

DS09
R. Borchardt

60FR39193
8/1/95
(17)



Southern California Edison Company

P. O. BOX 800
2244 WALNUT GROVE AVENUE
ROSEMEAD, CALIFORNIA 91770

RECEIVED
SEP -6 PM 1:45
NUCLEAR DIVISION
USNRC

HAROLD B. RAY
EXECUTIVE VICE PRESIDENT

August 31, 1995

TELEPHONE
818-302-1695

Chief, Rules Review and Directives Branch
Division of Freedom of Information and Publication Services
Office of Administration
Mail Stop: T-6D-59
U. S. Nuclear Regulatory Commission
Washington, D.C. 20555

Gentlemen:

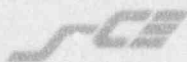
Subject: **Docket Nos. 50-361 and 50-362
Response to Volume 60, No. 174. 39193 of the Federal Register
dated 8/1/95 concerning the Review of Revised NRC Systematic
Assessment of Licensee Performance (SALP) Program
San Onofre Nuclear Generating Station
Units 2 and 3**

The purpose of this letter is to provide comments as requested by Volume 60, No. 147, 39193 of the Federal Register dated 8/1/95 concerning the Review of Revised NRC Systematic Assessment of Licensee Performance (SALP) Program.

Our answers to the specific questions included in the Federal Register notice are provided in attachment 1. Our general comments are as follows:

- SALP assessments are by far the most powerful means through which the NRC regularly exerts subjective influence over a licensee. Only four functional areas, covering hundreds of licensed activities, receive a numerical "score", and for many licensees it involves a binary choice between a score of "one" or "two" in most areas. Therefore, far from being a discriminating and systematic assessment of performance, SALP scores are too often perceived by licensees as either the granting or withholding of a mark of favor by the agency management.
- The legitimacy and purpose of subjective SALP assessments can be rationalized on several grounds. Still, the reality is that the powerful influence of SALP scores on licensees - particularly on the behavior of individual licensee employees involved in respective functional areas - is such that assessments should only be performed in accordance with an explicit regulatory rule, similar to provisions for enforcement. Even though the NRC may not intend that individuals seek the perceived favor of a SALP "one" score in their area, the fact that it can be granted or withheld on grounds which necessarily cannot be made objective means that NRC staff and management can exert influence on licensee employees comparable and parallel to that of licensee management.

9509070072 950831
PDR ADOCK 05000361
G PDR



Chief, Rules Review and
Directives Branch

-2-

August 31, 1995

- In the vast majority of cases, the influence exerted through the SALP assessment is consistent with the desired direction of both NRC and licensee management. However, the problem is that this is not always the case, particularly as regards priorities and emphasis. (This was in part the reason the NRC consolidated the number of functional areas from seven to only four. Namely, to avoid giving an inappropriate weight and emphasis to certain functional areas relative to others.) The SALP assessment allows, indeed encourages, influence to be exerted which is independent of either NRC or licensee management, and without the accountability of either. The result is that safety can be negatively impacted by the inappropriate diversion of resources.

Accordingly, although we have provided in the attachment responses to specific questions related to improvement of the SALP assessment process, we do not believe it can be sufficiently improved so long as it includes issuance of numerical scores. To the contrary, we recommend that the process, insofar as it involves issuance of scores, either be abandoned or justified as within the authority of the NRC through an appropriate rulemaking.

Edison appreciates the opportunity to provide our thoughts on this important issue.

Sincerely,

Attachment

cc: L. J. Callan, Regional Administrator, NRC Region IV
J. E. Dyer, Director, Division of Reactor Projects, Region IV
K. E. Perkins, Jr., Director, Walnut Creek Field Office, NRC Region IV
J. A. Sloan, NRC Senior Resident Inspector, San Onofre Units 2 & 3
M. B. Fields, NRC Project Manager, San Onofre Units 2 and 3
W. H. Rasin, Nuclear Energy Institute



ATTACHMENT

Answers to Specific NRC Questions Regarding SALP (60 FR 39193, 8/1/95)

Edison believes the SALP process as currently constituted is fundamentally flawed; and thus, cannot be sufficiently improved so long as it includes issuance of numerical "scores." We recommend the existing process be either abandoned or justified as within the authority of the NRC through an appropriate rulemaking. We provide our responses to the specific questions as follows:

- A.1. Are the current four functional areas (operations, maintenance, engineering, and plant support) an improvement compared to the previous seven functional areas?

Response: The reduction in functional areas may lessen the tendency to give undue weight to certain areas, relative to others. However, it also increases the gap between the abstraction of the SALP "score" and the reality of performance of diverse activities which the score purports to assess.

- A.2. Are the plant support functional area messages clear in characterizing individual elements (radiological controls, emergency preparedness, security, fire protection, chemistry, and housekeeping)?

Response: The messages would be more clear if they were not required to be represented ultimately by a single, numerical "score". Insofar as the score simply represents the need for more, less, or the same degree of inspection effort, there is no reason to believe that each of the different areas in the support functional area should be the same. Nevertheless, they are all painted by the same brush.

- A.3. Are additional improvements needed for the designation of functional areas? What types of improvements?

Response: The assessment of functional areas would be vastly improved if they didn't need to support a single, numerical "score" for each area. The existence of this score tends to overwhelm the content of the detailed assessments.

- B.1. Did increased NRC management involvement in the SALP program result in program improvements and improved communication with licensee management?

Response: We believe that the SALP assessment tends to reduce communication in two ways. First, having decided upon a "score" in a functional area, both the NRC and licensee communication becomes restricted by the need to be consistent with the respective positions on the score, whether in agreement or disagreement. Second, because the score is so subjective, the licensee tends to be reluctant to disagree out of concern that it will be viewed as defensive, or as not having gotten some intended message. NRC management involvement in the SALP program cannot eliminate these negative impacts of the score on communication.



- B.2. Did the SALP program changes result in better licensee and public understanding of the SALP results?

Response: No. The focus on only four numerical scores greatly increases the tendency toward "sound bites" and numerical comparisons as a substitute for public understanding of the systematic assessment content.

- B.3. Did increased involvement of the regional administrator or deputy at the SALP meeting result in improved communication with licensee management?

Response: The involvement of our regional administrator and deputy at the SALP meeting has always been significant and has not been increased.

- B.4. Was the change in SALP presentation meeting format - from a presentation to more of a discussion - effective in improving communication with licensee management?

Response: Our SALP meeting has always involved significant discussion and this does not seem to have changed.

- B.5. Are additional improvements needed in the areas of communications with licensee management and licensee and public understanding of SALP results? What types of improvements?

Response: The use of numerical scores should be eliminated. This would focus NRC and licensee attention on the content of the assessment, eliminate the need for it to be consistent with and support a single, simplistic score and improve public understanding of the assessment results. The craving for a simple number score will always exist, whether in SALP, school grades or individual performance appraisals, but its use cannot be said to improve communication.

- C.1. What bases should be considered when determining SALP period length and how should they be applied?

Response: Based on our judgement that a SALP program using only a few numerical scores should be eliminated because of its negative impacts, then the period length for any such program should be as long as possible.

- C.2. SALP assessments currently range from 12 to 24 months (nominally 18 months average). Is this variation in practice appropriate?

Response: See C.1. above.

- C.3. How long should the SALP assessment period be for good, average, and poor performing plants?

Response: The proposition that plants should be characterized by the NRC as overall "good, average, and poor performing" is seriously flawed in the first place. A rational assessment of safety would presume that strengths, opportunities for improvement and weaknesses are likely at any plant. Thus, SALP intervals should also not be determined on the basis of such a simplistic characterization.



- D.1. Are the new, shorter SALP reports more effective in communicating the results of the NRC's assessment of safety performance than the previous, more lengthy reports?

Response: Reports should be long enough to communicate the significant information developed by the assessment, and no longer. It does not seem that a one-size-fits-all length is appropriate, whether it be longer or shorter.

- D.2. Are SALP reports appropriately focused on safety issues and do they deliver a clear message?

Response: Much of the information in SALP reports is appropriate and helpful. The major problem is created by the use of four numerical scores, which then dominate the substance and logic of the report content. Thus, the report includes discussion which is disconnected from any apparent regulatory basis or safety justification in order to support the numerical scores.

- D.3. Do SALP reports provide a balanced assessment of licensee safety performance (and are positive aspects of licensee safety performance appropriately considered)?

Response: No. The perception exists strongly that the assessment discussion is dominated by the need to support the assigned "score". The phenomenon that what is actually communicated in an assessment, whether intended or not, is dominated by the numerical "bottom line" is by no means unique to SALP.

- D.4. Do SALP reports consistently focus on the last six months of performance? Is this practice appropriate?

Response: We can only provide our impression in this regard. We believe the assessment discussion is driven by the assigned "score"; not the other way around. While the assignment of the score may tend to reflect perceptions of performance during the last six months more heavily, the assessment discussion appears to draw on whatever data are considered appropriate to support the result.

- D.5. Is the level of detail in the SALP report appropriate?

Response: The level of detail is not sufficient to justify the assigned "score" in accordance with an objective methodology. Rather, it seems only to offer explanations in support of the assigned score.

- D.6. Are SALP report conclusions supported by documented facts?

Response: The principal purpose of the assessment discussion appears to be an effort to support SALP conclusions with documented facts. These facts are necessarily highly selective.

- D.7. Are SALP report cover letter messages consistent with the associated SALP report messages?

Response: Cover letter "messages" are usually not inconsistent with the associated SALP report "messages", but they are viewed as somewhat independent. In both locations, such messages often lack objective, regulatory justification.



D.8. Are licensee self-assessment efforts adequately recognized in the SALP report and cover letter?

Response: Both the SALP report and the cover letter appear geared to support the assigned scores. To the extent that licensee self-assessments are consistent with this purpose, they are recognized.

D.9. Are additional improvements needed in the SALP reports? What types of improvements?

Response: The process of consolidating licensee performance assessment into four simplistic, numerical "scores" is fatally flawed. All communication is dominated by the need to justify the respective positions taken in connection with these necessarily highly subjective and highly visible scores. The focus which should exist at every plant on diverse and importantly differentiated safety issues is undermined. In summary, the quest for overly broad characterizations of licensee "performance" is a root cause of both complacency and exaggerated reaction by both the NRC and licensees when problems are identified.