



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

December 4, 1979

MEMORANDUM FOR: Commissioner Gilinsky
FROM: *LB* Leonard Bickwit, Jr., General Counsel
SUBJECT: TMI UNIT ONE -- MANAGEMENT COMPETENCE

We have prepared, with OPE's assistance, the enclosed draft order. OGC and OPE take no position on whether it should be issued. OPE believes that, should the Commission order the Board to address the management competence issue before it addresses other contentions, it should similarly treat the closely related issue of whether Metropolitan Edison has the financial resources to safely operate Unit One.

Enclosures:

1. Draft Order
2. Portions of Aug. 9 opinion
pertaining to management
competence

cc: Chairman Hendrie
Commissioner Kennedy
Commissioner Bradford
Commissioner Ahearne
OPE
OCA
SECY

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of

METROPOLITAN EDISON COMPANY

(Three Mile Island Nuclear Station,
Unit No. 1)

Docket No. 50-289

ORDER

On August 9, 1979, the Commission issued an Order and Notice of Hearing specifying issues to be addressed by the parties in this proceeding and suggesting a hearing schedule. The Commission has given this matter additional consideration and believes that the issue of whether Metropolitan Edison possesses the management capability and technical [and financial] resources to safely operate Unit One, while at the same time continuing its cleanup efforts at Unit 2, warrants special and expedited consideration so that the Commission may review that issue on an interlocutory basis. In addition to the management competence issues specified in the August 9 order, the parties should also address the measures which the licensee has implemented to clearly define the roles and responsibilities within its organization for plant operations. These measures should encompass both normal and emergency conditions, including specification of operations command and administrative control functions. We therefore are modifying our August 9 instructions to the Atomic Safety and Licensing Board to ensure expedited consideration of these issues.

We direct the Licensing Board to begin the hearing with the management competence issue. Once all testimony on this issue is completed, the hearings should be recessed to permit the participants to file proposed findings of

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fact on those issues, and to reply to the proposed findings submitted by other participants. The Board should then issue a partial initial decision on those issues. Once the Board's opinion has been issued, it shall reconvene the hearing on the other issues.

For the Commission

SAMUEL J. CHILK
Secretary of the Commission

Dated at Washington, D.C.

this ____ day of _____, 1979.

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assure safe operation of TMI-1, and that TMI-1 waste handling capability is not relied on by operations at TMI-2.

6. The licensee shall demonstrate his managerial capability and resources to operate Unit 1 while maintaining Unit 2 in a safe configuration and carrying out planned decontamination and/or restoration activities. Issues to be addressed include the adequacy of groups providing safety review and operational advice, the management and technical capability and training of operations staff, the adequacy of the operational Quality Assurance program and the facility procedures, and the capability of important support organizations such as Health Physics and Plant Maintenance.

7. The licensee shall demonstrate his financial qualifications to the extent relevant to his ability to operate TMI-1 safely.

8. The licensee shall comply with the Category A recommendations as specified in Table B-1 of NUREG-0578.

The Commission has additional concerns, which, though they need not be resolved prior to resumption of operation at Three Mile Island Unit 1, must be satisfactorily addressed in a timely manner. The Commission's Director of Nuclear Reactor Regulation (NRR) has recommended that the following actions (the "long-term actions") be required of the licensee to resolve these concerns and permit a finding of reasonable assurance of the safety of long-term operation. These are:

1. submit a failure mode and effects analysis of the ICS to the NRC staff as soon as practicable;

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