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Southern Nuclear Operating Company

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the southern electric system

Docket Nos. 50-348  
50-364

U. S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Washington, D. C. 20555

Comments on  
"Review of Revised NRC  
Systematic Assessment of Licensee Performance (SALP) Program"  
(60 Federal Register 39193 dated August 1, 1995)

Dear Sir:

Southern Nuclear Operating Company (Southern Nuclear) has reviewed the request for public comment "Review of Revised NRC Systematic Assessment of Licensee Performance (SALP) Program," published in the Federal Register on August 1, 1995. In accordance with this request, Southern Nuclear has provided general comments as an attachment to this letter.

Respectfully submitted,

Dave Morey

DNM/JMG

Attachment

cc: Southern Nuclear Operating Company  
R. D. Hill, Plant Manager

U. S. Nuclear Regulatory Commission, Washington, DC  
B. L. Siegel, Licensing Project Manager, NRR

U. S. Nuclear Regulatory Commission, Region II  
S. D. Ebnetter, Regional Administrator  
T. M. Ross, Senior Resident Inspector

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## Attachment

### Comments on "Review of Revised NRC Systematic Assessment of Licensee Performance (SALP) Program"

The SALP program was initially established to prioritize and focus NRC inspection resources. Since the program was established, the SALP has been used for significantly different purposes. Although the four functional areas which are currently being used are an improvement in comparison to the previous seven functional areas, this program has been used to exert pressure on licensees to comply with NRC staff demands and expectations beyond those required by the regulations. The SALP serves as an informal mechanism for the NRC staff to bypass the formal regulatory process.

The standards which are set by the SALP are based on subjective determinations that are outside the framework of the NRC regulations. The SALP ratings of 1, 2, or 3 are levels of performance that are in complete compliance with the NRC regulations; however, a licensee that receives a SALP 3 rating is viewed as a poor performer. This rating level results in negative impacts that span the financial community as well as the NRC and the public. Although not intentionally, the SALP provides the NRC staff with tremendous leverage over the licensee which far exceeds the intent of the regulatory authority. The Regulatory Impact Survey performed by the NRC in 1989 concluded that licensees acquiesced to inappropriate regulatory demands in order to avoid poor SALP ratings, and, consequently, poor financial ratings. This results in the SALP process inappropriately involving the NRC staff in the daily utility management decision-making process.

The SALP process establishes grades based on opinion rather than on established and consistent criteria. The resulting "moving target" for utilities pushes licensees beyond the scope of existing, formal regulations.

The NRC staff and Commission should, again, reevaluate the fundamental elements of the SALP and strongly consider discontinuing the SALP program. Other processes are in place, such as the NRC's new Integrated Performance Assessment Program (IPAP), to more accurately portray a balanced view of licensee performance.