

March 31, 2006

Mr. Stephen D. Floyd
Vice President, Regulatory Affairs
Nuclear Generation Division
Nuclear Energy Institute
1776 I Street, NW
Suite 400
Washington, DC 20006-3708

Dear Mr. Floyd:

This letter acknowledges your letter of March 24, 2006, which stated that the nuclear industry is ready to proceed with implementation of the Mitigating Systems Performance Index (MSPI) and confirms our intent to implement MSPI on April 1, 2006. The U.S. Nuclear Regulatory Commission (NRC) will post the second quarter results of the MSPI on the NRC public Website in late July, in a similar fashion to how other performance indicators (PIs) are posted currently.

When MSPI is implemented and in effect, NRC expects that some licensees will report performance threshold changes. Some licensees who are currently in one category under the Safety System Unavailability (SSU) PIs will report in another category under the MSPI (i.e., some licensees in the "green" category will change to "white," and some in the white category will report green). The SSU PIs and MSPI measure different attributes and aspects of plant performance, including risk contributions, and the shift may not be due to any recent change in system performance. Accordingly, the NRC staff plans to evaluate any greater-than-green MSPIs to determine if additional inspection is warranted or if the staff has already reviewed the reason for the performance threshold change.

My staff will issue a Regulatory Issues Summary shortly after the April 1, 2006, MSPI implementation date and make this document publically available. This document will be posted under the Reactor Oversight Process (ROP) link on the NRC public Website. My staff plans to continue to holding monthly MSPI public meetings to ensure a smooth transition and answering any frequently asked questions that might arise.

On behalf of the NRC staff, I wish to thank you and the other external stakeholders for your participation in development of this important change to the ROP. If you have any questions, please contact John W. Thompson of my staff at 301-415-1011.

Sincerely,

/RA/

J. E. Dyer, Director
Office of Nuclear Reactor Regulation

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