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A. Edward Scherer
Manager of
Nuclear Regulatory Affairs

December 23, 2004

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69FR63411
(17)

Michael T. Lesar
Chief, Rules and Directives Branch
Office of Administration (Mail Stop T-6D59)
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

**SUBJECT: Solicitation of Public Comments on the Fifth Year of Implementation of the Reactor Oversight Process
69 FR 63411**

Dear Mr. Lesar:

The subject Federal Register Notice requested public comments on the fifth year of the Reactor Oversight Process. Southern California Edison (SCE) believes that the U. S. Nuclear Regulatory Commission's (NRC's) revised Reactor Oversight Process (ROP) continues to be a significant improvement over the prior deterministic approaches and we continue to support this important effort.

During the fifth year of the ROP, significant progress has been made on several new initiatives. SCE has been actively involved in the development of the revised Reactor Oversight Process, served on the Initial Implementation Evaluation Panel, is a pilot in the Mitigating Systems Performance Index pilot program, and continues to support other improvement initiatives.

SCE endorses the comments, provided separately, by the Nuclear Energy Institute (NEI). The following SCE comments are provided to augment those of NEI, and include programmatic issues/comments we have identified previously.

SCE concludes that the NRC revised Reactor Oversight Process has been successful in providing a more risk-informed framework. There are several areas, however, that we believe require continuing attention:

- As in all things, Performance Indicators (PIs) and other aspects of the Reactor Oversight Process (e.g., Significance Determination Process (SDP), etc.) can create unintended consequences. There is a continuing need for a robust and ongoing process to identify and address such situations as they arise.

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- While some conservative “false positives” are acceptable from any such processes (i.e., Performance Indicators, SDPs), it is also necessary that the Reactor Oversight Process identifies and resolves potential opportunities for “false negatives.” “False negatives” have the potential to significantly undermine the credibility of the entire Reactor Oversight Process.
- While much improvement has been realized, there is a continuing need to improve the public’s understanding of all the elements of the Reactor Oversight Process. It appears that much of the public continues to perceive the new Reactor Oversight Process as solely the “Performance Indicators”, and is less aware of the revised Inspection Process, SDPs, Action Matrix, and Enforcement Policy.
- SCE appreciates the Commission decision to proceed with the Mitigating Systems Performance Index (MSPI) which is a new, risk-informed unreliability and unavailability metric. This effort is important, as the GREEN/WHITE threshold for current Safety System Unavailability (SSU) Performance Indicators was previously set at the 95% performance level based on historical industry data. Other PI thresholds (including the GREEN/WHITE thresholds for assessing Inspection findings using the SDPs) were established based on risk. Having an inconsistent logic for the bases for setting the thresholds continues to create inconsistency and confusion. SCE believes the MSPI can be an important improvement over the SSU.
- SCE remains concerned with various proposals to revise upward some of the Performance Indicator thresholds. Changing the PI thresholds would impose a de facto “rising standard.” SCE supports the original NRC position that the thresholds were set with the expectation that, while licensee performance would be expected to improve, performance at the current thresholds represent “acceptable licensee performance.”
- Difficulties continue to be experienced with the development, precision, and robustness of the Significance Determination Processes. Several SDPs are not as robust as they should be, and do not produce consistent and/or accurate results.
- SCE supports the recent proposal for the formation of a joint NRC/Industry task force to examine SDP timeliness issues, and formulate process improvements to reduce unnecessary delays.

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- The opportunity to provide comments on the NRC's revised Reactor Oversight Process Program is appropriate and appreciated. Unfortunately, the staff has not provided formal public feedback on the disposition and/or resolution of the comments received. We recommend that the NRC staff provide formal, timely, and public feedback on comments received from the external stakeholders.

SCE appreciates the opportunity to provide these comments to the Nuclear Regulatory Commission. If you require any additional information, please feel free to contact me.

Sincerely,

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