



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
612 EAST LAMAR BLVD, SUITE 400
ARLINGTON, TEXAS 76011-4125

July 7, 2010

Mr. Ross T. Ridenoure
Senior Vice President and
Chief Nuclear Officer
Southern California Edison Company
San Onofre Nuclear Generating Station
P.O. Box 128
San Clemente, CA 92674-0128

SUBJECT: SAN ONOFRE NUCLEAR GENERATING STATION, UNITS 2, AND 3 -
NOTIFICATION OF NRC DEVIATION TO THE REACTOR OVERSIGHT
PROCESS ACTION MATRIX TO PROVIDE HEIGHTENED NRC OVERSIGHT

Dear Mr. Ridenoure:


Attached is a copy of the memorandum approved by the Executive Director for Operations, R. William Borchardt, to deviate from the Reactor Oversight Process (ROP) Action Matrix for the San Onofre Nuclear Generating Station (SONGS). The purpose of this deviation is to provide heightened NRC oversight throughout calendar year 2010. As discussed in the NRC Annual Assessment Letter, dated March 3, 2010, the NRC plans to conduct additional inspections, above the baseline inspection program, to evaluate the effectiveness of your performance improvement efforts.

The attached memorandum includes the background and basis for our deviation from the ROP Action Matrix. It also contains our planned actions for the additional oversight.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its attachment will be available electronically for public inspection in the NRC's Public Document Room or from the Publicly Available Records (PARS) component of the NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the electronic Reading Room page of the NRC's public Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions regarding this letter or the attached memorandum, please contact Ryan Lantz at 817-860-8173 or me at 817-860-8248.

Sincerely,

A handwritten signature in cursive script that reads "Dwight D. Chamberlain".

Dwight D. Chamberlain, Director
Division of Reactor Projects

Dockets: 50-361; 50-362
Licenses: NPF-10; NPF-15

Attachment:

Request for Deviation to the Reactor Oversight Process Action Matrix to Provide Heightened NRC Oversight at the San Onofre Nuclear Generating Station Memorandum

cc w/Attachment:

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ARLINGTON, TEXAS 76011-4125

MEMORANDUM TO: R. W. Borchardt
Executive Director for Operations

THRU: Eric J. Leeds, Director
Office of Nuclear Reactor Regulation

FROM: Elmo E. Collins
Regional Administrator
Region IV

SUBJECT: REQUEST FOR DEVIATION TO THE REACTOR OVERSIGHT
PROCESS ACTION MATRIX TO PROVIDE HEIGHTENED NRC
OVERSIGHT AT THE SAN ONOFRE NUCLEAR GENERATING
STATION

This memorandum requests your approval to deviate from the Reactor Oversight Process (ROP) Action Matrix for the San Onofre Nuclear Generating Station (SONGS) to provide heightened NRC oversight throughout calendar year 2010. Long-standing human performance and problem identification and resolution problems, as well as a significant increase in allegations has resulted in the need to perform inspections above the baseline inspection program to provide assurance of the continued safe operation of SONGS. This approach is consistent with underlying concepts of Inspection Manual Chapter 0305, "Operating Reactor Assessment Program." This deviation does not change the current Action Matrix column assignments for SONGS.

Background

As documented in the SONGS Annual Assessment Letter dated March 3, 2010, Unit 2 is in the Regulatory Response column of the NRC's Action Matrix based on one White finding in the Mitigation Systems, Unit 3 is in the Licensee Response column, and substantive cross-cutting issues in both Human Performance (HP) and Problem Identification and Resolution (PI&R) have now remained open for five consecutive assessment cycles.

NRC noted the licensee has an integrated improvement plan; however, recent NRC inspection and licensee effectiveness measures indicate that performance problems continue in both HP and PI&R, and corrective actions have been ineffective. On March 2, 2010, Region IV issued a chilling effect letter to Southern California Edison (SCE) based on inspection, allegation, and focus group interview results. Region IV took this action to ensure the licensee was taking steps to address the safety conscious work environment issues at SONGS, and required SCE to respond to 13 specific items in the chilling effect letter.

Deviation Basis

The ROP Action Matrix includes a range of licensee and NRC actions for each column of the Action Matrix. However, as discussed in Inspection Manual Chapter 0305, there may be instances in which other actions not prescribed by the Action Matrix may be appropriate. Specifically, Manual Chapter 0305, Section 13.03 h. states if a substantive cross-cutting issue with the same cross-cutting aspect is identified beyond the third consecutive assessment letter, and all of the previous action options have been exhausted, the regional office may consider additional actions to address the issues. In regards to the substantive cross-cutting issues, Region IV has exercised numerous actions including conduct of frequent public meetings, requiring docketed responses from the licensee, requesting performance of a safety culture assessment, and conduct of focused inspections to evaluate the safety culture survey results and corrective actions involving safety culture of SONGS. The above activities prescribed by Manual Chapter 0305 have yet to result in improved performance in the Human Performance and Problem Identification and Resolution cross-cutting areas. Based on this, the staff considers it appropriate to apply heightened inspection oversight at SONGS in two specific areas. Although, SCE's operation of both units at SONGS is acceptable, with Unit 2 in the Regulatory Response column and Unit 3 in the Licensee Response column of the Action Matrix, long standing issues associated with HP, PI&R, and safety conscious work environment, increased inspection is needed to ensure 1) the licensee takes more effective action to correct these longstanding issues and 2) there are no latent technical issues that have not been identified as a result of the licensee's PI&R program issues.

Planned Actions

1. Deviation Request

NRC Region IV requests your approval to deviate from the ROP Action Matrix to increase regulatory oversight for SONGS for the remainder of CY2010 in the following two areas:

- Conduct three focused inspections of the licensee's maintenances, engineering and PI&R programs. These inspections would focus on identification of latent technical issues that have not been identified through the licensee's corrective action program. The inspection scope will also examine the licensee's corrective action backlog reviews and other normal inspection activities and evaluate how the licensee corrects emergent technical issues.
- Conduct two follow up inspections for the increased number of allegations and to evaluate the adequacy of the licensee's improvements and responses to the safety culture survey.

The additional inspection effort will involve regional inspector augmentation of the resident inspectors at SONGS and additional PI&R inspections that will focus on the adequacy of licensee efforts to identify and resolve technical issues and assessments of licensee performance improvement efforts. Based on current projections, the additional inspections can be accommodated within the existing reactor program budget for CY2010. The proposed efforts associated with these additional inspections are estimated to require an additional 1.00 FTE through CY2010.

