

[Briefing Slides]

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1 UNITED STATES OF AMERICA
2 NUCLEAR REGULATORY COMMISSION
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4 OFFICE OF THE SECRETARY
5 ***
6 COMMISSION BRIEFING ON
7 OPERATING REACTORS AND FUEL FACILITIES
8 ***
9 PUBLIC MEETING

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11 Nuclear Regulatory Commission
12 One White Flint North
13 Commissioners Hearing Room
14 11555 Rockville Pike
15 Rockville, Maryland

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17 Thursday, May 25, 2000

18 The Commission met in open session, pursuant to
19 notice, at 8:37 a.m., the Honorable RICHARD A. MESERVE,
20 Chairman of the Commission, presiding.

21 COMMISSIONERS PRESENT:

22 RICHARD A. MESERVE, CHAIRMAN
23 NILS J. DIAZ, Member of the Commission
24 EDWARD McGAFFIGAN, JR., Member of the Commission
25 JEFFREY S. MERRIFIELD, Member of the Commission

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1 STAFF AND PRESENTERS:
2 WILLIAM TRAVERS, Executive Director for Operations
3 ELLIS MERSCHOFF, Region IV Administrator
4 HUBERT MILLER, Region I Administrator
5 ROY ZIMMERMAN, Deputy Director, NRR
6 WILLIAM KANE, Director, NMSS
7 JAMES DYER, Region III Administrator
8 LUIS REYES, Region II Administrator
9 ANNETTE L. VIETTI-COOK, Secretary
10 KAREN D. CYR, General Counsel

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

2 [8:37 a.m.]

3 CHAIRMAN MESERVE: Why don't we get underway?

4 Good morning.

5 The purpose of the meeting this morning is to
6 provide the Commission with a periodic briefing on operating
7 reactors and materials facilities, and to discuss the
8 results of the Senior Management Meeting which was held on
9 May 10th and 11th.

10 The focus of this meeting is to discuss those
11 plants identified during the Senior Management Meeting that
12 warrant Agency-level attention, as well as to provide an
13 update on the plants that had received NRC action as a
14 result of the April 1999 Senior Management Meeting.

15 This is, as we very much appreciate, is a
16 transition year as we fully implement and have our first
17 full year of experience with the revised program for
18 inspections; that we'll have a different procedure next
19 year.

20 So we're sort of feeling our way through the
21 protocol for this transition year. But we look forward to
22 your comments. Let me turn to my colleagues and see if they
23 have an opening statement.

24 COMMISSIONER MERRIFIELD: Mr. Chairman, I do have
25 an opening comment that doesn't relate to this meeting.

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1 just privately congratulated Commission McGaffigan on
2 receiving approval from Congress, reconfirming him for
3 another five-year term as a Commissioner. I did want to
4 publicly state my congratulations as well.

5 Commissioner McGaffigan has been a long-time
6 servant of this country. I think he's done an outstanding
7 job, and the President and Congress, in their wisdom, have
8 chosen to allow him to serve for another five years, and I
9 think that's good for us and good for the country, and so I
10 congratulate him.

11 COMMISSIONER MCGAFFIGAN: Thank you.

12 CHAIRMAN MESERVE: This is very good news for the
13 Commission, and we're very pleased that it happened.

14 Dr. Travers, you may proceed.

15 DR. TRAVERS: Thank you, Mr. Chairman, and
16 congratulations, Commissioner McGaffigan.

17 As you indicated, Mr. Chairman, we are here with a
18 significant portion of the Senior Managers of the Agency to
19 discuss with you the results of the most recent Senior
20 Management Meeting.

21 I should start by introducing the team: With me
22 at the table from the Program Offices are Bill Kane, who is
23 the Director of the NMSS; Roy Zimmerman, Deputy Director of
24 NRR; and, of course, our field commanders from the Region
25 are all here today, beginning with Luis Reyes from Region

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1 II, Jim Dyer from Region III; Ellis Merschhoff from Region
2 IV; and Hub Miller from Region I.

3 On May 10th, as you indicated, and May 11th, we
4 held the 27th -- and as it turns out -- the last Senior
5 Management Meeting in Region I in King of Prussia,
6 Pennsylvania. And this meeting really was symbolic of the
7 many changes the Agency is initiating in that this was our
8 last Senior Management Meeting, but as you indicated, we are
9 very much in transition towards the initiation of the new
10 assessment process.

11 Since its inception, the Senior Management Meeting
12 has been an important part of the NRC oversight process.
13 However, the recent meeting had special significance because
14 it reflected many of the changes that we're going through in
15 this transition year.

16 Future meetings to discuss the performance of
17 nuclear facilities will, of course, as you know, occur, but
18 they will be known as the Annual Agency Action Review
19 Meeting.

20 This particular Senior Management Meeting marked
21 the beginning of our implementation of the new assessment
22 program. We've moved away from the manner that plant
23 performance had been assessed in the past, and as you know,
24 the Agency began implementation of the new Reactor Oversight
25 Process as of April 2nd of this year.

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1 The intent of this new program is multifaceted,
2 however, several of the more significant purposes include
3 reducing the perceived inconsistencies in past licensee
4 assessments, and to make the assessment process more
5 objective, visible, and scrutable to licensees and our other
6 stakeholders.

7 The briefing today will provide the Commission
8 with the results of that meeting and the decisions that were
9 made by the Senior Managers regarding plant performance.
10 Additionally, we will provide you with some further details
11 on the level of Agency oversight to be taken as a result of
12 our deliberations at the meeting.

13 It is important to emphasize that although we will

14 be discussing only five of 103 operating reactors at four
15 sites at today's meeting, the performance of each nuclear
16 facility has been considered in NRC's overall and ongoing
17 assessment process, which is structured, as you know, to
18 provide an ongoing evaluation of licensee performance.

19 I should also note that the relatively small
20 number of plants we will discuss today, I think, is
21 indicative of the improving performance of reactor
22 facilities overall.

23 Can I have Slide 1, please? Prior to the Senior
24 Management Meeting, screening meetings were conducted by
25 NRR, the Regions, and NMSS, with participation by the Office

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1 of Enforcement, the Office of Investigations, and the Office
2 of Research to determine which plants would require
3 discussion by the Senior Managers.

4 The NRC's inspection program, implemented by the
5 Regional Offices, has provided the framework for the overall
6 assessment process. The results of the inspection program
7 at each facility have been integrated into the plant
8 performance reviews for non-pilot plants, and the end of
9 cycle reviews for pilot plants.

10 The licensees have been apprised of NRC's
11 assessment of their overall performance, and public meetings
12 will be completed in the next several weeks that present the
13 performance assessment results.

14 Finally, I would like to note that the changes
15 that I have described and which will be further discussed
16 with you today, should be considered as a significant
17 transition toward our goal of a more effective and objective
18 oversight process.

19 And at this point, I'd like to turn the
20 presentation over to Roy Zimmerman.

21 MR. ZIMMERMAN: Thank you, Bill. May I have Slide
22 2, please?

23 Today's briefing will be similar to the briefing
24 that was held in April of 1999, following that Senior
25 Management Meeting, in both form and in general content and

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1 approach.

2 However, as we do transition to the new oversight
3 process, and consistent with the SECY documents that show in
4 this slide, we have eliminated the term, Regional Focus, as
5 a classification as we entered into the May 2000 Senior
6 Management meeting.

7 So during our most recent meeting, we designated
8 plants as either Agency focus or routine oversight.

9 And as we continue to transition into the new

10 oversight program, the routine oversight and Agency focus
11 terms, similarly will not be used, and the level of
12 regulatory oversight and actions will be commensurate with
13 the Revised Oversight Process Action Matrix. That's where
14 the determinations will be made.

15 So today's discussion of plants will be those
16 deemed from the Senior Management Meeting to warrant
17 Agency-level action, and, again, as the Chairman indicated,
18 for continuity and completeness, we are also planning to
19 provide a status update of the plants that were discussed at
20 the April 1999 Senior Management Meeting.

21 We'll discuss both the plant safety performance,
22 as well as the NRC actions that have been taken since that
23 time.

24 Slide 3, please.

25 I won't read the definitions of the two terms that

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1 we currently use in our classifications.

2 They are here on this slide. I will point out
3 again that these are the terms that were used during our
4 most recent Senior Management Meeting in May and I will also
5 point out that with regard to routine oversight and that
6 definition that plants can receive supplemental inspection
7 in certain selected areas where safety performance issues
8 warrant in addition to their baseline inspection. That
9 would be within the area of routine oversight. Slide 4,
10 please.

11 This slide shows the results from the May 10th and
12 11th Senior Management Meeting.

13 From Region I and as will be discussed by Regional
14 Administrator Hub Miller, Millstone Units 2 and 3 and Indian
15 Point 2 will be discussed shortly and from Region III, the
16 Regional Administrator, Jim Dyer, will discuss the Clinton
17 and D.C. Cook facilities, and following Jim's discussion
18 Bill Kane will provide a brief overview of the Senior
19 Management Meeting discussion related to material
20 facilities.

21 With that, I will turn the discussion over to Hub
22 Miller.

23 MR. MILLER: Thank you, Ray. Good morning.

24 I will first discuss Millstone. At the last
25 Senior Management Meeting Unit 2 was designated as an Agency

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1 focus plant on the basis that it had not at the time of the
2 Senior Management Meeting received restart approval from the
3 Commission. Unit 3, because it had not had a period of
4 successful sustained operations was identified as a regional
5 focus plant.

6 During the recent Senior Management Meeting we

7 reviewed current performance of both units in terms of the
8 evaluation matrix which was established for determining
9 appropriate Agency response.

10 First, with respect to Unit 2, which was
11 authorized for restart in April of last year, the Senior
12 Managers noted improved overall performance. NRC
13 inspections performed since startup have found that
14 improvements in Corrective Action Programs that were made
15 during the extended shutdown have been sustained.

16 On a few occasions we have found Condition Reports
17 were not initiated for degraded equipment and some equipment
18 problems were not effectively resolved. However, these
19 concerns were not pervasive and did not indicate a reversal
20 in the overall improvement we have seen in Corrective Action
21 Programs.

22 While emergent equipment problems resulted in
23 three reactor trips and a plant shutdown over the past year,
24 these trips were not complicated and the unit has had
25 several extended periods of event-free operation since the

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1 startup from the extended outage.

2 Operators responded well to emergent problems and
3 displayed an overall conservative approach to plant
4 operations.

5 With respect to Unit 3, the Senior Managers took
6 note of what has been very good operational performance over
7 the past year. This is in contrast to the many plant trips
8 and power reductions that occurred shortly after startup
9 from the extended outage in mid-1998.

10 Northeast Utilities' management focused on
11 operational support has successfully reduced the number of
12 challenges to plant operators and overall routine and
13 planned work activities are being performed well.

14 Operator response to the few weather and
15 equipment--related problems that have occurred has been
16 good.

17 The backlog of Corrective Actions has been
18 significantly reduced and in this connection all of the
19 Corrective Action items that were deferred at the startup
20 from the long outage in 1998 were recently closed out.

21 In the area of safety-conscious work environment
22 and employee concerns, which is an area that encompasses
23 activities at both units, results of inspections have
24 continued to be positive. Northeast Utilities has been
25 effective in managing these activities.

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1 Similar to other utilities however, the licensee
2 faces a number of challenges as it moves to a more

3 competitive business environment and to sale of the units.
4 Such activities will be particularly challenging at
5 Millstone as the licensee is still in transition from the
6 very large recovery project and organizational structure
7 that was established during the extended shutdowns. This
8 transition includes continuing reduction in the number of
9 staff and management positions onsite and competing work
10 associated with the equipment issues and backlog of
11 Corrective Action items that remain from the extended
12 shutdown on Unit 2.

13 Notwithstanding these challenges, the licensee has
14 been successful in managing transition issues as they have
15 arisen over the past year, since the last Senior Management
16 Meeting.

17 So in summary, although some areas for improvement
18 remain the Senior Managers concluded that Northeast
19 Utilities has taken effective action to correct identified
20 problems at Millstone Units 2 and 3. We concluded that all
21 performance factors in the evaluation matrix have been met
22 for both units, and as a result we will return to routine
23 oversight of the Millstone units. We will be conducting our
24 inspection and assessment activities following the normal
25 processes that are laid out in the new Reactor Oversight

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1 Program.

2 Moreover, Senior Managers noted that criteria for
3 return to normal oversight of Millstone's Employee Concerns
4 Program and safety-conscious work environment which were
5 established in connection with the Commission direction to
6 the Staff regarding enhanced monitoring of this area in
7 March of 1999 have been met. We will continue to follow
8 activities at Northeast Utilities and Little Harbor
9 Consultants, who are still providing some assistance to the
10 licensee. We will do so within normal processes of the new
11 Oversight Program.

12 This completes my presentation on Millstone.

13 CHAIRMAN MESERVE: Are you going to turn to Indian
14 Point 2?

15 MR. MILLER: I can turn to that now, if you wish.

16 In discussing the Indian Point 2 station Senior
17 Managers reviewed recent plant performance including two
18 risk significant events, an August, 1999 reactor trip with
19 electrical system complications and a February, 2000 steam
20 generator tube failure.

21 The Senior Managers noticed that these events
22 illustrate a number of longstanding performance issues.
23 These include communication and coordination weaknesses
24 among site organizations, shortcomings in engineering
25 support that have led to narrowly focused assessment of

1 plant problems, configuration management and control issues,
2 equipment reliability problems, large Corrective Action
3 backlogs, and operator knowledge, station training and
4 procedural weaknesses.

5 The Senior Managers were further concerned with
6 the recurrent emergency preparedness weaknesses that have
7 hampered performance during exercises and during the recent
8 August and February events.

9 We concluded that the performance issues that have
10 existed at Indian Point 2 for the past several years reveal
11 deficiency in licensee Corrective Action Program efforts.

12 A number of utility initiatives have yielded some
13 progress, but overall have been limited in remedying the
14 underlying problems.

15 We noted that the current Chief Nuclear Officer
16 has set high standards, has brought a more self-critical
17 approach to the station, and has directed development of new
18 improvement plants.

19 However, standards and expectations have yet to be
20 effectively instilled throughout the organization and it is
21 too early to judge results of the recent improvement plans.

22 Achieving needed improvement in Corrective Action
23 Program efforts including dealing with legacy issues that
24 exist will require consistent corporate support to the
25 station.

1 In summary, based on these concerns the Senior
2 Managers concluded that Indian Point 2 warrants oversight as
3 an agency focus plant.

4 Specifically, the Senior Managers concluded that
5 actions should be taken in addition to those described in
6 the most recent plant performance review report. The most
7 recent plant performance review was completed before the AIT
8 and the assessment of the February event were completed.

9 We determined in the Senior Management Meeting
10 that before planning additional actions we should follow
11 through on a previously scheduled meeting between senior
12 licensee officials and me. The purpose of this meeting is
13 to understand the results of recent licensee assessments and
14 planned actions.

15 Upon completion of the meeting I will be briefing
16 the EDO, Bill Travers, Frank Miraglia, Sam Collins, and
17 others and making recommendations regarding the scope of
18 future inspections and other actions that may be warranted.

19 That concludes my remarks on Indian Point 2.

20 CHAIRMAN MESERVE: Thank you, Hub. Jim?

21 DR. DYER: Good morning. The first plant I will

22 discuss is the Clinton Power Station. The Clinton Power
23 Station was designated as a regional focus plant during the
24 April, 1999 Senior Management Meeting. At that time the
25 plant was in the final stages of its restart preparations

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1 from an extended outage, receiving augmented management and
2 staff support contracted from the PECO organization.

3 Since the last Senior Management Meeting, NRC has
4 closed out its confirmatory action letter and its Manual
5 Chapter 0350 oversight activities. Clinton has successfully
6 started up from its extended outage in May, 1999 and
7 performed well through the most recent Senior Management
8 Meeting.

9 In December of 1999 the plant successfully
10 transitioned to Amargen ownership from the Illinois Power
11 Company without any lapses in safety performance.

12 In determining the appropriate NRC response to the
13 Clinton performance, the NRC Senior Managers considered the
14 factors in the evaluation matrix. All the factors for
15 identification and resolution of performance problems were
16 considered to be complete.

17 NRC team inspections conducted earlier this year
18 revealed continuing acceptable implementation of both the
19 Corrective Action Program and the conduct of operations
20 after restart.

21 The change in ownership has provided stability to
22 the site and a strategic plan with committed resources to
23 continue performance improvements.

24 Based on these considerations, the NRC Senior
25 Managers concluded that Clinton should be classified as a

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1 routine oversight plant. As Mr. Zimmerman said, going
2 forward this term is no longer used and future NRC oversight
3 activities will be commensurate with that described in the
4 Reactor Oversight Process Action Matrix.

5 This concludes my presentation for Clinton.

6 The second plant I would like to discuss is D.C.
7 Cook. After the April, 1999 Senior Management Meeting the
8 NRC Senior Managers concluded that D.C. Cook should receive
9 an Agency focus level of oversight.

10 At that time the licensee's revised restart plan
11 appeared to be thorough and we concluded that an Agency
12 focus level of oversight would ensure necessary NRC
13 resources were applied for the regulatory oversight of their
14 restart activities.

15 Since the April, 1999 Senior Management Meeting,
16 both D.C. Cook units have remained shut down. As we briefed
17 the Commission on January 10th of this year, both the
18 American Electric Power and the NRC has expended a

19 significant amount of resources to identify and resolve
20 problems at the D.C. Cook site.

21 American Electric Power completed replacement of
22 the Unit 1 steam generators earlier this spring and has made
23 good progress completing the Restart Action Plan for Unit 2.

24 In February of this year the NRC closed out the
25 original confirmatory action letter and developed a plan for

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1 D.C. Cook to transition to the new Reactor Oversight Process
2 after plant restart.

3 All the NRC team inspections are now completed for
4 the Unit 2 restart but some items on the Manual Chapter 0350
5 Restart Case Specific Checklist still remain open. These
6 items are still -- are being worked on a priority basis.
7 The Staff has provided the Commission with periodic status
8 reports on the key issues associated with the D.C. Cook
9 restart.

10 The NRC Senior Managers considered the factors in
11 the Evaluation Matrix to determine the appropriate agency
12 response for D.C. Cook. Significant progress has been made
13 by American Electric Power to resolve the technical and
14 programmatic problems associated with both unit shutdowns.

15 NRC inspections of the licensee's self-assessment
16 and Corrective Action Programs found them to be very
17 thorough. However, NRC evaluations of some of the specific
18 corrective actions are continuing and sustained safety
19 performance while operating has not been demonstrated.

20 Unit 2 is nearing its restart and Unit 1 is
21 expected to restart later this fall.

22 D.C. Cook will not fully transition to the new
23 Reactor Oversight Process until after both units have been
24 restarted.

25 Based on these factors, the NRC Senior Managers

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1 concluded that a continued Agency focus level of oversight
2 was appropriate.

3 This concludes my presentation for D.C. Cook.

4 CHAIRMAN MESERVE: Thank you. Bill?

5 MR. KANE: Slide 5, please.

6 For our licensed facilities we follow a process
7 similar to that for the reactor area. I along with other
8 NMSS Management conduct screening meetings at the facilities
9 with each of the Regional Administrators prior to the Senior
10 Management Meeting.

11 At that time facilities are considered for
12 discussion at the Senior Management Meeting. During this
13 cycle no facilities were identified for priority attention
14 as a result of our process.

15 As you know, we are engaged in the development of
16 an Oversight Process for our facilities that will be similar
17 to that for reactors, and expect that when approved it would
18 replace our current process.

19 That concludes my presentation. I will turn it
20 over to Roy.

21 MR. ZIMMERMAN: Can I have Slide 6, please?

22 We'll turn our attention on this slide to be
23 looking at the Commission briefing of the future associated
24 with the Oversight Process.

25 Now at this time next year, May of 2001, we
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1 envision the briefing to the Commission to be slightly
2 different than the briefing today and the briefing from last
3 April. The discussion of those plants at next year's
4 Commission meeting will be tied to the Revised Oversight
5 Action Matrix, more specifically the multiple and repetitive
6 degraded cornerstone for unacceptable performance columns
7 that are tripped by those plants' performance in the Action
8 Matrix.

9 We will also discuss the licensee actions to
10 address the issues that resulted in those situations and the
11 NRC's response.

12 As you know, these are the columns that are on the
13 right side of the Action Matrix.

14 Another change in next year's Commission meeting
15 is that we will be discussing the overall industry
16 performance and trend. We will go beyond the plant-specific
17 discussions and we will do a rollup that will include
18 discussions using the rollup from the inspection findings,
19 from the performance indicators, from research trend reports
20 that are provided and from ASP data, Accident Sequence
21 Precursor data that are provided by the Office of Research.

22 I'll also point out that this particular item is
23 one of our performance measures in our Strategic Plan, so it
24 relates very well and links to that document.

25 Lastly, in the next Commission meeting we will be
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1 providing our self-assessment of the rollout of the initial
2 implementation of the Revised Reactor Oversight Process
3 including lessons learned and proposed revisions to that
4 process to be followed shortly thereafter with a report to
5 the Commission in the June timeframe.

6 With that, I will pass the discussion back to Bill
7 Travers.

8 DR. TRAVERS: I just want to add one thing before
9 we close the discussion -- presentation by the Staff and
10 that is that Roy mentioned the Action Matrix and the new
11 Reactor Oversight Processes -- certainly the direction of

12 the future and in fact sort of the basis for next year's
13 meeting.

14 It is probably important to tell you that while we
15 are not in the new process entirely and we didn't have the
16 information on plant performance that we will have by virtue
17 of performance indicators and inspection results and other
18 things, we did look at the Action Matrix in the course of
19 our discussions this year more to inform the process we were
20 using in connection with our deliberations in this Senior
21 Management Meeting, so even though we are not in the new
22 process, or we certainly weren't at the time we entered into
23 those deliberation in the Senior Management Meeting, we did
24 discuss the new program and the likely outcome based on
25 information that we do have, at least in part, on the plants

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1 that were discussed.

2 With that, I will conclude our presentation.

3 CHAIRMAN MESERVE: Thank you very much. I thank
4 all of you for a very helpful presentation.

5 Let me turn to my colleagues for comments and
6 questions. First, Commissioner Diaz.

7 COMMISSIONER DIAZ: Thank you, Mr. Chairman.

8 Gentlemen, it is a pleasure to meet with you
9 again. I think things have changed since our first Senior
10 Management Meeting and I am very pleased to see that
11 Millstone is finally settling down to a routine. That warms
12 my heart -- routine sounds good and I am sure that Mr.
13 Miller is not aging as prematurely as he was at the time.

14 COMMISSIONER MCGAFFIGAN: Nor Mr. Travers and Mr.
15 Collins and Mr. Zimmerman.

16 [Laughter.]

17 COMMISSIONER DIAZ: That's true.

18 Just a comment. I think that the Millstone
19 closeout is a significant issue to this Agency because it
20 was a very complex series of circumstances in which it was
21 not only degraded conditions in the plant but there were
22 issues of the safety-conscious work environment, there were
23 issues of national publicity which you all have to put
24 together to handle it, and I would like to say that,
25 although turbulent, the Agency eventually settled down and

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1 did a very good job in providing the proper oversight in
2 closing those units. I would like to congratulate you for
3 that.

4 Having said that, I still have a little bit of
5 ignorance on how the things get put together.

6 If I can look at what Mr. Miller says, and this
7 question is directed to you, but I'm sure you can get, you

8 know, clarification, additional, from the Headquarters:

9 As we transition -- and I know that we have --
10 this is the last of a kind, and we will be into a different
11 era next year.

12 I'm still trying to understand -- and it's
13 probably, you know, the distance between the Commission and
14 the way the process has evolved -- how events are
15 prioritized, how their importances are placed into the
16 overall assessment.

17 And if I can almost quote you, you says that, you
18 know, there were two risk-significant events, the one in
19 August and the one in February. I've looked at both of
20 them, and I think the one in August is a little more
21 complicated than the one in February.

22 MR. MILLER: That's right.

23 COMMISSIONER DIAZ: And actually had probably --
24 if we do a real good assessment, it was probably more
25 risk-significant than the steam generator leak, although the

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1 steam generator leak got a lot more publicity than the
2 previous one.

3 But I think the comment that you made is that it
4 was not these two risk-significant events which actually had
5 no consequences that led you to place Indian Point in a
6 special category of oversight, but it was that they actually
7 reflected a series of longstanding issues.

8 So it was not the event, in particular. I'm very
9 interested in this, because as you know, events, to me, are
10 random things. Tubes break, you know, and they're going to
11 continue to break.

12 And, you know, diesel generators might not start,
13 and breakers might malfunction. And so events are going to
14 continue to happen. But am I correct to say that this is
15 not the event, but the actual significance of the event as
16 it relates to longstanding issues of performance?

17 MR. MILLER: Yes. It's actually a bit of both in
18 this sense: While the new program certainly leads us to a
19 strong focus on risk, we have always had a strong focus on
20 risk.

21 And so when we assess events, we are very much
22 focused on what they mean in terms of risk, and I mean,
23 specifically, in terms of the probabilistic risk
24 assessments.

25 Both of these events were assessed in that sense,

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1 and they were events -- I think the first event was on the
2 order of two times 10^{-4} CCDF, and the second about one times
3 10^{-4} .

4 But you are correct also in saying that it's the

5 performance issues that are revealed and that are associated
6 with those events that are of concern to us.

7 Events can occur, they can be significant. If
8 there aren't performance issues that are associated with
9 those, we'll have a different view and take different action
10 than we will for an event that is both significant and has
11 performance issues.

12 So, you picked up on the right words. These
13 reveal concerns and performance issues that have existed for
14 some time at the station, and that's what caused us to make
15 the determination that we did.

16 COMMISSIONER DIAZ: So the event, in itself, just
17 calls attention to a series of performance issues. It then
18 would have been, of course, of a more serious nature than,
19 of course, responses.

20 My analogy, of course, is, you know, FAA, when a
21 plane crashes, okay, takes significant actions. If there is
22 life lost, takes more actions.

23 If the plane has a bad landing and the plane is
24 destroyed, and no loss of life, they also take significant
25 action. I'd like to liken TMI to a plane landing with no

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1 loss of life, but the plane was destroyed.

2 And, of course, it required significant action for
3 quite a bit of time.

4 And placing these things in the context of the
5 future actions, which I think is very important, where do
6 they place and where do they place in the overall
7 assessment, rather than triggers? I think triggers, most of
8 the time, are pretty random.

9 It's how the trigger, you know, fits into the
10 overall picture that you're trying to convey to us in your
11 assessment.

12 MR. MILLER: Yes. It's not the event, per se; it
13 is the performance issues associated with it that we are
14 focused on.

15 MR. ZIMMERMAN: If I can add something, I think
16 that the events themselves, depending on their
17 risk-significance, can also have an impact on the
18 performance indicator, and potentially have an impact on
19 that cornerstone that it's related to.

20 MR. MILLER: Sure.

21 MR. ZIMMERMAN: I mean, I agree with everything
22 that was said, that we need to look beyond the event to
23 understand the causes and the potential programmatic aspects
24 that led to the event, but the event, I think, will show up
25 potentially in cases on our performance indicators.

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1 COMMISSIONER DIAZ: Definitely, but it needs to
2 show up in the proper level, because if not, you know, it
3 could be that, you know, this country gets so good, and
4 there are fewer and fewer events, and then if when there's a
5 little event, then we jump all over it because there are no
6 other events. That's not right.

7 MR. ZIMMERMAN: I understand.

8 COMMISSIONER DIAZ: It has to be in the proper --

9 MR. MILLER: In the next presentation, that we'll
10 have this morning, I was going to describe how we make
11 judgments about following up on events. We clearly have a
12 graded approach, and our judgments are informed very much by
13 the risk-significance of events.

14 COMMISSIONER DIAZ: Good. So, I'll look forward
15 to that presentation, and then let me turn to Mr. Dyer for a
16 very quick question.

17 When I had the privilege to visit D.C. Cook with
18 you, sir, we finally sat down at the very end and the
19 licensee produced a very complete list of issues that had
20 safety significance.

21 And I keep reading all of the things that you very
22 properly sent to our Office to keep us, you know, abreast of
23 what is happening.

24 I just had a simple question: From that last
25 discussion, and discussions that you had before, are you

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1 satisfied that closing on those safety-significant issues is
2 practically at hand, or has it been done?

3 DR. DYER: Yes, sir, Commissioner. I believe it's
4 moving towards the right direction. I think we have since
5 the last status report you received, I believe we have one
6 issue on there that's still technically a question.

7 That has to do with the containment walls, and
8 that's the one that's the big question mark right now.
9 That's the only issue.

10 But the other issues, the high-energy line break
11 issues, some of the separation issues we had, the electrical
12 separation issues, I believe they are going to closure and
13 have been closed in many cases.

14 COMMISSIONER DIAZ: Thank you, Mr. Chairman.

15 CHAIRMAN MESERVE: Good. Commissioner McGaffigan?

16 COMMISSIONER MCGAFFIGAN: Mr. Miller, what is the
17 current number of Resident Inspectors at Millstone? Is it
18 four? Is it N-plus-one, plus N-plus-1?

19 MR. MILLER: Yes.

20 COMMISSIONER MCGAFFIGAN: Why? Given the routine
21 oversight nature of the -- you know what you guys decided?

22 MR. MILLER: We're in transition like the licensee
23 is in transition. And as you know, we, in our policy, have

24 not chosen to reach and by directing people from the site,
25 and removing them before their rotation, their normal

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1 rotation.

2 And so it is a function of that that we --

3 COMMISSIONER MCGAFFIGAN: If we're waiting for the
4 folks to just normally rotate out, what is the ultimate
5 number going to be there? Is it two? Are you headed
6 towards two?

7 MR. MILLER: We're under discussion, we have that
8 under discussion, and we have -- there are two different
9 vendor types, as you know, there are two different units.
10 The Company is attempting to unify the station under a
11 single management, but they are still in transition on that.

12 We recently had an exchange, and I made a
13 recommendation and coordinated really with the Program
14 Office, Sam Collins, where we determined that it was
15 appropriate for the time being to maintain the two units
16 separate.

17 But we will be revisiting that again in a year,
18 and as the inspectors, as the rotations come up, we will be
19 continually revisiting that.

20 DR. TRAVERS: I'm sorry to interject, but we
21 actually tied our reassessment of the numbers to the annual
22 or the post-one-year assessment of the new Reactor Oversight
23 Program.

24 So in connection with that, I think we made a
25 commitment to revisit the continuing nature of the larger

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1 number of resources at that site.

2 COMMISSIONER MCGAFFIGAN: How many are at Salem at
3 the moment? That is another site that has two dissimilar --
4 three units, but Salem and Hope Creek, combined?

5 MR. MILLER: Yes, Salem and Hope Creek, the two
6 PWR units at Salem, and the BWR, at the present time, there
7 are, I believe, two and two.

8 COMMISSIONER MCGAFFIGAN: Okay. It just strikes
9 me that this routine oversight category that you chose to
10 use this year is a pretty broad category, and the inspection
11 resources at some of the plants is quite high in the routine
12 oversight category, and the inspection resources at some of
13 the other plants is --

14 MR. MILLER: It's very --

15 COMMISSIONER MCGAFFIGAN: I'm just trying, you
16 know -- when I first got here, one of the explanations for
17 the increase in the Watch List, I believe, in the January
18 1997 meeting, was, after help from Arthur Anderson and
19 others, we had finally brought the de factor Watch List into

20 line with the Watch List.

21 There had been plants prior to January of '97 that
22 had very significant inspection resources associated with
23 them, and hadn't been put on the Watch List, even though
24 other plants with similar inspection resources had been.

25 So I'm just trying to understand --

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1 MR. MILLER: Well, the good news, going into the
2 new program, is this: That plants will be inspected as the
3 baseline inspection procedures will call for them to be
4 inspected, and as performance triggers supplemental
5 inspection, that will determine how much inspection, not the
6 number of inspectors assigned to the Resident Inspectors
7 Offices.

8 That would, for example, mean that if we were in a
9 position at a site where the rotations have not led to
10 having people leave the site, those inspectors may perform
11 inspections at other sites.

12 You also have the situation where there would be
13 fewer Region-based inspections at that site. And so at the
14 end of the year as we come back and speak to you next year,
15 hopefully you will see a profile of inspection activity that
16 matches what the baseline and the supplemental procedures
17 and the Action Matrix would call for, not how many
18 inspectors we have assigned to a particular site.

19 COMMISSIONER MCGAFFIGAN: Just to go to next year
20 -- and I'm focused on Slide 6 in the Action Matrix that I
21 have in front of me -- has there ever been an Action Matrix
22 Column 5, Plant, a named-5 plant in the history of the
23 Agency?

24 You all have a lot more history than I do, but has
25 there ever been a plant that if this were in place, or --

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1 where whatever process you used in the past -- we've never
2 ordered a plant down; have we?

3 MR. ZIMMERMAN: Yes.

4 COMMISSIONER MCGAFFIGAN: Have we? Okay, which
5 was?

6 MR. ZIMMERMAN: Peach Bottom.

7 COMMISSIONER MCGAFFIGAN: Beach Bottom with the
8 sleeping operators? So that would be a named-5 plant, okay.

9 The other Action Matrix columns, again, it strikes
10 me that what you're proposing next year on Slide 6 is to
11 only discuss AM-4 and AM-5, Action Matrix Column 4 and
12 Column 5.

13 Column 3 plants are plants that are in some
14 significant difficulty. The Regional Administrator is going
15 to have a public meeting with the plants to discuss -- with
16 the licensee -- to discuss performance, et cetera.

17 Why not highlight the Column 3 plants next year as
18 well as the Column 4? What is the thought process for only
19 discussing the Column 4 and Column 5 plants?

20 MR. ZIMMERMAN: The rationale for that was looking
21 at where to draw a breakpoint. Obviously, if the
22 Commission's view is that there is an interest in moving
23 that down a column, then obviously that's what the Staff
24 will do.

25 But our thought process was that those items that
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1 we felt required the direct attention or involvement of the
2 EDO and/or the Commission was where to draw the -- where we
3 want to draw that line.

4 DR. TRAVERS: Well, the other thing is, the
5 expectation of that meeting is that it's likely or hoped to
6 be a reaffirmation of actions we've already taken in real
7 time.

8 As we've looked at performance, as we've engaged
9 licensees in the manner described here, which is rather --

10 COMMISSIONER MCGAFFIGAN: When will the first time
11 columns will be assigned to plants? I mean, you're in this
12 transition. You're going to basically be taking actions
13 according to this Action Matrix and it's going to be
14 self-revealing, what column a plant is in, right?

15 MR. ZIMMERMAN: Right.

16 COMMISSIONER MCGAFFIGAN: I mean, there are
17 performance indicators are all green and they have all green
18 inspection findings, they're in Column 1; if they have some
19 white findings, or indicators, they're in Column 2, and
20 depending on many more, they're in Column 3.

21 DR. TRAVERS: But it's the actions, I think, that
22 are going to -- it's the regulatory actions that result that
23 are going to be most self-revealing about where we are in
24 this scheme.

25 And so, you know, we're certainly not looking to
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1 generate new labels; in fact, we're looking forward to
2 getting rid of the ones that we have right now, the Agency
3 focus, routine, and Regional.

4 COMMISSIONER MCGAFFIGAN: But you have Action
5 Matrix Columns 1, 2, 3, 4, and 5.

6 DR. TRAVERS: Well, someone could do it, and I
7 agree with you, but the key aspect that we look at on this
8 to preserve is an identified set of Agency reactions to
9 performance issues.

10 And it's the actions that will allow anyone --
11 hopefully anyone -- to see where the Agency is in connection
12 with this response to the degraded performance, which we

13 hope we don't see.

14 MR. ZIMMERMAN: The point that Bill made, I think
15 is also very important; that the Agency action review is to
16 see whether we think that what we have done up until that
17 point needs to be amplified. Did we come out in the right
18 place?

19 And hopefully we're going to affirm the decisions
20 that have been made, but we're going to re-look at it to
21 make sure.

22 But during the quarterly meetings that the Regions
23 have during the mid-cycle reviews, those are the places
24 where plants can vary between columns, based on the results
25 of a review of the performance indicator data and the

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1 inspection results.

2 And the actions will be taken at that time.

3 COMMISSIONER MCGAFFIGAN: The last question really
4 relates to this line. Why have a May meeting if we're going
5 to get a report in June?

6 I mean, if everything is going to be more or less
7 self-revealing, and what you said, I think, in your
8 comments, was that we would -- you would initially give us
9 this assessment as to where things stand in the initial
10 implementation at the May meeting, and then we'd get a
11 report in June.

12 Our thought was that we'd also want that panel to
13 testify at that briefing and give us their view as to how
14 things went as well. I would think for purposes of
15 efficiency rather than having one meeting in May and one
16 meeting in June or a meeting in May with paper to follow,
17 better to have the meeting in June with paper to proceed or
18 I don't know --

19 DR. TRAVERS: We could certainly consider that,
20 Commissioner McGaffigan.

21 MR. ZIMMERMAN: We definitely can. I think what
22 we want to do is make the May meeting as effective and
23 efficient as we can and what information we have from our
24 lessons learned review at that point in time, the
25 opportunity is there to be able to share it and discuss it

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1 so that it may flow well as a result of discussions on the
2 facilities, the industry trends and so forth.

3 As it moves closer, if it looks like we are better
4 off having a separate meeting in the June timeframe I think
5 we can engage the Commission with that recommendation as
6 that timeframe gets closer.

7 CHAIRMAN MESERVE: I do think the meetings serve a
8 somewhat different purpose in that the May meeting, like
9 this one, would focus on plants whereas the proposed June

10 meeting would be more what modifications should we make --

11 COMMISSIONER MCGAFFIGAN: They want to do that all
12 in May. As I understood the presentation, Slide 6, they
13 intend in May to discuss the results of the Oversight
14 Process self-assessment, so they're wrapping it all up into
15 May and we were going to get a report in June, and I was
16 suggesting --

17 MR. ZIMMERMAN: Sure --

18 COMMISSIONER MCGAFFIGAN: --we could have two
19 meetings and break it out and have a May meeting that is
20 just on the results and the June meeting on the assessment,
21 or if they want to wrap it all together postpone it a month
22 is all I am saying.

23 MR. ZIMMERMAN: Yes, we can either postpone it
24 entirely if we want to lay a little groundwork with more to
25 follow. We can do a honorable mention at the May meeting

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1 and give more detail in June, but I think your point is a
2 good one.

3 COMMISSIONER MCGAFFIGAN: Okay.

4 CHAIRMAN MESERVE: Commissioner Merrifield.

5 COMMISSIONER MERRIFIELD: My first question is a
6 follow-up to Commissioner McGaffigan's line of questions.

7 As it results in the Action Matrix, the
8 performance indicators will be available, what, quarterly?

9 MR. ZIMMERMAN: Quarterly.

10 COMMISSIONER MERRIFIELD: So what you take as a
11 result of the Action Matrix isn't sort of a one-year
12 snapshot, what we are used to now. I mean this is
13 really four times a year we are going to have activities
14 associated with that Action Matrix.

15 MR. ZIMMERMAN: More continuous.

16 COMMISSIONER MERRIFIELD: Okay. There might be
17 some clarity there.

18 I want to ask a question about D.C. Cook, and I
19 know Mr. Dyer had some degree of commenting on that.

20 It seems to me a lot of what happened at D.C. Cook
21 was the result of activities undertaken or not undertaken by
22 the licensee over a long period of time. It sort of brought
23 them to the level of performance and then digging out from
24 that.

25 We have recently set aside the CAL, and as you

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1 mentioned, they are getting to the point of being ready to
2 restart one of the units.

3 Taking a look at the activities of the licensee
4 now, setting aside the previous shutdown and the previous
5 CAL, are they doing the right things and do you think that

6 their program is healthy?

7 DR. DYER: Yes. As I said, I think essentially
8 since the last Senior Management Meeting and when they
9 revamped and revised their Restart Action Plan in March of
10 1999 that the American Electric Power team and the effort
11 they have undertaken has been a very healthy and thorough
12 review.

13 The NRC has not, in our role in the 0350 process,
14 has not had to turn back any activities that they did.
15 Prior to that, there was through the system readiness
16 reviews and that, there was a number of issues that they
17 said were ready for an inspection and we would go in and
18 find problems. Since March of 1999, that has not happened,
19 so it has been very thorough -- and we have just completed a
20 restart inspection -- the restart readiness inspection
21 exited this Monday -- and again there was problems that were
22 found but they were not of the level -- when the licensee
23 said that they were ready for restart they had done their
24 homework and it was a good effort.

25 COMMISSIONER MERRIFIELD: Obviously they are not
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1 going to be part of the new program yet -- until they get
2 both units up and operating -- but looking toward the
3 future, what criteria and timing will the Staff be using in
4 making that transition of D.C. Cook to the new oversight
5 process?

6 DR. DYER: Officially, Commissioner, as part of
7 our restart transition -- our transition plan to the new
8 process -- they will transition to the new process upon Unit
9 2 restart, and Unit 1, subsequently on Unit 1 restart. Then
10 they are transitioning with no performance indicators. They
11 have no operating history, so what we have done, and our
12 approach has been to say they have transitioned a new
13 program. Any findings that we would have we would run
14 through the SDP and the Action Matrix for our process, but
15 we have also identified additional inspection activities to
16 supplement the fact that we don't have performance
17 indicators, so that is our transition plan strategy with the
18 plant.

19 The 0350 panel is going to maintain its oversight,
20 so as they build up performance indicators and we get them,
21 we can remove the inspection and transition fully to the
22 oversight process.

23 COMMISSIONER MERRIFIELD: In terms of the
24 performance indicators you said that they didn't have any
25 performance. Obviously, they did, but performance that

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1 would be valid for the use of the Performance Indicator
2 Program.

3 DR. DYER: Yes, sir.

4 COMMISSIONER MERRIFIELD: What is the time period
5 before there is a sufficient amount of information available
6 that would allow us to receive a series of performance
7 indicators on D.C. Cook, assuming restart let's say in --
8 well, I don't want to set a date -- some time in 2000.

9 DR. DYER: We would get the first set one quarter
10 later. I mean nominally I would guess six months. We would
11 have a buildup of two quarters and sufficient hours that we
12 would have a representative sample, I believe, but again
13 that is what the 0350 panel is going to be maintained and we
14 are going to cut and it will be a judgment decision as we --
15 it depends on how they operate, whether they achieve full
16 power, they have a protracted restart, if they are on and
17 off the grid. We just don't know.

18 COMMISSIONER MERRIFIELD: Okay. Mr. Miller, you
19 had some level of detail talking about Millstone. I'd ask
20 sort of the same kind of question to you.

21 Boiling it all down, are they doing a good job
22 now?

23 MR. MILLER: A very solid job.

24 COMMISSIONER MERRIFIELD: Very solid job.

25 MR. MILLER: Yes.

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1 COMMISSIONER MERRIFIELD: Okay. Relative to
2 Indian Point 2, obviously you noted that there are broad
3 performance issues that have been involved with that site
4 over several years, which have revealed problems with their
5 Corrective Action Program.

6 Were the problems and root causes associated with
7 the two events that you have discussed evident to our
8 inspectors in the plant's day-to-day operations? Were
9 those -- did we see some of this coming in terms of some of
10 the root cause issues?

11 MR. MILLER: I believe the answer is yes.

12 I mean I think as the Commission is aware we have
13 been focused from the region on Indian Point 2 for several
14 years, and there had been a number of assessments in fact
15 done by the licensee as well as by us that have brought to
16 light the kinds of issues that stood out again in these
17 events.

18 As I mentioned in my presentation, they have made
19 some steps and some progress in dealing with those but I
20 think the events tell us that the progress has been, you
21 know, limited and that continued attention is needed.

22 COMMISSIONER MERRIFIELD: Do you feel comfortable
23 that our new Inspection and Oversight Process, including the
24 new Action Matrix, will provide us with an opportunity for

25 identifying situations like IP-2 in the future?

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1 MR. MILLER: I believe it will. I know that the
2 proof will be in the testing of the program as we implement
3 it over the next year or two years, but I think all of us
4 believe that it will.

5 COMMISSIONER MERRIFIELD: Okay. Mr. Kane, we
6 obviously went pretty quickly through your one slide of
7 "none" --

8 [Laughter.]

9 COMMISSIONER MERRIFIELD: These meetings have a
10 tendency of focusing for the most part on the reactors.

11 However, the Senior Management Meetings do spend
12 some degree of time talking about the various licensees.

13 It might be helpful perhaps, certainly for me and
14 perhaps for our audience as well, to get some kind of a feel
15 for the nature of the facilities that you discuss in
16 those -- what falls under the type of facilities that you
17 discuss at the Senior Management Meeting, and what led you
18 to the conclusion that you had the comfort level you have in
19 order to have your "none."

20 MR. KANE: I think to start out with, and I can
21 certainly ask the Regional Administrators to supplement my
22 comments, but we principally start out with the fuel cycle
23 facilities, those that are the subject of a periodic -- what
24 we call a license performance review, which is conducted
25 periodically.

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1 We look at all of the performance data as well as
2 really all of the information related to the allegations,
3 investigations, performance issues, and we roll those up
4 periodically and then we make decisions about the inspection
5 program based on that review.

6 Those are discussed at the annual meetings that
7 precede these meetings.

8 COMMISSIONER MERRIFIELD: So that would be the two
9 gaseous diffusion facilities --

10 MR. KANE: Portsmouth and Padukah.

11 COMMISSIONER MERRIFIELD: -- as well as the seven
12 other fuel facilities?

13 MR. KANE: Right.

14 COMMISSIONER MERRIFIELD: Do you also discuss
15 Allied Signal or Honeywell, I guess at the meetings?

16 MR. KANE: Yes. Yes, we do, and we also look
17 beyond that. Those I would say would take up the primary
18 discussion facilities. We also look beyond those to other
19 licensed facilities to see if there are any that would merit
20 special attention based on performance.

21 COMMISSIONER MERRIFIELD: So you also look at the

22 30 plus non-power reactors?

23 MR. KANE: No, those would be with NRR. That is
24 in their -- we don't have those under the NMSS program.

25 COMMISSIONER MERRIFIELD: Okay.

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1 MR. ZIMMERMAN: Nor are they discussed in the
2 Senior Management Meeting.

3 COMMISSIONER MERRIFIELD: Oh, they aren't? Oh,
4 okay.

5 MR. KANE: So following those meetings, we would
6 then determine whether there are any facilities that would
7 merit special discussion at the Senior Management Meeting.

8 Of course, like NRR if any activities involving
9 any of the facilities merit special attention we do that
10 right away.

11 MR. ZIMMERMAN: If I can amplify the comment on
12 non-power reactors, although we don't and we don't have any
13 issues currently that would warrant discussion, if in fact
14 we found that we did have that type of a situation and we
15 wanted to engage the Senior Managers in discussion, we would
16 take advantage of that opportunity, but whatever action we
17 felt was appropriate we should have taken earlier in the
18 year and just be reviewing it during that session.

19 COMMISSIONER MERRIFIELD: Okay, so if there were
20 issues you were concerned about, you would indeed raise
21 those and address those in that meeting?

22 MR. ZIMMERMAN: Yes, if they rose to that level.

23 COMMISSIONER MERRIFIELD: If you didn't have any
24 concerns -- thank you. I didn't want to leave any ambiguity
25 about non-power reactors, that we are comfortable with the

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1 level of performance of non-power reactors.

2 MR. ZIMMERMAN: Right. That's correct.

3 COMMISSIONER MERRIFIELD: Thank you.

4 CHAIRMAN MESERVE: Thank you. Mr. Dyer, I would
5 like to just follow up with a question Commissioner
6 Merrifield asked and make sure that I am on the same page as
7 the Staff is on this.

8 If D.C. Cook is able to successfully restart in
9 the near future, do you anticipate that by next Spring
10 you'll have significant duration of experience with them in
11 the Revised Oversight Program that they will be treated like
12 other plants, or will we still be in a transition phase with
13 D.C. Cook next year?

14 DR. DYER: Mr. Chairman, I believe that if they
15 meet their current schedule, which is Unit II very soon this
16 summer, and Unit I later this fall, by next spring we'll
17 have at least six months of operating data on it.

18 I base my experience largely on Clinton. Clinton
19 started up at the end of May, was online June 2nd of last
20 year.

21 And when we received the performance indicator
22 data for Clinton through the end of the year, we felt very
23 comfortable in looking at the performance indicator data,
24 and being able to assess their performance with our
25 inspections in conjunction with that.

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1 So, based on that, that experience with Clinton, I
2 would feel very comfortable, I believe, that by next March
3 -- by next spring, when we go into the cycle, if all the
4 schedules are met and there is a successful startup, we
5 would have sufficient information.

6 CHAIRMAN MESERVE: Mr. Kane, I'd like to follow up
7 as well on another question that Commissioner Merrifield
8 asked. With regard to the materials facilities, as you
9 indicated, we do not yet have a Revised Oversight Program
10 that is anything like the one we now have for reactors.

11 And we don't have anything like the Action Matrix
12 is yet established. I understand that all of that is a
13 work-in-progress at the moment.

14 For this year, therefore, what criteria have you
15 used to decide what plants you should bring to our
16 attention?

17 I recognize that there aren't any, but I just
18 wondered what threshold had to be overcome?

19 MR. KANE: Well, again, we look to whether there
20 is any activity that is needed for the facility that would
21 require a special Agency attention, a call for Agency
22 resources beyond that which we can accommodate with our
23 normal program. That would be --

24 And, again, in making that determination, we look
25 at performance, we look at our periodic licensee performance

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1 reviews to see if there is any underlying issue in there
2 that has caused us to raise our activity to a substantially
3 higher level that would, using the words, Agency focus --

4 CHAIRMAN MESERVE: Would that include Regional
5 focus as well?

6 MR. KANE: And Regional focus. That would be the
7 criteria that we would use to bring them to discussion at
8 the --

9 CHAIRMAN MESERVE: And is that the criteria you
10 intend to use next year as well?

11 MR. KANE: I think in that transition,
12 unfortunately, we are going to have to continue pretty much
13 with that process until we're able to review with the
14 Commission to complete our program, our oversight program,

15 and then to engage the Commission for their support to --
16 for your support to implement this program.

17 And I might say that I believe, based on
18 experience to date, we would be able to -- of course, it's
19 not going to look exactly the same, but I think the key
20 elements of use of performance indicators, the use of an
21 Action Matrix, the use of a significance determination
22 process, all of those elements can be used to develop such a
23 program.

24 I'm optimistic that we can move along and put that
25 program into place and then have a process that's very

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1 similar to the one that NRR is using for reactors.

2 CHAIRMAN MESERVE: Thank you very much. Let me
3 turn to my colleagues to see if they have any other
4 questions.

5 COMMISSIONER DIAZ: Yes, I have one. It's a
6 comment and a question. In the last two weeks, I had a few
7 stakeholders, and last week the CRPCD, the Conference of
8 Radiation Protection Control Directors, in which several
9 people expressed the concern that we might be sending the
10 wrong signal to the public with the oversight program and
11 the way that we are showing the indicators and the greens.

12 And I was cornered in a few places, and people
13 keep telling me, what does this means? And so maybe when we
14 get to the Regions, each one of you can think about it, but
15 I'd like to hear from Mr. Zimmerman, are we really, like the
16 Commission has insisted, trying to be very, very good at,
17 you know, establishing what does it mean?

18 It's not -- I mean, people can see it, but what is
19 the meaning of, you know, our Action Matrix? What is the
20 meaning of the green?

21 I mean, people are seeing, green, green, and a few
22 whites, and it -- I'm going to quote, the wrong signal is
23 being sent to the public. So that's an issue that concerns
24 me.

25 MR. ZIMMERMAN: I look at it as a matter of the

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1 challenge of communication in this area. It's a significant
2 delta from what we've done in the past, that raises the
3 challenge on communicating frequently and clearly, so that
4 those that we speak to, both internally and externally,
5 understand this new process.

6 And it's going to take us time. And when we go
7 out in different forums and have dialogue, we recognize the
8 fact that we're not there yet. There are those that still
9 will feel that green is good.

10 Both from a domestic and international aspect we

11 continue to dialogue to ensure that green doesn't mean good;
12 green addresses the fact that there is a problem. It may be
13 low in risk-significance, but it's not good.

14 So we need to continue to bring that feedback in,
15 and continue to work to communicate with all of our
16 stakeholders, internally and externally, on this point.

17 Beyond the mindset that green can give a
18 connotation of everything being a-okay, so it requires
19 additional focus on that aspect, and it requires some
20 repetition also for it to be able to stick for the long
21 term.

22 We have to do that again, both internally and
23 externally, and we have to continue with our aggressive
24 communications plan for the whole reactor oversight process.
25 And that's why we have these meetings that Dr. Travers

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1 mentioned earlier, about going back out to the sites to
2 describe the oversight process, and to do it in a plain
3 English way, so that it's understood; to make ourselves
4 available for questions.

5 We also need to recognize that we're in initial
6 implementation. We're not in final implementation.

7 There will be changes that we expect. We're going
8 to learn from this, so we need to get the benefit of
9 stakeholder comments, not only to educate them, but to bring
10 their comments back and look for what modifications are
11 appropriate to make in the process.

12 COMMISSIONER DIAZ: Would you say that using old
13 words, which would probably resurrect -- because we're good
14 at doing that -- that the issue of clearly communicating to
15 the public, the meaning of the oversight process, is an
16 issue that is an Agency focus issue, and there is a group
17 that looks at it, you know, systematically?

18 MR. ZIMMERMAN: Yes, yes.

19 COMMISSIONER DIAZ: All right, thank you so much.
20 The last item, very quickly, is almost an issue of
21 nostalgia, is that Commissioner McGaffigan and I, in early
22 1997, threatened to march into a Senior Management Meeting.
23 And there was all kinds of problems with that.

24 It seems like we will never have that opportunity
25 to do that. But since we have a long memory, we'd like to

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1 see one time we could get a Senior Management reception
2 conference, something that we can march into you and give
3 you as much as pain as we give everybody else.

4 [Laughter.]

5 DR. TRAVERS: We'll look forward to that.

6 CHAIRMAN MESERVE: Commissioner McGaffigan had
7 another question.

8 COMMISSIONER MCGAFFIGAN: I am still trying to
9 understand next year in the Action Matrix, and it -- so I'm
10 one of the people on the learning curve as well.

11 Is it the intent that these public assessment
12 meetings that are talked about in the Action Matrix occur
13 only after the main meeting or June meeting, whatever
14 meeting we have, or are these routine meetings that as soon
15 as you wrap things up at the end of the fourth quarter,
16 which would be around April 1st, you'd start fanning people
17 out to have their meetings? Regional Administrators would
18 have them with the Regional -- with the Column 3 plants; the
19 Senior Residents with the Column 1 plants?

20 When do these meetings occur?

21 MR. ZIMMERMAN: I'll comment first, and then if
22 any of the Regional Administrators want to add or clarify --
23

24 At a minimum, there will be a meeting end of
25 cycle, shortly after end of cycle, to go over the results of

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1 that review.

2 COMMISSIONER MCGAFFIGAN: So in late April or
3 sometime in April, at a minimum?

4 MR. ZIMMERMAN: In that timeframe. If there are
5 plant safety issues that occur, then there will be other
6 meetings with appropriate representation from Regional
7 management, Headquarters management, as appropriate, in real
8 time, to address those safety issues throughout the year.

9 In addition, the quarterly review and mid-level
10 reviews that are done, there is written correspondence.
11 Again, at a minimum, that goes back and forth, and that
12 influences our inspection planning efforts with that
13 utility.

14 But if there is a need for a meeting to discuss a
15 safety issue, we're going to do that in real time.

16 DR. TRAVERS: The expectation of even the Agency
17 Action Review, whatever the meeting is called, is that it
18 won't result in anything new.

19 COMMISSIONER MCGAFFIGAN: Right, that's my
20 expectation. Otherwise, you guys would be sending us
21 reports --

22 DR. TRAVERS: And that really is fundamentally the
23 vector we're on, to lay this thing out in a way that results
24 --

25 COMMISSIONER MCGAFFIGAN: If I'm a member of the

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1 public, do I have -- in order to figure out where a plant
2 is, other than -- and knowing that there are delays in
3 inspection findings because the significance determination

4 process is a little complicated, how do I follow where we
5 think that plant is?

6 Do I have to look at that quarterly correspondence
7 and see if you're asking them to document their response in
8 a degraded area, in order to find out whether they're in
9 Column 2? What do I --

10 MR. ZIMMERMAN: I think there is probably a
11 variety of mechanisms. There are the face-to-face meetings
12 that can get into that discussion, that can address where on
13 the Action Matrix that facility is.

14 There's written correspondence that can occur
15 during the year.

16 COMMISSIONER MCGAFFIGAN: The face-to-face, the
17 public won't see, will it?

18 MR. ZIMMERMAN: There will be public meetings.

19 COMMISSIONER MCGAFFIGAN: They will be public
20 meetings?

21 MR. ZIMMERMAN: Public meetings.

22 COMMISSIONER MCGAFFIGAN: Okay.

23 MR. ZIMMERMAN: Also, we have the website, and the
24 feedback that we get is that it's pretty user-friendly.
25 There is the ability to click on the plant, and be able to

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1 identify not only the performance indicator cornerstone
2 status, but also the inspection report.

3 COMMISSIONER MCGAFFIGAN: Next year, if Indian
4 Point had happened in March of next year, rather than March
5 of this year, and you had -- I mean, it takes awhile for an
6 inspection finding to go through the process and the
7 significance determination -- you wouldn't necessarily have
8 a white or yellow finding, whatever that would have proven
9 to be in the -- in time for that quarter's rollup.

10 How do you handle the fact that inspection
11 findings take awhile in the new process?

12 They take a while to be documented and blessed by
13 the --

14 MR. MILLER: I think that will be one of the
15 challenges of the new program are really, and we had a
16 little bit of that in this case.

17 Maybe I didn't give a complete answer to
18 Commissioner Merrifield earlier.

19 As Bill Travers mentioned in the meeting, in this
20 meeting for example while we made decisions regarding Indian
21 Point 2, in terms of the information we had on the events
22 using the criteria that were established for this meeting we
23 did take into account the information that is available from
24 the licensee, in fact in their performance indicators this
25 time plus information that is available from the assessments

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1 that were done on the August event and that were provided to
2 the Commission in connection with the program and looked at
3 those and were able to discuss those and bring those into
4 the discussion.

5 I think Roy's point earlier about as things
6 develop, if they are of great, of sufficient significance we
7 really won't pause to take actions where we think they are
8 needed.

9 COMMISSIONER MCGAFFIGAN: Have you looked at the
10 two Indian Point events and applied the significance
11 determination process to them to see whether they would have
12 generated white or yellow inspection findings?

13 MR. MILLER: Well, we were not able to go through
14 a full vetting of the process in the way that we would do
15 normally but, as I mentioned, the licensee in their most
16 recent indicators indicated a yellow finding or a yellow
17 indicator on the recent February event.

18 A similar kind of assessment was done in
19 connection with the August even and that was supplied in
20 connection with the Commission paper that was sent up on the
21 new program, and we took account of that in our discussions,
22 those degraded cornerstones.

23 COMMISSIONER MCGAFFIGAN: Sounds like there's lots
24 of challenges with the new process --

25 MR. MILLER: As always.

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1 COMMISSIONER MCGAFFIGAN: -- and communications.

2 MR. MILLER: Primarily in the communication area.

3 CHAIRMAN MESERVE: Any further comments or
4 questions?

5 COMMISSIONER MERRIFIELD: Yes. I just want to
6 make a quick comment on that, relative to the discussion,
7 the line of questioning that Commissioner Diaz had about
8 reactions we have been getting on the new program.

9 A lot of people are focusing on the indicators and
10 the color bands and are forgetting I think two things.

11 Relative to the bands themselves, it is not merely
12 colors, but many of those performance indicators also
13 have -- chart trends.

14 Because of the numbers you can indeed see, and
15 having reviewed them, you can see trending on these charts.

16 MR. ZIMMERMAN: Yes, right.

17 COMMISSIONER MERRIFIELD: So it is not merely a
18 color. It is also a bar.

19 The other portion is people forget we have, you
20 know, a vibrant risk-informed inspection program in this,
21 and some people seem to be thinking all we have is a bunch
22 of color -- you know, these color indicators and that's it,

23 that's all we do, when in fact we have a very vigorous
24 inspection program that is risk-informed that backs that up,
25 so I know I have had similar discussions to Commissioner

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1 Diaz.

2 I think it is because it is new we are getting a
3 lot of questions at this point and perhaps by this time next
4 year we will have a greater comfort level among our
5 stakeholders and our international counterparts, but those
6 are things certainly I think we all need to reflect on.

7 Thank you, Mr. Chairman.

8 MR. ZIMMERMAN: That's exactly right.

9 CHAIRMAN MESERVE: Good.

10 I would like to thank the Staff for a very helpful
11 and informative briefing.

12 This meeting really is the capstone of a
13 singularly significant function, central function of this
14 Agency, which is inspection and oversight of nuclear plants.

15 This is really what the public sees as our central
16 purpose and function and fortunately we are in a situation
17 where, as Dr. Travers indicated at the outset, that we are
18 in an era where for the most part we are seeing improved
19 performance in our plants and we are therefore able to focus
20 our attention today on just the few.

21 This was extraordinarily helpful and a very
22 important activity, and I would like to thank you all.

23 With that, we are adjourned.

24 [Whereupon, at 9:51 a.m., the hearing was
25 concluded.]