



NUCLEAR ENERGY INSTITUTE

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VICE PRESIDENT, REGULATORY AFFAIRS
NUCLEAR GENERATION DIVISION

March 24, 2006

Mr. James E. Dyer
Director, Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

SUBJECT: Transition to the Mitigating Systems Performance Index (MSPI)

Dear Mr. Dyer:

The purpose of this letter is to inform you of the industry's readiness to proceed with implementation of the MSPI as a replacement for the Safety System Unavailability (SSU) performance indicator in the NRC's Reactor Oversight Process (ROP). The industry has completed its planned activities to begin implementation on April 1, 2006, with the initial quarterly reporting by licensees to NRC by July 21, 2006.

The MSPI is a significant improvement over the SSU performance indicator. By capturing unreliability data for key components and using importance measures derived from plant-specific probabilistic safety assessments for the mitigating systems, MSPI improves the safety focus of the ROP.

Given the differences in the MSPI from SSU, it is important that the transition to the new index be well communicated to and understood by all stakeholders. Based on a projection of second quarter results, three plants that currently have white SSU indicators will turn green under MSPI, and seven plants that currently have green SSU indicators will turn white under MSPI. We have recommended to these plants that they proactively discuss their performance with NRC regional management so that appropriate follow-up actions can be scheduled. Also, we believe that in some of these cases, the NRC may have already inspected the licensee's corrective actions and it may be appropriate to exercise discretion within the framework of the ROP. In any event, we believe it is important that the NRC denote and explain these changes on its public website when the transition occurs.

One way this could be done is to footnote any change in color resulting from the transition on the ROP web page. The footnote could explain that the change is due

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to the implementation of the MSPI and may not be indicative of a change in current licensee performance. And that the NRC will review each case and determine the appropriate follow-up action within the framework of the ROP.

We would like to take this opportunity to thank you and members of your staff, the NRC's Office of Research, and the NRC regional offices who participated in the development, review and implementation of the MSPI for their professionalism and dedication in completing this initiative. We look forward to our continued interaction with the NRC staff on the MSPI and other activities designed to improve the safety focus of the ROP.

Sincerely,



Stephen D. Floyd

c: Mr. William F. Kane, U.S. Nuclear Regulatory Commission
Mr. Carl J. Paperiello, U.S. Nuclear Regulatory Commission