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A Edward Scherer
Manager of Nuclear
Oversight and Regulatory Affairs

December 24, 2001

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Michael T. Lesar
Chief, Rules and Directives Branch
Office of Administration (Mail Stop T6-D59)
Nuclear Regulatory Commission
Washington, DC 20555-0001

**SUBJECT: Solicitation of Public Comments on the Second Year of Implementation of the Reactor Oversight Process
FR Doc. 01-29132**

Dear Mr. Lesar,

The subject Federal Register Notice requested public comments on the second year of the Reactor Oversight Process. Southern California Edison (SCE) supports the U.S. Nuclear Regulatory Commission's (NRC's) new Reactor Oversight Process and concludes that the overall processes are significantly improved over the prior deterministic approaches. SCE participated as a member of the Initial Implementation Evaluation Panel (IIEP), which evaluated the Reactor Oversight Process and provided its report to the Commission.

SCE endorses the comments, provided separately, by the Nuclear Energy Institute (NEI). The following comments are provided to augment those of NEI and continue those programmatic issues identified by the IIEP.

In summary, SCE concludes that the NRC's new Reactor Oversight Process has been successful in providing a more risk-informed framework. Notwithstanding the overall success, there are several areas that require continuing attention:

- Performance indicators and other aspects of the Reactor Oversight Process (e.g., Significance Determination Process (SDP), etc.) can create unintended consequences. The NRC should implement a robust and permanent process, including outside oversight such as the IIEP, to identify and address such situations as they arise in the future.
- While a limited number of conservative "false positives" are acceptable in this process (i.e., Performance Indicators, SDPs), it is necessary that the Reactor Oversight Process identifies and resolves potential "false negatives". A "false negative" has the potential to significantly undermine the credibility of the entire Reactor Oversight Process.

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- There appears to be a need to improve the public understanding of the scope of the Reactor Oversight Process. It appears much of the public perceives the new Reactor Oversight Process as solely the "Performance Indicators" and is less unaware of the revised Inspection Process, SDPs, Action Matrix, and Enforcement Policy. This situation has been exacerbated by the suspension of many NRC website communications following the September 11, 2001 attack.
- Questions continue to be raised to the effect that if most licensees' performance indicators and/or inspection findings are "all GREEN" then the Reactor Oversight Process isn't working. This reflects a fundamental lack of understanding of the risk-informed approach to the Reactor Oversight Process, and the NRC's policy of allowing licensees to correct less risk-significant issues within their corrective action program.
- The Reactor Oversight Process does not appear to have achieved the correct balance with regard to the performance indicators for the Mitigating Systems metrics. We understand that the NRC is undertaking a Safety System Unavailability Pilot Program to develop new replacement risk-informed unreliability and unavailability metrics. This effort is important, as the GREEN/WHITE threshold for Performance Indicators was set at the 95% performance level based on historical data. The other thresholds (including the GREEN/WHITE thresholds for assessing Inspection findings using the SDPs) are set based on risk. Having an inconsistent logic for the bases for setting the thresholds continues to create confusion and uncertainty.
- Difficulties continue to be experienced in implementing the SDPs. Security, Fire Protection, Emergency Planning, and Health Physics SDPs' do not appear to be very robust and do not appear to produce consistent and accurate results. In addition, the Frequently Asked Question (FAQ) process for Performance Indicators appears to have been a positive mechanism to resolve licensee and inspector issues relating to the Performance Indicators; the SDPs would benefit from a similar FAQ process.
- The Action Matrix uses inspection findings for a fixed one-year period from the inspection. Therefore, a non-GREEN inspection finding is used in the Action Matrix for a year, while the PI is recalculated quarterly. Considering the risk significances of the various findings, it might be beneficial to establish a "graded reset" of the inspection finding window. For example, after one quarter a WHITE finding window could be reset, a YELLOW inspection finding window after 2 quarters, and a RED inspection finding after 4 quarters.

SCE appreciates the opportunity to provide these comments to the Nuclear Regulatory Commission. If you require any additional information, please feel free to contact us.

Sincerely,

