



**PUBLIC
SERVICE
INDIANA**

S. W. Shields
Senior Vice President
Nuclear Division

Mr. Samuel J. Chilk
Secretary of the Commission
U. S. Nuclear Regulatory Commission
Washington, DC 20555

REFERENCE: (1) SECY-82-130, "Proposed Amendment to 10 CFR Part 50, Appendix E - Frequency of Emergency Preparedness Exercises," March 25, 1982

Dear Mr. Chilk:

Public Service Company of Indiana, Inc. (PSI) wishes to comment on the National Emergency Management Association's (NEMA) Petition for Rule-making as published in the July 6, 1982 Federal Register. If finalized, this rulemaking would reduce the frequency of emergency training exercises at nuclear power plants involving state and local governments. (The proposed rule does not change exercise requirements for licensees). NEMA states that the present requirements (10 CFR Part 50, Appendix E, Section IV.F) impose an unnecessary financial burden on participating state and local governments.

The NEMA petition is similar to a rule change proposed by the NRC staff to the Commissioners in Reference 1. This proposed rule (alternative B in Reference 1) would continue to require annual full-participation exercises unless the Federal Emergency Management Association (FEMA) and the NRC find that all elements of the emergency plans have been adequately exercised. In that case, the NRC and FEMA could allow up to a two-year period to elapse before requiring another exercise.

PSI recommends that FEMA adopt a rule more similar to the NRC staff proposal than the NEMA petition. This rule would offer several advantages:

- 1) The possibility of a reduced frequency would serve as a financial incentive for the state and local governments to perform adequately on each exercise.

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- 2) If reduced frequencies were to be allowed, state and local governments would have the incentive to spend their limited resources on upgrading and maintaining an effective state of emergency preparedness.
- 3) The NRC and FEMA would have the authority to treat each state and local government individually. This would allow the granting of decreased exercise frequency as a reward for good performance.

The NRC and FEMA should have the specific authority to require any exercise frequency based on exercise performance while allowing sufficient time for evaluation and corrections of deficiencies. However, the performance of state and local governments will improve as performance criteria become better understood, emergency planning programs become better established, and training programs become more effective. The NRC and FEMA, as well as state and local governments, could more effectively spend their limited resources by concentrating on areas of weakness rather than requiring unnecessary exercises. Therefore, a more direct approach involving an appraisal followed by performance audits that focus on areas of potential weakness may be found to be more efficient and effective than full scale exercises in certain cases.

PSI appreciates this opportunity to comment on the proposed rule. Please feel free to contact me if clarification or discussion of these comments is desired.

Sincerely,

A handwritten signature in cursive script that reads "S. W. Shields".

S. W. Shields

SWS/MEN/1j1