



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV  
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ARLINGTON, TEXAS 76011-4005

April 12, 2004

MEMORANDUM TO: William D. Travers  
Executive Director for Operations

THRU: James E. Dyer, Director /RA/  
Office of Nuclear Reactor Regulation

FROM: Bruce S. Mallett /RA/  
Regional Administrator

SUBJECT: REACTOR OVERSIGHT PROCESS ACTION MATRIX  
DEVIATION REQUEST

This memorandum requests your approval to deviate from the Reactor Oversight Process (ROP) actions for Cooper Nuclear Station (CNS). Region IV requests to maintain the level of regulatory oversight at CNS consistent with the Multiple/Repetitive Degraded Cornerstone column of the Action Matrix following closure of the three White inspection findings in the Emergency Preparedness Cornerstone. These White findings, as well as one other, resulted in CNS's placement into this column of the Action Matrix in April 2002. On the basis of the results of inspection activities, Region IV has concluded that CNS has corrected the specific performance deficiencies within the Emergency Preparedness Cornerstone and, as a result, there is a sufficient basis for closing the associated White inspection findings. Closure of the White findings would enable the NRC to clearly communicate to all stakeholders the NRC's current assessment of the licensee's ability to implement their emergency plan, and still maintain the appropriate level of oversight.

On the basis of the guidance in Inspection Manual Chapter 0305, with the closure of these White findings, the level of regulatory oversight would transition to the Regulatory Response Column of the Action Matrix. Currently, there is a White performance indicator for Unplanned Scrams per 7000 Critical Hours. However, Region IV requests a deviation from the Action Matrix to maintain the level of oversight of CNS consistent with the Multiple/Repetitive Degraded Cornerstone column of the Action Matrix. These actions include continued NRC oversight of the licensee's performance improvement plan, continued implementation of the Confirmatory Action Letter (CAL), and senior NRC management involvement in meetings, site visits, and correspondence. This would provide the appropriate level of oversight while the licensee completes the actions listed in the Action Matrix that were implemented as a result of CNS entering the Multiple/Repetitive Degraded Cornerstone column. Specifically, the Nebraska Public Power District (NPPD) has not completed all the actions confirmed by our CAL, dated January 30, 2003. While NPPD has completed those actions within the Emergency Preparedness Cornerstone and we are satisfied that CNS performance has improved in this area, there are five other safety performance problem areas identified during the 95003

Supplemental Inspection that was conducted in 2002 and confirmed by the CAL. Not all CAL actions within these areas have been completed, and, in several areas the licensee has not demonstrated significant or sustained improved performance.

### Background

On April 1, 2002, CNS entered the Multiple/Repetitive Degraded Cornerstone Column of the Action Matrix because of a degraded Emergency Preparedness Cornerstone that existed for more than four quarters. A total of four White findings in the Emergency Preparedness Cornerstone were identified over a period of one year, from the fourth quarter of 2000 to the third quarter of 2001. These findings involved the licensee's failure to: (1) recognize a degraded core during an emergency exercise and failing to identify this failure during the critique; (2) take effective corrective action for the underlying performance deficiency of failing to recognize a degraded core; (3) make timely offsite notifications following an Alert declaration as a result of fire in a potential transformer; and (4) staff the emergency response facilities within the required time following the declaration of the Alert. Currently, three of the White findings remain open.

Upon entry into the Multiple/Repetitive Degraded Cornerstone Column of the Action Matrix, and with oversight by the NRC, NPPD developed a plan to improve performance at CNS. On June 10, 2002, NPPD submitted Revision 1 of The Strategic Improvement Plan to the NRC. On August 22, 2002, the NRC completed a supplemental inspection using Inspection Procedure 95003, "Inspection for Repetitive Degraded Cornerstones, Multiple Degraded Cornerstones, Multiple Yellow Inputs, or One Red Input." The inspection found that a number of long-standing performance problems existed at CNS, including the failure of CNS to correct recurring performance issues. The team identified that the licensee's improvement plan did not include actions to correct recurring equipment problems and was not comprehensive in addressing problems with the corrective action program. Also, the team concluded that NPPD had been unsuccessful in previous efforts to improve performance with focused improvement plans. The inability to effectively correct problems resulted in recurring problems with the reliability of safety systems, personnel errors, implementation of the emergency plan, and the quality of engineering, training, and maintenance activities.

Following completion of the NRC supplemental inspection, NPPD revised its improvement plan and submitted Revision 2 of the plan to the NRC on November 25, 2002. On January 30, 2003, NRC issued a CAL to NPPD. The purpose of the CAL was to confirm the commitments made by NPPD regarding completion of those actions in their improvement plan developed to address regulatory performance issues. Licensee actions confirmed in the CAL addressed long-standing performance issues in the areas of emergency preparedness, human performance, material condition and equipment reliability, plant modification and configuration control, the corrective action program, and engineering programs. The licensee's commitments addressed in the CAL are scheduled to be completed in the near term. The licensee plans to conduct a self-assessment in May 2004 to verify that the commitments confirmed by the CAL have been completed and that performance has improved.

### Applicable Reactor Oversight Process Guidance

NRC Inspection Manual Chapter 0305 provides the following guidance regarding the closure of inspection findings and exiting the Multiple/Repetitive Degraded Cornerstone Column of the Action Matrix:

*Due to the depth and/or breadth of performance issues reflected by a plant being in the Multiple/Repetitive Degraded Cornerstone Column of the Action Matrix, it is prudent to ensure that actual performance improvements (which typically take longer than several quarters to achieve) have been made prior to closing out the inspection findings and exiting the multiple/repetitive degraded cornerstone column of the Action Matrix. In making this determination, the regional offices should consider:*

- (a) New plant events or findings do not reveal similar significant performance weaknesses.*
- (b) NRC and licensee performance indicators do not indicate similar significant performance weaknesses that have not been adequately addressed.*
- (c) The licensee's performance improvement program has demonstrated sustained improvement.*
- (d) NRC supplemental inspections show licensee progress in the principal areas of weakness.*
- (e) There were no issues that led the NRC to take additional regulatory actions beyond those listed in the Multiple/ Repetitive Degraded Cornerstone Column of the Action Matrix.*

*Additionally, the licensee has made significant progress on any regulatory actions which were imposed (i.e., CALs, orders, 50.54 (f) letters) because of the performance deficiencies which led to the multiple/repetitive degraded cornerstone designation.*

### CAL Status

Since the CAL was issued, Region IV has conducted four quarterly inspections to verify completion of the improvement plan actions and the effectiveness of these actions in addressing the specific performance issues. These inspections have found that CNS is completing those improvement plan actions addressed in the letter. However, these actions have not yet been fully effective in improving performance in the areas of human performance, material condition/equipment reliability, modification process/configuration control, and the corrective action program. Region IV plans to conduct additional quarterly inspections to verify completion of the remaining improvement plan actions addressed by the CAL.

In the area of emergency preparedness, the results of these quarterly inspections, as well as baseline inspections, have revealed that CNS's corrective actions to address the specific performance deficiencies in emergency preparedness have been effective in improving performance. This has been demonstrated during the performance of a graded exercise and

confirmed during NRC baseline inspection activities. In addition, the licensee completed a comprehensive assessment of their emergency preparedness program in accordance with their performance improvement plan and committed to in the CAL. This assessment, which was reviewed by the NRC, found that performance had improved in this area.

As previously stated, the actions addressed by the CAL are scheduled to be completed in the near term. In May 2004, the licensee plans to conduct an assessment of the effectiveness of their actions to improve performance within the areas addressed by the CAL. Following completion of this assessment, the licensee plans to submit a letter to the NRC describing the results of their assessment. If the licensee concludes that they have satisfied their commitments as described in the CAL, Region IV will conduct an additional team inspection to assess the overall effectiveness of the licensee's actions in addressing the performance issues within the scope of the CAL. This inspection is not expected to occur before June 2004. The results of this inspection will determine whether or not NPPD has satisfied its CAL commitments.

#### Deviation Request

Prior to issuance of the CAL, the licensee had completed their corrective actions to restore compliance with the regulations and improve performance in the Emergency Preparedness Cornerstone. In addition, the licensee completed their commitment in the CAL to conduct a self-assessment of their emergency preparedness program in the areas of event classification, notification, emergency response facility staff augmentation, dose assessment, and protective action recommendations. Region IV has reviewed the results of the licensee's assessment and found it to be acceptable. In addition, Region IV has inspected the licensee's emergency preparedness program during baseline inspections, including a graded exercise. On the basis of the results of the quarterly inspections of the improvement plan actions addressed in the CAL, baseline inspections, and Performance Indicator results, Region IV has concluded that CNS has corrected the specific deficiencies directly related to the emergency preparedness performance deficiencies. Accordingly, Region IV has concluded that there is a sufficient basis for closing the White inspection findings identified at CNS in the Emergency Preparedness Cornerstone. Closure of the White inspection findings at this time would enable the NRC to clearly communicate to all stakeholders the NRC's current assessment of the licensee's ability to implement their emergency plan.

Because NPPD's performance improvement program has not demonstrated either significant progress or sustained improvement within the other five regulatory performance areas addressed by the CAL, Region IV requests this deviation to maintain the level of regulatory oversight of CNS consistent with the actions of the Multiple/Repetitive Degraded Cornerstone column of the Action Matrix, following closure of the three White inspection findings. Region IV plans to continue NRC oversight of the licensee's performance improvement plan, assess CNS's implementation of the Confirmatory Action Letter, and have senior NRC management involvement in meetings, site visits, and correspondence. We believe that once NPPD has

completed the actions confirmed by the CAL and has demonstrated sustained improvement within the remaining five areas, there will be a sufficient basis for terminating this increased level of regulatory oversight, absent the identification of additional significant performance issues.

Approval:     /RA/    5/3/04      
William D. Travers

Attachment:  
CNS Performance Matrix Summary

cc w/attachment:  
B. Borchardt, NRR  
J. Craig, NRR  
T. Gwynn, DRA, RIV  
A. Howell, D:DRP, RIV  
D. Chamberlain, D:DRS, RIV  
B. Boger, NRR  
C. Carpenter, NRR  
S. Richards, NRR  
H. Berkow, NRR  
M. Honcharik, NRR  
V. Dricks, OPA  
R. Tadesse, OEDO  
K. Kennedy, C:DRP/C, RIV  
S. Schwind, SRI, RIV  
W. Walker, SPE:DRP/C, RIV  
R. Pascarelli, NRR

ADAMS:  Yes       No      Initials: \_\_wcw\_\_  
 Publicly Available     Non-Publicly Available     Sensitive     Non-Sensitive

S:\DRP\DRPDIR\CNS Deviation Memo.wpd ML041180260

RIV:C:DRP/C	D:DRP	NRR:DIPM:IIPB	D:NRR	DRA
KMKennedy,df	ATHowell	SARichards	JEDyer	TPGwynn
<b>/RA/ WCWalker for</b>	<b>/RA/</b>	<b>E - KMKennedy</b>	<b>E - KMKennedy</b>	<b>/RA/</b>
2/10/04	3/2/04	3/25/04	4/5/04	4/8/04
RA				
BSMallet				
<b>/RA/</b>				
4/9/04				

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Cooper Nuclear Station Performance Summary Matrix

	Calendar Year 2001	Calendar Year 2002				Calendar Year 2003				Calendar Year 2004
	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1
<b>Cornerstone</b>	10/1/01 - 12/31/01	1/1/02 - 3/31/02	4/1/02 - 6/30/02	7/1/02 - 9/30/02	10/01/02 - 12/31/02	1/1/03 - 3/31/03	4/1/03 - 6/30/03	7/1/03 - 9/30/03	10/01/03 - 12/31/03	1/1/04 - 3/31/04
Initiating Events	Green	Green	Green	Green	Green	Green	Green	Green	White (5) (12/01/03)	Green
Mitigating Systems	White(1) (12/6/01)	White Continued	White Continued	White Continued	Green	Green	Green	Green	Green	White (6) (2/5/04)
Barrier Integrity	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Emergency Preparedness	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
	White(2) (6/27/01)	White Continued	White Continued	White Continued	White Continued	White Continued	White Continued	White Continued	White Continued	White Continued
	White(3) (9/6/01)	White Continued	White Continued	White Continued	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 Continued	White Continued	White Continued	White Continued
Public Radiation Safety	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Occupational Radiation Safety	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Physical Protection	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
<b>Action Matrix</b>	Degraded Cornerstone	Degraded Cornerstone	Repetitive Degraded	Repetitive Degraded	Repetitive Degraded	Repetitive Degraded	Repetitive Degraded	Repetitive Degraded	Repetitive Degraded	Repetitive Degraded

Dates in parenthesis are either exit dates for findings or effective dates for Performance Indicators.

Notes:

- 1). Compromise of the requalification biennial written examinations
- 2). Ineffective corrective actions to prevent recurrence of a dose assessment performance weakness
- 3). Failure to perform timely offsite notifications following an Alert
- 4). Failure to meet planning standard for timely augmentation of emergency response facilities
- 5). Exceeded Performance Indicator threshold for Unplanned Scrams per 7000 Critical Hours
- 6). The licensee failed to demonstrate satisfactory licensed operator requalification program performance