January 25, 2000

MEMORANDUM TO: Hubert J. Miller, Regional Administrator, RI
Luis A. Reyes, Regional Administrator, RII
James E. Dyer, Regional Administrator, RIII
Ellis W. Merschoff, Regional Administrator, RIV

FROM: Samuel J. Collins, Director original /s/ by
Office of Nuclear Reactor Regulation

SUBJECT: GUIDANCE FOR FEBRUARY 2000 PLANT PERFORMANCE REVIEWS

The final phase of the current assessment process will occur early this year as we transition into the revised reactor oversight process. This will include the last round of Plant Performance Reviews (PPRs) in each of the regions, followed by screening meetings in headquarters, and the final Senior Management Meeting (SMM) to be conducted in Region I. Simultaneously, the pilot plants from the revised reactor oversight process will be assessed under the new program, culminating in the Agency Action Review Meeting, which will be integrated with the SMM.

Attachment 1 provides a summary of the performance assessment transition plan, illustrating the transition from the current assessment process into the revised reactor oversight process for both the pilot and non-pilot plants. The activities for the non-pilot plants are stipulated in the left-hand column and the parallel activities for the pilot plants appear in the right-hand column. Common activities (i.e., the SMM and the Commission Briefing) are spread across both columns. This summary was discussed during a September 21, 1999, DRP Counterpart meeting and has been revised to reflect the recommendations made during that meeting.

Attachment 2 contains more detailed implementation guidance for the February 2000 PPRs. Feedback and lessons learned from various stakeholders as a result of the Spring 1999 performance assessment processes were shared with you as an attachment to my memorandum dated August 5, 1999, and have been incorporated into this guidance. This guidance should be used in place of IMC 0304, “Plant Performance Review,” for this final round of PPRs. Future assessment activities will be governed by IMC 0305, “Operating Reactor Assessment Program,” under the revised reactor oversight process. Attachment 3 provides a template of the PPR summary used to document the results of the PPR meetings. A template of the letter that will be used to communicate the PPR results to licensees and the public is provided as Attachment 4 and a sample PPR letter is provided as Attachment 5.

CONTACT: Ron Frahm, NRR/IIPB
301-415-2986, Email: RKF

Detailed guidance for the May 2000 SMM preparations, including the screening meetings, will be provided to the regions and other internal stakeholders in February 2000. We anticipate that the PPR summaries resulting from the PPR meetings will constitute the majority of the input for the screening meetings.

cc: R. Blough, RI
W. Lanning, RI
B. Boger, NRR
B. Sheron, NRR
V. Dricks, OPA
W. Kane, NMSS
L. Plisco, RII
C. Casto, RII
J. Johnson, NRR
S. Black, NRR
W. Beecher, OPA
W. Borchardt, OE
G. Grant, RIII
J. Grobe, RIII
J. Zwolinski, NRR
F. Miraglia, OEDO
A. Thadani, RES
G. Caputo, OI
K. Brockman, RIV
A. Howell, RIV
E. Baker, NRR
M. Tschiltz, OEDO
J. Rosenthal, RES
P. Lohaus, OSP

Detailed guidance for the May 2000 SMM preparations, including the screening meetings, will be provided to the regions and other internal stakeholders in February 2000. We anticipate that the PPR summaries resulting from the PPR meetings will constitute the majority of the input for the screening meetings.

cc: R. Blough, RI
W. Lanning, RI
B. Boger, NRR
B. Sheron, NRR
V. Dricks, OPA
W. Kane, NMSS
L. Plisco, RII
C. Casto, RII
J. Johnson, NRR
S. Black, NRR
W. Beecher, OPA
W. Borchardt, OE
G. Grant, RIII
J. Grobe, RIII
J. Zwolinski, NRR
F. Miraglia, OEDO
A. Thadani, RES
G. Caputo, OI
K. Brockman, RIV
A. Howell, RIV
E. Baker, NRR
M. Tschiltz, OEDO
J. Rosenthal, RES
P. Lohaus, OSP

Distribution:
PUBLIC
Central Files
IIPB R/F
DIPM R/F
NRR mail room

DOCUMENT NAME: G:\IPB\ASSESSMENT\PPR2000GUIDANCE2.WPD

* See previous concurrence.

To receive a copy of this document, indicate in the box: "C" = Copy without enclosures "E" = Copy with enclosures "N" = No copy Accession #ML003676457 JJohnson 1/23/00

OFFICE	IIPB:DIPM		IIPB:DIPM		IIPB:DIPM		DIPM:NRR		D:NRR	
NAME	RKFrahm *		MRJohnson *		WMDean *		BABoger *		SJCollins	
DATE	1/10/00		1/12/00		1/13/00		1/18/00		1/25/00	

OFFICIAL RECORD COPY

PERFORMANCE ASSESSMENT TRANSITION PLAN

<table>
<tr><th>NON-PILOT PLANTS</th><th>PILOT PLANTS</th></tr>
<tr><td>PIs from licensees (Jan 21)
- non-pilot licensees submit historical PI data through December 31, 1999</td><td>PIs from licensees (Jan 21)
- Dec 1999 PI data from pilot plants completes the 99Q4 data (last monthly submittal from pilot plants)</td></tr>
<tr><td>PPRs (Feb 14 - Mar 3) in regions
- use PIM findings (Feb 1, 1999 - Jan 31, 2000) and licensee-submitted PI data to determine allocation of resources
- prepare 2-3 page PPR summary for each plant, emphasizing areas of concern (with examples) by strategic performance area, with optional paragraphs on substantial cross-cutting issues
(no discussion of strengths)
- based on performance, determine which plants warrant focused inspections (evaluate if covered in baseline, and if not, use the supplemental program). In rare instances, it may be necessary to use pertinent elements of the “old” regional initiative program
- develop 12-month inspection plans (April 2, 2000 - March 31, 2001) with caveat that 2nd half is tentative and may be adjusted in the future (noted in the PPR letter)</td><td rowspan="2">Quarterly Review (by Jan 28) in regions
- review 99Q4 (through Dec 1999) PI data and PIM findings to determine any adjustments needed to inspection plan or allocation of resources
- the assessment program guidance for the revised reactor oversight process is contained in IMC 0305</td></tr>
<tr><td>Screening meetings (Mar 13 - 24) at HQ
- submit PPR summaries (2 weeks prior to screening meeting), for ALL non-pilot plants
- submit proposed list of plants warranting further discussion at the screening meeting
- plants to be discussed include:
(1) plants warranting heightened review (based on threshold similar to new assessment process and at the discretion of the RA)
(2) existing SMM agency or regional focus plants (Millstone 2&3, D.C. Cook, and Clinton)
(3) other plants as requested by ancillary offices (NRR, OE, OI, RES, etc.), who would lead discussion, prepare supporting documentation, and coordinate through regions and program office prior to screening meeting</td></tr>
</table>

<table>
<tr><th>NON-PILOT PLANTS</th><th>PILOT PLANTS</th></tr>
<tr><td>PPR Letters (Mar 31)
- issued following the screening meetings
- include assessment summary by strategic performance area (noting shift to revised oversight process) in cover letter emphasizing only those areas of significant concern (including substantive examples)
- if applicable, include optional paragraphs on substantial cross-cutting issues
- no discussion of strengths
- attach PIM and inspection plan</td><td>Assessment Followup Letters (by Feb 11 - as necessary)
- issue assessment followup letters to any pilot plants who crossed PI or inspection finding safety significance thresholds with NRC plans/ allocation of resources to address the issues</td></tr>
<tr><td colspan="2">PIs from licensees (Apr 14)
- 2000Q1 PI data from ALL plants (first quarterly PI submittal)</td></tr>
<tr><td>SMM Preparation (inputs by Apr 14)
- prepare SMM packages for plants being forwarded, including PPR summaries, the latest PIM and PI data, inspection plans, and evaluation matrices (i.e., removal matrices, pro/con charts)</td><td>End-of-Cycle Review (by Apr 28) in regions - complete annual review of PIs and PIM findings from 6/1/99 including evaluation of substantial cross-cutting issues (to determine allocation of resources)
- develop inspection plan through 3/31/2001</td></tr>
<tr><td colspan="2">SMM (tentatively May 10-11) in Region 1
(a.k.a. Agency Action Review Meeting)
- similar to last year’s SMM, consistent with the process changes noted in SECY-99-086
- confirmation of planned and completed actions using evaluation matrices
- non-pilot plants (new plants forwarded to SMM for review and existing SMM plants)
- pilot plants forwarded based on the action matrix (multiple/ repetitive degraded cornerstones)</td></tr>
<tr><td>Post-SMM Letters (May 30 - as necessary)
- issue docketed correspondence as a result of the SMM when the agency’s intended actions are different from those conveyed in previous correspondence (PPR letters)
- issue letters to existing SMM plants to notify them of the end of SMM process and implications</td><td>Annual Assessment Letters (by May 15)
- include assessment summary (with discussion of all crossed PI or inspection finding thresholds and substantial cross-cutting issues) and planned NRC actions
- attach PIM and inspection plan
- reference to PIs on web</td></tr>
<tr><td colspan="2">Commission Briefing (tentatively May 26)
- similar to the briefing following last year’s SMM, consistent with SECY-99-086
- discussion of plants warranting agency-level action (non-pilot or pilot plants) or action different from that conveyed in the PPR letters
- disposition of existing SMM plants</td></tr>
<tr><td>Public Meetings (March 31 - July 31)
- necessary meetings for the non-pilot plants (if not conducted within the past 2 years) should be conducted within 16 weeks of issuance of PPR letters (by July 31)</td><td>Public Meetings (May 15 - July 21)
- public meetings for ALL pilot plants within 16 weeks of the end of the assessment cycle (after the issuance of the annual assessment letters)</td></tr>
</table>

FEBRUARY 2000 PPR IMPLEMENTATION GUIDANCE

I. Policy/Scope

The purpose of this attachment is to provide guidance for the February 2000 Plant Performance Reviews (PPRs), the final round of PPRs as we transition into the revised reactor oversight process (RROP). This PPR guidance should be used in place of IMC 0304, "Plant Performance Review," which will not be applicable under the revised assessment process.

The purpose of the PPR process is to detect adverse performance trends, to plan inspections accordingly, and to communicate the results to licensees and other stakeholders. After the suspension of the Systematic Assessment of Licensee Performance (SALP) process in September 1998, the NRC increased the emphasis of the PPR process as an assessment and communications tool during the transition period to the RROP. The most recent round of "full" PPRs was conducted in February 1999. Mid-cycle PPRs were conducted in August and September 1999 to adjust inspection resources based on changes in performance.

The final round of PPRs in February 2000 will alter the focus and the format of the PPR summary and letters to address strategic performance areas and move away from SALP functional areas. The February 2000 PPRs should be limited to those plants not participating in the RROP pilot program (hereafter referred to as non-pilot plants). For planning purposes, the regions may want to review the inspection plan for the pilot plants for coordination of overall regional resources, but the pilot plants will be handled under the revised assessment process in accordance with IMC 0305 "Operating Reactor Assessment Program."

II. Conduct of PPRs/Material to be Reviewed

Consistent with the RROP, the primary inputs into the February 2000 PPR assessment process will be the inspection findings from the plant issues matrix (PIM) and the performance indicator (PI) data submitted by the licensees.

A. Plant Issues Matrix (PIM). The PIM is a consolidated listing of issues pertaining to a specific plant. Only items from inspection reports or other docketed correspondence between the staff and the licensee should be included in the PIM. Report 3 from the Reactor Program System (RPS)/ Item Reporting (IR) module should be used to produce the PIM. The PIMs should be sorted by SALP functional area and in reverse chronological order (with the most recent findings appearing at the top). The PIMs should include data from the last "full" PPR to cover the annual assessment period (e.g., February 1, 1999 through January 31, 2000). Although the PPRs should assess licensee performance from the last full PPR for long term trends, the emphasis should be on licensee performance during the last 6 months. The regions are not expected to take these inspection findings and run them through the significance determination process under the revised oversight process. The regions will need to organize their discussions on plant performance in the PPR summaries and PPR letters based on the strategic performance areas as opposed to SALP functional areas as discussed in paragraph III.A below.

B. Performance Indicators (PIs). Licensees will be submitting historical PI data electronically in accordance with the RROP (as described in draft Revision D of NEI 99-02, "Regulatory

Assessment Performance Indicator Guide"), by January 21, 2000. The data, along with the associated graphs and any pertinent licensee comments, will be posted to the internal web by the end of January for use by the regions in the February PPRs and on the external web soon thereafter. The January submittal will include data for each of the 19 PIs covering two years (from the first quarter of 1998 through the fourth quarter of 1999) or data sufficient to calculate a fourth quarter 1999 indicator value, whichever is greater. This PI information should be used by the regions to obtain any additional insights into potential adverse performance trends in conjunction with the inspection findings to determine future inspection activities. Note that this PI data has not yet been verified by the NRC and should not be relied on as the sole reason for making resource allocation decisions above and beyond the baseline inspections. However, the regions should strongly consider devoting inspection resources based on the PI data where performance thresholds are crossed.

C. Other Materials. The regions should continue to consider the status of allegations, enforcement history, the open items list, licensee event reports (LERs), and other sources of information to the extent they provide insights into licensee performance.

D. Role of NRR Projects. The Project Managers and Directors from the Division of Licensing Project Management (DLPM) in NRR are required to stay informed of issues affecting their assigned plants, and the PPRs provide a good forum to accomplish this goal. Therefore, DLPM should monitor and participate in PPRs as appropriate. DLPM may also have input focused on PIM entries related to licensing issues. Supporting observations may also be provided on other issues, however, only docketed information can be utilized for assessment of licensee performance. Participation will normally be via video teleconference or phone rather than physical presence. Regional management should ensure that DLPM is kept informed of the schedule for PPRs.

E. NRR Program Office Assistance to Regions. The Inspection Program Branch (IIPB) in NRR is available to the regions to provide program assistance in advance of the PPRs. This includes travel to each region, review of regional assessment guidance, conference calls, and answering questions that may arise. IIPB may also be sending a representative to each region's PPR for assistance and observation. IIPB will also be available to review draft PPR summaries and draft PPR letters to assist in providing consistency.

III. Documenting PPR Results

A. PPR Summaries. The results of the PPR will be documented in a PPR summary (see template attached). The primary function of the PPR summary is to document changes and trends in licensee performance and resulting inspection plans that resulted from the PPR assessment. The PPR summary is not intended to include all the PPR details, but should provide a summary of PPR conclusions and the rationale for inspection initiatives beyond the baseline inspection program as recommended by the PPR. The discussions should focus on significant areas of concern, and should include a few substantive examples to support the noted concerns and the related expansion of the inspection plan. PIs should also be discussed to the extent they contribute to planning decisions. Licensee strengths should not be discussed.

In the past, PPR summaries were organized by SALP functional area. In an effort to further transition into the RROP, the February 2000 PPR summaries should be organized by strategic performance area (reactor safety, radiation safety, and safeguards), with optional paragraphs on substantial cross-cutting issues. In general, the discussion and assessment of findings for the SALP functional areas from the PIM can be converted into the new strategic performance areas in the following manner. Findings in the functional areas of operations, maintenance, and engineering, along with the emergency planning findings from the plant support functional area, would generally fit into the strategic performance area of reactor safety. Similarly, the radiation safety and safeguards assessments would be based on the relevant findings in the associated plant support functional area.

The PPR summaries (without attachments) should not be more than about 2-3 pages for each plant. In rare instances, additional information may be needed to supplement the PPR summary. Any additional information should be formatted as an attachment so that it can be easily separated from the basic PPR summary. Caution should be taken to avoid placing sensitive material (e.g., INPO ratings for plants, allegation related material, etc.) in the PPR summary.

B. Inspection Planning. Based on the results of the PPR assessment, determine the level of inspection effort and identify any areas warranting an increased regulatory focus. Examples of performance issues that might warrant focused inspections beyond the baseline inspection program include Severity Level III enforcement actions, substantial programmatic concerns, and PIs that cross performance thresholds. The focus of the inspections should be on assessing corrective actions and extent of condition reviews using the baseline and supplemental inspection procedures. For those plants warranting focused inspections, determine whether the necessary inspection effort is covered in the RROP baseline inspection program and schedule the appropriate inspection procedure, if applicable. If the inspection activity is not adequately covered in the baseline inspection program, the applicable portions of the supplemental inspection program should be utilized. For those rare cases where the baseline and/or supplemental inspection programs do not provide the needed inspection focus, use the appropriate regional initiative inspection under the “old” inspection program. The regional initiative inspections should be scheduled and used as a last resort; only as necessary if inspections under the RROP will not adequately address a performance concern. The PPR summary and PPR letter should clearly explain why a regional initiative inspection is being scheduled as opposed to a baseline or supplemental inspection under the revised process.

Develop 12-month inspection plans for each plant (from April 2, 2000 - March 31, 2001). The PPR letter will note that the latter half of the inspection plan is tentative and may be adjusted in the future. Typically, adjustments could occur as a result of the mid-cycle reviews and would be noted in the associated letters and updated inspection plans. Licensees should also be informed of any interim changes to the inspection plan through docketed correspondence prior to onsite inspection activities, unless the activities are intentionally unannounced or reactive. The inspection plan should be included as an attachment to both the PPR summary and the PPR letter. Report 22 from the RPS/ Inspection Planning (IP) module should be used to produce the inspection plan. The inspection procedures listed for each inspection will generally be those from the RROP, with possibly a few exceptions for regional initiative inspections, if necessary as described above. Regional management should schedule a Temporary Instruction (TI) inspection early in the inspection cycle, as practical, to assess the process by which licensees are implementing PI collection and reporting guidance. This TI is currently

under development. In the latter half of the inspection cycle, PI verification inspections should then be conducted.

Note that the RROP has been presented to the Commission for their review and consideration. Pending Commission approval, we plan to start initial implementation of the revised process on April 2, 2000.

IV. Communicating PPR Results

A. Format of PPR Letters. The results of the PPR will be documented in a letter (see template and sample attached) and sent to the licensee with appropriate distribution. Similar to the PPR summary, the primary function of the PPR letter is to communicate changes and trends in licensee performance and the resulting inspection plan identified in the PPR assessment. The PPR letter should provide a summary of PPR conclusions and the rationale for inspection initiatives recommended by the PPR.

The PPR letter should contain an overall assessment paragraph and paragraph(s) for each strategic assessment area (reactor safety, radiation safety, and safeguards). Optional paragraphs on substantial cross-cutting issues may also be included to the extent they support inspection planning decisions. Based on lessons learned from the last round of "full" PPR letters and Commission direction, the regions should avoid using the term "acceptable" or a similar rating terminology. Therefore, the assessment summaries in the PPR letters should provide the proper context for NRC's assessment of that area. The body of the paragraph should focus on areas of concern, and should include a few substantive examples to support the concerns and the resultant inspection plan. Licensee strengths should not be discussed. The closing sentence(s) of each assessment paragraph should summarize the inspection plan for the next twelve months, including the rationale for inspection activities beyond the baseline inspection program.

As provided in the attached template and sample, the letter should briefly discuss the transition from the current PPR/SMM process to the RROP, and should note that as a result, the assessment results are characterized by strategic performance area instead of SALP functional area. It should also be noted that the results of this PPR were used to plan inspections in accordance with the RROP.

B. Level of Detail in PPR Letters. The SRM suspending the SALP program directed that PPR letters include performance trend information. This means that the level of detail must be sufficient for all NRC stakeholders, including state and local officials and members of the public, to understand the NRC's characterization of licensee performance. In general, the level of detail should be based on the safety significance and breadth of issues, with emphasis on significant programmatic or technical issues, to ensure that management attention is focused on significant issues. For those plants that warrant increased regulatory and plant management attention, and plants that will be discussed at the SMM (previous agency-focus or regional-focus plants), the letter should provide a corresponding level of detail of discussion.

Information for the PPR letters should be derived from the PPR Summaries so that it reflects the information considered during the PPR. The assessment information for many plants does not need to be lengthy, but the information should contain an overall assessment and address

each strategic performance area. The attached template and sample letters are intended to be typical for most plants. The PPR letters should not be more than about 2-3 pages for each plant (including about one page of boilerplate). The discussion should be supported by issues that are documented in the attached PIM. Significant issues from the PIM should be included in the discussion if appropriate to clearly illustrate performance concerns. The discussion should also include any known significant actions taken by the licensee to address performance issues, such as licensee self-assessments and corrective actions, provided this information is docketed and publicly available.

C. Attachments to PPR Letters. The PIM used in the PPR process and the inspection plan resulting from the PPR meeting should be included as attachments to the PPR letters. The PIMs should include data from the last "full" PPR to cover the annual assessment period (e.g., February 1, 1999 through January 31, 2000), and should be sorted by SALP functional area and in reverse chronological order. The inspection plan should include 12 months (from April 2, 2000 - March 31, 2001) with a caveat in the PPR cover letter that the latter half of the inspection plan is tentative and may be adjusted in the future. Report 22 from RPS/IP should be used as the inspection plan, with a separate plan if necessary to include uncommon inspection activities. The PIs used during the PPR assessment process should not be attached to the letter, but the letter should refer the reader to the external web for the specific PI information.

D. PPR Letter Signature Authority. Regional Division of Reactor Projects branch chiefs should continue to sign PPR letters. However, the appropriate division director or regional administrator should sign PPR letters for plants where licensee performance trends warrant increased management attention.

E. Timing of PPR Letters. Letters providing the results of the February 2000 PPRs are intended to be sent to all licensees on March 31, 2000, followed by a single, national press release. A draft version of each PPR letter should be submitted with the PPR summaries for the SMM screening meetings.

F. Press Releases. The Office of Public Affairs (OPA) will issue a single, brief, national press release that refers the reader to the PPR letters on the external web page for more detail (similar to the regional press releases following the mid-cycle PPRs). In order to make a single press release feasible, the PPR letters all need to be issued at approximately the same time. Therefore, the regions should issue all letters on March 31, 2000. Individual press releases should also be issued to announce any public meetings. A separate press release will be issued following the SMM and subsequent Commission meeting, similar to the one issued following the April 1999 SMM.

G. Distribution of PPR Letters. Distribution of the PPR letters should be similar to the distribution for the last round of "full" PPRs. As a reminder, do not include the Commission on distribution. Distribution should include the Chief, Inspection Program Branch, NRR, and the Chief, Regional Operations and Program Management Section, OEDO, in addition to all SALP and PPR stakeholders. Regions should ensure that state and local officials, any known interested parties, and any other organizations and individuals that normally received copies of the SALP report are included on distribution for the letters providing the PPR results to licensees. Copies of the letters will also be posted to the external web by OPA.

G. Phone Calls to Licensees. Phone calls to discuss PPR results with licensees may be held prior to release of PPR letters only for the purpose of ensuring that inspection schedules are appropriately coordinated with licensees. After the PPR letters are signed, phone calls with licensees should be held to communicate the PPR assessment information and describe the process used to arrive at the assessment, particularly for those plants with documented performance issues. The phone calls should be made by the individuals who signed the PPR letters or their designee.

H. Public Meetings. In accordance with the SRM of September 15, 1998, that approved the suspension of the SALP program, meetings discussing licensee performance should be held every 2 years for most plants. Following the February 2000 PPR, the regions should plan meetings for those plants that may be impacted by the 2-year requirement. Regional branch chiefs should conduct the meetings for most plants, but regional management should be involved as appropriate depending on performance issues or whether significant public interest is expressed. Meetings should focus on published PPR results. Public meetings should be conducted within 16 weeks of issuance of PPR letters (i.e., from March 31 through July 31, 2000). Plants with significant performance issues should be held first, then those plants that could exceed 2 years since the last public meeting that discussed performance. If a public meeting is required (based on the 2-year stipulation) for a plant that is being forwarded to the SMM, the meeting should be scheduled shortly after the SMM.

NOTE: Evening public meetings are expected to be conducted in the vicinity of all plants within the first 9 months of initial industry-wide implementation of the RROP (April 2000 - December 2000) to explain/introduce the revised oversight process. The regions may wish to schedule these in conjunction with the public meetings following the PPRs. Once the revised oversight process is fully implemented, public meetings are currently planned to be held at all sites following the annual End-of-cycle reviews.

PPR SUMMARY TEMPLATE

PRE-DECISIONAL
PLANT PERFORMANCE ASSESSMENT
(PLANT NAME)

Assessment Period: Month/Year to Month/Year

I. Performance Overview

Operating History

Include a brief narrative write-up of the plant's operating history during the assessment period.

Current Overall Assessment

Discuss the overall performance of the plant during the past six months. Include the "big picture" assessment that was developed during the PPR in this section. Include a brief narrative write-up on the general PPR assessment conclusions for the past six months.

Previous Assessment Results

To provide the PPR summary reader with a more complete picture of licensee performance, include a brief writeup on previous assessments and significant events. This type of information should be available from the 1999 mid-cycle and full PPRs.

II. Strategic Performance Area Assessments

There should be a section for each strategic performance area consistent with the revised reactor oversight process (reactor safety, radiation safety, and safeguards). This will require the regions to appropriately categorize the SALP-oriented inspection findings from the PIM. In general, the discussion and assessment of findings for the SALP functional areas from the PIM can be converted into the new strategic performance areas in the following manner. Findings in the functional areas of operations, maintenance, and engineering would generally fit into the strategic performance area of reactor safety, along with the emergency planning findings from the plant support functional area. Similarly, the radiation safety and safeguards assessment would be based on the relevant findings in the applicable plant support functional area. Conclusions reached in the PPR on significant cross-cutting issues which do not fit well into a particular strategic performance area discussion should also be included in this section under a heading of "Cross-Cutting Issues."

PIs that crossed thresholds beyond the green (licensee-response) band should also be discussed within the appropriate strategic performance area. The discussion should focus on the NRC's plans to address the crossed thresholds, including whether we will conduct additional focused inspections.

Each section should use the same format as noted below. If sufficient data is not available to draw conclusions on performance for a particular area, then this should be noted and no assessment will be provided.

The write-up for each strategic performance area should focus on the changes and trends in licensee performance and avoid an excessive amount of details and any discussion of strengths. The rationale for performing future inspections beyond the baseline inspection program should be clearly stated.

Use the following format for each section:

A. **Assessment**: Provide a general statement on performance trends for that strategic performance area.

B. **Basis**: Briefly describe substantive examples that were used as the basis for the assessment in bullet format. Since most of the examples will be taken from the PIM, the listing of items in this section should only include a brief description that summarizes the issue and provides recognition of the example. More detailed information can be found in the attached PIM, if desired. PIs that crossed thresholds beyond the green (licensee-response) band should also be addressed.

C. **Inspection Program Recommendations**: Based on the results of the assessment, provide the recommended inspection focus and specify the inspection activities that will be performed for the next twelve months. Note that the second six-month period is tentative and may be adjusted in the future. Describe the rationale for inspection activities beyond the baseline inspection program.

III Attachments

1. Plant Issues Matrix
2. Inspection/Activity Plan

(Include other attachments as necessary)

PPR LETTER TEMPLATE

Licensee distribution designate
Licensee name/address

SUBJECT: PLANT PERFORMANCE REVIEW - SITE NAME

The purpose of this letter is to communicate our assessment of your performance and to inform you of our planned inspections at your facility. On **(date)**, we completed a Plant Performance Review (PPR) of **(plant name)**. We conduct these reviews to develop an integrated overview of the safety performance of each operating nuclear power plant. We use the results of the PPR in planning and allocating inspection resources and as inputs to our senior management meeting (SMM) process. This PPR evaluated inspection results and safety performance information for the period from (**include months and years**), but emphasized the last six months to ensure that our assessment reflected your current performance. Our most recent summary of plant performance at **(plant name)** was provided to you in a letter dated (**include date of last "full" PPR letter**), and was discussed with you in a public meeting on **(include date of last public meeting).**

The NRC has been developing a revised reactor oversight process that will replace our existing inspection and assessment processes, including the PPR, the SMM, and the Systematic Assessment of Licensee Performance (SALP). We recently completed a pilot program for the revised reactor oversight process at nine participating sites and are making necessary adjustments based on feedback and lessons learned. We plan to begin initial implementation of the revised reactor oversight process industry-wide, including your facility, on April 2, 2000.

This PPR reflects continued process improvements as we make the transition into the revised reactor oversight process. You will notice that the following summary of plant performance is organized differently from our previous performance summaries. Instead of characterizing our assessment results by SALP functional area, we are organizing the results into the strategic performance areas embodied in the revised reactor oversight process. In addition, we have considered the historical performance indicator data that you submitted in January 2000 in conjunction with the inspection results in assessing your performance. The results of this PPR were used to establish the inspection plan in accordance with the new risk-informed inspection program (consisting of baseline and supplemental inspections). Although this letter incorporates some terms and concepts associated with the new oversight process, it does not reflect the much broader changes in inspection and assessment that will be evident after we have fully implemented our revised reactor oversight process.

During the last six months, **(provide a brief summary of plant operating history**).

(Provide an overall assessment paragraph and paragraph(s) for each strategic assessment area (reactor safety, radiation safety, and safeguards). Optional paragraphs on substantial cross-cutting issues may also be included to the extent they support inspection planning decisions. Avoid using the term "acceptable" or a similar rating terminology, and assure that the assessment discussions provide the proper context for NRC's assessment of that area. The body of the paragraphs should focus on areas of

concern, and should include a few substantive examples to support the concerns and the resultant inspection plan. PIs that crossed thresholds beyond the green (licensee-response) band should also be addressed. Licensee strengths should not be discussed. The closing sentence(s) of each assessment paragraph should state the NRC's planned inspections to address any performance concerns. The regions should avoid overly technical jargon and use plain English to the extent possible and should provide the draft letters to their public affairs officer for review in this regard.

SAMPLE OVERALL ASSESSMENT PARAGRAPH:

I. For plants receiving baseline inspections only:

We have not identified any significant performance issues during this assessment period and note that (plant name) continues to operate in a safe manner. Therefore, we plan to conduct only baseline inspections at your facility as noted in the attached inspection plan.

II. For plants with inspections beyond the baseline

Although the NRC noted some performance issues during this assessment period, we note that (plant name) continues to operate in a safe manner. In an effort to ensure that these issues are addressed, additional inspection resources will be allocated in certain areas as noted in this letter and the attached inspection plan.

Enclosure 1 contains a historical listing of plant issues, referred to as the Plant Issues Matrix (PIM), that were used during this PPR process to arrive at our integrated view of your performance trends. The PIM for this assessment is grouped by the prior SALP functional areas of operations, maintenance, engineering and plant support, although the future PIM will be organized along the cornerstones of safety as described in the revised reactor oversight process. The attached PIM includes items summarized from inspection reports or other docketed correspondence between the NRC and (**licensee name**) regarding **(plant name)**. We did not document all aspects of licensee programs and performance that may be functioning appropriately. Rather, we only documented issues that we believe warrant management attention or represent noteworthy aspects of performance. In addition, the PPR may also have considered some predecisional and draft material that does not appear in the attached PIM, including observations from events and inspections that had occurred since our last inspection report was issued, but had not yet received full review and consideration. We will make this material publically available as part of the normal issuance of our inspection reports and other correspondence.

Enclosure 2 lists our planned inspections for the period April 2000 through March 2001 at **(plant name)** to allow you to resolve scheduling conflicts and personnel availability in advance of our inspector arrival onsite. The inspection schedule for the latter half of the period is more tentative and may be adjusted in the future due to emerging performance issues at **(plant name)** or other Region **(##)** facilities. We also included some NRC non-inspection activities in Enclosure 2 for your information. **(Include this sentence only when non-inspection**

activities are provided in the inspection/activity plan). Routine resident inspections are not listed due to their ongoing and continuous nature.

We will inform you of any changes to the inspection plan. If you have any questions, please contact me at **(telephone number)**.

(Signed by), Chief
Reactor Projects Branch ____
Division of Reactor Projects

Docket Nos. 50-ABC, 50-XYZ
License Nos. NPF-0, NPF-00

Enclosures: 1. Plant Issues Matrix
2. Inspection Plan

cc: Normal cc list + any additional SALP recipients

Distribution:
Normal distribution list
+ Chief, NRR/DIPM/IIPB
+ Chief, OEDO/ROPMS

SAMPLE PPR LETTER

Licensee distribution designate
Licensee name/address

SUBJECT: PLANT PERFORMANCE REVIEW - PLANT EXAMPLE

The purpose of this letter is to communicate our assessment of your performance and to inform you of our planned inspections at your facility. On **February 29, 2000**, we completed a Plant Performance Review (PPR) of **Plant Example**. We conduct these reviews to develop an integrated overview of the safety performance of each operating nuclear power plant. We use the results of the PPR in planning and allocating inspection resources and as inputs to our senior management meeting (SMM) process. This PPR evaluated inspection results and safety performance information for the period from **January 15, 1999 through January 31, 2000**, but emphasized the last six months to ensure that our assessment reflected your current performance. Our most recent summary of plant performance at **Plant Example** was provided to you in a letter dated **April 9, 1999**, and was discussed with you in a public meeting on **July 15, 1999.**

The NRC has been developing a revised reactor oversight process that will replace our existing inspection and assessment processes, including the PPR, the SMM, and the Systematic Assessment of Licensee Performance (SALP). We recently completed a pilot program for the revised reactor oversight process at nine participating sites and are making necessary adjustments based on feedback and lessons learned. We plan to begin initial implementation of the revised reactor oversight process industry-wide, including your facility, on April 2, 2000.

This PPR reflects continued process improvements as we make the transition into the revised reactor oversight process. You will notice that the following summary of plant performance is organized differently from our previous performance summaries. Instead of characterizing our assessment results by SALP functional area, we are organizing the results into the strategic performance areas embodied in the revised reactor oversight process. In addition, we have considered the historical performance indicator data that you submitted in January 2000 in conjunction with the inspection results in assessing your performance. The results of this PPR were used to establish the inspection plan in accordance with the new risk-informed inspection program (consisting of baseline and supplemental inspections). Although this letter incorporates some terms and concepts associated with the new oversight process, it does not reflect the much broader changes in inspection and assessment that will be evident after we have fully implemented our revised reactor oversight process.

During the last six months, **Plant Example typically operated at or near full power, however, you experienced a variety of challenges, including three automatic reactor shutdowns, four unplanned manual reactor shutdowns and several unplanned power reductions. Although the NRC noted some performance issues during this assessment period, we note that Plant Example continues to operate in a safe manner. In an effort to ensure that these issues are addressed, additional inspection resources will be allocated in certain areas as noted in this letter and the attached inspection plan.**

In the reactor safety performance area, our inspection results noted and the performance indicators confirmed that Plant Example experienced a number of plant shutdowns and unplanned power reductions (transients) during this assessment period. Many of these unplanned power reductions were caused by problems in work control planning and scheduling, while others were a result of equipment failures. Instances of poor reactivity control and management oversight by operators were also noted during two reactor startups early in the period and while at-power later in the period. During the second startup, the deficiencies in reactivity control management resulted in an automatic shutdown of the reactor. In addition, work coordination issues contributed to delaying the restoration of the emergency diesel generators and other safety related equipment to an operable condition. These equipment unavailabilities were also reflected in the performance indicator data, indicating a low to moderate increase in risk significance.

Based on our assessment of your performance in the reactor safety strategic performance area, in addition to the inspections under the new baseline inspection program, we plan to perform supplemental inspections focused on reviewing the effectiveness of your processes to (1) limit the frequency of those events that upset plant stability and challenge critical safety functions, and (2) ensure the availability, reliability, and capability of systems that respond to initiating events to prevent undesirable circumstances.

We did not identify any significant performance issues in the radiation safety or safeguards strategic performance areas. As a result, only baseline inspections are planned.

We also noted some concerns with your program for identifying and correcting problems. While your threshold for identifying problems appeared adequate, on some occasions (e.g. automatic reactor shutdown during startup, residual heat removal system design errors, and emergency diesel generator fuel oil tank issues), your root cause analyses and corrective actions were narrowly focused and not timely. In addition, recurrence of some problems, such as the emergency diesel generator starting air compressor trips and reactor water cleanup pump seal failures was attributed, in part, to limited trending of corrective action program data. We plan to focus on these concerns during our problem identification and resolution inspection under our baseline inspection program.

Enclosure 1 contains a historical listing of plant issues, referred to as the Plant Issues Matrix (PIM), that were used during this PPR process to arrive at our integrated view of your performance trends. The PIM for this assessment is grouped by the prior SALP functional areas of operations, maintenance, engineering and plant support, although the future PIM will be organized along the cornerstones of safety as described in the revised reactor oversight process. The attached PIM includes items summarized from inspection reports or other docketed correspondence regarding **Plant Example**. We did not document all aspects of licensee programs and performance that may be functioning appropriately. Rather, we only documented issues that we believe warrant management attention or represent noteworthy aspects of performance. In addition, the PPR may also have considered some predecisional and draft material that does not appear in the attached PIM, including observations from events

and inspections that had occurred since our last inspection report was issued, but had not yet received full review and consideration. We will make this material publically available as part of the normal issuance of our inspection reports and other correspondence.

Enclosure 2 lists our planned inspections for the period April 2000 through March 2001 at **Plant Example** to allow you to resolve scheduling conflicts and personnel availability in advance of our inspector arrival onsite. The inspection schedule for the latter half of the period is more tentative and may be adjusted in the future due to emerging performance issues at **Plant Example** or other Region ## facilities. We also included some NRC non-inspection activities in Enclosure 2 for your information. Routine resident inspections are not listed due to their ongoing and continuous nature.

We will inform you of any changes to the inspection plan. If you have any questions, please contact me at **(telephone number)**.

(Signed by), Chief
Reactor Projects Branch ____
Division of Reactor Projects

Docket Nos. 50-ABC, 50-XYZ
License Nos. NPF-0, NPF-00

Enclosures: 1. Plant Issues Matrix
2. Inspection Plan

cc: Normal cc list + any additional SALP recipients

Distribution:
Normal distribution list
+ Chief, NRR/DIPM/IIPB
+ Chief, OEDO/ROPMS