



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

COMM
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January 4, 1979

OFFICE OF THE
CHAIRMAN

Mr. Charles F. Luce
Chairman
Consolidated Edison Company
of New York, Inc.
4 Irving Place
New York, New York 10003

Dear Mr. Luce:

This is in reply to your letter of November 17, 1978 regarding the "Employee Survey on Evaluation of Licensees" prepared by the NRC Office of Inspection and Enforcement (IE). In your letter you express strong concern that this document contains "totally erroneous 'narrative statements'."

The report to which you referred is one of several documents* which discuss various efforts by IE to develop techniques to evaluate licensee regulatory performance. The Acting Director of IE explains in one of the documents that no one technique so far tried is individually satisfactory. He has requested Commission permission to continue the effort to find an acceptable technique for evaluating licensee regulatory performance. The Commission supports the concept of initiating another trial program but has requested that a detailed plan be submitted for approval prior to implementation of such a program. It is important to understand that the evaluation is made to distinguish between levels of acceptable performance. Unacceptable performance is dealt with through enforcement actions taken promptly whenever the need is identified.

The statement to which your letter referred was a comment made by an anonymous IE employee -- one of thirteen who made subjective ratings of Indian Point. Some commenters were more critical than others. Recognized shortcomings of the opinion survey method of evaluation are that individual opinions are subjective, may not be clearly supported by fact, and may be unduly influenced by the "last contact" with the licensee or the personality of licensee representatives. On page 2 of the referenced report, the survey results were qualified by the following statement:

"Although the information is untested, unvalidated, not directly related to licensee compliance with NRC requirements, and unreviewed by licensees, it may be of some use to IE management in

* Copies of the documents are enclosed.

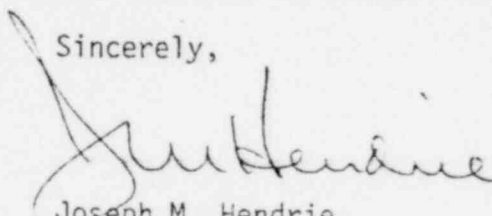
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gaining insights into the perceived safety at the 45 operating power reactor sites licensed by NRC. Some of the information may provide additional insights that will help identify inspection program improvements or form the basis for management conferences with licensees. For these latter purposes, the information should be used with some discretion and with an awareness of its limitations noted above."

We agree that Indian Point Units No. 2 and 3 were both operated by Consolidated Edison as the licensee in the Fall of 1977. However, since December 1975, the Power Authority of the State of New York has owned Unit No. 3, which Consolidated Edison subsequently operated under contract with PASNY. In the unknown respondent's opinion, the co-licensee arrangement for Unit No. 3 may have contributed to some difference which he perceived between Units No. 2 and 3.

The narrative comment in the report represents one individual's "unvarnished" opinion. It is not an agency position. I trust this letter places this comment in the proper perspective. If you have further questions in this matter, please do not hesitate to contact me.

Sincerely,



Joseph M. Hendrie
Chairman

Enclosures:
(See next page)

Enclosures:

1. Draft transmittal letter
for SECY-78-554
2. Commission Paper -
SECY-78-554
3. NUREG/CR-0110-Licensee
Performance Evaluation
4. Draft Study - Individual Site
Ratings From IE Employee
Survey, dtd April 1978
5. Memo E. M. Howard to
Ernst Volgenau dtd
September 26, 1977
6. Draft Report - An
Evaluation Of The
Nuclear Safety-
Related Management
Performance Of NRC
Operating Reactor
Licensees During 1976,
dtd February 1977