improvement status, and the Dresden
5 station improvement status.

6 As you know, Commonwealth contracted
7 outside organizations to assist and advise them in
8 improving their organization and performance. These
9 evaluations have been completed, the company has
10 reviewed and evaluated the results and they concluded
11 the need for a number of changes. For example, they
12 found that they needed to improve management
13 effectiveness. They need to have clearer roles and
14 responsibilities to define for practically all levels
15 in the organization. There needed to be increased
16 personal accountability. There needed to be clearer
17 performance expectations and improved planning within
18 the division.

19 As a result, Commonwealth is in the
20 process of making what they call fundamental changes
21 in the Nuclear Operations Division structure and the
22 management processes. The company has developed an
23 integrated management action plan to guide them in
24 making these changes to the organization, the
25 attitudes of the people, communications and the

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1 management processes. This management action plan and
2 its supporting work packages provide the detailed
3 plans and procedures to guide them through the
4 changes.

5 At this time they have defined their new organization
6 structure at both corporate and the six stations and
7 have filled most of the key management positions.

8 Briefly let me give you some highlights of
9 the organization. There is a senior vice president
10 who is the chief nuclear operations officer. This is
11 Cordell Reed. He is responsible for overall operation
12 of the division. He also has responsibility for
13 fossil generation. There's a vice president who is
14 the chief nuclear operating officer. This is Mike
15 Wallace. He is totally responsible and accountable
16 for the operation and management of all six stations.

17 There are six site vice presidents, one at
18 each station. These vice presidents have
19 responsibility for the overall business and technical
20 management of site activities. They are accountable
21 for the safe, dependable and economic operation of the
22 stations.

23 There are then six station managers, one
24 at each site. They are accountable for the day to day
25 safe reliable and efficient operation of the station.

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1 They have reporting to them operations, technical
2 services, maintenance and planning. These positions
3 have been filled and the transition to the new
4 organizational structure and management systems are
5 underway.

6 Before I move on to Zion, are there any
7 questions with respect to what I've covered?

8 COMMISSIONER REMICK: Bert, how similar if
9 you go from station to station the subgroups in
10 organization? You mentioned they had a site VP and a
11 manager and then they have elements underneath. Are
12 those common so that they can make a comparison how
13 operations at one plant might be compared or are the
14 functions different at each one so it's a little
15 difficult to make cross station comparisons?

16 MR. DAVIS: The organizational structure
17 is essentially the same at all the stations. The
18 chief nuclear operating officer and his site vice
19 presidents are in the process of defining what needs
20 to be done similarly and what doesn't with respect to
21 the individual stations. The last time I talked to
22 them, which was a couple weeks ago, they had not
23 completed yet that determination. But they do
24 recognize some differences among the stations, among
25 the personalities at the stations perhaps and they are

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1 going to allow for some differences, but they are
2 going to define that and control it.

3 COMMISSIONER REMICK: Thank you.

4 DOCTOR MURLEY: If I could add,
5 Commissioner, from my visits there and my discussion
6 with the company, my sense is that there's going to be
7 a lot more control, if control is the right word, from
8 their headquarters. For example, the six vice
9 presidents, I'm told, meet together with Mr. Wallace
10 once a week, one day a week. So, I think there's
11 going to be a lot more coherence and a lot more
12 uniformity and even peer pressure, as a matter of
13 fact, that we'll see in the future.

14 I don't know, Bert, if you --

15 MR. DAVIS: That's exactly right, peer
16 pressure and perhaps some healthy peer competition.

17 DOCTOR MURLEY: Yes.

18 MR. DAVIS: Moving on to Zion station,
19 Zion was placed on the watch list in January of 1991.
20 At our last senior management meeting we recognized
21 that performance improvement continued in a number of
22 areas. However, some rather significant weaknesses
23 existed. The most notable were poor diesel generator
24 performance and a loss of RHR cooling and containment
25 spray due to personnel error and poor work control.

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1 We also felt a sustained period of good
2 performance was needed to demonstrate the
3 effectiveness of their improvement programs. As a
4 result, Zion was kept on the watch list.

5 Let me talk now about performance today.
6 Performance continues to improve at an acceptable
7 rate. Improvements continue in planning and
8 scheduling, radiological protection, management
9 actions, shutdown risk and material condition. Let me
10 give you some examples of the improved performance.

11 Material condition has improved. Progress
12 is very good in the auxiliary building. They plan to
13 continue this improvement in other areas of the plant.
14 Planning and scheduling has improved. It is good for
15 work plan for the next 24 hours. It is also good for
16 a three day rolling schedule and it is good for
17 unanticipated forced outages.

18 They are currently in a refueling outage.
19 They were better prepared for the current Unit 2
20 refueling outage than we have seen in the past. As a
21 result, on day 90, which was today, of a 105 day
22 outage, they are four days ahead of schedule.

23 Now, in talking to the senior resident
24 inspector this morning, he told me that it's not only
25 the management and the NRC staff that recognizes this,

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1 but in being out in the plant and talking to the
2 workers, they are also saying, "This is the best
3 outage at Zion that we have seen in years and years
4 and years." So, that's a good sign.

5 Radiological protection has improved in
6 the current outage. After rather poor performance in
7 the last major outage, they made improvements that
8 appear to be effective.

9 Management actions. You may recall that
10 Zion has a management action plan to improve
11 their performance. Based on our review, the action
12 plan items are generally being tracked, completed on
13 schedule and being integrated into procedures once
14 they have been completed.

15 Shutdown risk. They have a good shutdown
16 risk program that is based on INPO guidelines and they
17 plan to improve it more in the future. It is prepared
18 at the station and it's reviewed at corporate. Also,
19 both units have had reasonably good operating runs in
20 the last six months. Unit 1 had 104 day run, Unit 2
21 had a 146 day run.

22 Now, in spite of everything I've said,
23 there have been some equipment problems. There have
24 been problems that detract from the positive progress
25 that I've described. Let me give you a couple of

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1 examples. In September, Unit 1 shut down due to a
2 failed auxiliary feed pump. A nut was left in the
3 pump during a previous repair. In October, an
4 auxiliary feedwater pump discharge valve was locked
5 partially closed versus being locked open. This was
6 found by an operator when he was doing a valve line-up
7 check after testing another aux. feedwater pump.

8 A failure to follow procedures caused a
9 water hammer in the turbine driven auxiliary feedwater
10 pump steamline. Operators closed a valve to do some
11 work. They thought it would not be closed long enough
12 to get condensation in the line. They were wrong.
13 So, when they opened the steam valve, they got a water
14 hammer.

15 In October, a control room operator found
16 that the high head cold leg safety injection valve was
17 closed. A mechanic had gone inside containment and
18 had inadvertently closed the valve. There's bad news
19 and good news for this. Bad news, he closed the
20 valve; good news that the operator picked it up within
21 55 minutes, being observant to the control room
22 instrumentation.

23 Management has focused on these errors and
24 has corrected them.

25 SALP. A SALP report was issued in early

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1 February and we'll soon have our SALP meeting with the
2 licensee. The results have improved from the last
3 time. They have category 1 ratings in the functional
4 areas of emergency preparedness and security, and
5 category 2 ratings in all other functional areas.

6 Diesel generator status. As I stated
7 earlier, the performance of the diesel generators was
8 a factor in keeping Zion on the watch list at the last
9 senior management meeting. The performance since then
10 has improved, which indicates that the corrective
11 actions are reasonably effective.

12 In conclusion, Zion has improved enough to
13 be taken off the watch list. It is our view that the
14 improvement will continue. I do not believe our
15 decision to take them off the watch list will result
16 in their relaxing from their improvement efforts.

17 This concludes my remarks on Zion. Are
18 there any questions before I go to Dresden?

19 Dresden was placed on the watch list at
20 our January 1992 senior management meeting. It had
21 previously been on the watch list from June of '87
22 through August of '88. In January '92, they were
23 placed on the watch list as a result of weaknesses
24 that became apparent in a refueling outage in late
25 1990 and early 1991. This was followed by a number of

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1 problems that began to occur in mid-1991 that caused
2 us to analyze about 40 events or errors to determine
3 what the problem was. We met with licensee management
4 to discuss the results of our review.

5 As a result of this performance decline,
6 Commonwealth undertook a number of initiatives. These
7 included independent assessments of performance by
8 Commonwealth itself and by contractors and other
9 outside organizations, the development and
10 implementation of an improvement plan, personnel
11 changes at the plant, increased resources, increased
12 engineering support and increased corporate overview.
13 At the last senior management we concluded that
14 although actions were underway to improve performance,
15 they were in the early stages. It was too early to
16 predict whether they would be sufficient to affect
17 sustained improvement.

18 Now, let me talk about performance today.
19 Progress is being made in a variety of areas, but much
20 still remains to be done. In view of the work yet to
21 be done in the identified program areas, the need to
22 demonstrate that they can implement the new programs
23 that they have developed, the potential impact of the
24 organization and management changes that they're
25 making, the errors still being made and the material

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1 condition, it is still too early to predict when we
2 can return our overview of Dresden to normal levels.

3 Let me give you some examples related to
4 this current performance. Material condition is
5 improving. Housekeeping and the condition of some
6 hardware is getting better. Inside the plant,
7 cleanliness has improved. Outside the plant, there
8 were significant improvements in overall station
9 performance and in getting rid of a lot of radioactive
10 material. There is a relatively large backlog of
11 maintenance activities pending modifications and
12 equipment reliability issues. Adequate resources are
13 being applied to Dresden. Mr. O'Connor, the CEO,
14 continues to assure me that the necessary resources
15 will continue to be allocated to the Nuclear
16 Operations Division. We're watching the performance
17 of the plants closely to determine that all needed
18 work is being performed as required and on an
19 appropriate schedule.

20 The licensee has made a number of
21 personnel changes at Dresden. In general, we think
22 these changes were appropriate and needed.
23 Communications between management and staff and
24 between departments continues to improve. This is
25 important and must continue in view of the many

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1 changes that are being made there.

2 Planning continues to improve. A new work
3 control process was implemented. I'll elaborate on
4 that a little bit, because I think it's important.
5 The process closely couples planners and schedulers.
6 Schedules now better reflect planned activities. Work
7 packages are more complete, including spare parts,
8 procedures, radiation work permits and out of service
9 tags, and many are ready to be performed the week
10 before the work is scheduled. But, the system is
11 still in its early stages.

12 This improved planning was a factor in the
13 well-conducted recent diesel generator overhaul, a
14 down-power to replace a recirc. pump seal, and a
15 forced outage in August. But we're not yet ready to
16 say that their planning has matured to the level that
17 it can handle a refueling outage well. The ongoing
18 refueling outage which began about three weeks ago is
19 progressing reasonably well. The licensee believes it
20 was better prepared for this outage than they have
21 been in the past and we agree, but we need to see
22 demonstrated performance throughout the outage before
23 we reach a conclusion on their ability to carry out an
24 effective refueling outage.

25 Enhancements of the operations

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1 organization are positive. Unnecessary activities
2 have been removed from the control room. The role of
3 the shift engineer, which is the senior man in charge
4 of the shift operation at Commonwealth, has been
5 emphasized with respect to his being the person who is
6 in control of activities during the shift. Operator
7 attentiveness at the panels is acceptable. There was
8 an exception to this in a control rod misposition
9 event that I'll discuss in a minute.

10 Maintenance is improving. Management
11 expectations have been established and communicated to
12 the various levels of maintenance management and
13 supervision at the plant. Improvements have been made
14 in the modification program. This has been a concern
15 in the past that they had a lot of plan modifications
16 that they weren't getting around to doing. A program
17 to review all of these outstanding modifications was
18 conducted. They have scheduled them and they are
19 being scheduled for this refueling outage, for non-
20 outage time and for the next two refueling outages, so
21 they are making some progress and they have future
22 ones scheduled. Procedures are being improved and the
23 backlog has been reduced.

24 Now that's all been pretty positive. Let
25 me give you some of the problems and concerns that we

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1 have.

2 Errors and hardware problems continue at
3 too high a rate, in my opinion. Some examples are, in
4 September there was an error in a control rod
5 movement. From a safety standpoint it was not
6 significant in that no nuclear limits were challenged,
7 however there were some significant issues related to
8 the event. Control room personnel contrived to cover
9 up the event. The reactor operator took direction
10 from a non-licensed nuclear engineer. The nuclear
11 engineer was not experienced in the manipulations
12 being performed. There was inadequate coverage of the
13 control boards when the involved people went behind
14 the boards to discuss the event.

15 The licensee took strong actions as a
16 result of this event. Four of the five individuals
17 involved were discharge. The fifth, a relatively new
18 employee, was given time off without pay and
19 counseled.

20 In August, Unit 2 had a forced outage due
21 to a recirc. pump seal leakage. They returned to
22 power on August 5th, but pump vibrations occurred due
23 to misalignment of pump and motor. On August 22nd,
24 they went into a forced outage to rebalance the pump
25 motor.

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1 In July they had an unusual event due to
2 a spill of 500 gallons of diesel generator fuel oil in
3 the diesel generator room.

4 In July, diesel generator pump batteries
5 were found to be dirty and covered with acid by our
6 inspectors.

7 In October, a Unit 3 scram due to a failed
8 condensate booster pump due to poor past maintenance.

9 In December, there were a couple of
10 instances where maintenance people did not properly
11 adhere to radiological protection procedures and
12 standards.

13 I provide these examples of recent
14 problems to point out that, in spite of the ongoing
15 improvements, further improvements are needed at
16 Dresden Station.

17 SALP results for the period covering
18 August of 1991 through July of 1992, there were four
19 functional areas that had category 3 ratings. These
20 were in operations, radiological protection,
21 engineering and technical support, and safety
22 assessment and quality verification.

23 In conclusion, progress is being made in
24 a number of areas but much remains to be done. Some
25 improvement has been made in material condition and

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1 equipment condition. Adequate resources have been
2 provided. Needed personnel additions and changes have
3 been made. Progress is being made on the improvement
4 program. Communications between management and staff
5 are improving. Planning and scheduling are improving,
6 including shutdown risk considerations, and the
7 station has had reasonable operating performance in
8 1992.

9 Problems continue, however, as I've
10 indicated with equipment failures and personnel
11 errors. The recent attempt at cover-up of the control
12 rod mismanipulation is considered to be significant.
13 Further improvement and demonstration that completed
14 improvements can be sustained are needed. The current
15 refueling outage will be a good determinant of the
16 effectiveness of many of the licensee's programs and
17 the ability to implement them. Based on these
18 considerations, it was determined that Dresden's Unit
19 2 and 3 would remain on the NRC watch list.

20 That concludes my comments on Dresden.

21 Any questions?

22 COMMISSIONER REMICK: I have several
23 questions, Bert. What is your overall assessment of
24 the success of the SCRE or shift control room engineer
25 at Dresden 2 and 3. It must be in effect now six,

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1 eight years I would guess. Has it been a successful
2 initiative to have a shift control room engineer?

3 MR. DAVIS: I would not have that
4 organizational set-up if I were operating the
5 Commonwealth plants. I think the modified control
6 room organization that they have now adopted at Zion
7 and Braidwood are superior where they have unit
8 supervisors, a supervisor for each unit and then the
9 normal complement of reactor operators. I think
10 that's better. And then the shift engineer or another
11 licensed SRO can come in and assume the function of
12 the engineer if you have an event. I think that's
13 working better.

14 COMMISSIONER REMICK: Okay. A site-
15 related question. What's the status of Dresden 1?
16 I've lost track of that.

17 MR. DAVIS: Well, it's still there. It
18 has not been decommissioned. I don't believe the
19 decommissioning plan has been approved yet for Dresden
20 1. They have been paying some attention to shipping
21 off the radioactive waste. They had a large amount of
22 radioactive liquid waste that was stored there from
23 some demonstrations on cleaning which they shipped off
24 within the last year or so. And our inspector goes
25 over about once a month to walk through the place,

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1 but--

2 COMMISSIONER REMICK: Okay.

3 DOCTOR MURLEY: We'll give you a written
4 report on that, because that's a good question. I
5 don't know the details myself.

6 COMMISSIONER REMICK: Okay. Fine.

7 And a near site-related question, what's
8 the status of GE Morris? I assume that's completely
9 filled and just being monitored?

10 MR. DAVIS: They're not receiving any more
11 fuel. We've been in discussions with GE Morris over
12 the last six or eight months regarding the adequacy of
13 their monitoring program. They have wells that
14 monitor the groundwater for radioactive leakage and
15 I'm not totally familiar with the details, but my
16 inspector raised some questions and we had one of the
17 people from NMSS who understands that better perhaps
18 than the regional people do come out and meet with us
19 and General Electric on the proper monitoring, so
20 we're keeping an eye on it.

21 COMMISSIONER REMICK: So you do have
22 inspectors go from time to time?

23 MR. DAVIS: Yes.

24 COMMISSIONER REMICK: Do you know are the
25 pools filled? I forget if --

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1 MR. DAVIS: Yes. They are not receiving
2 any more. The last shipments I believe came from
3 Monticello and I believe that filled them.

4 COMMISSIONER REMICK: I see. Thank you.

5 CHAIRMAN SELIN: I'd like to ask you a
6 couple of broader questions, Mr. Davis.

7 Although progress in neither of these
8 plants is quite as fast as you might like it, they are
9 both going in a positive -- both sites are going in a
10 positive direction. What kind of trend do you see at
11 the other four Commonwealth Edison sites?

12 MR. DAVIS: Byron performs very well.
13 They just completed a long run, close to 400 days, I
14 believe it was. They have SALP 1 ratings in all
15 functional areas except one. I can't remember which
16 one that is. I think it's radiological protection.
17 So, they're doing well.

18 Braidwood is improving. I think they're
19 attempting to compete with Byron, which I like to see,
20 and they're making a concerted effort to improve in
21 the functional areas where they are rated category 2.
22 They have no 3s.

23 LaSalle is a good performer. We think
24 it's above average. I don't think it's quite as good
25 as Braidwood and Byron, but I think Commonwealth might

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1 argue that it is. They think, in my view, that
2 LaSalle is a little better than we do. They might be
3 right. I'm not sure. But, it's a good performer.

4 Quad Cities, we did send an overview team
5 to Quad Cities as a result of questions that you had
6 asked regarding Commonwealth old plants compared to
7 Commonwealth new plants. The team we sent was made up
8 of members that are both on the Zion review team and
9 the Dresden overview team to try to give us some
10 uniformity in looking at them. The team was rather
11 positive in their feedback.

12 Quad Cities is not, I don't think, yet
13 quite as good as some of the other plants that I've
14 just mentioned, but they've got an effective
15 improvement program. And the thing that we found most
16 interesting, I think, was that that improvement
17 program was being accepted by the workers and they
18 were behind it and cooperating with it. So, I think
19 Quad Cities made some heroic efforts to improve
20 whenever they knew that we were beginning to be
21 concerned about their performance.

22 CHAIRMAN SELIN: In that case, you know,
23 it's hard to -- it seems pretty clear that the
24 Commonwealth management has pulled off quite a coup in
25 the last year. You're describing a situation where

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1 there's been some major reorganization at the
2 corporate level and, in spite of that -- in other
3 words, while this change is going on at the
4 operational level, every single one of the six sites
5 has either kept up a high level or improved the
6 performance a long way. That seems to be quite an
7 unusual achievement, even though we'd like to see
8 better performance at at least two of the sites.
9 That's pretty close to a hat trick.

10 And then when you couple that with the
11 other distractions that they've had at the corporate
12 level, their financial problems and the reduction in
13 staff, that's either very impressive or we've got to
14 keep looking pretty hard to make sure that nothing
15 slips. But, compared to a year ago when the prognosis
16 was -- the situation was poor and getting worse,
17 that's really quite an extraordinary turn-around.

18 MR. DAVIS: I think they've spent a lot of
19 time in figuring out how they would transition to the
20 new organization and not affect the performance. They
21 did all right. One of the reasons, I think, is that
22 the plant managers have done a pretty good job. The
23 plant manager -- station manager, I should say, at
24 Byron is very good. He's been appointed as one of the
25 site vice presidents, incidentally. The station

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1 manager at Quad Cities is a good solid performer, as
2 are the ones at LaSalle and Braidwood.

3 CHAIRMAN CELIN: Well, that's a very
4 encouraging overall picture and quite a contrast to
5 where we stood a year, a year and a half ago.

6 Any other -- thank you.

7 MR. TAYLOR: We'll now continue with
8 material facilities.

9 Mr. Arlotto?

10 MR. ARLOTTO: Mr. Chairman, General
11 Atomics' Sequoyah Fuels continues to warrant priority
12 attention and Mr. Milhoan will discuss it. However,
13 before he does, I wanted to say that there was
14 discussion among the senior managers to limit
15 consideration for priority attention generally to the
16 larger operating facilities and not include
17 decommissioning cases, the reason being that the
18 primary focus of the senior management meeting is on
19 operational safety, and I just wanted to observe that
20 we plan to use this guidance in the future.

21 MR. MILHOAN: Good afternoon.

22 On December 21st, the Commission met with
23 senior representatives of General Atomics and its
24 subsidiary Sequoyah Fuels Corporation. At the time of
25 the briefing, a UF₆ plant and the DUF₄ plants were

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1 shut down and Sequoyah Fuels was awaiting NRC staff
2 concurrence to restart the DUF₄ plant.

3 During the December 21st Commission
4 meeting, you were briefed on the circumstances
5 surrounding the November 17th event in which Sequoyah
6 Fuels experienced a release of nitrogen dioxide from
7 the facility. You were also briefed on the decision
8 to immediately place the UF₆ plant in a long-term
9 standby mode and the plans to operate the DUF₄ plant
10 until its contractual obligations were fulfilled,
11 which were estimated to be by June of 1993.
12 Representatives from General Atomics discussed its
13 joint venture with Allied Signal to establish
14 Converdyn, which senior GA managers stated would
15 provide adequate funds for Sequoyah's decommissioning.

16 At the time of the December 21st meeting,
17 decisions regarding long-term plans for the Sequoyah
18 facility had not been made and the licensee had
19 previously requested a 60 day period to evaluate its
20 business options. At the end of the 60 day period,
21 Sequoyah Fuels planned to meet with the NRC staff to
22 discuss its long-term plans for the site, site-related
23 licensing issues, decommissioning issues, and
24 decommissioning funding. The staff plans to meet with
25 Sequoyah Fuels representatives tomorrow morning to

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1 discuss these items.

2 The December 21st Commission meeting was
3 beneficial in that the discussions clarified some
4 matters, however, because of the decisions regarding
5 the status of the Sequoyah facility and uncertainties
6 with respect to funding assurance for site
7 remediation, the staff issued a demand for information
8 letter to General Atomics and its subsidiary, Sequoyah
9 Fuels Corporation, on December 29th.

10 The demand for information required
11 General Atomics and Sequoyah Fuels Corporation to
12 provide information regarding two items: first, a plan
13 including a schedule for decontamination and
14 decommissioning the Sequoyah facility; second, a
15 decommissioning funding plan that contains a cost
16 estimate for decommissioning and a description of the
17 method of assuring funds for decommissioning
18 consistent with NRC requirements. This information is
19 to be provided to the NRC on or before February 16th.

20 On December 23rd, the NRC staff determined
21 that the necessary corrective actions related to the
22 November 17th event necessary for restart of the DUF₄
23 plant had been completed and authorized restart of the
24 DUF₄ plant through issuance of a confirmatory action
25 letter. The letter also formalized the understanding

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1 that the UF₆ plant would remain in a standby mode for
2 an indefinite period of time unless the licensee
3 receives NRC concurrence to resume operations. In
4 addition, the letter formalized the understanding that
5 sufficient staffing will be maintained to support
6 planned activities including DUF₄ operations,
7 concurrent shutdown of the UF₆ plant, and the
8 contingency response plan.

9 Due to the Christmas holidays and later
10 minor equipment problems, start-up of the DUF₄ plant
11 did not occur until December 30th. Region IV
12 conducted a two week inspection at that time to
13 observe activities related to the restart of the DUF₄
14 plant as well as ongoing clean-out activities at the
15 UF₆ plant. In general, the licensee adequately
16 reviewed activities before start of any work.
17 Equipment problems were promptly identified to
18 management. Further, plant staffing was adequate for
19 the activities performed and overall management
20 oversight was appropriate.

21 The inspection during that time was also
22 conducted to evaluate the AIT findings regarding the
23 November 17th release of nitrogen dioxide to determine
24 whether any violations of regulatory requirements
25 occurred. Based on the results of the inspection, six

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1 apparent violations were identified and are being
2 considered for escalated enforcement. An enforcement
3 conference to discuss these apparent violations has
4 been scheduled for March the 2nd in the Region IV
5 office. The enforcement conference will be open for
6 public observation.

7 The licensee has continued to furlough
8 some personnel and has experienced some resignations
9 of workers, engineers, and managers. While Sequoyah
10 has lost some of its experienced people, it is
11 nevertheless maintaining personnel with appropriate
12 plant knowledge. Further, Sequoyah recently
13 implemented a reorganization of its supervisory and
14 management staff and has submitted a license amendment
15 reflecting the new organization. As the work force
16 has decreased, so has the number of activities at the
17 site, and Sequoyah is meeting its commitment to
18 maintain adequate staffing. Management oversight
19 appears adequate given the limited activities at the
20 site.

21 That concludes my presentation.

22 CHAIRMAN SELIN: Following up on Mr.
23 Arlotto's comment, are we basically looking at this as
24 a decontamination and decommissioning issue rather
25 than a safe operations issue? Are there still

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1 safety --

2 MR. MILHOAN: We are still conducting
3 inspections of the DUF₄ plant because of the continued
4 operation of that facility. We're particularly
5 concerned with making sure that adequate staffing is
6 maintained to safely operate the DUF₄ plant. At the
7 same time we're monitoring the ongoing cleanup
8 activities to the site.

9 CHAIRMAN SELIN: Well, to put it in a
10 different way, somewhat hypothetically, if the only
11 issue were the DUF₄ safety issue, would this be a
12 facility getting unusual levels of attention at this
13 point? Would it be on this list?

14 MR. MILHOAN: Based on our recent
15 inspections, no, it would not if that were the only
16 reason. But the combination of the staffing decrease,
17 we would not be having that staffing decreasing
18 either.

19 CHAIRMAN SELIN: Okay.

20 COMMISSIONER REMICK: Can I assume the
21 fact that the enforcement conference is going to be
22 open and that it's following Commission guidance on
23 the randomness of such?

24 MR. MILHOAN: There is two factors in it.
25 There is the randomness and this did happen to meet

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1 the randomness criteria, and in addition there is a
2 hearing on this. I think there were previous
3 commitments that the enforcement conference would be
4 open due to that intervention.

5 MR. TAYLOR: That is correct. The second
6 feature is the predominant feature.

7 COMMISSIONER REMICK: Okay.

8 MR. TAYLOR: That concludes our
9 presentation, sir. Further questions?

10 CHAIRMAN SELIN: You're not going to let
11 Jack Martin talk about his good plant or anything?
12 Fine.

13 Well, in that case, once again this has
14 been a very worthwhile and useful session. It's very
15 good to have these periodic meetings. It's really
16 quite impressive in some ways what the changes are and
17 this overall change of Commonwealth Edison, I think,
18 is noticeable. From what I understand a few years
19 ago, the idea that a senior manager from Pilgrim could
20 be spared to go down and run another plant would have
21 been considered quite unusual. I hope that these are
22 secular improvements and not just cycles back and
23 forth, and so the overall view rather than just the
24 individual view is very important to keep in mind.

25 But I think that this was a very useful

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1 session and we're looking forward to the other results
2 of the senior management meeting, particularly the
3 discussion of SALP and other topics that we expect to
4 be briefed on in April.

5 Do any of the Commissioners have any
6 other --

7 COMMISSIONER REMICK: I have one question.
8 In reading the background information, I see that
9 there will be a diagnostic evaluation at South Texas.
10 Is that correct?

11 MR. TAYLOR: Yes. We weren't prepared to
12 announce that at this stage, but that's the case.

13 COMMISSIONER REMICK: Forget that I said
14 it.

15 It's a general comment I have and I made
16 the comment at a previous meeting I think with AEOD.
17 In comments I've heard about diagnostic evaluation is
18 that sometimes the findings and recommendations are
19 not clearly identified as being safety or regulatory
20 tied in, that there's sometimes some objective. I
21 would hope that in performing any diagnostic
22 evaluation, whatever facility, that the staff would
23 certainly take into account those comments.

24 The other things that I have heard were
25 sometimes people participating will make a finding in

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1 communicating with a licensee before exit. The
2 licensee will provide information to basically refute
3 that, yet the finding will still be in the report. So
4 the licensee then has to go through the process of
5 developing a response and go through his various
6 channels, reviews, send it on to the staff. They
7 respond and that goes through our channels of review
8 and the net effect is it's zeroed out. The question
9 is why wasn't that zeroed out when the staff first had
10 that information at the site?

11 How true these comments are, I don't know,
12 but I have heard them. If there are DETs coming up,
13 I'd just ask that you keep those comments in mind.
14 Whether they're true or not, I don't know.

15 MR. TAYLOR: All of them at various times
16 through the years we've run these, we haven't had one
17 in awhile, but those comments are understood. We've
18 tried to make it leaner and more to the point. Some
19 subjective values do enter and then the licensee
20 certainly has that as a basis to either accept the
21 view or challenge it.

22 COMMISSIONER REMICK: Right. Because I
23 think licensees appreciate even those, but if they're
24 identified as observations or something and not in a
25 finding that they have to respond to --

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1 MR. TAYLOR: We'll try to keep those
2 comments, some of which we've heard, but in carrying
3 out this next one.

4 CHAIRMAN SELIN: Okay. Thank you very
5 much.

6 (Whereupon, at 3:44 p.m., the above-
7 entitled matter was concluded.)
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REACTORS AND FUEL FACILITIES
PLACE OF MEETING: ROCKVILLE, MARYLAND
DATE OF MEETING: FEBRUARY 9, 1993

were transcribed by me. I further certify that said transcription
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Carol Lynch

Reporter's name: PETER LYNCH

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PERIODIC BRIEFING ON OPERATING REACTORS AND MATERIAL FACILITIES

February 9, 1993

J. Taylor

T. Murley

R. Bernero

Regional Administrators

CATEGORY 1

PLANTS REMOVED FROM THE LIST OF PROBLEM FACILITIES

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

ZION 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.

BRUNSWICK 1 & 2

DRESDEN 2 & 3

FITZPATRICK

CATEGORY 3

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

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

BROWNS FERRY 1 & 3

PRIORITY MATERIAL FACILITIES

GENERAL ATOMICS - SEQUOYAH FUELS - GORE, OK

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

DIABLO CANYON 1 & 2

ST. LUCIE 1 & 2

SUMMER

SUSQUEHANNA 1 & 2