

Duquesne Light

435 Sixth Avenue  
Pittsburgh, Pennsylvania  
15219

*Pls Act  
INPITS*

*Att* *JG*  
*Pls, ~~reg~~ P.*  
*Response*

STANLEY G. SCHAFFER  
President

February 5, 1980

Mr. Victor Stello, Jr.  
Director, Office of Inspection  
and Enforcement  
U. S. Nuclear Regulatory Commission  
Washington, D. C. 20555

Dear Mr. Stello:

I have read your December 4, 1979 letter concerning the NRC performance appraisal function and subsequently directed your letter to other interested Company representatives for their review and comment. As a result of this action, the following comments have been produced which we believe deserve your attention:

1. We agree that a good system of checks and balances via quality assurance audit is desirable for any program, however, we are concerned with extensive demands imposed by inspections and/or audits on the time of many of our key people. It is difficult to perceive that all of these diversions are truly effective in promoting a better operation. Understandably, conscientious inspectors or auditors tend to want to deal with the leading people on the station staff. However, if carried to excess, the activities can be counter productive due to the pre-occupation of those lead people.

We believe some study should be directed toward an overall assessment of the potential for negative impact which may result from what could be viewed as a proliferation of inspections or audits. The key people, who have the expertise and responsibility for maintaining or achieving a satisfactory program, may find themselves so pressed with demands on their time dedicated to the auditing efforts, that insufficient attention on their part can be directed toward improving overall programs.

2. The auditing function is recognized as a necessary adjunct to a satisfactory operations program. However, an appropriate question can be directed toward an appraisal of how much is too much.

The list of auditing groups is quite extensive and is soon to be expanded by the addition of the Institute for Nuclear Power Operations (INPO).

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February 5, 1980

- A. Quality Assurance - DLCo
- B. Off-site Review Committee - DLCo
- C. Resident NRC Inspectors
- D. Transient NRC Inspector ( 30/yr.?)
- E. NPC Performance Appraisal
- F. Duquesne Light Management (every 2 years)
- G. American Nuclear Insurer (ANI 6/yr.)
- H. Numerous Special Audits

We endorse the addition of INPO and we believe this group has promise for a positive impact which should significantly enhance safety.

3. In regard to the Management Appraisal Inspection, we believe more information should be provided by the NRC so as to assist all in a better understanding of this function. Specifically, we request that additional information be provided at least in the following areas:

- A. What is the full scope of the management appraisal function?
- B. What are the "approximately ten subject areas"?
- C. What is the scope of the audit in each subject area?
- D. Who would the NRC expect to interview at the corporate office level?
- E. What standards of performance does the NRC plan to set?
- F. How would these standards be established?
- G. Industry should know what standard(s) will be applied before the audit program is implemented.
- H. Who will receive copies of the NRC management appraisal inspection (audit) report?
- I. NRC comments, in the form of observations, on non-regulatory aspects of our business will be appreciated on an oral basis and should not be included in any official report because of their stated character.

In all, subject to the above comments, we believe a two-part inspection program, if done correctly, could be a valuable asset to both NRC management and utility management. With this in mind, we look forward to receiving more definitive information from you concerning this program.

Sincerely,

