

Georgia Power Company
40 Inverness Center Parkway
Post Office Box 1295
Birmingham, Alabama 35201
Telephone 205 877-7279



Georgia Power
the southern electric system

J. T. Beckham, Jr.
Vice President - Nuclear
Hatch Project

August 29, 1995

Docket Nos. 50-321 50-424
50-366 50-425

HL-5022
LCV-0666

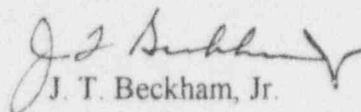
U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D. C. 20555

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

Dear Sir:

Georgia Power Company (GPC) 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, GPC has provided general comments as an attachment to this letter.

Sincerely,


J. T. Beckham, Jr.

JTB/JMG
Attachment

cc: Georgia Power Company
Mr. C. K. McCoy, Vice President - Plant Vogtle
Mr. J. B. Beasley, General Manager - Vogtle Electric Generating Plant
Mr. H. L. Sumner, Jr., Plant Hatch General Manager

U. S. Nuclear Regulatory Commission, Washington, DC
Mr. K. N. Jabbour, Licensing Project Manager - Hatch
Mr. L. L. Wheeler, Licensing Project Manager - Vogtle

U. S. Nuclear Regulatory Commission, Region II
Mr. S. D. Ebnetter, Regional Administrator
Mr. B. L. Holbrook, Senior Resident Inspector - Hatch
Mr. C. R. Ogle, Senior Resident Inspector - Vogtle

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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 process are in place, such as the NRC's new Integrated Performance Assessment Program (IPAP), to more accurately portray a balanced view of licensee performance.