



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

**REGION IV
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ARLINGTON, TEXAS 76011-8084**

SEP - 3 2002

William R. Mayben, President
and Chief Executive Officer
Nebraska Public Power District
1414 15th Street
Columbus, Nebraska 68601

**SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION PRESENTATION TO THE
NEBRASKA PUBLIC POWER DISTRICT BOARD OF DIRECTORS -
AUGUST 8, 2002**

Dear Mr. Mayben:

This refers to the presentation by the NRC Executive Director for Operations and the Region IV Regional Administrator to the Nebraska Public Power District Board of Directors on August 8, 2002. The purpose of this meeting was to present the results of the supplemental inspections conducted at the Cooper Nuclear Station and the necessary actions required to improve performance at the plant. The NRC's presentation is enclosed.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

A handwritten signature in black ink, appearing to read "Ellis W. Merschoff", is written over a large, stylized, handwritten "X" or similar mark.

Ellis W. Merschoff
Regional Administrator

Docket: 50-298
License: DPR-46

Enclosure:
NRC's Presentation to
the NPPD Board of Directors

cc w/enclosure:

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U. S. Nuclear Regulatory Commission

Presentation to

Nebraska Public Power District Board of Directors

August 8, 2002



Dr. William D. Travers
Executive Director for Operations

Ellis W. Merschoff
Regional Administrator

ACTION MATRIX

	Licensee Response Column	Regulatory Response Column	Degraded Cornerstone Column	Multiple/ Repetitive Degraded Cornerstone Column	Unacceptable Performance Column	
RESULTS		All Assessment Inputs (Performance Indicators (PIs) and Inspection Findings) Green; Cornerstone Objectives Fully Met	One or Two White Inputs (In different cornerstones) In a Strategic Performance Area; Cornerstone Objectives Fully Met	One Degraded Cornerstone (2 White Inputs or 1 Yellow Input) or any 3 White Inputs In a Strategic Performance Area; Cornerstone Objectives Met with Moderate Degradation In Safety Performance	Repetitive Degraded Cornerstone, Multiple Degraded Cornerstones, Multiple Yellow Inputs, or 1 Red Input; Cornerstone Objectives Met with Longstanding Issues or Significant Degradation In Safety Performance	Overall Unacceptable Performance; Plants Not Permitted to Operate Within this Band, Unacceptable Margin to Safety
RESPONSE	Regulatory Performance Meeting	None	Branch Chief (BC) or Division Director (DD) Meet with Licensee	DD or Regional Administrator (RA) Meet with Licensee	RA (or EDO) Meet with Senior Licensee Management	Commisssion meeting with Senior Licensee Management
	Licensee Action	Licensee Corrective Action	Licensee root cause evaluation and corrective action with NRC Oversight	Licensee cumulative root cause evaluation with NRC Oversight	Licensee Performance Improvement Plan with NRC Oversight	
	NRC Inspection	Risk-Informed Baseline Inspection Program	Baseline and supplemental inspection procedure 95001	Baseline and supplemental inspection procedure 95002	Baseline and supplemental inspection procedure 95003	
	Regulatory Actions ¹	None	Supplemental inspection only	Supplemental inspection only	-10 CFR 2.204 DFI -10 CFR 50.54(f) Letter - CAL/Order	Order to Modify, Suspend, or Revoke Licensed Activities
COMMUNICATION	Assessment Letters	BC or DD review/sign assessment report (w/ inspection plan)	DD review/sign assessment report (w/ inspection plan)	RA review/sign assessment report (w/ inspection plan)	RA review/sign assessment report (w/ inspection plan)	
	Annual Public Meeting	SRI or BC Meet with Licensee	BC or DD Meet with Licensee	RA (or designee) Discuss Performance with Licensee	EDO Discuss Performance with Senior Licensee Management	
	Commisssion Involvement	None	None	None	Plant discussed at AARM	Commission Meeting with Senior Licensee Management
	INCREASING SAFETY SIGNIFICANCE →					

Note 1: The regulatory actions for plants in the Multiple/Repetitive Degraded Cornerstone column are not mandatory agency actions. However, the regional office should consider each of these regulatory actions when significant new information regarding licensee performance becomes available.

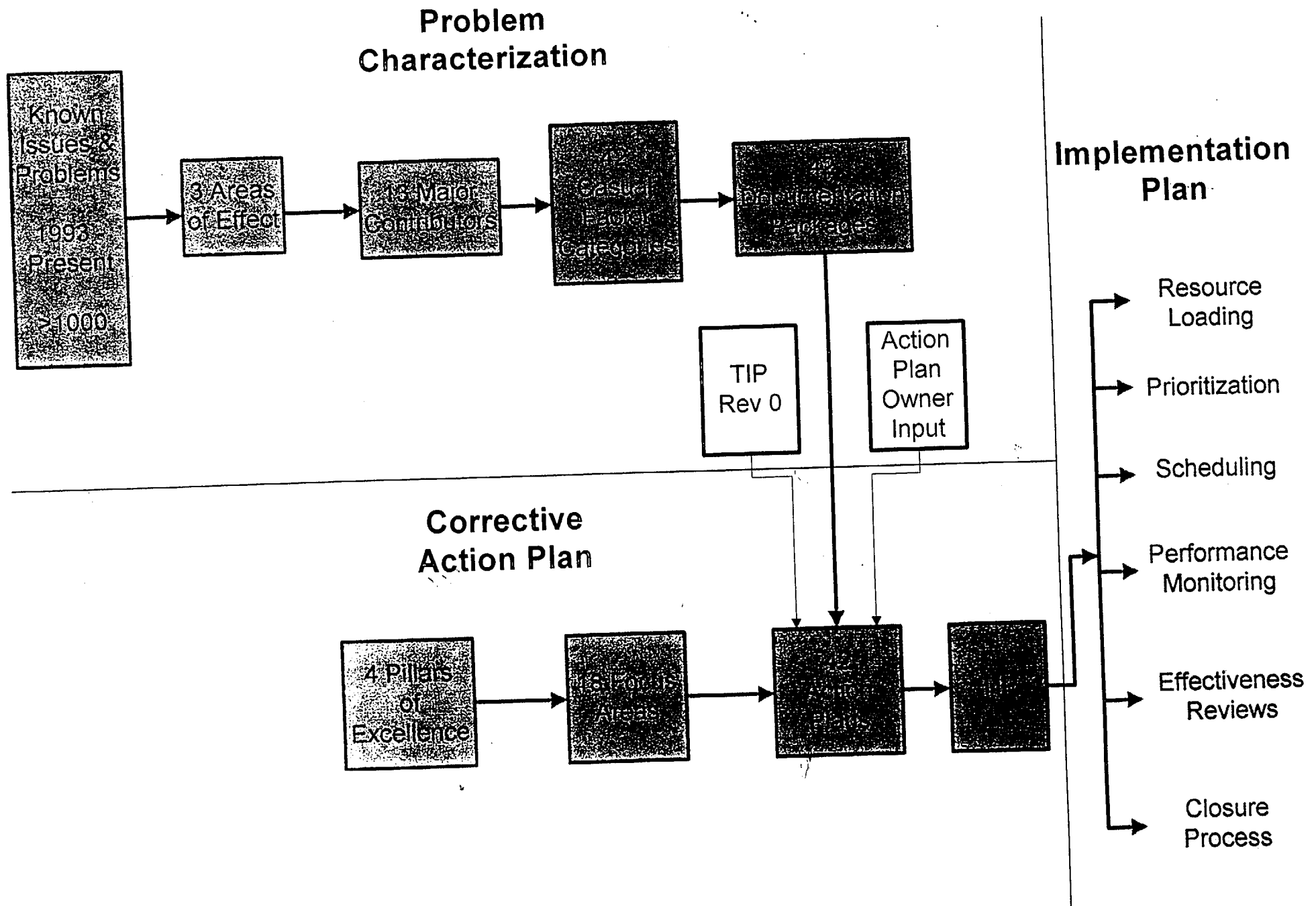
Cooper Action Matrix

	Calendar Year 2000		Calendar Year 2001				Calendar Year 2002			
	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	7/1/00 - 9/30/00	10/1/00 - 12/31/00	1/1/01 - 3/31/01	4/1/01 - 6/30/01	7/1/01 - 9/30/01	10/1/01 - 12/31/01	1/1/02 - 3/31/02	4/1/02 - 6/30/02	7/1/02 - 9/30/02	10/1/02 - 12/31/02
Cornerstone									N/A	N/A
Initiating Events										
Mitigating Systems						White ¹ (12/6/01)	White Continued	White Continued	White Continued	N/A
								P-White ⁶ (6/20/02)	P-White Continued	P-White Continued
Barrier Integrity									N/A	N/A
									N/A	N/A
Emergency Preparedness		White ² (10/11/00)	White Continued	White Continued	White Continued					
				White ³ (6/27/01)	White Continued	White Continued	White Continued	White Continued	White Continued	White Continued
					White ⁴ (9/6/01)	White Continued	White Continued	White Continued	White Continued	White Continued
					White ⁵ (9/6/01)	White Continued	White Continued	White Continued	White Continued	White Continued
Public Radiation Safety									N/A	N/A
Occupational Radiation Safety									N/A	N/A
Physical Protection									N/A	N/A
Action Matrix		Regulatory Response	Regulatory Response	Degraded Cornerstone	Degraded Cornerstone	Degraded Cornerstone	Degraded Cornerstone	Repetitive Degraded	Repetitive Degraded	Repetitive Degraded

Dates in parenthesis are exit dates for the findings

- 1.) Compromise of the requalification biennial written examinations
- 2.) Failure of exercise critique process
- 3.) Ineffective corrective actions to prevent recurrence of a dose assessment performance weakness
- 4.) Failure to perform timely offsite notifications following an Alert
- 5.) Failure to meet planning standard for timely augmentation of emergency response facilities
- 6.) Preliminary White associated with RCIC instrument line snubber fouling issue

Cooper TIP Process



NPPD BOARD PRESENTATION

BACKGROUND

- Good Morning. The NRC implements a Safety Oversight Process that is intended to be transparent to the public and other interested parties, and, one that is predictable to nuclear power plant owners. The heart of this safety oversight process are pre-determined decision points for each category of nuclear power plant safety performance. These pre-determined decisions are reflected in what we call the "action matrix." The NRC classifies nuclear power plant safety performance into 5 categories, Category 1 is the best, Category 5 is the worst. Moving from Category 1 to Category 4 represents a reduction in the margin of safety. In Category 5, the margin of safety is unacceptably small, and the plant is not permitted to operate.

The entry conditions for this Action Matrix are performance deficiencies which are grouped by safety significance into four categories: Green (very low), White (low), Yellow (moderate), and Red (high).

Now, if we take a look at Cooper Station's performance since July of 2000, we can clearly see the decline in safety performance. In the third quarter of 2000, all Green Performance, there were no significant regulatory issues. In the fourth quarter, an Emergency Preparedness Drill weakness was noted, moving Cooper to Category 2. In the second quarter of 2001, the same EP problem recurred, indicating ineffective corrective actions, moving Cooper into Category 3. In the third quarter of 2001, two additional White Findings were assessed resulting from an actual plant event which was classified at the Alert Level. During this event, Cooper Station personnel failed to make timely offsite notifications and failed to man their emergency facilities within the time requirements.

These two additional Whites cause Cooper to remain in Category 3 for over a year, which results in the safety performance being further downgraded to Category 4.

In the fourth quarter of 2001, we see problems in a different cornerstone, mitigating systems. Of note, in the inspection conducted to close the White Emergency Preparedness findings in 2002, we found that adequate corrective action had still not been taken, and thus, the White findings remain open.

Once a plant's performance degrades to Column 4, we form a large team of very experienced inspectors to independently assess the plant. In the case of Cooper, we felt that the previous 10 years provided an extensive history of well founded independent assessments of the plant's performance that likely captured the full spectrum of problem types that exist at Cooper. We felt that the NRC's resources would be best spent on assessing the adequacy of Cooper's Corrective Action Plans rather than provide yet another listing of Cooper's unaddressed problems.

This was an innovative approach, designed to move Cooper forward toward a solution. I believe our team and your staff worked together exceptionally well to make this a thorough and effective assessment of your corrective action plan.

We focused our effort in three main areas of the TIP Process, Problem Characterization - did the TIP capture all the problems; Corrective Action Plans - were they complete, thorough, and achievable; and the Implementation Plan - was it prioritized, resource loaded, and realistic.

Results

Overall, we found that Cooper Station continued to be operated safely.

However, while good progress has been made in developing the Strategic Improvement Plan, Significant Deficiencies were noted in all three areas assessed, indicating the need for substantially more work, perhaps as much effort as has already been invested in the TIP.

Specifically, we found the Cooper Nuclear Station lacked a systematic process for developing the extent of condition reviews and the TIP Revision 1 Action Plans. Rather than a formal procedure driven repeatable process, we found an informal evolving process that lacked the requisite coordination between the problem characterization and the Corrective action portion of the effort. This is an important weakness in that ultimately the credibility of the process and the confidence that it need not be repeated when a new problem arises, rests with the formality, rigor, and repeatability of the process.

In the area of Problem Characterization, we noted that the bulk of the problems warranting attention had been appropriately captured by the process, with only one issue missed in its entirety, the management of spare and replacement parts.

In summary, your efforts to date have gotten you about half way to the end of the beginning - simply to develop the plan.

- We saw a lack of rigor in the process - But progress made from a brute force approach
- Problem characterization generally effective with some important omissions
- Insufficient detail in steps for half of the action plans, and
- Very little work done on planning for implementation.