

Central Files
PI-22



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

May 23, 1994

MEMORANDUM FOR: Charles E. Rossi, Director
Division of Reactor Inspection
and Licensee Performance, NRR

FROM: Gary G. Zech, Chief
Performance and Quality Evaluation Branch
Division of Reactor Inspection
and Licensee Performance, NRR

SUBJECT: SUMMARY OF SECOND MEETING OF THE NRC AND INDUSTRY STEERING
GROUPS ON MAY 12, 1994, ON GRADED QUALITY ASSURANCE

On May 12, 1994, the NRC graded quality assurance (QA) Steering Group met for the second time with their counterparts from the Industry Steering Group, consisting of representatives from the Nuclear Energy Institute (NEI) and the industry.

Mr. James Milhoan, of the NRC Steering Group, provided a summary of the progress to date relative to the development of a graded QA methodology and the associated pilot plant initiatives.

The staff then presented a synopsis of the four major staff concerns related to the proposed NEI draft "Guideline for Industry Pilot Project — Implementation of Graded Performance Based Approach to Quality" dated April 1994 as follows:

- 1) The NEI guideline contains insufficient specificity and guidance, particularly in the areas of the expert panel activities, the control of QA aspects for the low-safety significant safety-related structures, systems, and components (SSCs), and the feed back process to account for operating history. The present guidelines are not felt to be sufficiently descriptive to allow the initiation of pilot programs and they would not provide a basis for evaluating the success of the pilot programs.
- 2) The NEI guideline only implements a formal corrective action program in conjunction with a performance monitoring program for the low-safety-significant SSCs. This is not consistent with the staff view that the applicability and extent of application of the Appendix B criteria needs to be determined based on both the SSC safety-significance and safety function.
- 3) The NEI guideline proposes to substitute the described methodology in lieu of existing QA commitments and practices for the population of low-safety significant safety-related SSCs. This is not consistent with the staff position that a process is needed to adjust the current practices and commitments in a controlled manner.
- 4) The NEI terminology of "non-safety-significant" is not appropriate for classifying safety-related equipment, the terminology "low-safety-significant" is more appropriate.

9405270271 940523
PDR REVGP ERGNMRC
PDR

L-4-1, Pt. 50-QA
X-04M-7 - NUMARC / NEI

DF03

263023

RETURN TO REGULATORY CENTRAL FILES

A discussion transpired between the NRC and NEI Steering Groups about the points raised by the staff and the rationale behind the draft NEI guideline. NEI participants indicated that the impetus behind the initiative was to identify a way for utilities to streamline their operations and invest their resources in safety-significant SSCs based on probabilistic risk assessment (PRA) technology. They were of the opinion that the proposed methodology would meet the regulatory requirements of Appendix B. The staff cautioned NEI that the use of PRA in the graded QA program needs to consider the PRA limitations and assumptions. NEI agreed that the terminology "non-safety-significant" would be revised to "low-safety-significant" within the guidelines.

The discussions then focused on the set of safety-related SSCs that would be categorized as low-safety-significant. The applicability and depth of implementation of the Appendix B criteria, other than corrective action, was discussed at length. NEI indicated that they envision a performance-based approach for the low-safety-significant SSCs that would be outside of the regulatory purview. The NRC participants clarified that the staff will carry out their regulatory responsibilities regardless of the SSC categorization and that if the graded QA categorization process is performed in a reasonable manner, that it would not normally be questioned during the conduct of NRC inspections. The NRC Steering Group also reinforced the need for a systematic consideration of all Appendix B criteria and associated licensee practices to determine how they should be applied in a graded manner for the low-safety-significant SSCs.

NRC and industry representatives agreed to meet again in early June 1994. There was also agreement that NEI would review their guideline in light of the concerns expressed by the staff. The staff agreed that, for those portions of the NEI-proposed methodology that require more detailed guidance and specificity to support the initiation of the pilot efforts, we would provide NEI "inserts" that reflect what we consider to be an acceptable level of detail.

Enclosure 1 is the staff meeting handout including the meeting agenda. Enclosure 2 is a list of meeting participants. NEI did not present any viewgraphs or written information to the staff during the course of the meeting.

Original signed by:
 Gary G. Zech, Chief
 Performance and Quality Evaluation Branch
 Division of Reactor Inspection
 and Licensee Performance, NRR

cc w/enclosures:
 Nuclear Energy Institute
 Attn: Alex Marion
 Suite 300
 Washington, DC 20006-3706

DISTRIBUTION:
 See next page

* See previous concurrence

Enclosures:
 As stated

DFC	SEND	RPEB:DRIL	SC:RPEB:DRIL	SC:RPEB:DRIL
NAME	TO	RMLatta:jp	RAGramm	GGZech
DATE	PDR?	5 / 19 /94*	5 / 19 /94*	5 / 20 /94
COPY?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

DISTRIBUTION:

Central Files (PI-22)
RPEB R.r.
DRIL R.F.
NRC Meeting Participants
LReyes, 12 D9
OGormley, NLS217B
CMcCracken, 8 D1
RVollmer, 1 F22

EJordan, 3701
RZimmerman, 12 D22
MModes, RI
FJape, RII
GHolahan, 9112
VMcCree, 17 G21
MVirgilio, 8 E2
WAng, RIV/WCFO

PDR (PI-22)
DFischer, 7 E23
WTRussell, 12 G18
CCasto, RII
MDey, NLS314
EButcher, 10 E2
AGody, 13 E21
BBurgess, RIII

**GRADED QUALITY ASSURANCE -
MEETING OF
NRC STEERING GROUP
AND
NEI STEERING GROUP**

MAY 12, 1994

MEETING AGENDA

- INTRODUCTIONS NRC/NEI
- SUMMARY OF PROGRESS TO DATE NRC
- DISCUSSION OF STAFF CONCERNS
RELATED TO NEI PROPOSED
GRADED QA GUIDELINE NRC
- NEI COMMENTS / RESPONSES NEI
- PILOT PLANT PROGRAM
IMPLEMENTATION PRE-REQUISITES NRC/NEI
 - 50.54(a) QA PROGRAM CHANGES
 - CHANGES TO OTHER QA
COMMITMENTS
- FUTURE ACTIVITIES / MILESTONES NRC/NEI
- CLOSING NRC

SUMMARY OF PROGRESS TO DATE

- First meeting of NRC and NEI Steering Groups on March 23.
- Working Group meeting held with NEI on April 11th.
- NEI submitted draft "Guideline for Industry Pilot Project - Implementation of Graded, Performance-Based Approach to Quality" at the April 11th meeting.
- Staff comments and concerns transmitted by letter to NEI on April 20th.
- Working Group meeting held with NEI and potential pilot plant representatives on April 26th.
- NRC concerns related to NEI guideline remain unresolved.

STAFF CONCERNS RELATED TO PROPOSED NEI GUIDELINE

1. Insufficient detail and guidance: Expert panel activities, control over low-safety significant SSC QA commitments, and a feedback process to account for operating history need more clarification. Insufficient information exists to proceed with and to evaluate pilot plant implementation.

STAFF CONCERNS RELATED TO PROPOSED NEI GUIDELINE - continued

2. QA treatment for low-safety significant/safety-related SSCs: NEI proposes only performance monitoring and corrective action program for the low-safety significant/safety-related SSCs.

Applicability and extent of application of

Appendix B criteria need to be determined based on both SSC safety-significance and safety-function.

STAFF CONCERNS RELATED TO PROPOSED NEI GUIDELINE - continued

3. Controls to maintain licensing and design bases:

NEI in effect proposes elimination of Regulatory Guide and QA commitments and practices for low-safety significant SSCs, rather than considering applicable requirements and commitments to determine how they could be applied in a controlled/reduced manner as part of the graded QA program.

STAFF CONCERNS RELATED TO PROPOSED NEI GUIDELINE - continued

4. Terminology: "non-safety significant" is not appropriate, should be replaced with "low-safety significant".

USNRC
MEETING ATTENDANCE LIST
MAY 12, 1994

<u>Name</u>	<u>Organization</u>
Gary Zech	NRC/NRR/DRIL
James Milhoan	NRC/DEDO
Jack Heltemes	NRC/RES
Ashok Thadani	NRC/NRR/ADT
Jack Skolds	South Carolina Elec. & Gas
Bill Rasin	NEI
Bill Bohlke	Florida Power and Light
Alex Marion	NEI
Ernie Rossi	NRC/NRR/DRIL
Bob Gramm	NRC/NRR/DRIL
Tom Colandrea	Consultant-US Enrichment Corp.
Wayne Booth	Roy F. Weston, Inc.
Bill Dean	NRC/OEDO
Angel Coello	NRC/NRR/DRIL
Richard Correia	NRC/NRR/DRIL
Juan Peralta	NRC/NRR/DRIL
Hans Renner	NUS
Dick Wessman	NRC/NRR/DRIL
Gil Millman	NRC/RES/DE
Milt Vagins	NRC/RES/DE
Jim Perry	NEI/Niagara Mohawk Power Corp.
Owen Rothberg	INEL
Eric Leeds	NRR/ADP
Mack Cutchin	NRC/OGC
Harvey Spiro	NRC/OPP
Robert Hartstern	MACTEC
James Raleigh	Southern Technical Services
Hector Barteilo	Bechtel Serch Licensing
Mark Lombard	MDM Engineering
Susan Forner	NRC/OGC
Bob Latta	NRC/NRR/DRIL
David Modeen	NEI
Michael Knapik	McGraw-Hill
Adrian Heymer	NEI
Tony Pietrangelo	NEI