



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

NRC INSPECTION MANUAL

DRIL

INSPECTION PROCEDURE 40501

LICENSEE SELF-ASSESSMENTS RELATED TO AREA-OF-EMPHASIS INSPECTIONS

PROGRAM APPLICABILITY: 2515

SALP FUNCTIONAL AREA: OTHER SPECIAL AREA FOR OPERATIONS (SOOTHR-0)

40501-01 INSPECTION OBJECTIVE

To provide guidance on the pilot program to evaluate a licensee's self-assessment effort as an alternative to an extensive NRC area-of-emphasis team inspection.

40501-02 INSPECTION REQUIREMENTS

02.01 Regional management will determine if licensee's past performance is sufficient to warrant reduced NRC inspection.

02.02 Licensee's Proposed Self-Assessment

- a. Organization. Evaluate the capability of the licensee's organization to manage the self-assessment, whether it is conducted by some element of the licensee organization or an independent organization.
- b. Assessment Team. Ensure that the licensee's assessment team has the necessary credentials and experience to perform a technically creditable self-assessment.
- c. Scope of Effort. Ensure that the scope and depth of the licensee's program are at least equivalent to those specified in the temporary instruction (TI) for the area-of-emphasis inspection, or that the licensee provides an acceptable basis for reducing scope or depth.
- d. Timing. Ensure that the timing of the licensee's proposal and assessment is such that NRC can adequately adjust its planning for the area-of-emphasis inspection and can review the licensee's assessment planning and in-process implementation.

02.03 Implementation of the Licensee's Self-Assessment

- a. In-Process Inspection. Evaluate the capability of the licensee's team and the depth of review by monitoring the conduct of the licensee's in-process assessment.
- b. Final Inspection. Perform a technical inspection of the licensee's

completed self-assessment when the licensee issues its final report.

40501-03 INSPECTION GUIDANCE

General Guidance. Under this pilot program, the NRC will recognize a licensee's good performance and quality self-assessment by reducing the scope of NRC inspection. This reduced inspection applies to area-of-emphasis team inspections, which are resource intensive (require more than 15 inspector-days of onsite inspection). This procedure outlines the process for monitoring the licensee's self-assessment effort and for conducting a limited-scope, in-depth inspection as an alternative to a full-scope NRC inspection as specified in the related TI.

The NRC has area-of-emphasis inspections such as Service Water System Operational Performance Inspection (TI 2515/118, Revision 1) or other required inspections such as Safety-Related Motor-Operated Valve Testing and Surveillance (TI 2515/109) which could be conducted at each plant. This procedure is independent of Inspection Manual Chapter (IMC) 2515, Section 06.03, which provides that the regional administrator may for good cause elect not to perform a generic area team inspection.

The NRC acceptance process should be initiated by a licensee's formal submittal of its proposed self-assessment as a basis for reduced NRC inspection, including the schedule, scope, level of effort, and team qualifications. The Director, Program Management, Policy Development and Analysis Staff (PMAS), should formally concur in the regional letter to the licensee in which the request for reduced inspection is approved. The region should formally respond to all licensee requests for reduced inspection. If reduced NRC inspection is conditionally approved, the letter should include any stipulations (e.g., revised self-assessment scope) on which the approval is conditioned. The letter should state that the option of permitting licensees to conduct a self-assessment in lieu of an NRC area-of-emphasis inspection is a pilot NRC program aimed at minimizing regulatory impact and utilizing NRC resources more efficiently.

Notwithstanding the licensee's self-assessment, the region may elect to not reduce its normal area-of-emphasis inspection scope if there are indications that the licensee's effort was not implemented in accordance with the licensee's approved plan or was deficient for some other reason.

Any issues identified as a result of a licensee's self-assessment should be considered to be licensee identified, notwithstanding that licensee effort was initiated as a result of NRC selecting the area to inspect. However, any enforcement action involving an "old design issue" should be referred to the Office of Enforcement.

The requirements in the TI pertaining to reporting requirements, completion schedule, expiration, and technical contact should be followed. For MIPS and RITS purposes, the planning and inspection effort should be charged against this inspection procedure, but the TI should be closed out with status code "R" on the RITS form (completed by reference) when NRC inspection activities are completed.

Specific Guidance

03.01 Regional management should consider licensee performance during prior major area-of-emphasis inspections, relevant NRC inspections, periodic plant performance reviews, and SALP ratings. Licensees recognized by NRC senior

management as good performers should be considered as automatic candidates. Requests from other licensees should be evaluated on a case-by-case basis. Licensees placed on the "watch list" would not be eligible for reduced NRC inspection.

03.02. Licensee's Proposed Self-Assessment

- a. Organization. The NRC review should consider if the backlog of activities for the licensee's organization could preclude effective management of the self-assessment. The technical qualifications of the involved licensee personnel should be evaluated.
- b. Assessment Team. The design reviewers should have hands-on design experience, such as that of a supervisory engineer in an architect-engineer organization. The reviewers in other than design areas should have appropriate technical and plant experience.
- c. Scope of Effort. Deviations from the scope of the area-of-emphasis inspection will be treated on a case basis with appropriate justification. For example, it may be appropriate for the licensee's assessment not to include areas evaluated during recent NRC inspections.
- d. Timing. Licensee self-assessments should be completed in a timeframe that is sufficient to allow the NRC to complete a final inspection of the licensee's effort before the expiration date of the TI. It is desirable that licensee proposals be made sufficiently in advance of both the implementation of the self-assessment and the planned NRC area-of-emphasis inspection (generally at least 90 days). This is to ensure that the region has sufficient time to evaluate the proposal (Section 02.02) and align its resources as appropriate to monitor in-process conduct of the licensee's self-assessment (Section 02.03.a). Although the intent is not to penalize a licensee who does not give the region sufficient lead time before the self-assessment, it is obviously more efficient for the licensee to resolve NRC comments on the inspection scope, depth, and so forth before initiating the self-assessment. In addition, it is impractical for NRC to be notified of a licensee request for reduced NRC inspection under this IP after the NRC inspection has proceeded substantially in the planning stage.

To ensure timely self-assessment proposals, regions should provide advance notification of area-of-emphasis inspection by as much as 9 months, consistent with the latitude in IMC 0300, "Announced and Unannounced Inspections." This advance notification should advise the licensee of the self-assessment option and of the possibility of obtaining a copy of this inspection procedure if requested.

03.03 Implementation of the Licensee's Self-Assessment

- a. In-Process Inspection. Generally, a regional team leader and/or senior inspector qualified for conducting the specific area-of-emphasis inspection should conduct the in-process inspection. Generally, this will require more than one individual because of the several disciplines involved, but not as many as required for the final inspection of the licensee's effort. The in-process inspection should last up to 5 days and be implemented when the self-assessment is approximately 50 percent complete. During this inspection, the scope and depth of the licensee's self-assessment, including the objectivity and independence of the self-

assessment team should be evaluated. The evaluation should also include a review of the process for addressing operability concerns and the process for developing corrective actions and ensuring their appropriateness. If the licensee's organization primarily responsible for the areas of the self-assessment has demonstrated good performance (e.g., SALP Category 1) and the licensee's implementation of its self-assessment appears to be effective, NRC effort during the final inspection may be reduced.

- b. Final Inspection. This inspection should be performed when the licensee has completed its self-assessment, specified corrective actions to be implemented, and issued a final summary report. The regional technical inspection of the completed self-assessment should be led by a regional team leader and include appropriate multidiscipline expertise, including contractor specialists. Wherever possible, personnel who participated in the in-process inspection (Section 03.03.a above) should be on the team. The team should parallel the disciplines for the normal area-of-emphasis inspection, with appropriate reductions made in areas where one inspector can cover several disciplines. The inspection scope and team size should be predicated on the TI, findings from other inspections, results from the NRC in-process inspection, site-specific characteristics, and the licensee's past performance.

The NRC inspection scope should include areas covered by the self-assessment to evaluate the completeness of the licensee's reviews, but minimal resources should be expended in areas where the licensee had adequately addressed significant findings. For areas within the scope of the TI reviewed during the self-assessment on a sampling basis, the NRC inspection should include items both reviewed and not reviewed during the licensee's self-assessment. For example, if the self-assessment did not include a review of the thermal performance of all service water system heat exchangers, the NRC inspectors would need to reach a conclusion on whether the self-assessment sample provided a reasonable basis to support a licensee conclusion regarding the performance of the heat exchangers not reviewed. The NRC scope should also include any significant areas of the TI not addressed by the self-assessment.

During the NRC inspection, the corrective actions proposed by the licensee for the more significant assessment findings as well as for generic findings and the licensee's handling of any operability concerns should be evaluated. It may be appropriate for the region to follow up on the licensee's implementation of the corrective actions for significant findings.

40501-04 RESOURCE ESTIMATE

The goal for the total NRC oversight effort should be no more than 25 percent of the normal preparation and inspection effort for the area-of-emphasis inspection. Inspection duration and scope and team size and composition will be determined by the regional office on a case-by-case basis. Normally, the 25 percent goal can be achieved by reducing both team size and inspection duration to half the normal level.

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