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**POLICY ISSUE**  
(Information)

March 18, 1994

SECY-94-071

**FOR:** The Commissioners  
**FROM:** James M. Taylor  
Executive Director for Operations  
**SUBJECT:** UPDATE ON STATUS OF PILOT PROGRAM FOR NRC RECOGNITION OF GOOD PERFORMANCE BY NUCLEAR POWER PLANTS

**PURPOSE:**

This is in response to the SRM dated February 14, 1994, which, among other things, requested an update on the status of the pilot program for identifying good performing plants.

**BACKGROUND:**

In March 1990, the Commission requested the staff to develop a pilot program for the Commission's consideration that would provide positive reinforcement to licensees by recognizing outstanding safety performance in the industry. In August 1990, the Commission approved a pilot program proposed by the staff for trial implementation. At the January 1991 senior management meeting (SMM), senior agency managers discussed implementation of the good performer recognition program, and recommended several improvements to the implementation process. The staff revised the program to incorporate these additional recommendations. The program was first used at the June 1991 SMM.

**DISCUSSION:**

The pilot program was changed (Revision 1) after discussions at the June 1991 SMM to allow a plant to be identified as a good performer independently from corporate performance, and, prior to the January 1994 SMM, the good performer screening criteria were changed to reflect the new number of SALP functional

Contact:  
Gary G. Zech, NRR  
504-1017

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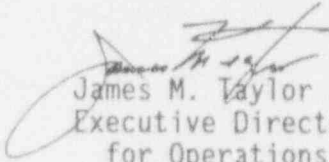
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areas, seven vs. four (Revision 2). Another minor change regarding the consideration of escalated enforcement actions within the past year, vs. two years, was made at that time. To be considered for recognition as a good performer now, a plant would have to achieve SALP Category 1 ratings in Operations, Maintenance, and Engineering, and a SALP Category 1 or 2 rating in Plant Support. Revision 2 of the good performer recognition pilot program is provided as Enclosure 1. Revision 2 changes are noted by vertical lines in the margins.

Enclosure 2 provides a summary of the number of plants that have met good performer screening criteria at each SMM since June 1991, and the number subsequently identified as good performers. Also provided is a listing of those plants that have been identified as good performers since the June 1991 SMM.

In the Commission's SRM dated August 23, 1990, the staff was cautioned regarding the potential for complacency by a licensee recognized for its good performance. Although several of the plants recognized have subsequently been removed from the list of good performers, none has had problems that caused it to be considered as a poor performer. In many cases, plants have remained on the list for several SMM cycles, and in one case a plant was removed for two cycles and then returned to the list.

In general, the good performer program has been well-received by industry and to have met the NRC's objective of providing positive reinforcement to licensees by recognizing their outstanding safety performance. Final recommendations regarding the continuation of the program will be forwarded to the Commission in October 1994.

  
James M. Taylor  
Executive Director  
for Operations

Enclosures:

1. Pilot Program
2. Data Summary

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PILOT PROGRAM FOR NRC RECOGNITION OF GOOD PERFORMANCE  
BY NUCLEAR POWER PLANTS

Purpose

To outline a program for recognizing good performance by nuclear power plants.

Summary

The staff has developed a program to identify and recognize those specific plants that have demonstrated good overall safety performance. This program relies on the existing systematic assessment of licensee performance (SALP) and senior management meeting (SMM) evaluation processes. The SALP process is one of the primary tools used by the NRC to evaluate licensee performance. Therefore, the criteria for identifying good performance are based mainly on SALP evaluations. Plants are considered for recognition of good performance if they achieve SALP Category 1 ratings in Operations, Maintenance, and Engineering and a SALP Category 1 or 2 rating in Plant Support. At the SMM, senior agency management will discuss those plants that have achieved the performance level defined by the SALP screening criteria and any other plants that the senior managers feel warrant consideration as good performers, to determine if the performance of these plants deserves formal recognition. A letter of recognition, signed by the Executive Director for Operations (EDO), will be sent to the licensee's corporate management for those plants specifically identified at the SMM as good performers.

In addition to being considered for formal recognition by the EDO, plants that have achieved the performance level defined by the SALP screening criteria may be recognized by the regional administrator in the SALP transmittal letter. The regional administrator, with the concurrence of the Director, Office of Nuclear Reactor Regulation (NRR), can extend the SALP cycle to a maximum of 24 months to recognize those plants that have achieved the performance level defined by the SALP screening criteria for two consecutive SALP evaluation cycles.

Background

By a memorandum of March 29, 1990, the Commission requested the staff to develop a pilot program for the Commission's consideration that would provide positive reinforcement to licensees by recognizing outstanding safety performance in the industry. Responding to the Commission's request, the staff developed a proposed pilot program to identify and recognize good performance by power reactor licensees. The Commission approved this pilot program for trial implementation for a 30-month period. The staff revised the pilot program to incorporate additional elements recommended by the Commission, and senior agency managers discussed this proposed program at the January 1991 SMM. At that SMM, several changes to the implementation process

were recommended, and the implementation guidance was revised to incorporate those additional recommendations. Prior to the January 1994 SMM, several changes were made to the SALP screening criteria to reflect changes in the SALP program.

#### Program Implementation

The following is a description of a program to identify and recognize specific plants that have demonstrated good overall safety performance.

1. The first element of this program involves the use of screening criteria based on SALP evaluations to identify candidate plants for good performance recognition. Plants are considered for recognition of good performance if they achieve SALP Category 1 ratings in Operations, Maintenance, and Engineering and a SALP Category 1 or 2 rating in Plant Support.
2. In the SALP transmittal letter, the regional administrator may recognize a plant for achieving the performance level defined by the SALP screening criteria. In addition, the regional administrator, with the concurrence of the Director, NRR, can recognize those plants that have achieved the performance level defined by the SALP screening criteria for two consecutive SALP evaluation cycles, by extending the SALP cycle up to a maximum of 24 months in accordance with NRC Manual Chapter 0516 (Section 0516-034a).
3. The next element of this program involves the SMM process. Those plants that have achieved the performance level defined by the SALP screening criteria will be discussed at the subsequent SMM as candidates for good performance recognition. In addition, the Director of NRR, in conjunction with the respective regional administrator, may decide that, although a particular plant has not achieved the performance level defined by the SALP screening criteria, that plant should be discussed at the next SMM because of other good performance considerations.
4. At the SMM, each candidate plant for good performance recognition will be discussed to determine if, in the view of senior agency management, its performance warrants formal recognition. In conducting this assessment, the senior managers will use the enclosed evaluation factors as a guide. Based on their review and discussion, the senior managers will select good performers from among the candidate plants. The Commission has asked to be advised whenever the senior managers decide that a particular plant should be recognized for good performance although that plant does not satisfy the SALP screening criteria.
5. A formal letter of recognition, signed by the EDO, will be sent to the licensee's corporate management for those plants selected at the SMM for good performance recognition. The letter of recognition will provide positive reinforcement to the licensee and emphasize that the plant has met exacting criteria for public recognition of good performance. At the same time, this letter will be carefully worded to avoid encouraging complacency. Letters of recognition will be prepared by the respective



regional administrators, concurred in by the Director, NRR, and signed by the EDO. A sample letter of recognition for good overall safety performance is enclosed.

The EDO's office will ensure that the Commission has the opportunity to comment on sample recognition letters before they are sent to the licensees, although the Commission need not approve individual letters before they are issued.

Enclosures:

1. Evaluation factors for senior managers' review of licensees exhibiting good safety performance.
2. Sample letter of recognition for good overall safety performance.

EVALUATION FACTORS FOR SENIOR MANAGERS' REVIEW OF PLANTS  
EXHIBITING GOOD SAFETY PERFORMANCE

I. SALP Assessment

- a. SALP 1 ratings in Operations, Maintenance, and Engineering.  
SALP 1 or 2 rating in Plant Support.
- b. A commitment to achieve excellence and address identified weaknesses has been demonstrated.

II. Self-Assessment and Problem Resolution

- a. Self-assessments of performance by quality assurance and safety oversight groups are timely and effective.
- b. Safety issues are routinely identified to the appropriate management level and corrected in a timely manner.
- c. Corrective actions are thorough and properly prioritized such that problems are effectively resolved.

III. Management Organization and Oversight

- a. Management is fully committed to achieving good overall safety performance.
- b. Management effectively oversees plant activities and is actively involved in operating the plant and resolving problems.
- c. Management provides strong direction and fosters a nuclear safety work ethic that is understood at all levels in the organization.

IV. Current Performance Level

- a. Performance indicators reflect good overall safety performance since the last SALP.
- b. The NRC has not taken any escalated enforcement actions resulting in a civil penalty for events that occurred during the past year.
- c. The NRC does not expect a civil penalty to result from the present consideration for escalated enforcement of any events that occurred during the past two years.

- d. A good level of safety performance has been maintained since the last SALP, as evidenced by a lack of significant operational problems and operator errors.
- e. Significant problems with the quality of and adherence to procedures have not been identified.

V. Additional Considerations

- a. A reduction of NRC inspection activity is not expected to contribute to complacency within plant management.
- b. The NRC is not conducting any significant inspections or investigations of allegations that, if substantiated, might adversely reflect on overall plant performance.
- c. The NRC does not expect plant performance to be adversely affected by anticipated changes to the rate-making basis for the licensee.
- d. The NRC does not consider there to be any management issues, such as corporate support or recent personnel changes, that might adversely affect plant performance.

SAMPLE LETTER OF RECOGNITION FOR GOOD OVERALL SAFETY PERFORMANCE

Dear

On (Date - month, day, year), NRC senior managers met to evaluate the nuclear safety performance of operating reactors, fuel facilities, and other materials licensees. The NRC conducts this meeting semiannually to determine if the safety performance of the various licensees exhibits sufficient weaknesses to warrant increased NRC attention. In addition, at this meeting, senior managers identify specific plants that have demonstrated a level of safety performance that deserves formal NRC recognition. At the (month, year) senior management meeting, (specific plant) was identified as having achieved a high level of safety performance and met criteria for recognition of its performance. (I am pleased to note that this is the (second, third, ...) time that (specific plant) has been identified as a good performer, and I consider this a noteworthy accomplishment.)\*

In identifying such plants, senior managers perform an evaluation of performance in many areas including operational safety, self-assessment, problem resolution, and plant management organization and oversight.

NRC senior management recognizes that management involvement in all phases of plant operation, the dedicated and knowledgeable staff that supports plant activities, and the commitment to safety throughout the organization are necessary to achieve the level of performance demonstrated by (specific plant). We commend you and your staff for achieving a high level of safety performance. Your achievement is the result of dedicated efforts from your staff and is a positive example to the industry.

The greatest challenge that you now face is to maintain this level of performance and not to rest on past achievements. Continued management involvement and support, and dedicated efforts from your staff to identify and promptly correct problems, are necessary for you to continue to meet this difficult challenge.

Sincerely,

James M. Taylor  
Executive Director for Operations

\* Insert this sentence if the subject plant was identified as a good performer at previous senior management meetings.



SENIOR MANAGEMENT MEETING DATA

<u>Meeting Date</u>	<u>Met Screening Criteria Plants</u>	<u>Received Recognition Plants</u>
06/91	20	4
01/92	21	6
06/92	20	8
01/93	17	7
06/93	15	8
01/94	16	10

GOOD PERFORMERS RECOGNITION  
FROM JUNE 1991 THROUGH JANUARY 1994

<u>Meetings Dates</u>	<u>Good Performers</u>
June 1991	Callaway Prairie Island 1 & 2 TMI-1
January 1992	Callaway Diablo Canyon 1 & 2 Prairie Island 1 & 2 Summer
June 1992	Callaway Diablo Canyon 1 & 2 St. Lucie 1 & 2 Summer Susquehanna 1 & 2
January 1993	Diablo Canyon 1 & 2 St. Lucie 1 & 2 Summer Susquehanna 1 & 2
June 1993	Diablo Canyon 1 & 2 Grand Gulf St. Lucie 1 & 2 Summer Susquehanna 1 & 2
January 1994	Byron 1 & 2 Callaway Diablo Canyon 1 & 2 Grand Gulf Monticello St. Lucie 1 & 2 Summer