



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
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June 7, 2018

MEMORANDUM TO: Brian E. Holian, Acting Director
Office of Nuclear Reactor Regulation

David C. Lew, Acting Regional Administrator
Region I

FROM: James M. Trapp, Director */RA/*
Division of Nuclear Materials Safety
Region I

SUBJECT: EVALUATION AND CORRECTIVE ACTIONS FOR NRC's ASSESSMENT
AT PILGRIM NUCLEAR POWER STATION

This memorandum provides the results of the Pilgrim 95003 Evaluation that was conducted to determine whether the NRC assessment and Reactor Oversight Process (ROP) appropriately characterized licensee performance based on previous information and whether sufficient warning was provided to identify a significant reduction in safety (Enclosure 1). It also summarizes the results of follow-up reviews and actions to address the findings and observations from the evaluation.

The Pilgrim 95003 Evaluation Team (Team) determined the NRC responded appropriately to the decline in performance at the Pilgrim Nuclear Power Station (Pilgrim). Specifically, Region I identified the decline in performance and appropriately used the known ROP assessment inputs to transition Pilgrim through the NRC's Action Matrix, prior to a significant reduction in safety. Further, the Team determined that the ROP and inspection processes were appropriate to provide sufficient warning of degraded and declining performance at Pilgrim, such that there was not a significant reduction in safety or unacceptable operational margins to safety.

The Team identified two observations and four insights for management consideration and review. The first observation was that self-revealing performance deficiencies described in Licensee Event Reports (LERs) were not consistently evaluated and documented as findings or violations in accordance with applicable ROP and enforcement guidance. The second observation was a strength that strong inspector engagement contributed significantly to Region I's ability to make fully informed and timely decisions at the senior management level. The four insights identified proposed enhancements to the ROP procedures and practices.

Region I senior management agrees with the observations and insights and determined that several warranted further assessment and actions. Specifically, a comprehensive assessment was conducted to address the observation regarding the inconsistent documentation of LERs. The purpose was to determine if not properly assessing LERs

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would have impacted ROP decision making and NRC oversight at Pilgrim. A review and risk assessment of all Pilgrim LERs written between 2007 and 2015 was conducted by a Senior Risk Analyst (SRA). The purpose of the review was to determine if any of the LERs could potentially be associated with greater-than-green inspection findings. The results of this review concluded that none of the LERs represented performance deficiencies that would have resulted in greater-than-green findings (Enclosure 2). Therefore, the actions taken by the NRC to escalate oversight engagement at Pilgrim would not have changed based on this observation. Additionally, an extent-of-condition review was performed to determine if this documentation deficiency was isolated to LERs related to Pilgrim. The extent-of-condition review concluded that overall the region had properly evaluated and documented the closeout of LERs, with only a few exceptions noted (Enclosure 3). Similar to the Pilgrim LER review, none of the exceptions would have caused the agency to change its assessment or oversight activities. While there was no actual impact on the NRC's oversight of Pilgrim, it is apparent that additional actions are needed to enhance awareness and training on proper closure of LERs. These actions are documented and tracked in the Region I Continuous Improvement Program.

While there was no impact on NRC direct inspection oversight due to the LER assessment deficiency, there may have been an impact on cross-cutting issue assessment applying the ROP guidance in effect at the time. The result of identifying a substantive cross-cutting issue would have been to highlight it in either a mid-cycle or annual plant assessment letter. However, during this period, cross-cutting areas at Pilgrim were already receiving significant NRC scrutiny as a result of being in the regulatory response, degraded cornerstone, and repetitive degraded cornerstone columns of the action matrix. Therefore, the additional scrutiny caused by the identification of a substantive cross-cutting issue would have had a minimal effect.

The second observation was a statement of positive behavior and engagement by the Region I senior management team and no actions were necessary. The four insights were addressed by documenting feedback forms recommending future program enhancements.

The Region I management team recognizes the value of conducting intrusive and comprehensive evaluations of our oversight programs and processes. The subject 95003 Evaluation was particularly effective in identifying areas for improvement. In response, the Region has taken extensive actions to ensure that there was no actual impact on the ROP assessment for Pilgrim or other Region I sites. However, we recognize the significance of this issue and will be taking actions to improve future performance.

Please contact James Trapp at 610-337-5281 should you have any questions regarding this evaluation or Region I's response to the observations and insights.

Enclosures:

1. Inspection Procedure 95003: Evaluation of NRC Assessment and Inspection Process at Pilgrim Nuclear Power Station (ML18157A040)
2. Licensee Event Report Safety Significance Review in response to findings associated with Inspection Procedure 95003: Evaluation of NRC Assessment and Inspection Process at Pilgrim Nuclear Power Station (ML18158A130)
3. Extent of Condition Review in response to findings associated with Inspection Procedure 95003: Evaluation of NRC Assessment and Inspection Process at Pilgrim Nuclear Power Station (ML18158A133)

SUBJECT: INSPECTION PROCEDURE 95003: EVALUATION OF NRC ASSESSMENT AND INSPECTION PROCESSES AT PILGRIM NUCLEAR POWER STATION DATED JUNE 7, 2018

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DOCUMENT NAME: G:\DRP\BRANCH5\+++Pilgrim\+++Pilgrim Column 4 Activities\95003 EVALUATION\95003 Review Evaluaion Summary Memorandum final.docx

ADAMS ACCESSION NUMBER: ML18158A110

ADAMS Package No: ML18158A104

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ENCLOSURE 1

**INSPECTION PROCEDURE 95003: EVALUATION OF THE NRC ASSESSMENT AND
INSPECTION PROCESSES AT PILGRIM NUCLEAR POWER STATION**

ENCLOSURE 2

**LICENSEE EVENT REPORT SAFETY SIGNIFICANCE REVIEW IN RESPONSE TO
FINDINGS ASSOCIATED WITH INSPECTION PROCEDURE 95003: EVALUATION OF
NRC ASSESSMENT AND INSPECTION PROCESSES AT PILGRIM NUCLEAR POWER
STATION**

ENCLOSURE 3

**EXTENT-OF-CONDITION REVIEW IN RESPONSE TO FINDINGS ASSOCIATED WITH
INSPECTION PROCEDURE 95003: EVALUATION OF NRC ASSESSMENT AND
INSPECTION PROCESSES AT PILGRIM NUCLEAR POWER STATION**