

EDO Principal Correspondence Control

FROM: DUE: / /

EDO CONTROL: G20000132  
DOC DT: 03/13/00  
FINAL REPLY:

Ralph E. Beedle  
Nuclear Energy Institute (NEI)

TO:

Travers, EDO

FOR SIGNATURE OF :

\*\* GRN \*\*

CRC NO:

DESC:

REGULATORY OVERSIGHT PROCESS

ROUTING:

Travers  
Paperiello  
Miraglia  
Norry  
Blaha  
Burns  
Borchardt, OE  
Cyr, OGC

DATE: 03/14/00

ASSIGNED TO:

CONTACT:

NRR

Collins

SPECIAL INSTRUCTIONS OR REMARKS:

For Appropriate Action.



NUCLEAR ENERGY INSTITUTE

**Ralph E. Beedle**  
SENIOR VICE PRESIDENT AND  
CHIEF NUCLEAR OFFICER,  
NUCLEAR GENERATION

March 13, 2000

Dr. William D. Travers  
Executive Director for Operations  
U.S. Nuclear Regulatory Commission  
Mail Code O16 E15  
Washington, DC 20555-0001

Dear Dr. Travers:

Thank you for the opportunity to participate in the March 7 briefing of the Commission on the NRC's new regulatory oversight process. We are convinced that the new regulatory oversight process will result in enhanced, safety-focused regulation of the nuclear power industry. We also recognize that this program is a "work in progress" with a continuing need to review and revise the process as appropriate.

During the discussion on March 7, the staff described changes to the performance indicators as a result of the pilot experiences; for example, the containment leak rate indicator has been dropped. The staff also indicated they would continue to examine the scram indicators and evaluate the time element for the plant transient indicator. In my remarks, I expressed concern that the use of performance indicators could result in unintended consequences and that as such the performance indicators should be carefully monitored. I also pointed out the need for their consistency. The scram indicators currently include manual scrams that have, in the view of some experienced industry executives, the potential for unintended consequences.

Concerns about the scram indicators have been discussed within the industry and with the staff at many stages in development of the oversight process, with the intent to seek alternative indicators. In fact, in NEI's comments on the process submitted in December 1999, we stated that there is some concern that tracking these indicators in the oversight process may provide a negative incentive to manually scram the reactor in order to avoid "tripping" an indicator.

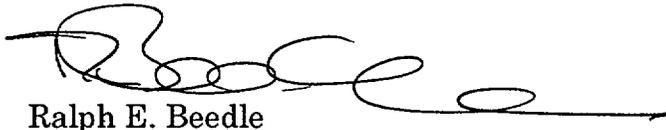
We agree with the staff that the implementation of the new process should proceed deliberately, with ongoing review of the use of all of the performance indicators and their associated action thresholds. However, given our mutual commitments to

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expeditiously develop a solution as well as the continuing concerns of some in the industry, we recommend that manual scrams not be counted while alternative indicators are being pursued.

The performance indicator program component is an important part of the overall new oversight process, and it is necessary to carefully assess the impact this component has as a basis for regulatory decisions. Therefore, I propose we meet before the start of the next phase of the process in April 2000 to accelerate the development of alternatives for the scram indicators and to address concerns that might arise with other indicators which may have possible unintended consequences.

Sincerely,



Ralph E. Beedle

- c: The Honorable Richard A. Meserve, Chairman, NRC  
The Honorable Greta Joy Dicus, Commissioner, NRC  
The Honorable Nils J. Diaz, Commissioner, NRC  
The Honorable Edward McGaffigan Jr., Commissioner, NRC  
The Honorable Jeffrey S. Merrifield, Commissioner, NRC  
Mr. Samuel J. Collins, Director, Office of Nuclear Reactor Regulation, NRC