



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION II
101 MARIETTA STREET, N.W.
ATLANTA, GEORGIA 30303

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Virginia Electric and Power Company
ATTN: Mr. W. L. Proffitt
Senior Vice President, Power
P. O. Box 26666
Richmond, Virginia 23261

Gentlemen:

The enclosed Nuclear Regulatory Commission Staff Paper, POLICY SESSION ITEM (SECY-78-554, dated October 25, 1978) with subject "Licensee Regulatory Performance Evaluation" describes three approaches tried by the NRC staff for evaluating the regulatory performance of operating nuclear power plants. These approaches were preliminary efforts toward developing a technique for evaluating the regulatory performance of NRC licensees on a nationwide basis. The staff has requested Commission approval of a two-year trial program to further develop and test an evaluation technique.

If successful, licensee regulatory performance evaluation should give the NRC staff the ability, on a nationwide basis, to distinguish between levels of licensee regulatory performance. This could lead to more effective use of the agency's inspection and enforcement resources and to identification of plants that need further examination by the agency.

The NRC staff emphasizes that, while an evaluation program may be useful in focusing staff attention on the plants that depart from the performance of the majority of plants, the means of assuring adequacy of plant safety will not be changed. This assurance will continue to rest on detailed reviews of plant operations by the Office of Nuclear Reactor Regulation and plant-by-plant judgements made as a result of inspections by the Office of Inspection and Enforcement.

The three evaluation approaches which have been tried are:

1. The "statistical method," based on evaluating two measures of performance: the number of noncompliance findings and the number of events, considered directly controllable by the licensee of the total events required to be reported to the NRC. These factors then were weighed by

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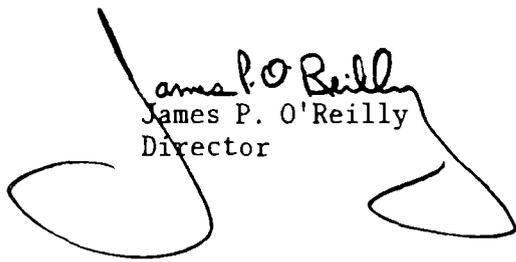
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pliance and the amount of staff inspection time required to identify individual items of noncompliance. Under the statistical method, reactors or sites were identified as being in one of three groups: A, B, or C.

2. The "trend analysis method," based on a detailed review of events which licensees are required to report to the NRC. An effort then was made to identify trends, repetitive problems, or those linked to similar causes.
3. The "regional survey method," which collected expressions of opinion of facilities by NRC inspectors and regional management. For the trial effort, NRC field inspector personnel were asked to express themselves on a scale, from acceptable to exceptional, about factors concerning operating reactors.

The Staff Paper, SECY-78-554, and five enclosures describing the approaches tried by the NRC staff, are enclosed. These documents are being sent to each licensee whose facility is mentioned in the paper or reports and to other individuals expressing an interest in this matter. Copies also have been placed in the NRC's Public Document Room, 1717 H Street, N.W., Washington, D.C., and the Commission's Regional Offices--631 Park Avenue, King of Prussia, Pennsylvania; Suite 3100, 101 Marietta Street, Atlanta, Georgia; 799 Roosevelt Road, Glen Ellyn, Illinois; Suite 1000, 611 Ryan Plaza Drive, Arlington, Texas; and Suite 202, 1990 North California Boulevard, Walnut Creek, California.

Sincerely,



James P. O'Reilly
Director

Enclosure:
USNRC Policy Session Item,
SECY-78-554, dtd 10/25/78,
w/5 encls.