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STP Nuclear Operating Company
South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

December 22, 2003
NOC-AE-03001655

U.S. Nuclear Regulatory Commission
Attention: Mr. Michael T. Lesar
Chief, Rules and Directives Branch, Office of Administration
Mail Stop T-6D59
Washington, D.C. 20555-0001

SUBJECT: Solicitation of Public Comments on the Implementation of the Reactor Oversight Process

REFERENCE: *Federal Register* Vol. 68, No. 219, Pages 64374 – 64375, dated November 13, 2003

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Dear Mr. Lesar:

STP Nuclear Operating Company (STPNOC) is pleased to submit our comments regarding the implementation of the Revised Oversight Process (ROP). STP fully endorses the comments submitted by NEI on December 18, 2003.

In general, we believe the ROP is meeting the established performance goals and we have provided detailed comments to the questions posted in the referenced Federal Register in the Attachment to this letter that may help to further improve the ROP. Additionally, STPNOC considers that the NRC oversight of the Bottom Mounted Instrumentation leakage at STP was an excellent example of how the ROP improves regulatory oversight and decreases regulatory burden while ensuring public safety.

If there are any questions please contact me at 361-972-7206 or W. E. Mookhoek at 361-972-7274.

Mark McBurnett
Manager, Quality and Licensing

Attachment

E-RIDS=ADM-03

Add=M.S. Maley (MSM3)
R. Frahm (RKF)

Template=ADM-013

RESPONSES TO FEDERAL REGISTER NOTICE QUESTIONS

(1) Does the Performance Indicator Program minimize the potential for licensees to take actions that adversely impact plant safety?

In most cases, but not all, the data elements that make up the Performance Indicators (PI) reflect that appropriate actions are being taken in support of safe plant operation. Two areas have the potential to cause Licensees to take actions that can adversely impact plant safety. One is in the current Mitigating Systems Cornerstone, specifically with the System Unavailability PIs. The System Unavailability PIs are not risk informed and are not consistent with Maintenance Rule Program goals in most cases. Planned maintenance schedules are managed in order to maintain plant performance in the "GREEN band". The second area is in the Scrams with Loss of Normal Heat Removal metric. This metric could possibly cause an operator to delay or eliminate actions they may have taken to make a transient easier to control simply due to some perceived performance standard being communicated by the metric. A significant effort has been made by the industry and the NRC to aggressively address the problems associated with the System Unavailability PIs by better risk-informing them. The Mitigating Systems Performance Index (MSPI) has been piloted as a replacement for the System Unavailability PIs and we believe that if implemented, the MSPI should help resolve this problem. We continue to support the implementation of the MSPI and are disappointed that the schedule for MSPI implementation has slipped to 2005. We support the NEI position on the suspension of the Scrams with Loss of Normal Heat Removal metric.

(2) Does appropriate overlap exist between the Performance Indicator Program and the Inspection Program?

Yes, in most cases appropriate overlap exists between the Performance Indicator Program and the Inspection Program. There are, however, a few exceptions to this. For example, NRC performs an SDP for each occurrence of single equipment failure, even though a safety system unavailability PI covers the equipment. Another example of excessive overlap is the Scrams with Loss of Normal Heat Removal. NRC performs a risk assessment of every scram to determine the need for additional inspection; therefore, there is no need to have a redundant PI.

(3) Do reporting conflicts exist, or is there unnecessary overlap between reporting requirements of the ROP and those associated with the Institute of Nuclear Power Operations (INPO), the World Association of Nuclear Operations (WANO), or the Maintenance Rule?

Yes, reporting conflicts continue to exist between the ROP, INPO, WANO, and the Maintenance Rule. Maintenance Rule monitors performance with one set of goals while ROP monitors system performance using another set of goals. In most cases, the guidance for the ROP, INPO, WANO, and the Maintenance Rule differ slightly. However, of equal concern is the continuing amount of duplicated effort by the plant support staff to develop and maintain "customized" indicators. We recognize that INPO is working with the industry and the NRC to reduce the conflicts and duplication of effort that currently exists. Implementation of MSPI will solve some of these conflicts. We encourage continued industry and NRC support of INPO's work with the Consolidated Data Entry program.

(4) Does NEI 99–02, "Regulatory Assessment Performance Indicator Guideline" provide clear guidance regarding Performance Indicators?

NEI 99-02 provides adequate guidance regarding Performance Indicators. The current revision of NEI 99-02 does contain some confusing verbiage. For example, the clarifying notes in the Scrams with Loss of Normal Heat Removal PI include several special considerations, which have complicated the PI. Considerable effort by the NRC and Industry to resolve issues with this indicator have failed; we support the recommendation by NEI to eliminate this Performance Indicator.

(5) Is the information in the inspection reports useful to you?

Yes, information in inspection reports is useful. The organization of the reports and the ties to cornerstones help in providing better definition and focus in problem areas. The listing in the reports of inspection scope is duplicative of the Inspection Procedures and should be eliminated.

(6) Does the Significance Determination Process yield equivalent results for issues of similar significance in all ROP cornerstones?

No, the Significance Determination Process (SDP) does not apply the same risk significance to issues across the seven cornerstones. Some SDPs are still deterministic in nature – especially in the areas of emergency preparedness and to a lesser degree, public radiation protection. Deterministic thresholds have the effect of aggregating lesser items of minor risk significance to create findings with a final significance out of proportion to the risk presented by any credible situation. We recognize that both the industry and the NRC have worked over the past year to better risk-inform the Emergency Preparedness and the Public Radiation Safety SDPs.

(7) Does the NRC take appropriate actions to address performance issues for those licensees outside of the Licensee Response Column of the Action Matrix?

Yes, the NRC follows the Action Matrix and takes appropriate actions to address performance issues. We continue to believe an improvement that should be considered is limiting the length of time a finding is reflected against licensee performance. A graduated approach should be considered correlating the length of time a finding remains visible (or effective in the action matrix) to the severity of the finding (e.g., a green finding stays for one quarter, a white finding stays for 2 quarters, etc.) Rather than retaining all findings for four quarters, this approach results in retaining the finding for a period of time commensurate with its significance. Of course, those findings should continue to be retained until the NRC is satisfied that the issue has been satisfactorily resolved.

(8) Is the information contained in assessment reports relevant, useful, and written in plain English?

Yes, the information contained in the assessment reports is relevant, useful, and written in plain English.

(9) Are the ROP oversight activities predictable (*i.e.,* controlled by the process) and objective (*i.e.,* based on supported facts, rather than relying on subjective judgment)?

For the majority of the normal baseline inspections, the ROP oversight activities are predictable and objective as reported in the end product (i.e. the inspection report). During the course of the actual inspection activities this is not always the case. Most inspectors follow the guidance but a few still appear to use aggregation and "reverse SDP" techniques. (Reverse SDP means predetermining significance of an issue based on subjective judgement then developing the supporting arguments.) The subjective nature of some of the SDP screening questions reduces the predictability of the ROP oversight activities.

(10) Is the ROP risk-informed, in that the NRC's actions are graduated on the basis of increased significance?

The majority of the ROP is risk-informed due to actions taken over the past three years of implementation to further risk-inform the process. Actions that result from findings that are classified using the Reactor Safety SDP, IMC 0609 App A, are the most risk-informed and are the ones most graduated on the basis of an actual increased significance. Actions resulting from findings that are classified based on SDPs that are still deterministic in nature are not as likely to be graduated consistent with actual significance. For example, the number of occurrences does not equate readily to the "significance" of an issue. It would seem that the "significance" of each occurrence would have to be the overriding consideration, rather than the aggregation of a few "minor" items or the sheer number of insignificant occurrences. We believe that a degraded cornerstone should result from three, rather than two, white outcomes (inspection findings and PIs), and the period of time findings remain in the action matrix should be graduated based on safety significance.

(11) Is the ROP understandable and are the processes, procedures and products clear and written in plain English?

Yes, in general the ROP is understandable and the processes, procedures, and products are clear and written in plain English. Some of the newer SDPs do require a technical background to understand. The Fire Protection and Steam Generator SDPs have been particularly difficult to follow.

(12) Does the ROP provide adequate assurance that plants are being operated and maintained safely?

Yes, the ROP provides adequate assurance that plants are being operated and maintained safely as indicated by the continuously improving industry trends.

(13) Does the ROP improve the efficiency, effectiveness, and realism of the regulatory process?

Yes, the ROP improves the efficiency, effectiveness, and realism of the regulatory process over the old SALP process. However, in some cases the efficiency and effectiveness are decreasing in the existing ROP process. The scope and resources needed for the baseline Radiation Protection Cornerstone inspections seem excessive relative to overall industry performance. The NRC should consider reevaluating the frequency of these inspections. Many new and specialized SDPs are being added to the program without a complete evaluation of the adequacy of the existing SDPs. An example of this is the Steam Generator SDP. This SDP is being developed using design goals and industry guidance documents to infer significance. The existing Reactor Safety SDP, IMC 0609 App A could be utilized to evaluate the significance of steam generator performance issues if a new tube burst probability were calculated and applied to the existing PRA models. The development of many SDPs are complicating the ROP process and causing significant training issues for the NRC inspection staff as well as licensees. The NRC has provided routine opportunities for the industry and the public to participate in monthly task force meetings designed to improve the ROP. The NRC has been receptive to industry and public comments made during the meetings.

(14) Does the ROP enhance public confidence?

Yes. The ROP provides an objective, repeatable process for assessing plant performance. PIs and inspection results are readily available for public review and scrutiny. The public has participated in the development and revisions to the process.

(15) Has the public been afforded adequate opportunity to participate in the ROP and to provide inputs and comments?

Yes, the public is afforded adequate opportunity to participate and provide inputs and comments. Public representatives attend the month ROP Task Force meeting.

(16) Has the NRC been responsive to public inputs and comments on the ROP?

Yes, the NRC makes special efforts to recognize the public representatives at the monthly public ROP meetings and allows the public to have an opportunity to voice their opinion on the issues discussed. Public comments are received, evaluated, and dispositioned in a professional manner.

(17) Has the NRC implemented the ROP as defined by program documents?

The NRC as a whole has implemented the ROP as defined by the program documents. More program definition is needed in the area of cross cutting issues and how to document and close these issues.

(18) Does the ROP reduce unnecessary regulatory burden on licensees?

Yes, the ROP has reduced unnecessary regulatory burden on licensees. While we have not seen a marked reduction in baseline inspection hours, we have realized reduced burden in the area of resolving minor violations. We appreciate the opportunity to use our Corrective Action Program to resolve the problems that used to be characterized as level IV violations, which required formal written responses.

(19) Does the ROP result in unintended consequences?

The ROP could cause some unintended consequences. Two Performance Indicators could cause unintended consequences as discussed earlier in question # 1 above.

(20) Would you benefit if the NRC conducted a ROP Public Workshop in the future?

Yes, a workshop would be beneficial to further communications and understand the evolution of the ROP over the last 3 years. There have been many changes to the inspection procedures, and SDPs that should be discussed to further a common understanding.

(21) Please provide any additional information or comments on other program areas related to the Reactor Oversight Process.

- There appears to be a significant amount of emphasis placed on using the deterministic three times differential pressure criterion to issue a yellow finding in the proposed Steam Generator SDP. We believe that there is no regulatory basis for this criterion, and it is well beyond design basis. We propose that, rather than using a deterministic criterion for significance, the significance of the condition be assessed using PRA. In general, deterministic SDPs often create false positives.

- There seems to be a rush to develop specific SDPs that are not very risk informed. This complicates the ROP and should be minimized.

- A change to the Action Matrix should be considered such that three white findings are required to transition to the Degraded Cornerstone column. The additional effort required to prepare for and implement a 95002 inspection is rarely warranted for two low safety significance issues. A threshold of three white findings to change from the Regulatory Response column to the Degraded Cornerstone column in the Action Matrix would be a better use of available resources.