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MEMORANDUM TO: Christopher G. Miller, Director  
Division of Inspection and Regional Support  
Office of Nuclear Reactor Regulation

FROM: Thomas R. Hipschman, Chief  
Reactor Inspection Branch */RA/*  
Division of Inspection and Regional Support  
Office of Nuclear Reactor Regulation

SUBJECT: RESULTS OF THE CALENDAR YEAR 2018 REACTOR  
OVERSIGHT PROCESS SELF-ASSESSMENT  
EFFECTIVENESS REVIEW OF NRC INSPECTION  
PROCEDURE 95001

This memo provides the results of the calendar year 2018 Reactor Oversight Process (ROP) self-assessment effectiveness review of the August 24, 2016, change to the Nuclear Regulatory Commission (NRC) Inspection Manual Chapter (IMC) procedure 95001, "Supplemental Inspection Response to Action Matrix Column 2 Inputs." This procedure was revised to incorporate the direction contained in Staff Requirements Memorandum, SECY-15-0108 "Recommendation to Revise the Definition of Degraded Cornerstone as used in the ROP from "approximately 40 hours" to "approximately 40 hours to complete for one white issue and approximately 120 hours to complete for two white issues.

### Background

On December 2, 2015, the Commission approved the staff's recommendation to revise the definition of a degraded cornerstone to three or more White inputs or one Yellow input and to make conforming changes to Inspection Manual Chapter 0305. Additionally, the staff received authorization to revise Inspection Procedure (IP) 95001 to include additional resources and guidance to be used to review licensee common cause analyses when a licensee has a second White input in the same cornerstone to consider the potential for programmatic weaknesses in licensee's performance. The Commission directed the staff to make these changes after the staff completed a review of IP 95001, as part of a ROP enhancement effort that was announced in a November 23, 2013, public meeting. The meeting summary, dated December 5, 2013, can be found at Agency Documents Access and Management System (ADAMS) Accession No. ML13337A637.

CONTACT: Kenneth S. Kolaczyk  
(585)773-8917

The goal of the ROP Enhancement Project was to take a fresh look at the ROP to determine what was working well, and what needed improvement. During the November 13, 2013, meeting, industry representatives raised the concern that there were very significant resource implications for licensees when they transition from Column 2 to Column 3 in the Action Matrix. Industry representatives said the risk associated with two White inputs in the same cornerstone was not commensurate with the costs associated with the regulatory actions for Column 3 (i.e., unnecessary regulatory burden).

Following the meeting, the Nuclear Energy Institute (NEI) submitted a position paper to the NRC staff, dated August 18, 2014, (ADAMS Accession No. ML14246A465), that reiterated the industry's position that the threshold for transitioning to Column 3 of the ROP Action Matrix (two White findings in a cornerstone) was too low. NEI stated that this threshold motivated licensees to challenge "preliminary White" findings aggressively. As a result, both licensees and the NRC often expend resources on White findings that are not commensurate with their low-to-moderate safety significance.

Following receipt of additional feedback from external stakeholders and the recommendation from the ROP Independent Assessment, the NRC staff formed a working group to evaluate the criteria for licensee transition to Column 3 of the Action Matrix. The purpose of this review was to determine if the existing criteria, and specifically the definition of two White inputs in the same cornerstone, were appropriate, or if a change was warranted.

Upon completion of risk-based and qualitative reviews and analyses, the working group recommended revising the two White inputs in the same cornerstone to three White inputs in the same cornerstone for transition to Column 3, thus revising the degraded cornerstone definition. This change in definition would also impact the number of White inputs for licensee transition to Column 4 of the Action Matrix under the criteria of multiple degraded cornerstone (requiring one additional White input in each cornerstone) and repetitive degraded cornerstone (requiring one additional White input). The working group issued a publicly available report documenting the basis for the recommendation (ADAMS Accession No. ML14350B164) and summarizing the data analysis to support this recommendation (ADAMS Accession No. ML14350B180). Given the potential for programmatic weaknesses that may be revealed by two White inputs in the same cornerstone, the working group recommended a revision to the IP 95001 supplemental inspection procedure (conducted following any White input) to allow for an increased scope of inspection (to include additional potential common cause analyses), to increase the likelihood of the NRC identifying potentially broader licensee performance issues. This added inspection activity would provide additional regulatory oversight for plants with two White inputs in the same cornerstone that in the past would have transitioned to Column 3.

### **Effectiveness Review Methodology**

To evaluate the effectiveness of the August 24, 2016 revision to IP 95001, two reviews of procedure implementation were conducted in Fiscal Year (FY) 2018. The first review performed during the first and second quarters of FY 2018, was conducted by a team that consisted of three Head Quarter personnel and one inspector from each region. The team was tasked with reviewing anomalies detected during the implementation of the procedure. Specifically, at several reactor plant sites, particularly in Region 4, inspectors were utilizing more inspection hours to verify the appropriateness of licensee corrective actions than what was used by the other Regional offices. The second review of IP 95001, was conducted during the fourth

quarter of FY 2018 by a staff member in the Reactor Inspection Branch (IRIB) of the Division of Inspection and Regional Support (DIRS). That review focused on examining the data and information that was collected by the first team, and reviewing feedback received from internal and external stakeholders regarding their experiences implementing IP 95001.

### **Findings and Recommendations**

Based upon a review of the data, and the feedback received from external and internal stakeholders, IRIB determined that the implementation anomalies that the first review team examined, were not the result of the August 24, 2016, procedure update, but were more likely the result of additional NRC focus on the need for licensees to increase the scope of their corrective actions and explore additional plausible causes for event occurrence as part of the corrective action process. No other issues regarding procedure implementation were identified during this effectiveness review and overall, IRIB has concluded that the revised procedure and supporting changes to the NRC action matrix, had achieved their goal of reducing unnecessary regulatory burden, as no plants had transitioned to Column 3 of the NRC action matrix following implementation of SECY-15-0108. However, although no substantive issues were identified, the following procedure enhancements to IP 95001 were suggested by IRIB for evaluation: (1) consider the use of inspectors from other regions to perform IP 95001 inspections, (2) remove the expectation that licensees conduct root cause evaluations to address issues that are being reviewed as part of a IP 95001 inspection, and (3) reduce inspection hours that are allocated to review a single white ROP Action Matrix issue. These enhancements are currently under Regional review. No other changes or enhancements to IP 95001 are recommended at this time.

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<b>OFFICE</b>	NRR/DIRS/IRIB*	NRR/DIRS/IRIB	
<b>NAME</b>	K. Kolaczyk	T. Hipschman	
<b>DATE</b>	3/ 4 /19	3/ 7 /19	