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Ref: ROP, 68 FR 64374

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December 31, 2003

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U.S. Nuclear Regulatory Commission
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**STRATEGIC TEAMING AND RESOURCE SHARING (STARS)
COMMENTS ON THE NRC'S REACTOR OVERSIGHT PROCESS
(68 FR 64374)**

Gentlemen:

On behalf of the licensees participating in the Strategic Teaming and Resource Sharing (STARS)¹ alliance, the comments in the attachment to this letter are being provided with regard to the NRC's Reactor Oversight Process (ROP).

The STARS plants appreciate the opportunity to provide comments on the NRC's ROP and fully endorse the comments submitted by NEI on December 18, 2003.

Since implementation in April 2000, the ROP has exhibited marked improvement over the former inspection and enforcement process. Subjecting the ROP to continuous improvement by way of the routine ROP public meetings and the periodic solicitation of public feedback has assisted the ROP in effectively meeting the intended objectives, i.e., to maintain reactor safety; to enhance public confidence; to improve the effectiveness, efficiency, and realism of the oversight process; and to reduce unnecessary regulatory burden. A good example where the ROP improved regulatory oversight and reduced regulatory burden while ensuring public safety was in the way the NRC addressed South Texas' resolution of the Bottom Mounted Instrumentation leakage issue. STARS supports and looks forward to assisting in the continuing efforts to further develop and improve the ROP.

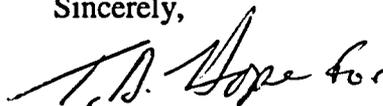
¹ STARS is an alliance of six plants (eleven nuclear units) operated by TXU Energy, AmerenUE, Wolf Creek Nuclear Operating Corporation, Pacific Gas and Electric Company, STP Nuclear Operating Company and Arizona Public Service Company.

F-UFDS = ADM-013
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Template = ADM-013

If there are any questions regarding these comments, please contact me at 254-897-6887 or dwoodl1@txu.com.

Sincerely,

A handwritten signature in black ink, appearing to read "D. R. Woodlan". The signature is written in a cursive style with a large, sweeping initial "D".

D. R. Woodlan, Chairman
Integrated Regulatory Affairs Group
STARS

Attachment

Attachment

STARS Comments on the Fourth Year of Implementation of the Reactor Oversight Process

**STARS response to the Federal Register Notice dated November 13, 2003,
requesting comments on the fourth year of implementation of the Reactor Oversight
Process**

The Federal Register Notice dated November 13, 2003, requested comments on the fourth year of implementation of the Reactor Oversight Process. Feedback was requested on twenty one questions. Rather than addressing each question, STARS would like to focus our comments on six specific topics with references to the relevant questions. The six main topics are the Mitigating Systems Performance Index (MSPI), the scrams with loss of normal heat removal Performance Indicator (PI), comment resolution within the NRC, the Action Matrix, the Significance Determination Process (SDP), and the use of Licensee Assessments in conjunction with the NRC inspection process for major team inspections. In some cases, these topics cross the boundaries of one or more of the specific questions asked in the Federal Register Notice.

Mitigating Systems Performance Index

STARS strongly supports replacing the current Safety System Unavailability PI with the MSPI. Over the past two years, STARS committed significant resources to work with the NRC and develop more risk informed PIs than currently exist in the Mitigating Systems cornerstone. The need to do this was recognized by both the industry and the NRC when the ROP was initially implemented. The current PIs only measure the availability of four safety systems - system reliability is not measured. System availability can be controlled to some degree by adjusting the preventive and predictive maintenance schedules. These adjustments can result in performing maintenance during less preferable times for the sake of maintaining high system availability.

Both availability and reliability need to be considered when evaluating the health of a system. An industry task force working with the NRC's Office of Nuclear Reactor Research developed a method to combine system availability and reliability factors together to evaluate system health which resulted in a far superior, risk informed PI. This risk informed PI (the MSPI) is an indicator, not a risk assessment tool. Attempts to make the indicator a precise risk measurement tool and change management challenges have stalled progress in implementing the new PI. The MSPI was successfully piloted nine months ago. The MSPI pilot successfully demonstrated the ability of the PI to provide a risk informed performance indicator that incorporated the necessary reliability elements. STARS is disappointed that what appears to have been a successful pilot, has yet to be scheduled for implementation. STARS therefore encourages expeditious implementation of the MSPI. (Reference Federal Register question 1)

Scrams with loss of normal heat removal

The scrams with loss of normal heat removal PI is not working as originally intended as evidenced by the large amount of change to the original guidance in NEI 99-02 and the

large number of unresolved Frequently Asked Questions (FAQs). According to the original framework document (SECY-99-007), this PI was intended to capture that subset of scrams that were “risk-important.” The PI, as currently defined, does not satisfy the original intent.

The current PI captures a large number of scrams that are not “risk-important” and misses scrams that are “risk-important.” Examples of non “risk-important” scrams that have been counted include a scram with low decay heat where MSIVs were closed to limit cooldown and a scram with automatic main feedwater isolation to prevent overfill. In both of these cases, the loss of heat removal capability was not the immediate concern and the scrams were not “risk-important.” Contrasting these counted scrams are the “risk-important” scrams that went uncounted such as the scram that occurred when a main turbine failed because of a loss of lube oil following an electrical switchgear fire or the scrams that were the result of a loss of offsite power.

Changes to the original PI as a result of the large number of FAQs shortly after the ROP was implemented resulted in making the guidance in NEI 99-02 so complex that it is difficult to understand and to correctly apply when characterizing scrams with loss of normal heat removal. This complex guidance coupled with the large number of unresolved FAQ’s (some of which date back as much as two years) reduces the effectiveness of this PI.

PIs, along with their thresholds were designed to provide the NRC with an evaluation tool to help determine the level of regulatory engagement appropriate to licensee performance. Following all scrams, the NRC uses inspection guidance in IP 71153 and Management Directive 8.3 to accomplish this same goal which, in effect, duplicates the intended function of the PI.

Based on the facts that the current PI does not effectively count “risk-important” scrams, the guidance is complex with numerous unresolved FAQs pending, and the PI is duplicative in that following all scrams the NRC uses IP 71153 and Management Directive 8.3 to determine the level of regulatory engagement, STARS recommends the scrams with loss of normal heat removal PI be suspended until a PI can be developed that truly does measure “risk-important” events. (Reference Federal Register questions 1, 4, and 19)

Comment Resolution

On several occasions STARS has provided written comments to the NRC and has been an active participant in the ROP task force by attending NRC hosted public meetings on the ROP and its various specific elements. While we truly appreciate the opportunity to engage in program improvement efforts, we note that our comments are not always addressed. We understand that not all comments and recommendations can be implemented but, where it is appropriate, we do request that the NRC address all

comments and consider them when affecting process changes. Currently, it is not apparent that this is occurring.

STARS recommends the NRC develop or adopt an effective means of documenting and dispositioning comments provided by stakeholders in letters such as this or in public meetings. The results need to be shared with the stakeholders. Unless the stakeholders are aware of how and why their comments were resolved, the stakeholders will reintroduce the comments and both the stakeholders and the NRC will end up re-discussing them and covering the same ground over again. Follow-up discussions are sometimes necessary to further develop an issue but when the follow-up discussions are completely redundant, they serve only to waste stakeholder and NRC resources and time. Until an effective tool is used to capture and track comments and is available to stakeholders for review, this element of the ROP will not be scrutable. (Reference Federal Register Notice question 16)

Action Matrix

Yes, the NRC follows the Action Matrix and takes appropriate actions to address performance issues as the guidance is currently written. 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 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 two 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.

Another recommendation would be to re-evaluate the thresholds needed before entering the degraded cornerstone column. The additional effort required to prepare for and implement a 95002 inspection is rarely warranted for two whites, especially when the whites are from a PI or SDP finding that is based on deterministic criteria. The whites based on deterministic criteria are creating a problem in that licensees generally address potential white findings with the intent of driving them to green based on risk assessments or evaluations to prevent being driven into the degraded or repetitive degraded cornerstone column of the Action Matrix for issues that have little or no real risk associated with them. STARS recommends adjusting the Action Matrix threshold for entry into the degraded cornerstone column from two to three whites. (Reference Federal Register Notice question 7)

Significance Determination Process

The Significance Determination Process (SDP) does not apply the same risk significance to issues across the seven cornerstones. Some of the SDPs are still deterministic in nature. 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. STARS recognizes that both the industry and the NRC have worked over the past year to better risk-inform the Occupational and Public Radiation Safety SDPs and the Emergency Preparedness SDP - we are encouraged with the progress made. STARS recommends that the NRC continue to work with stakeholders to risk-inform all SDPs to the greatest extent practical.

STARS is concerned with the increased NRC focus on the use of External Events IPEEE risk analysis as input into the SDP Appendix A phase 3 analysis for Findings for At-Power Situations when evaluating internal events. The original basis for setting color thresholds for the Reactor Safety SDP was based on internal events only. STARS suggests that if IPEEE risk is factored into the SDP, then the color thresholds must be adjusted for change due to the new IPEEE risk factor.

There seems to be a trend to create SDPs for more and more unique situations. This trend is creating too many specialty SDPs. STARS recommends that more rigor be built into the screening criteria to either eliminate the need for further evaluation or frame the issue so that it can be evaluated using the reactor safety, or other developed SDP. This would promote more consistency relative to applying similar risk significance to issues across the seven cornerstones.

SDPs can be resource intensive for both the NRC and licensees. Better screening before proceeding with an SDP would help improve the process and promote consistency across the Regions. Manual Chapter 0612, Appendix E, provides a very useful tool to help screen out minor issues. STARS encourages the Regions to share inspection information with their regional counterparts and to continue to provide updates of minor examples for inclusion into the list in MC 0612. (Reference Federal Register Notice questions 6, 9, 10, and 13)

Licensee Assessments

One area of the ROP where both the NRC and Licensees could gain efficiencies is through the use of the licensee assessments for large team inspections. Licensees routinely perform assessments in Engineering and Design and other areas using in-house personnel and contracted industry experts. This combination provides for an objective, in-depth review of plant processes and installed plant systems. Prior to the ROP, provisions existed in the NRC Inspection Manual to perform these assessments with NRC approval and oversight for credit towards an NRC team inspection in the same areas. STARS encourages the NRC to re-implement this provision, especially for the major team inspections such as the Engineering Safety System Functional Assessments or the Fire Protection Triennial Inspection. (Reference Federal Register Notice questions 18 and 21)