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 AUTH. NAME AUTHORITY AFFILIATION  
 KEISER, H.W. Pennsylvania Power & Light Co.  
 RECIP. NAME RECIPIENT AFFILIATION  
 MARTIN, T.T. Region 1 (Post 820201)

SUBJECT: Forwards viewgraphs from util 910131 presentation to State of  
 PA PUC to establish open dialogue in support of util goal to  
 be sensitive to public.

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*cut*





# Pennsylvania Power & Light Company

Two North Ninth Street • Allentown, PA 18101-1179 • 215/774-5151

Harold W. Keiser  
Senior Vice President-Nuclear  
215/774-4194

FEB 04 1991

Mr. Thomas T. Martin  
Regional Administrator - Region I  
U.S. Nuclear Regulatory Commission  
475 Allendale Road  
King of Prussia, PA 19406

SUSQUEHANNA STEAM ELECTRIC STATION  
PRESENTATION TO PA-PUC  
PLA-3517 FILE R41-2

Dear Mr. Martin:

On January 31, I made a presentation to Pennsylvania's Public Utility Commission. The purpose of my visit was to establish an open dialogue in support of PP&L's goal to be sensitive to all our publics. Subjects covered in my presentation included PP&L's philosophy toward nuclear power, the roles of NRC and INPO, the performance history of Susquehanna SES, and the potentially negative impacts of nuclear rate incentive regulations. A copy of the presentation is enclosed.

The PUC raised one point that you may find of interest. They indicated that in about 1987, INPO and NRC sponsored a conference with PUCs in the northeast. Our PUC indicated that this was a valuable experience. They would look forward to further such opportunities.

Very truly yours,

H. W. Keiser

Attachment

cc: NRC Document Control Desk (original)  
Mr. G. S. Barber, NRC Sr. Resident Inspector  
Mr. M. C. Thadani, NRC Project Manager

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**PP&L  
Presentation  
To PUC**

**Nuclear Power Plant  
Performance**

**Harold W. Keiser**  
*Senior Vice President - Nuclear*

**January 31, 1991**

# Why Are We Here?

- Industry initiative to keep Public Utility Commissions informed.
  - *Open Dialogue*
- To discuss nuclear power plant performance:
  - *Independent Assessments*
  - *Susquehanna Performance*
  - *Comparison to Others*

# PP&L's Philosophy

## *To Achieve Success -*

- Establish a strong nuclear safety culture.
- Focus on safety and reliability.
- Critically assess own performance on a continual basis.

## *Evidence of Success -*

- Safe, reliable, efficient operations.
- High NRC SALP ratings and INPO evaluations.
- High availability and capacity factors.

## Self Assessments

- Cover all aspects of nuclear power operation.
- Internal PP&L Audits and Assessments.
  - By employees responsible for the work activity.
  - By employees independent of the work activity.
- External Audits and Assessments.
  - Contracted experts.
  - Variety of approaches.



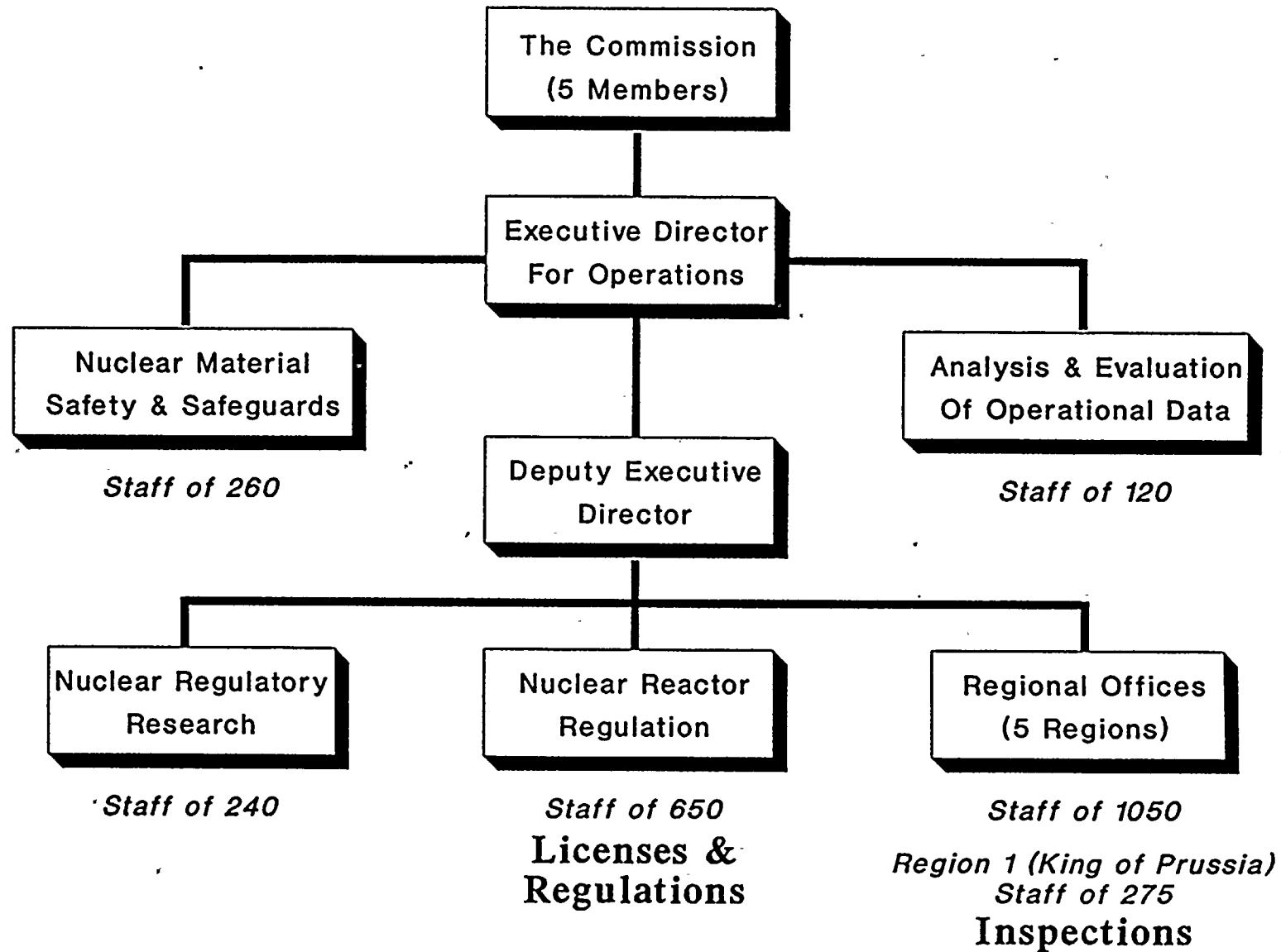


## What Does NRC Do?

- **Develops and Implements Regulations to Govern Licensed Nuclear Activities**
- **Inspects Licensed Facilities and Activities to Enforce Licenses and Regulations**
- **Investigates Nuclear Incidents and Allegations**
- **Maintains NRC Incident Response Program and Operations Center**



# Nuclear Regulatory Commission



# **NRC Systematic Assessment Of Licensee Performance**

**SALP conducted on  
each reactor every  
12 to 18 months.**



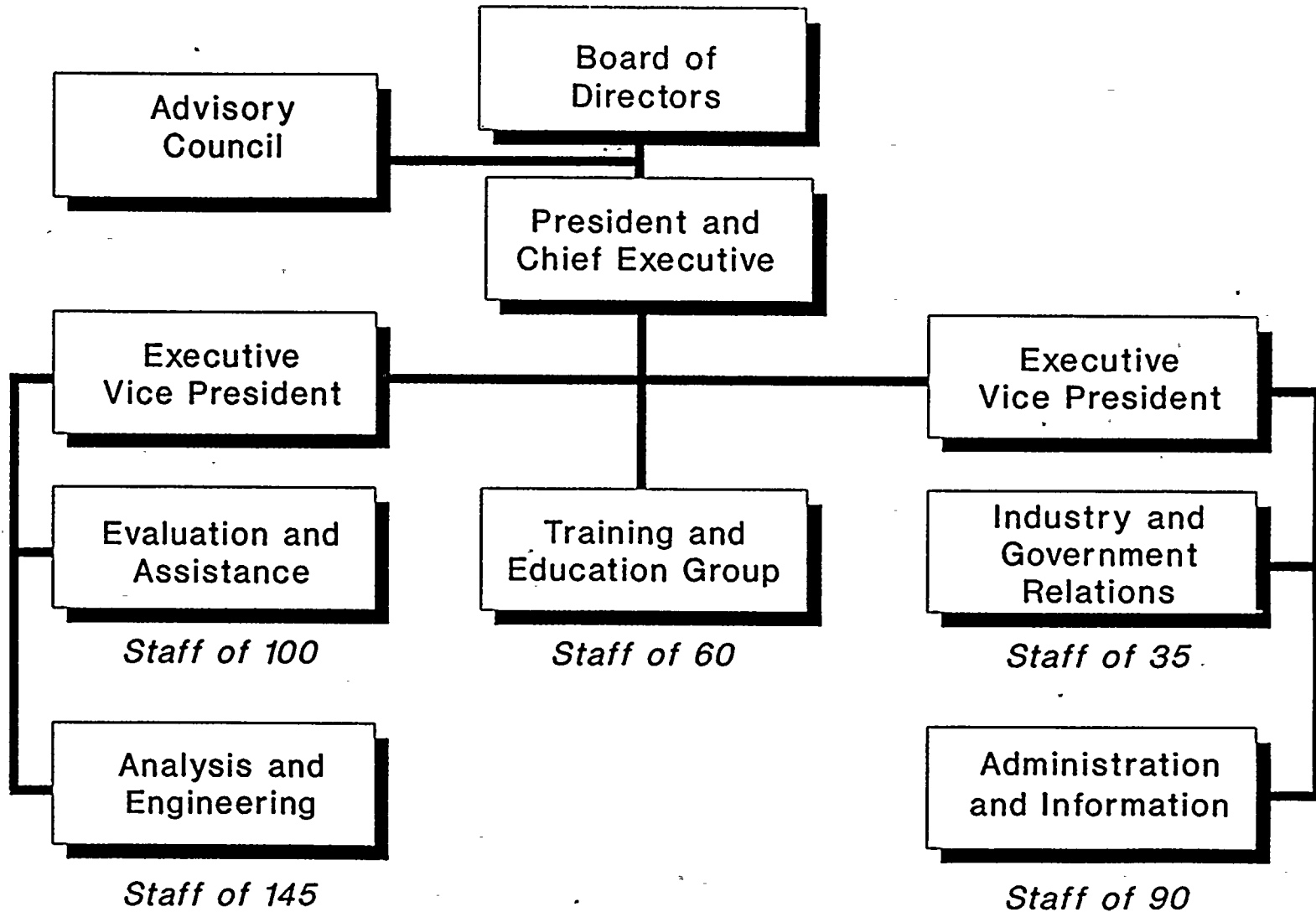
## What Does INPO Do?

- Sets Industry Standards of Performance to Encourage Excellence
- Accredits Training in Eleven Functional Areas
- Analyzes Industry Events Worldwide to Prevent Recurrence
- Promotes Exchange of Information and Good Practices





# Institute of Nuclear Power Operations



# INPO Evaluations

Evaluations are conducted on each nuclear plant once every 18 months.



# 1990-1991 Utility Of The Year

Electric Power & Light Magazine

Selected

Pennsylvania Power & Light

As The

Utility Of The Year

For 1990-1991

*"PP&L has effectively combined a strong marketing philosophy, aggressive economic development, cost management, operating excellence and a compassion for people's needs and aspirations."*

## PP&L's Latest SALP Ratings

| <u>Functional Area</u>                    | <u>Rating</u> * |
|---|-----------------|
| Plant Operations                          | 1               |
| Radiological Controls                     | 2               |
| Maintenance/Surveillance                  | 1               |
| Emergency Preparedness                    | 2               |
| Security and Safeguards                   | 1               |
| Safety Assessment/Quality<br>Verification | 1               |
| Engineering Support                       | 1               |

\* Note: 1 is Highest Rating, 3 is Lowest Acceptable Rating

## PP&L's Latest INPO Rating

- Susquehanna earned an INPO rating of "2".
- INPO rates plants on a scale of "1" to "5" with "1" being the best.
- INPO defines a "2" rating as follows:  
*"Overall performance is exemplary. Industry standards of excellence are being met in many areas. No significant weaknesses noted."*

# Performance Comparisons

## Industry Five-Year Averages

### 1985-1989

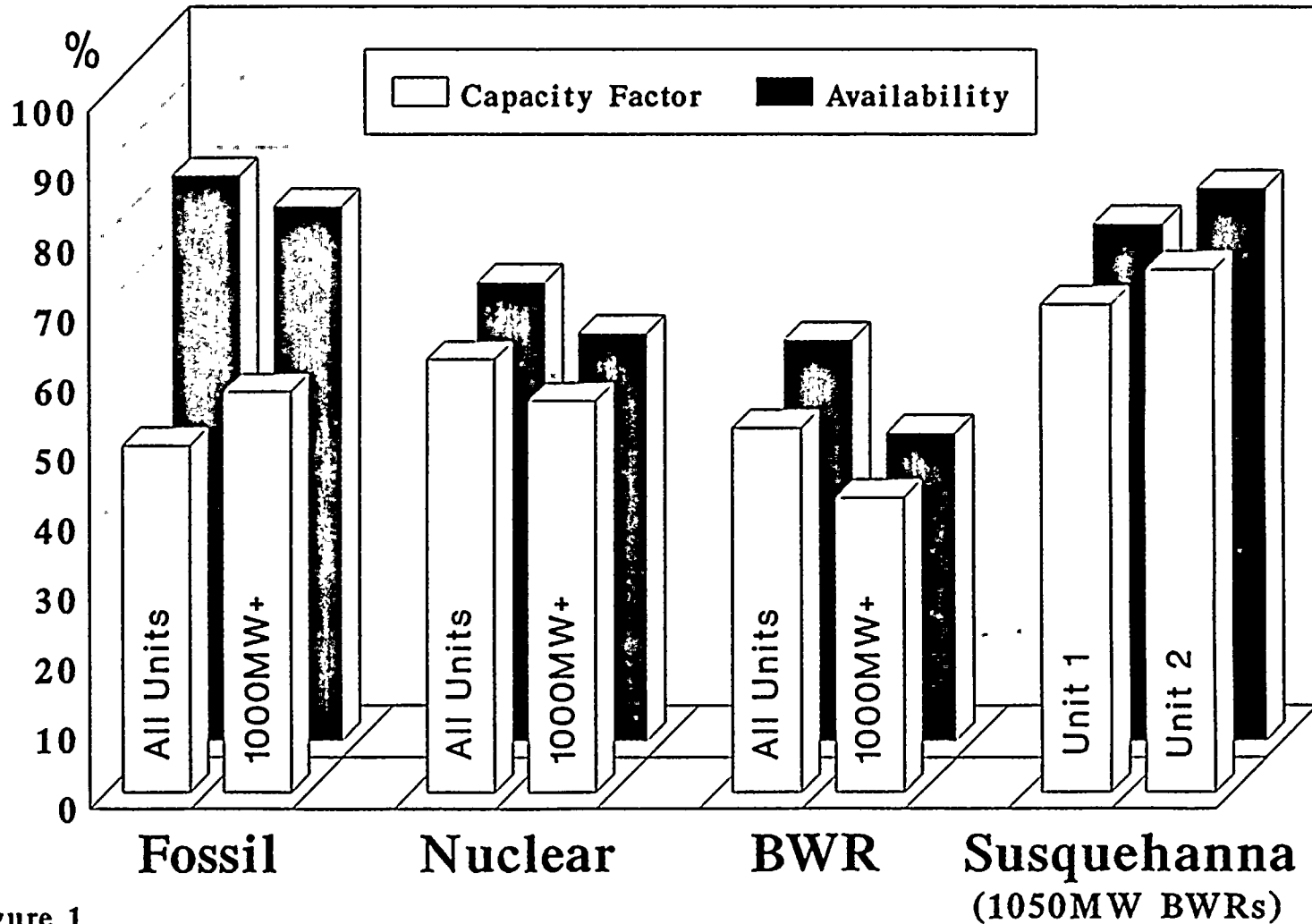


Figure 1





# BWR Capacity Factor 3-Year Average 1988-1990

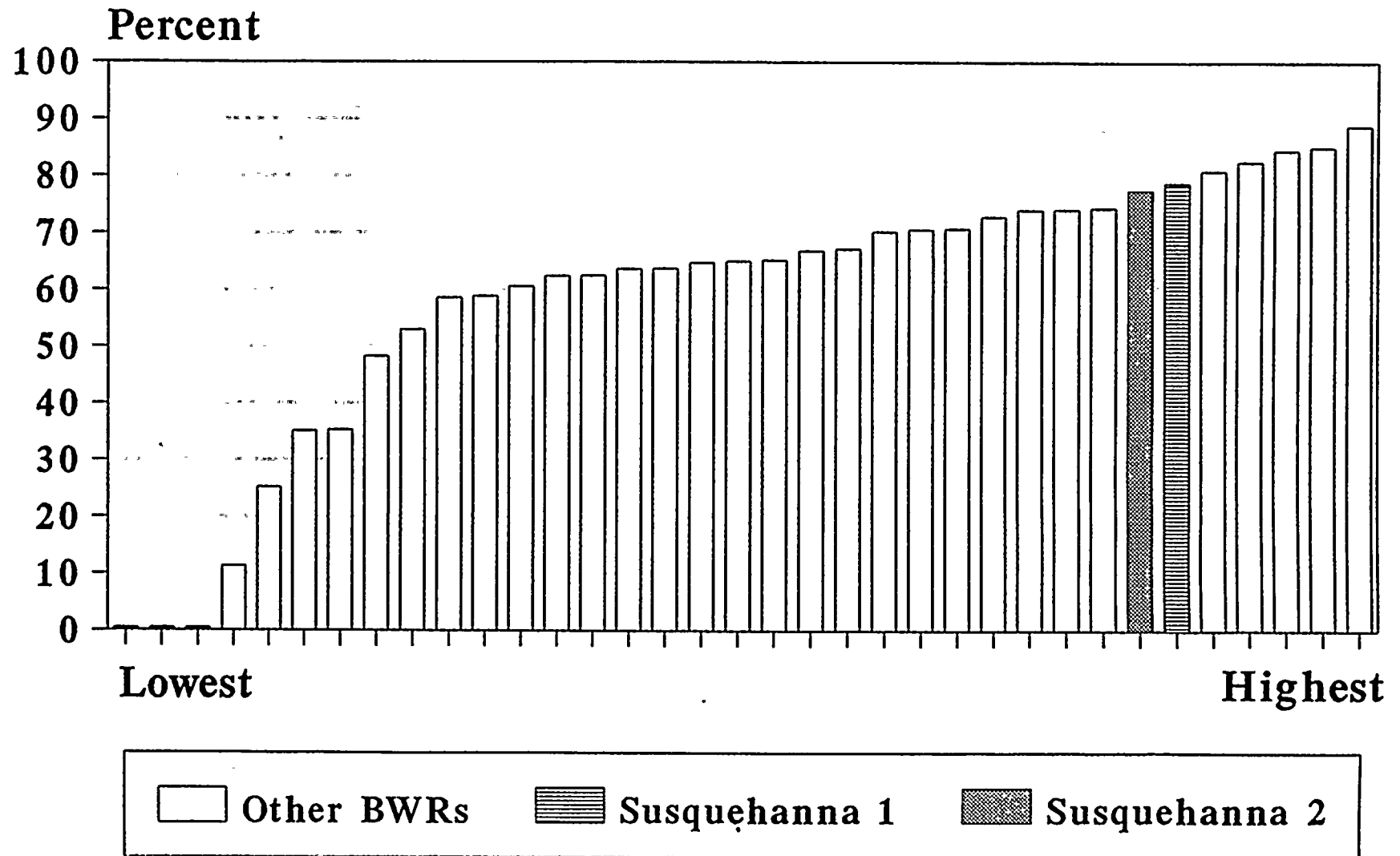


Figure 2

# Rate Regulation of Nuclear Plants

- What Concerns PP&L

*Loss of Focus on  
Public Health and Safety*

- Production pressure on operators and others may have negative effect.
- Short-term measurements not indicative of true performance.

# Rate Regulation of Nuclear Plants

- **INPO Perspective:**

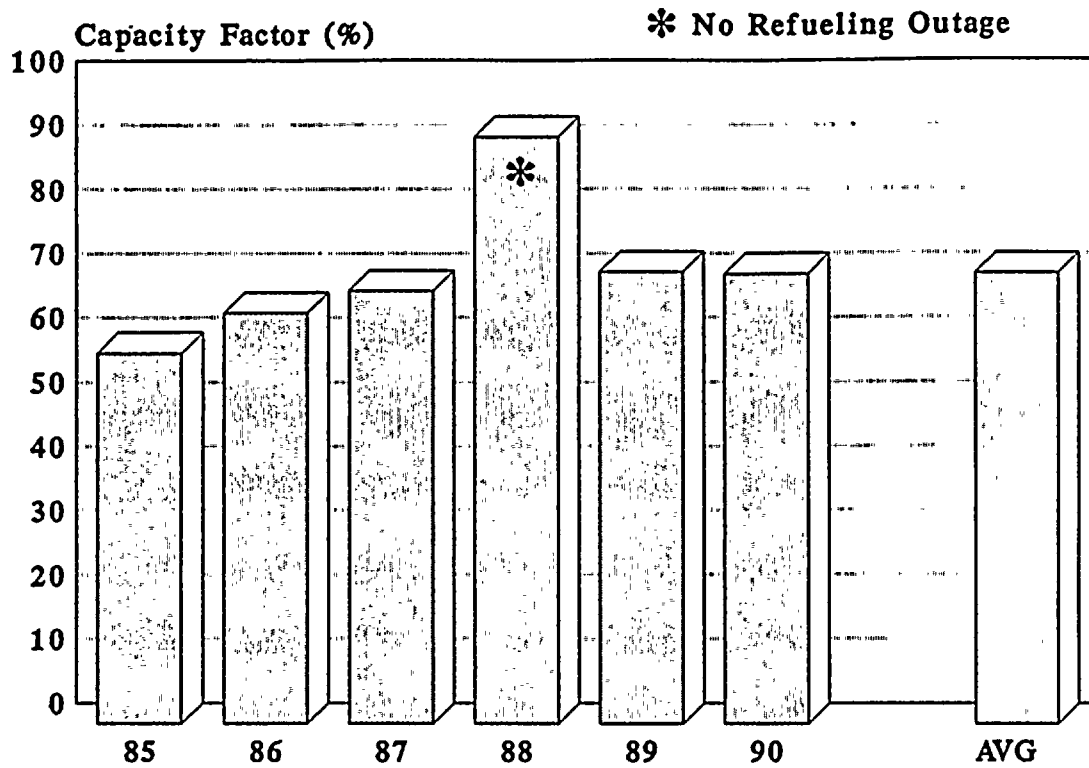
Economic regulators have tied utility rate of return to achievement of specific performance standards. INPO view is that these activities undermine utility line management authority and ultimately have an adverse impact on nuclear safety.

- **NRC Perspective:**

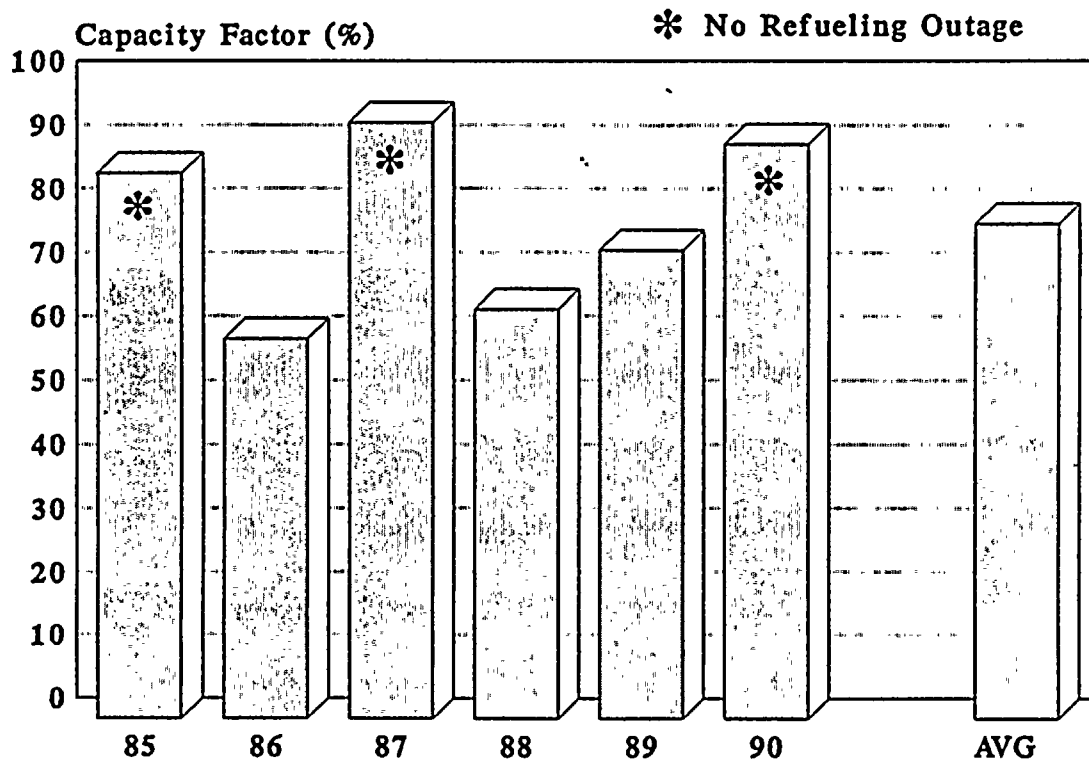
The potential financial impact of economic performance incentive regulation becomes so great in some cases that NRC must monitor the affected utilities for adverse effects. NRC needs to ensure that these economic performance incentive programs do not adversely affect public health and safety.

## Susquehanna Unit 1

Figure 3



## Susquehanna Unit 2





## Conclusion

I have attempted to explain  
PP&L's philosophy toward  
nuclear power generation:

### *To Achieve Success -*

- Establish a strong nuclear safety culture.
- Focus on safety and reliability.
- Critically assess own performance on a continual basis.

### *Evidence of Success -*

- Safe, reliable, efficient operations will follow.
- High availability and capacity factors will result.

