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# National Association of Regulatory Utility Commissioners

Incorporated

SHARON L. NELSON, *President*  
Washington Utilities and Transportation Commission  
Chandler Plaza Building  
1300 South Evergreen Park Drive, S.W.  
Olympic, Washington 98504-8902

WILLIAM A. BADGER, *First Vice President*  
Maryland Public Service Commission  
American Building  
231 East Baltimore Street  
Baltimore, Maryland 21202-3486

PETER G. BOUCHER, *Second Vice President*  
Connecticut Department of Public Utility Control  
1 Central Park Plaza  
New Britain, Connecticut 06051



1102 Interstate Commerce Commission Building  
Constitution Avenue and Twelfth Street, N.W.  
Post Office Box 684, Washington, D.C. 20044-0684

Telephone: 202-898-2200

Facsimile: 202-898-2213

PAUL RODGERS  
*Administrative Director*  
*General Counsel*

GAILE ARGIRO  
*Treasurer*

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December 7, 1990

Secretary,  
U.S. Nuclear Regulatory Commission  
Washington D.C. 20555  
Attention: Docketing and Services  
Branch

Dear Mr. Chilk:

The National Association of Regulatory Utility Commissioners (NARUC) is pleased to comment on the Nuclear Regulatory Commission's (NRC's) Draft Policy Statement: Possible Impacts of Economic Performance Incentives. Our comments are attached.

If you would like to discuss our comments, please call me at (904) 488-7001.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael Wilson".

Michael Wilson,  
Chairman, Subcommittee on  
Nuclear Issues/Waste Disposal

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NARUC COMMENTS ON NRC DRAFT POLICY STATEMENT:  
POSSIBLE SAFETY IMPACTS OF ECONOMIC PERFORMANCE INCENTIVES

On October 26, 1990, the Nuclear Regulatory Commission (NRC) published a Draft Policy Statement in the Federal Register concerning the possible impacts on the safety of operations of economic incentive programs ordered by State regulatory commissions. The National Association of Regulatory Utility Commissioners (NARUC) appreciates the opportunity to present its views to the NRC on the Draft Policy Statement.

Historically, the NARUC has had a constructive relationship with the NRC and the NARUC would like to continue this relationship in the future. The NRC's participation in the NARUC meetings has enhanced the quality of this relationship and the NARUC appreciates his contribution.

The NARUC is generally supportive of the principals it believes underlie the NRC's draft policy statement. We read this statement as an invitation to communicate effectively on the issue of economic incentive programs. The draft policy statement will provide a good starting point for discussions between state regulators and the NRC. More dialogue between the NRC and the NARUC would be useful in providing economic regulators and safety regulators with a better understanding of the issues faced by each.

The NARUC appreciates the NRC's recognition that performance incentives can play an important role in improving the economic performance of electric power plants and we agree that these programs should not create incentives to operate a plant in a manner that would adversely affect safety. The NARUC believes that there is no obvious or necessary incompatibility between achieving the goals of economic efficiency and safe nuclear plant operation.

The NARUC is pursuing the possibility of a meeting between commissioners and staff of public utility commissions and the NRC at the NARUC winter meetings. These meetings run from February 24 through March 1, 1991. The purpose of this meeting would be to provide a vehicle for the State public utility commissioners and staff to understand the safety regulator's point of view and to share their perspective on economic incentive programs with commissioners and staff from the NRC.