



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION III
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January 4, 2013

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

THROUGH: Eric J. Leeds, Director */RA/*
Office of Nuclear Reactor Regulation

FROM: Charles A. Casto */RA by Cynthia Pederson for/*
Regional Administrator, Region III

SUBJECT: REQUEST FOR A DEVIATION FROM THE REACTOR
OVERSIGHT PROCESS ACTION MATRIX FOR PERRY
NUCLEAR POWER PLANT

This memorandum requests your approval to deviate from the Reactor Oversight Process (ROP) Action Matrix of Inspection Manual Chapter (IMC) 0305, "Operating Reactor Assessment Program," for FirstEnergy Nuclear Operating Company (FENOC) Perry Nuclear Power Plant (Perry). Specifically, the deviation is to maintain Perry in the Degraded Cornerstone Column, Column 3, and not move it to the Repetitive Degraded Cornerstone Column, Column 4, and not conduct the associated 95003 supplemental inspection, pending a follow-up 95002 inspection.

Perry entered Column 3 in the second quarter of 2011 because of a White inspection finding and a White Performance Indicator (PI) in the Occupational Radiation Safety Cornerstone. The required supplemental inspection, done in accordance with Inspection Procedure (IP) 95002, "Supplemental Inspection for One Degraded Cornerstone or Any Three White Inputs in a Strategic Performance Area," was conducted and an exit meeting was held on November 16, 2012. This inspection reviewed the licensee's evaluation of the circumstances that led to the PI crossing the Green-to-White threshold and assessed FENOC's evaluation associated with a related White finding and Notice of Violation (NOV).

The inspection team concluded that FENOC did not provide assurance that the corrective actions for performance issues associated with the PI were sufficient to address the root and contributing causes and prevent recurrence. The inspection team also concluded that FENOC did not adequately address the White finding and NOV. Further, the inspection team did not complete the inspection objective to independently assess and provide assurance that the extent-of-condition and the extent-of-cause of risk-significant performance issues were identified due to their prior determination that the licensee had not provided assurance that the corrective actions, taken to date, were sufficient. The 95002 inspection report was issued on December 28, 2012, and in accordance with IMC 0305 a parallel White inspection finding was identified for the significant weaknesses in the licensee's evaluation of performance issues associated with the PI.

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In January 2012, the licensee identified an original design issue in the security area that became a Greater-than-Green finding, and the Region completed a special inspection of the issue in March and a supplemental inspection in September 2012, identifying no additional significant issues. This Greater-than-Green finding, which the Region concluded is not reflective of current performance, will be considered in assessing Perry's performance through the end of the 4th quarter of 2012. With the White PI and the White inspection finding in the Occupational Radiation Safety Cornerstone and this Greater-than-Green inspection finding in the Security Cornerstone, IMC 0305 specifies that Perry be moved from Column 3 to Column 4 of the Action Matrix.

DEVIATION BASIS

Perry is operating safely and there have been no additional recent indications of significant performance problems in areas other than the Occupational Radiation Safety Cornerstone. An additional baseline Problem Identification and Resolution team inspection completed in January 2012, the Mid-Cycle assessment of Perry in August 2012, and integrated baseline inspections conducted in the latter half of 2011 and in 2012 have noted adequate, and even improved, licensee performance in areas other than radiation protection. Since current significant performance issues are well understood and appear to be limited to radiation protection, i.e., these issues are not broad and systemic in other plant organizational areas, I believe that the regulatory actions specified for Column 3 of the Action Matrix are more appropriate than those specified for Column 4 at present. However, if the licensee does not make sufficient progress in improving its performance such that a follow-up 95002 inspection can be successfully completed in the May-July 2013 timeframe, additional oversight will be warranted to ensure that the performance challenges in radiation protection do not adversely impact performance in other areas.

DEVIATION CLOSURE CRITERIA

The deviation will be closed and Perry will move to Column 4 if: 1) the follow-up 95002 inspection, scheduled for completion in the May-July 2013 timeframe, concludes that the licensee's corrective actions and the extent of condition evaluation for the original radiation protection White inspection finding and White PI are not adequate; 2) the licensee is unable to complete corrective actions necessary to permit the follow-up 95002 inspection prior to the end of July 2013; or 3) if another Greater-than-Green input is identified (other than a change of color for the current Occupational Exposure Control Effectiveness PI issue).

Consistent with Staff Requirements Memorandum M040504B, dated May 27, 2004, a copy of this memorandum will be provided to the Commission and will be discussed at the next Agency Action Review Commission meeting.

R. W. Borchardt

-3-

Please indicate your concurrence by signing in the space provided below.

This request X approved not approved.

 1/11/13
Date

/RA by Michael R. Johnson for/
R. W. Borchardt
Executive Director for Operations

Please indicate your concurrence by signing in the space provided below.

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