

SEP 10 1985

Docket No. 50-416

Mr. William Cavanaugh, III, President
Mississippi Power and Light Company
P. O. Box 23054
Jackson, Mississippi 39205

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Dear Mr. Cavanaugh:

SUBJECT: EFFECTS OF COST CURTAILMENT PROGRAM ON GRAND GULF

Recently, it was brought to my attention that Mississippi Power and Light Company may be implementing an austerity program to defray expenses incurred by the construction of Grand Gulf. I am concerned that such a program could negatively impact activities associated with Grand Gulf. However, the details of this program relative to any potential impact on the safety of nuclear operations have not been discussed with the NRC and are of considerable interest to us.

For example, we foresee that budget constraints could adversely affect the quality of such activities as: (1) filling planned or needed staff positions at both the plant and corporate office, (2) implementation of training program plans and commitments, (3) scheduled plant maintenance tasks, including implementation of preventive maintenance programs, (4) timely completion of scheduled plant design changes and modifications affecting safety, (5) procurement of new and replacement parts, and (6) management and quality assurance oversight functions.

We recognize that financial austerity measures are sometimes necessary and are a matter between you and appropriate State bodies. However, you should thoroughly evaluate your plans in this regard to assure that they do not contain elements which could affect the continued safe operation of your licensed nuclear facility or delay the fulfillment of your commitments to the NRC. Please provide me with the results of your evaluation no later than September 30, 1985.

We would be pleased to discuss this matter further, if you desire.

Sincerely,

(Signed) William J. Dircks

William J. Dircks
Executive Director for Operations

*See previous white for concurrences

LQB/DHFS*	LQB/DHFS*	LQB/DHFS*	ACD/DHFS*	AC-D/DHFS*	DD/NRR*	D/RR
DPersinko/br	GCwalina	HBooher	DBeckham	WRussell	DEisenhut	HDenton
8/8/85	8/8/85	8/9/85	8/12/85	8/12/85	8/29/85	9/3/85

D:IE*	EDQ
JTaylor	WJDircks
8/27/85	9/10/85

DW/DP1/5520.1

Docket No. 50-416

Mr. William Cavanaugh III, President
Mississippi Power and Light Company
P.O. Box 23054
Jackson, Mississippi 39205

Dear Mr. Cavanaugh:

SUBJECT: EFFECTS OF COST CURTAILMENT PROGRAM ON MAINTENANCE AT GRAND GULF

Recently, it was brought to my attention that Mississippi Power and Light will be implementing an austerity program to defray expenses incurred by the construction of Grand Gulf. I am concerned that this program may negatively impact activities associated with plant operations at Grand Gulf. Please provide a description of the program being implemented as it affects maintaining operational safety through staffing, training, maintenance, or implementation of previously agreed upon plant modifications to implement the NRC requirements.

As you are aware, the area of maintenance is one in which the staff is keenly interested because of its direct relationship to plant safety. Consequently, I would like to know the specifics of the cost curtailment program's effect upon plant maintenance. If any reduction in funds allotted for maintenance at Grand Gulf are planned as a result of this program, please describe in detail how the reduction will be distributed within the maintenance organization.

Sincerely,

William J. Dircks
Executive Director for Operations

DW/DP/LQB-238 - GRAND GULF & ARK

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DL *phone*
LKintner
8/13/85
EDO
WJDircks
8/ /85

OFFICE	LQB/DHFS	LQB/DHFS	LQB/DHFS	ActDD/DHFS	ActD/DHFS	DD/NRR	D/NRR
SUBNAME	DPersinko/br	GCwalina	HBooher	DBeckham	WRussell	DGEisenhut	HRDenton
DATE	8/8/85	8/8/85	8/9/85	8/12/85	8/12/85	8/ /85	8/ /85

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Mississippi Power and Light Company
P.O. Box 23054
Jackson, Mississippi 39205

Dear Mr. Cavanaugh:

SUBJECT: EFFECTS OF COST CURTAILMENT PROGRAM ON MAINTENANCE AT GRAND GULF

Recently, it was brought to my attention that Arkansas Power and Light will be implementing an austerity program to defray expenses incurred by the construction of Grand Gulf. I am concerned that this program may negatively impact activities associated with plant operations at Arkansas Nuclear One, Units 1 and 2. Please provide a description of the program being implemented as it affects maintaining operational safety through staffing, training, maintenance, or implementation of previously agreed upon plant modifications to implement the NRC requirements.

As you are aware, the area of maintenance is one in which the staff is keenly interested because of its direct relationship to plant safety. Consequently, I would like to know the specifics of the cost curtailment program's effect upon plant maintenance. If any reduction in funds allotted for maintenance at ANO are planned as a result of this program, please describe in detail how the reduction will be distributed within the maintenance organization.

Sincerely,

William J. Dircks
Executive Director for Operations

DW/DP/LQB-238 - GRAND GULF & ARK

DL
LKintner
8/ /85

EDO
WJDircks
8/ /85

OFFICE	LOB/DHFS	LOB/DHFS	LOB/DHFS	ActDD/DHFS	ActD/DHFS	DD/NRR	D/NRR
SURNAME	DPersinko/br	GCwalina	HBooher	DBeckham	WRussell	DGEisenhut	HRDenton
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 Mississippi Power and Light Company
 P.O. Box 23854
 Jackson, Mississippi 39205

Dear Mr. Cavanaugh:

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Recently, it was brought to my attention that Mississippi Power and Light will be implementing an austerity program to defray expenses incurred by the construction of Grand Gulf. I am concerned that this program may negatively impact activities associated with plant maintenance at Grand Gulf and, as you are aware, the area of maintenance is one in which the staff is keenly interested because of its direct relationship to plant safety. Consequently, I would like to know the specifics of the cost curtailment program and, in particular, its effect upon plant maintenance. If any reduction in funds allotted for maintenance at Grand Gulf are planned as a result of this program, please describe in detail how the reduction will be distributed within the maintenance organization.

Sincerely,

William J. Dircks
 Executive Director for Operations

DW/DP/LQB-238 - GRAND GULF & ARK

DL
 LKintner
 8/ /85

EDO
 WJDircks
 8/ /85

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As part of the staff's continuing interest in maintenance, a survey of plant maintenance practices to determine the effectiveness of plant maintenance is being conducted by the staff as part of the Maintenance and Surveillance Program Plan which is currently being implemented by the Licensee Qualifications Branch, Division of Human Factors Safety. A key element of this survey is making site visits to a selected group of plants to discuss how plant maintenance is conducted at each facility.

Sincerely,

William J. Dircks
 Executive Director for Operations

bcc: L. Kintner

DW/DP/LQB-238 - GRAND GULF & ARK

EDO
 WJDircks
 8/ /85

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Executive Director for Operations

bcc: L. Kintner

EDO
WJDircks
8/ /85

DW/DP/LOB-238 - GRAND GULF & ARK

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DATE	8/8/85	8/8/85	8/ /85	8/ /85	8/ /85	8/ /85	8/ /85

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Author's Name:
Lee Spessard

Document Comments:
Program for financial austerity

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This interest stems from the experience we have gained in evaluating licensees' regulatory performance through the NRC's SALP program. For example, we have observed instances where budget constraints have adversely affected the quality of such activities as: (1) filling planned or needed staff positions at both the plant and corporate office, (2) implementation of training program plans and commitments, (3) scheduled plant maintenance tasks, including implementation of preventive maintenance programs, (4) timely completion of scheduled plant design changes and modifications affecting safety, (5) procurement of new and replacement parts, and (6) management and quality assurance oversight functions.

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oral concurrence

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