

January 10, 2006

MEMORANDUM TO: William F. Kane
Deputy Executive Director for Reactor
and Preparedness Programs
Office of the Executive Director for Operations

FROM: John R. Jolicoeur */RA/*
Senior Operations Assistant
Technical and Regional Programs Section, OEDO

SUBJECT: SUMMARY OF THE PUBLIC SENIOR MANAGEMENT MEETING
WITH THE INSTITUTE OF NUCLEAR POWER OPERATIONS ON
NOVEMBER 14, 2005

On November 14, 2005, senior managers of the Institute of Nuclear Power Operations (INPO) met with Nuclear Regulatory Commission senior managers at NRC Headquarters in Rockville, MD. The purpose of the meeting was to exchange information on activities of mutual interest underway or planned, avoid duplication of activities, and identify where independent activities by either organization may be warranted. Enclosure 1 contains the meeting agenda and Enclosure 2 is the list of attendees. No presentation slides were used during the various agenda topic discussions.

Luis Reyes, NRC Executive Director for Operations, opened the meeting with welcoming remarks and a discussion of the importance of information exchanges such as the periodic senior management meetings. James Ellis, INPO President and Chief Executive Officer, followed with introductory remarks and a discussion of the importance of candor and honest communications noting the differences and strengths of the two organizations.

The first discussion topic was NRC safety culture activities, led by Michael Johnson, Director, Office of Enforcement. He discussed the efforts to date to enhance the reactor oversight process (ROP) to incorporate safety culture aspects based on guidance received in the August 2004 Commission SRM and inputs from the Inspector General, the Government Accountability Office and members of Congress. He noted the benefit gained from NRC observations of INPO plant evaluations by members of the NRC safety culture working group. He also stated that the effort began as an incremental approach to expand on the current cross-cutting issues in the ROP. He also discussed recent Commission guidance to take a fresh look at the staff's approach to safety culture and staff plans to hold another public meeting in the late November time frame.

Mr. Ellis discussed INPO initiatives in the area of safety culture. He indicated that INPO strongly endorsed the importance of safety culture and noted that elements of safety culture are embedded in INPO's activities. Mr. Ellis expressed a commitment on the part of INPO to advance safety culture and cited continuing international interactions in this area and the value

added by these interactions. He stated that safety culture is the responsibility of the organization that owns a plant. It is not something that you can bring in or contract. He also indicated that the safety culture is not something that lends itself to measurement via a metric, it exists across a spectrum and different approaches work well in different plants. Mr. Ellis discussed INPO review activities after the Davis Besse event and the sixteen action items coming out of this review that resulted in changes across all areas of INPO activity.

Jim Dyer, Director of the Office of Nuclear Reactor Regulation, led a discussion of the NRC's activities related to grid reliability. His presentation covered background including post-2004 blackout activities, the U.S.-Canada Power System Outage Task Force report, and issues arising from the Temporary Instructions conducted in the area of grid stability. He discussed the issues to be addressed in the proposed Generic Letter.

Sig Berg, Executive Vice President for Plant Evaluations and Assistance, discussed INPO activities in the area of offsite power. He briefed a transformer/switchyard/grid review initiative underway at INPO that involves four individuals going onsite to review activities in these areas. He indicated that two reviews were completed last year and twelve are scheduled for this year. In addition, INPO is looking at SOER 99-01 addendum 1 issues when they are on site. NRC noted that SOER 99-01 Addendum 1 goes farther than NRC does with regard to offsite power. Mr. Berg noted that SOER 99-01 is also a WANO document and thus can be used to leverage international experience.

Roy Zimmerman, Director, Office of Nuclear Security and Incident Response, discussed a number of topics in the areas of security and incident response. He discussed the safety security interface and the need to guard against unintended consequences in either area. He also discussed improvements in the force on force (F-O-F) security examinations including the reduction of artificialities, change in schedules to perform every three years, and logistical challenges associated with the new F-O-F program. Industry performance was described as generally good. Mr. Zimmerman also indicated that a report will be provided to Congress annually summarizing the results of the force on force program and that a public version will also be made available. He discussed the B.5.b effort related to the February 25, 2002 orders to licensees that address mitigating strategies for losses of large areas at a facility due to fires or explosions. He also discussed staff efforts to develop lessons learned from the 2005 hurricane season.

George Felgate, Vice President for Plant Operations discussed INPO's Operator Fundamentals initiative which is focused on essential knowledge skills and training fundamentals for operating crews. Mr. Felgate indicated that potential reasons for problems in operator fundamentals included misapplication of human performance tools, over-reliance on process, training weaknesses, and inexperience with plant transients. NRC discussed the importance of simulator fidelity in training operators.

Jim Dyer discussed insights gained from the industry trends program. The presentation covered the annual report to Congress and the use of prediction limits as early warnings to detect potentially developing adverse trends. Mr. Dyer noted that this year there is one performance indicator (safety system actuations) that might exceed the prediction limit primarily

due to one site that had problems exiting from an outage. Overall, however, long-term trends remain favorable. Mr. Dyer also discussed a new indicator under development, the Baseline Risk Index for Initiating Events (BRIIE), that will replace some of the current initiating events indicators in the industry trends program. INPO indicated that they will be starting a new indicator related to the grid. Mr. Dyer also discussed the new Operating Experience program that was established this year. Specific areas of interest include shutdown or low power events, gas intrusion / voiding, latent design issues (revised engineering inspection program), and passive component degradation.

The meeting was closed by Luis Reyes and James Ellis with expressions of thanks and an acknowledgment of the value of communication and the need to continue the practice of meeting at the senior management level.

Enclosures: As stated

due to one site that had problems exiting from an outage. Overall, however, long-term trends remain favorable. Mr. Dyer also discussed a new indicator under development, the Baseline Risk Index for Initiating Events (BRIIE), that will replace some of the current initiating events indicators in the industry trends program. INPO indicated that they will be starting a new indicator related to the grid. Mr. Dyer also discussed the new Operating Experience program that was established this year. Specific areas of interest include shutdown or low power events, gas intrusion / voiding, latent design issues (revised engineering inspection program), and passive component degradation.

The meeting was closed by Luis Reyes and James Ellis with expressions of thanks and an acknowledgment of the value of communication and the need to continue the practice of meeting at the senior management level.

Enclosures: As stated

DISTRIBUTION

- EDO R/F
- DEDR R/F
- DEDMRS
- LReyes
- TBergman
- JDyer
- Attendees

ADAMS ACCESSION NO: ML060100113

* See previous concurrence

To receive a copy of this document, indicate in the box: "C" = Copy without enclosures "E" = Copy with enclosures "N" = No copy

OFFICE	TRPS	C:TRPS	DEDR						
NAME	JJolicoeur/jll*	TBergman*	WKane*						
DATE	01/10/06	01/10/06	01/10/06						

OFFICIAL RECORD COPY

INPO/NRC Senior Management Meeting

November 14, 2005

10:30 am – 3:30 pm

NRC One White Flint, Room: 4B6

Description

Annual PUBLIC information exchange meeting between the NRC and INPO. The agenda can be split so each session (Open/Closed) will have about two hours to discuss topics of mutual interest. After the open session, a closed session is planned to permit dialogue that may include INPO proprietary information.

Purpose

- exchange information to apprise each other of major activities underway or planned
- avoid unnecessary and unintentional duplication of activities
- identify areas where independent activities by other organizations may be warranted

Expected Attendees

NRC	INPO
L. Reyes (Executive Director for Operations) W. Kane (Deputy EDO for Reactor and Preparedness Programs) M. Virgilio (Deputy EDO for Materials, Research, State, and Compliance Programs) J. Dyer (Director, Nuclear Reactor Regulation) J. Wiggins (Deputy Director, Nuclear Regulatory Research) R. Zimmerman (Director, Nuclear Security and Incident Response) M. Johnson (Director, Enforcement)	A. Tollison (Chairman of the Board) J. Ellis (CEO and President) S. Berg (EVP, Plant Evaluations and Assistance) G. Felgate (VP, Plant Operations) J. Lynch (Deputy Director, Organizational Systems) B. Fitzpatrick (Manager, Industry & External Relations) P. McCullough (VP, Training and Accreditation)

Agenda

Time	Topic	Presenter / Moderator
10:30 am	Welcome / Opening Comments	L. Reyes (NRC) J. Ellis (INPO)
10:40 am	Safety Culture Actions (SECY 04-0111)	M. Johnson (NRC)
11:00 am	INPO Nuclear Safety Culture Initiatives	J. Ellis (INPO)
11:20 am	Grid Reliability	J. Dyer (NRC)
11:40 am	Grid Reliability Activities	S. Berg (INPO)
12:00	Lunch Break	
1:00 pm	Physical Security	R. Zimmerman (NRC)
1:20 pm	Operator Fundamentals Initiative	G. Felgate (INPO)
1:40 pm	Insights from Industry Trends Program	J. Dyer (NRC)
2:00 pm	Closing Comments and Meeting Critique	L. Reyes (NRC)
2:10 pm	Questions / Comments from Public	NRC

INPO/NRC Senior Management Meeting

November 14, 2005

10:30 am – 3:30 pm

NRC One White Flint, Room: 4B6

ATTENDEES

Name

Affiliation

Luis Reyes

NRC

William Kane

NRC

Martin Virgilio

NRC

Jim Dyer

NRC

James Wiggins

NRC

Roy Zimmerman

NRC

Michael Johnson

NRC

John Jolicoeur

NRC

James Ellis

INPO

Sig Berg

INPO

George Felgate

INPO

James Lynch

INPO

Bill Fitzpatrick

INPO

Phil McCullough

INPO

Tomoho Yamada

Japan Nuclear Energy Safety
Organization

Catherine Tyler

Winston and Strawn.