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NPL97-0353

June 13, 1997

Mr. A. Bill Beach
Regional Administrator, Region III
U.S. NUCLEAR REGULATORY COMMISSION
801 Warrenville Road
Lisle, IL 60532-4351

Dear Mr. Beach:

SUBJECT: Point Beach Nuclear Plant
Assessment of Unit 2 Restart Readiness

On December 12, 1996, Wisconsin Electric submitted to NRC staff a list of 81 items which we committed to address prior to restart of Point Beach Unit 2. These commitments were subsequently confirmed in an NRC Confirmatory Action Letter dated January 3, 1997. We have discussed these issues with members of your staff extensively during the last nine months including detailed briefings and interchanges at various public management meetings. We will provide an updated list to your staff during the upcoming June 23, 1997 Management Meeting. We attribute the root cause of our previous situation to a failure to keep pace with changing industry standards.

During this time period we have undertaken an extensive self-examination of Operations, Site Engineering and the physical plant at Point Beach. We have adopted more exacting standards in operations practices and expectations, condition reporting, corrective action and we have obtained satisfactory acceptance of these new standards by our Nuclear Power Business Unit (NPBU) personnel. We have also systematically reviewed the Unit 2 plant conditions and open items against clear criteria to determine those necessary for completion prior to restart. This process is almost complete. We also completed a bounding assessment which ensured our accurate characterization of areas needing improvement.

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Mr. A. Bill Beach

June 13, 1997

Page 2

Currently, an NRC Restart Assessment Team is on-site reviewing our completed and ongoing process improvements. The results of the NRC Restart Assessment appear to be consistent with our own judgment that Point Beach is ready to return Unit 2 to service.

We have completed a majority of the actions identified in our December 12, 1996 letter, improved our conduct of operations, have improved control of plant equipment configuration and taken significant steps to improve our Corrective Action Process. Therefore, we are expecting to be ready to commence restart of Point Beach Unit 2 by the last week of June.

Unit 2 Restart Plan

On April 15, 1997, a Restart Oversight Team was established to develop a single, comprehensive check list of the action items to be completed prior to return of Point Beach Unit 2 to service. An Outage Completion Plan (based on the plan developed for Hope Creek) was created. This plan included the establishment of two levels of action item review; the first, performed by a System Engineering Review Board; the second, by a final Outage Review Committee. All open Condition Reports and other known work items were reviewed against established criteria to determine which items must be completed prior to restart. The action items reviewed by the System Engineering Review Board and the Outage Review Committee included, but were not limited to, the 81 restart action items included in our December 12, 1996 letter.

We believe we have reviewed all open items related to safety systems and systems important to safety at Point Beach. Quality Assurance Oversight provided independent verification and assessment of restart activities conducted by NPB under the guidance of the Restart Oversight Team. Specific support functions such as Emergency Planning, Radiological Protection, and Quality Assurance received increased management oversight.

Although a majority of the Unit 2 restart action items are now complete, several issues will remain open through power ascension and some will require extended long-term resolution. These items have been thoroughly reviewed and determined to have no impact on the safe startup and operation of Unit 2. We have a deliberate process to review and disposition these items. Three Technical Specifications Change Requests are outstanding and we expect NRC approval prior to the scheduled Unit 2 restart time frame.

Mr. A. Bill Beach

June 13, 1997

Page 3

Essentially all areas of plant operation were affected by process and organizational enhancements. However, certain areas were highlighted as requiring special management attention. These areas are discussed below. In addition, staffing needs are being addressed by group-specific strategic staffing plans which are being closely monitored.

Conduct of Operations

Point Beach has adopted more exacting standards and expectations in all areas but, most notably, in the plant Operations group. Since September 1996 the conduct of Point Beach operations has undergone considerable change. The Operations group has reestablished a leadership role in the plant. They have established new leadership in the group; performed a critical self-assessment; set new standards consistent with the best plants in the industry; as well as conducted extensive training and monitoring to these new standards. They have satisfactorily internalized conservative decision making. The shift operating crews are now well aware that they are in charge of plant operations and are in full control of the plant startup process, as documented in the Unit 2 Start-Up and Power Ascension Plan. They have the authority and expectation to proceed deliberately and conservatively and "do it right."

The Point Beach Operations group has benchmarked its performance against industry leaders. Operators are increasingly more self-critical. Lessons learned from the Unit 2 core load activities will be discussed with Operations crews prior to Unit 2 restart. The Operations group has developed an Operations Improvement Plan which not only addresses current needs but also implements long-term improvements. The Operations group's planned improvements are driven by their individual operator's buy-in of the enhanced performance expectations, both within and among the operating crews.

Condition Reporting / Corrective Action

The reporting threshold for Condition Reports has been reduced as evidenced by the 200% increase in Condition Report initiation since December 1996. As part of the restart activities, the System Engineering Review Board systematically reviewed all open items identified in the action item tracking system to ensure proper resolution or future action. A critical self-assessment of the corrective action process was performed. Root cause training was provided to strengthen our ability to identify root causes for events and implement effective corrective actions to prevent recurrence. The quality of operability determinations is improving.

Mr. A. Bill Beach
June 13, 1997
Page 4

We have improved our self-assessment capability at Point Beach. We established the Continuous Safety and Performance Assessment group which is facilitating the self-assessment process. Individual group readiness reviews were conducted to assess each group's readiness for Unit 2 restart. Continuous self-assessment is becoming a mindset.

In time, the frequency of emergent events and issues will be lower and operational performance will continuously improve. Although we have changed our culture by becoming more self-critical and we understand the imperative of promptly identifying and documenting degraded conditions, this critical self-evaluation process needs to be further strengthened.

In-Service Testing / Post-Maintenance Testing

Reviews of in-service tests (IST) were performed in accordance with Unit 2 Restart Items 9, 10, 11 and 35. These reviews compared IST acceptance criteria for IST pumps and valves against design basis/accident analysis requirements. The performance and suitability of installed instrumentation used in the IST program were reviewed along with IST pump hydraulic data to identify any adverse trends. For the cases where the IST acceptance criteria did not assure that design basis requirements were met, an operability determination was performed, and all equipment was determined to be operable. IST procedures have been modified to incorporate appropriate acceptance criteria to assure design basis requirements are met. Currently installed instrumentation was found acceptable, however some reliability and accuracy improvements are being pursued.

Unit 2 Restart Items 13, 15 and 16 reviewed post-maintenance tests (PMTs). Operating procedures containing maintenance activities were reviewed to ensure PMT and Quality Control were properly addressed. A review of PMT adequacy identified minimal deficiencies. Process improvements are being implemented.

In addition, the IST/PMT programs were reviewed as part of the Outage Review Committee process. Process improvements have been implemented and, based on initial results, we have reasonable assurance that the new processes will meet current requirements and expectations.

Mr. A. Bill Beach

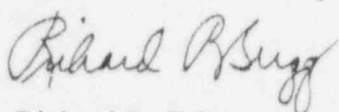
June 13, 1997

Page 5

Conclusion

Based upon plant reviews and contingent upon completion of the remaining equipment and procedural open items, we expect to be ready to return Point Beach Unit 2 to service by the end of June. Wisconsin Electric management has taken a critical look at its internal processes and plant culture and has effected considerable change. Point Beach is implementing long-term changes as described in the Operational Excellence Plan and has created more exacting standards and expectations. We are becoming increasingly more self-critical. Although we have made great strides in improving our performance, we accept and understand the need for aggressively pursuing continuing improvement efforts in order to achieve operational excellence.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard R. Grigg".

Richard R. Grigg
President, Chief Operating Officer &
Chief Nuclear Officer