

April 29, 2002

MEMORANDUM TO: John A. Grobe, Director, Division of Reactor Safety

FROM: J. E. Dyer, Regional Administrator **/RA/**

SUBJECT: DAVIS-BESSE IMC 0350 OVERSIGHT PANEL

After consultation with the Acting Director of the Office of Nuclear Reactor Regulation (NRR) and the Deputy Executive Director for Reactor Programs on April 25, 2002, I have decided to implement NRC Inspection Manual Chapter (IMC) 0350, "Oversight of Operating Reactor Facilities in a Shutdown Condition With Performance Problems," for the Davis-Besse Nuclear Power Station. The contents of this memo reflect the discussions held during these consultations.

The purposes of the IMC 0350 process include enhancing the agency's focus on clearly defining and addressing any plant specific issues prior to restart. In addition, the IMC 0350 process provides several advantages in accomplishing the agency's strategic performance goals. IMC 0350 specifies three prerequisites for entry into that Manual Chapter:

- The plant performance has degraded into the multiple/degraded cornerstone or the unacceptable performance column of the action matrix;
- The plant is in a shutdown condition; and
- A regulatory hold is in effect such as a Confirmatory Action Letter or an Order.

The second and third prerequisites have been met, but the inspection process has not sufficiently proceeded to be able to address the first prerequisite. Given the complexity of the issues resulting in this shutdown and the necessary NRC actions to review licensee performance prior to restart, centralized management of the restart activities and the resultant clear communications and coordination offered by an IMC 0350 Oversight Panel is a benefit. Therefore, implementation of IMC 0350 without delay is appropriate.

In accordance with IMC 0350, I am appointing you as the Chairman of the Oversight Panel. Membership on the panel should be coordinated between Region III and NRR and provided to me in a Panel Charter.

The responsibilities of the Oversight Panel are provided in IMC 0350 and should be reflected in your Panel Charter and Process Plan. IMC 0350 directs the suspension of the Reactor Oversight Process (ROP) with the initiation of the Oversight Panel. The baseline inspection program should be suspended in favor of an inspection plan directed by the oversight panel utilizing existing inspection procedures to the maximum extent practicable. However, the

significance determination process and action matrix should be utilized as guidance for determining agency response to identified performance problems. Submission of performance indicators may be suspended, but the licensee should continue to track applicable indicators to facilitate exiting IMC 0350 oversight. Consult with me and NRR, should any issues arise where additional deviations from specific provisions of IMC 0350 appear appropriate.

Please develop and issue the Charter and Process Plan by May 3, 2002 and schedule a public meeting with the licensee as soon as possible to discuss the IMC 0350 Oversight Panel activities. Please contact me if you have any questions.

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