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From:

Lee Gard

TACs:

MD4086

To:

Stuart Richards

*** YELLOW ***

For Signature of:

Routing:

Dyer
Weber
Mitchell
NRR Mailroom

Description:

Re: NRC-INPO senior management meeting

Assigned To:

· DIRS

Contact:

COLLINS, ELMO E

Special Instructions:

Coordinate with Regions for their awareness (via concurrence). Richard's
signature.

INPO ®

Institute of
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January 12, 2007

U.S. Nuclear Regulatory Commission
ATTN: Stuart Richards, NRR
Mail Stop 0-6 E3
Washington, DC 20555-0001

Dear Mr. Richards:

This letter is in follow-up to our discussions at the December 8, 2006 NRC-INPO senior
management meeting regarding NRC use of INPO Nuclear Network® Operating Experience
(OE) reports. We want to share specific examples of the concerns noted in that meeting and
request your assistance in addressing these with your staff.

As stated in the December meeting, we continue to note examples where Nuclear
Network OE reports are directly referenced in NRC inspection reports, including inspections for
component design basis and for problem identification and resolution. Attachment A lists
several recent examples. Access to Nuclear Network OE reports is restricted to INPO members,
and these reports are not intended for third-party use or public disclosure. The principle for the
confidentiality of INPO's Nuclear Network OE reports is to ensure that the voluntary nature of
station event reporting creates an open and frank sharing of information among stations to avoid
similar problems. Referencing OE reports in publicly available NRC inspection reports is
inappropriate and may serve to undermine the free sharing of information. We request that the
inspection reports listed in Attachment A be revised to remove these references and that future
reports not include Nuclear Network OE references.

Another concern is the NRC use of Nuclear Network OE reports during inspection
activities. In the latter half of 2006, we noted an increased trend of NRC use of these reports. In
several cases, inspectors reviewed station actions in response to individual Nuclear Network OE
reports, and information from such reviews has sometimes served as a basis for inspection report
findings and comments. We believe that it is inappropriate for inspectors to follow up on
specific OE reports. Our concern is that increased and different expectations for INPO's
Significant Event Evaluation and Information Network (SEE-IN) Program are conveyed via
NRC inspections. Examples are as follows:

- Personnel at one station were unable to provide documentation requested by an
  inspector on how the station had determined that several previous Nuclear
  Network Operating Experience reports were judged as not applicable to the
  station. It is not a SEE-IN Program expectation that stations record the results of
  their applicability reviews of any individual OE report. Tracking responses to OE
  reports that are not applicable to the station would result in considerable

administrative burden on the stations. One basic principle of the SEE-IN Program is to reduce the administrative burden at each station for reviewing all industry OE.
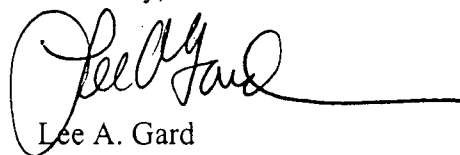
- One inspection report commented that the station training department screened operating experience reports separate from the initial station screening group. The station understood this to be a negative comment from NRC and an implied expectation for how screening of OE should be conducted.

- Nuclear Network Operating Experience reports that were determined to be applicable at one station and entered into its corrective action program were, in the opinion of the inspector, given too low a priority and may not have received timely action. The implication was that individual Nuclear Network OE reports should be given an artificially high priority in the corrective action program.

We have also noted cases in which station personnel were inappropriately asked by inspectors to provide a copy of Nuclear Network OE reports. In other cases, inspectors have shown an OE report written by another station and asked for a response. Inspectors should not have access to or custody of these reports without the permission of INPO.

The industry's voluntary program to share and use operating experience was implemented shortly after the Three Mile Island accident and has continued to be a valuable resource for industry operation and improvement. Attachment B is a summary of the history and objectives of the SEE-IN Program that may be of use to you.

In summary, we want to ensure there is good alignment between our organizations on the proper use and application of operating experience. We would appreciate your help in maintaining the confidentiality of Nuclear Network Operating Experience reports, while still meeting the needs of NRC.

Sincerely,

Lee A. Gard
Director, Analysis

LAG:cen

Attachments: (As stated above)

cc: Mr. Bruce A. Boger ✓
        Mr. Elmo E. Collins, Jr.
        Mr. John G. Lamb
        Ms. Mary Jane Ross-Lee
        Mr. James O. Ellis, Jr.
        Mr. Clair S. Goddard

Examples of INPO Nuclear Network® Operating Experience Reports Used in NRC Inspection Reports

1. NRC Inspection Report No. 05000395/2006008 at V.C. Summer, July 27, 2006

   - The report's document review section identifies three station condition reports, including Nuclear Network OE report numbers and titles.

   - The inspection identified that the station evaluation and corrective action were inadequate for the June 2005 Nuclear Network OE20884 from McGuire. This finding was described as a cross-cutting issue for problem identification and resolution.

2. NRC CDBI Report No. 0555321/2006007 and 05000366/2006007 at Hatch, August 24, 2006

   - The report's inspection scope for the review of OE identifies three Nuclear Network OE reports by number and title.

   - The inspection identified that the station evaluation and corrective action were inadequate for an October 2003 Nuclear Network OE report from Davis-Besse. This finding was described as a cross-cutting issue for the problem identification and resolution area because the station did not effectively incorporate pertinent industry OE.

3. NRC CDBI Report No. 05000266/2006006 and 05000301/2006006 at Point Beach, November 16, 2006

   - Inspectors used Nuclear Network OE22166 as one of five OE sources to ensure they were adequately addressed by the station. The reports list the OEs by number in the body and reference list.

4. NRC CDBI Report No. 05000254/2006003 and 05000265/2006003 at Quad Cities, November 28, 2006

   - The reports list OE19296 by number and title in the inspection scope of the operating experience section (4a.).

History and Objectives of the INPO SEE-IN Program

1. Operating experience regulatory requirements described in NUREG 0737, *Clarification of TMI Action Plan Requirements* (October 1980)

   - [Each licensee] shall prepare procedures to assure that operating information pertinent to plant safety originating both within and outside the utility organization is continually supplied to operators and other personnel and is incorporated into training and retraining programs.

2. NUREG-0737, TMI Action Item I.C.5, acknowledges the limitations of individual utilities' screening event information from all U.S. nuclear stations.

   - Total volume of information may be large
   - Important that high-priority matters are dealt with promptly
   - Discrimination is used so that personnel are not deluged with unimportant and extraneous information to the detriment of their overall proficiency
   - Important that technical reviews be conducted to preclude premature dissemination of conflicting or contradictory information

3. INPO's Significant Event Evaluation and Information Network (SEE-IN) Program

   - The SEE-IN program was developed jointly by INPO and the Nuclear Safety Analysis Center at the Electric Power Research Institute (EPRI) in early 1980.
   - The program objective was to provide a centralized and systematic means of sharing operating experience information among nuclear power plants.
   - Nuclear Network operating experience (OE) reports from all U.S. nuclear stations are the primary inputs into the SEE-IN Program from utilities.
   - OE reports submitted by member stations are generally of low safety significance, and most are not reportable to NRC. Approximately 85 percent of the more than 2,000 OE reports submitted each year are below the regulatory event notification criteria.
   - Other inputs include LERs, WANO event reports, vendor reports, and NRC reports.
   - INPO reviews all events for significance, and those classified Significant and other performance trends form the basis of SEE-IN documents, such as SOERs and SERs, for which utilities are expected to review and take action.
   - A secondary use of Nuclear Network OE reports is station review for information and applicability as needed. There is no expectation that stations need to justify or maintain a documentation trail for screening any individual Nuclear Network OE report.

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- Individual OE reports from stations and INPO SEE-IN products are not intended to be used as part of a regulatory program.
- INPO plant evaluation teams do not follow up on individual Nuclear Network OE reports or reference the specific OE reports in INPO reports.

4. In March 1982, NRC endorsed and encouraged the use of the SEE-IN Program by utilities through Generic Letter 82-04; key points being:

- The use of the SEE-IN Program relieves individual stations from setting up large staffs to obtain and screen large volumes of industry operating experience data.
- Full participation in the SEE-IN Program is an acceptable means of assisting utilities to meet the TMI Action Plan Item I.C.5 requirements.
- The SEE-IN Program results in eliminating duplication.
- The centralization of initial event screening by INPO results in a more efficient evaluation of events for significance.
- Utilities can concentrate their efforts on evaluating their own plant events and those identified through the SEE-IN Program.

5. In November 2003, the NRC Reactor Operating Experience (OE) Task Force concluded that full participation by utilities in the SEE-IN Program enhances their capabilities to meet the intent of TMI Action Plan Item I.C.5

- Participation in the SEE-IN Program permits utilities to focus their resources on evaluating and responding to OE information, which has already been screened, rather than having to review the entire body of material available.
- The task force found no evidence to suggest that utility use of the SEE-IN Program is less effective than requiring every licensee to screen all external OE.
- The task force concluded that INPO use of a core group of experienced personnel to screen industry operating experience likely improves the overall effectiveness of utility OE programs.

The following paragraph is included on each Nuclear Network OE report:

"NOTICE:
Please note that access to Nuclear Network is restricted to organizations authorized by INPO. The information exchanged via this network is confidential and for the sole use of the authorized organization. Confidentiality is important to ensure the open and frank exchange of information among authorized organizations. Messages and other information on this Web site should not be published, disclosed, abstracted, or otherwise transferred in any form to any third party, and the contents should not be made public without the prior written consent of INPO."