Perry Annual Assessment Meeting

Reactor Oversight Process - CY 2005

Nuclear Regulatory Commission - Region III

Lisle, Illinois

March 14, 2006

Meeting Agenda

- Welcome
- Meeting Purpose and Introductions
- Review of Reactor Oversight Process
- National Summary of Plant Performance
- Discussion of Perry Performance Results
- Licensee Response and Remarks
- NRC Closing Remarks

<Break>

- Public Comments and Questions of NRC

Purpose of Today's Meeting

- A public forum for discussion of licensee performance
- NRC will discuss the licensee performance issues identified in the annual assessment letter
- Licensee will be given the opportunity to respond to the information in the letter and inform the NRC of new or existing programs to maintain or improve performance

NRC Representatives

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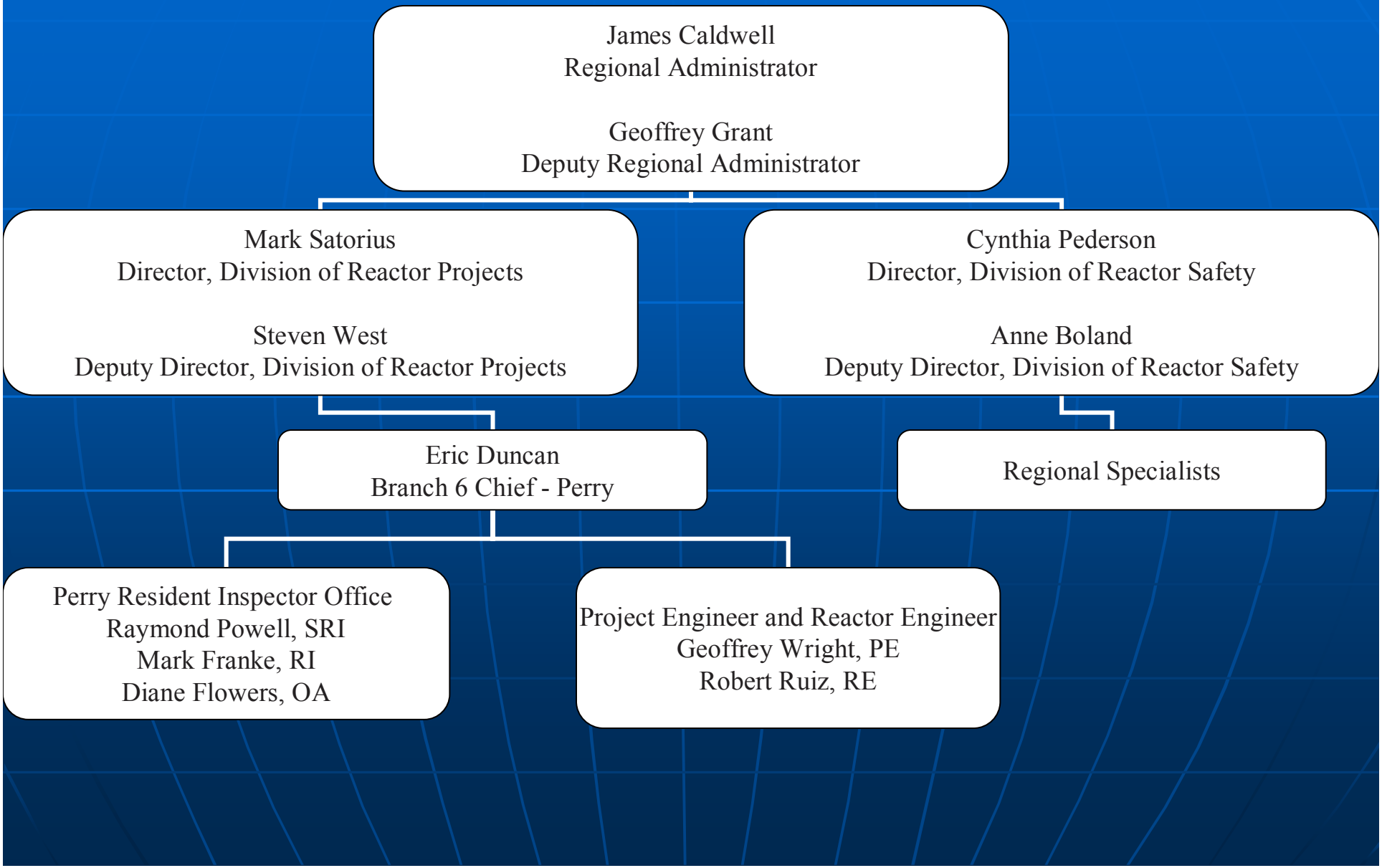
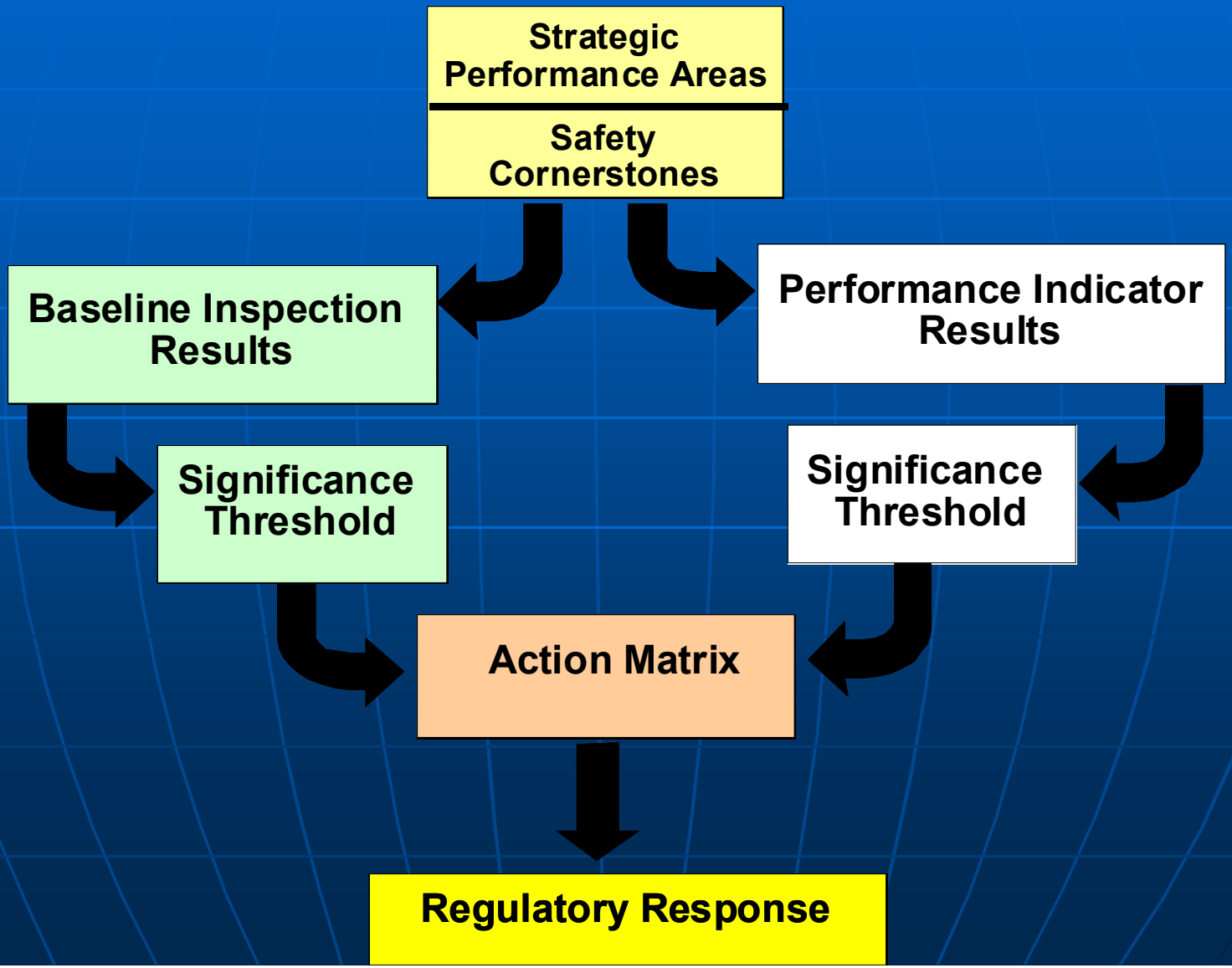
Region III Organization



NRC Performance Goals

- Safety: Ensure protection of the public health and safety and the environment
- Security: Ensure the secure use and management of radioactive materials
- Openness: Ensure openness in our regulatory process
- Effectiveness: Ensure that NRC actions are effective, efficient, realistic, and timely
- Management: Ensure excellence in agency management to carry out the NRC's strategic objectives

Reactor Oversight Process



Examples of Baseline Inspections

- Equipment Alignment ~80 hrs/yr
- Triennial Fire Protection ~200 hrs every 3 yrs
- Operator Response ~125 hrs/yr
- Emergency Preparedness ~80 hrs/yr
- Rad Release Controls ~110 hrs every 2 yrs
- Worker Radiation Protection ~90 hrs/yr
- Corrective Action Program ~250 hrs every 2 yrs
- Corrective Action Case Reviews ~60 hrs/yr

Significance Threshold

Performance Indicators

Green: Only baseline inspections

White: May increase NRC oversight

Yellow: Requires increased NRC oversight

Red: Requires increased NRC oversight

Inspection Findings

Green: Very low safety significance

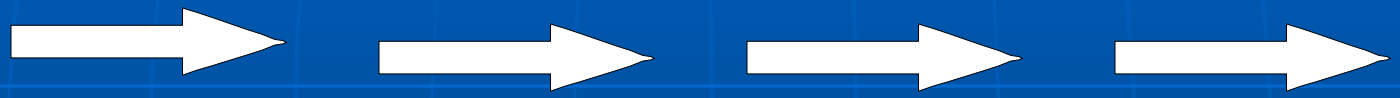
White: Low to moderate safety significance

Yellow: Substantial safety significance

Red: High safety significance

Action Matrix Concept

Licensee Response	Regulatory Response	Degraded Cornerstone	Multiple/Rep. Degraded Cornerstone	Unacceptable Performance



Increasing Safety Significance

Increasing NRC Inspection Efforts

Increasing NRC/Licensee Management Involvement

Increasing Regulatory Actions

National Summary of Plant Performance

Status at End of CY 2005

Licensee Response	84
Regulatory Response	12
Degraded Cornerstone	4
Multiple/Repetitive Degraded Cornerstone	3
Unacceptable	0
Total	103

National Summary

- **Performance Indicator Results (at end of CY 2005)**
  - **Green 1850**
  - **White 4**
  - **Yellow 0**
  - **Red 0**

- **Total Inspection Findings (CY 2005)**
  - **Green 849**
  - **White 10**
  - **Yellow 1**
  - **Red 0**

Perry Annual Assessment Results

January 1 - December 31, 2005

- Perry operated safely
- Perry remains within the Multiple/Repetitive Degraded Cornerstone column of Action Matrix
- Two White findings remain open
- Continuing substantive cross-cutting issues in Human Performance and Problem Identification and Resolution

Review of Perry Performance

January 1 - December 31, 2005

- August 2004 – Perry entered Multiple/Repetitive Degraded Cornerstone Column of Action Matrix
- January-May 2005 – IP 95003 Inspection Conducted
- February 22-May 6, 2005 – Refueling Outage 10
- January 2005 – Special Inspection – Reactor Recirculation Pump Downshift Events
- May 2005 – Public Exit Meeting for IP 95003
- July 2005 – IP 95003 Inspection Report Issued

Review of Perry Performance

January 1 - December 31, 2005

- August 2005 – FENOC Responded to IP 95003 Supplemental Inspection Report
- September 2005 – NRC Issued Perry CAL
- October 2005 – IP 95001 - RHR Unavailability
- November 2005 – NRC Reviewed Revised PII
- December 2005 – IP 95001 – White EP Finding

Open Safety Significant Findings or PIs

- Two White Findings Currently Open
  - Air-Bound LPCS Waterleg Pump
    - August 14, 2003 - Following LOOP, LPCS waterleg pump air bound; LPCS/RHR 'A' inoperable
  - Failed ESW 'A' Pump Coupling
    - September 1, 2003 - ESW 'A' pump coupling failed
    - May 21, 2004 - ESW 'A' pump coupling failed again. Corrective actions to address first failure inadequate

Perry Special Inspection Activities

January 1 - December 31, 2005

- Special Inspection reviewed two reactor recirculation pump downshift events on December 23, 2004, and January 6, 2005, that resulted in reactor scrams
- Six Green findings identified
- Areas of Concern – Problem Identification and Resolution; Human Performance; Quarantining of Equipment; Procedure Adequacy

Perry IP 95003 Inspection

- January - May 2005 – IP 95003 Inspection
- May 25, 2005 – Public Exit Meeting
- Inspection Concluded Perry Operating Safely
- Problems in Human Performance and Problem Identification and Resolution
- August 2005 – Licensee Response to Supplemental Inspection Report

Perry Confirmatory Action Letter

September 28, 2005 – Perry CAL Issued

- Acknowledged FENOC Commitment to Improve Performance at Perry
- Advised Perry of NRC's Plans to Conduct CAL Followup Inspections
- Advised Perry That CAL Would Remain Open Pending Sustained Improved Performance

Perry Supplemental Inspection Activities

January 1 - December 31, 2005

- IP 95003 Supplemental Inspection
- IP 95001 Supplemental Inspection – White RHR Unavailability Performance Indicator
- IP 95001 Supplemental Inspection – White Emergency Preparedness Finding

Problem Identification and Resolution Cross-Cutting Issue

- August 30, 2004 - NRC identified Problem Identification and Resolution cross-cutting issue
- March 2, 2005 & August 30, 2005 – NRC continued to identify Problem Identification and Resolution cross-cutting issue
- Current Assessment: Problem Identification and Resolution problems persist. Area continues to be a cross-cutting issue
- Licensee corrective actions in progress and NRC CAL Followup inspections to review resolution

Human Performance Cross-Cutting Issue

- March 2, 2005 - NRC identified Human Performance cross-cutting issue. Numerous issues with common theme - failure to follow procedures and inattention to detail
- August 30, 2005 - NRC continued to identify Human Performance cross-cutting issue
- Current Assessment: Human Performance problems persist. Area continues to be considered a cross-cutting issue
- Licensee corrective actions in progress and NRC CAL Followup inspections to review resolution

Reference Sources

- Reactor Oversight Process
  - http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/index.html
- Public Electronic Reading Room
  - http://www.nrc.gov/reading-rm.html
- Public Document Room
  - 1-800-397-4209 (Toll Free)

Contacting the NRC

- Report an emergency
  - (301) 816-5100 (call collect)
- Report a safety concern:
  - (800) 695-7403
  - Allegation@nrc.gov
- General information or questions
  - www.nrc.gov
  - Select “What We Do” for Public Affairs

Licensee Response and Remarks

FENOC

Perry Annual Assessment Results

January 1 - December 31, 2005

- Perry operated safely
- Perry remains within the Multiple/Repetitive Degraded Cornerstone column of Action Matrix
- Two White findings remain open
- Continuing substantive cross-cutting issues in Human Performance and Problem Identification and Resolution
- NRC performing CAL Followup Inspections