



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

June 21, 2018

Mr. Gregory H. Halnon
President & CNO, GPU Nuclear and
Vice President, Nuclear Regulatory Affairs
FirstEnergy Corp
341 White Pond Dr.
Akron, OH 44320

SUBJECT: RECEIPT OF NATIONAL REGIONAL UTILITY GROUP RECOMMENDATIONS
FOR IMPROVING THE REACTOR OVERSIGHT PROCESS

Dear Mr. Halnon:

This letter acknowledges receipt of your May 2, 2018, letter entitled, "Transforming the Reactor Oversight Process to a New Paradigm" (Agencywide Documents Access and Management System (ADAMS) Accession No. ML18127A080). Your letter acknowledges that the Reactor Oversight Process (ROP), as presently constructed, has contributed to the improvement and sustained performance of the operating fleet of nuclear reactors. Your letter transmitted a report proposing a paradigm shift that, according to the letter, would transform the ROP to a new level of efficiency and effectiveness in achieving the mission of both the NRC and the industry. Your letter states:

This report is not a comprehensive set of solutions but a new way of thinking to spur further ideas and transformative changes. This transformation requires a new way of looking at NRC oversight from the current punitive, backward-looking perspective on licensee problems to a more constructive, forward-looking approach. We believe this forward-looking approach would reinforce the strong culture of corrective action and continuous learning that is the hallmark of today's nuclear energy industry. Moreover, this approach would enable both NRC and licensees to align on the regulatory response to lapses in performance more quickly and efficiently than happens in today's backward-looking paradigm.

A public meeting was held on May 24, 2018, at which time you discussed your letter and the NRC staff provided an update on ROP-related recommendations resulting from the NRC's transformation initiative. During that meeting, the staff discussed a number of ongoing initiatives to improve the ROP, including a project to streamline the inspection report development process, an initiative to improve the minor/more-than-minor determination component of the issue screening process, and work to enhance the NRC's engineering inspection program.

The NRC is a learning organization, and self-assessment and improvement are an integral part of our oversight program and processes. We appreciate NRUG's recommendations and will consider them, along with proposals obtained from the NRC staff and other stakeholders, to improve the ROP. Next steps include development of a plan to fully assess the

recommendations, obtaining alignment on which recommendations to pursue, and then implementing any recommendations that are ultimately approved by the Commission. The staff recognizes that engagement with both internal and external stakeholders has been and will continue to be critical to ensuring successful outcomes, and we plan on further discussions with you and other stakeholders on this important topic at future ROP public meetings.

If you have any questions, please contact me by telephone at 301-415-1004 or by e-mail at Mark.Miller@nrc.gov.

Sincerely,

/RA/

Mark S. Miller, Acting Director
Division of Inspection and Regional Support
Office of Nuclear Reactor Regulation

SUBJECT: RECEIPT OF NATIONAL REGIONAL UTILITY GROUP (NRUG)
RECOMMENDATIONS FOR A TRANSFORMATIVE APPROACH TO THE
REACTOR OVERSIGHT PROCESS

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