



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION III  
799 ROOSEVELT ROAD  
GLEN ELLYN, ILLINOIS 60137

JUL 27 1988

Gentlemen:

A major NRC program for evaluating licensee performance is The Systematic Appraisal of Licensee Performance (SALP) program. Knowing of your interest in this program, I am enclosing for your information, the latest revision of NRC Manual Chapter 0516 which provides the SALP program guidance. Within Region III, we will begin using the new functional areas set forth in the revision for all SALP report periods which extend beyond the June 6, 1988 effective date of the procedure.

Please let me know if you have questions regarding this procedure.

Sincerely,

*Charles E. Norelius*

Charles E. Norelius  
SALP Board Chairman

Enclosure: As stated

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M. Meenan  
Region III



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NRR

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CHAPTER 0516 SYSTEMATIC ASSESSMENT OF LICENSEE PERFORMANCE

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0516-01 COVERAGE AND BACKGROUND

This chapter and its appendix describe the basic structure and overall procedures for implementation of the NRC program to assess licensee performance. This program applies to all licensees of power reactors with operating licenses or construction permits.

The Systematic Assessment of Licensee Performance (SALP) is an integrated agency effort to collect and evaluate available agency insights, data, and other information on a plant/site basis in a structured manner in order to assess and better understand the reasons for a licensee's performance. Unacceptable performance is addressed through NRC's enforcement policy and the implementation of this policy should not be delayed to await the results of a SALP. Compliance with NRC rules and regulations satisfies the minimum requirements for continued operation of a facility; the degree to which a licensee exceeds regulatory requirements is a measure of the licensee's commitment to nuclear safety and plant reliability.

The SALP process is used by the NRC to synthesize its observations of and insights into a licensee's performance and to identify common themes or symptoms. As such, the NRC needs to recognize and understand the reasons for a licensee's strengths as well as weaknesses. The SALP process is a means of expressing NRC senior management's observations and judgments on licensee performance. It should not be limited to focusing on weaknesses, and it is not intended to identify proposed resolutions or solutions of problems. The licensee's management is responsible for ensuring plant safety and establishing effective means to measure, monitor, and evaluate the quality of all aspects of plant design, hardware, and operation. The SALP process is intended to further NRC's understanding of (1) how the licensee's management guides, directs, evaluates, and provides resources for safe plant operations, and (2) how these resources are applied and used. As a result, emphasis is placed on understanding the reasons for a licensee's performance in identified functional areas and on sharing this understanding with the licensee and the public. The SALP process is intended to be sufficiently diagnostic to provide a rationale for allocating NRC resources and to provide meaningful feedback to a licensee's management.

0516-02 OBJECTIVES

021 To improve the NRC regulatory program by providing a mechanism for focusing NRC management's attention on areas of concern.

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022 To assist NRC management in making sound decisions regarding allocation of NRC resources used to oversee, inspect, and assess licensee performance.

023 To be instrumental in improving licensee performance by establishing a basis for dialogue between NRC senior management and licensees specifically directed toward problem areas.

024 To provide a mechanism that focuses attention on the overall effectiveness of management including underlying strengths and weaknesses.

#### 0516-03 RESPONSIBILITIES AND AUTHORITIES

031 The Executive Director for Operations (EDO) provides oversight for the activities described herein.

032 The Director, Office of Nuclear Reactor Regulation (NRR):

- a. Implements the requirements of this chapter within NRR.
- b. Monitors the SALP process; evaluates and develops SALP policy, criteria, and methodology; and assesses the uniformity and adequacy of the implementation of the program.

033 The Directors, Offices of Nuclear Regulatory Research (RES), Analysis and Evaluation of Operational Data (AEOD), and Nuclear Materials Safety and Safeguards (NMSS), implement the requirements of this chapter within their respective offices.

034 Regional Administrators:

- a. Implement the requirements of this chapter within their respective Regions.
- b. With input from the SALP Board, issue the SALP report, evaluate licensee comments and the adequacy of licensee commitments; issue the final SALP report; and direct reallocation of Regional inspection resources, as appropriate.
- c. Establish a schedule and determine a site for a meeting with the licensee to ensure mutual understanding of the issues discussed in the SALP report.
- d. Provide to the Director, NRR, recommendations for improving the SALP program.

#### 0516-04 EVALUATION FREQUENCY

The NRC will normally review and evaluate each power reactor licensee possessing an operating license or construction permit every 15 months except in the following instances:

- a. In those infrequent cases when the Regional Administrator determines that the performance of a particular utility or facility has been clearly superior, the frequency of the SALP evaluation may be extended up to 18 months.
- b. When the Regional Administrator determines that the performance of a particular utility or facility warrants a more frequent evaluation, such as in the case of licensees that were assigned a Category 3 performance rating in several functional areas during the previous evaluation, the period between SALP evaluation should be reduced to about 12 months.
- c. When a SALP evaluation will be used as part of a determination of the readiness for new-plant startups or plant restarts from an extended outage or shutdown, a SALP evaluation should be conducted approximately 1 month before the expected milestone date.
- d. When a new operating license is issued, two consecutive SALP evaluations should be scheduled at approximately 12-month intervals. The first of these two evaluations should be scheduled for completion approximately 12 months after the low-power license is issued. The second of these two evaluations should be completed approximately 12 months later. Following completion of these two evaluations, a determination would then be made on whether to place the licensee on a normal SALP schedule.

For licensees operating plants at more than one site, or operating plants at one site that are of significantly different designs, or operating plants at one site that may be in different stages (e.g., construction stage, pre-operational stage, or power ascension from an extended outage), independent assessments must be performed. For licensees operating plants at a multiple unit site, one assessment for the functional area where there is commonality may be appropriate.

#### 0516-05 EVALUATION PROCESS

The evaluation process, illustrated in Figure 1, Appendix 0516, page A-2, is summarized as follows:

- a. Conduct of a SALP.
- b. Issuance of the SALP report by the Regional Administrator.
- c. A public meeting with the licensee's management to discuss the assessment. A meeting with the licensee's management will normally be conducted on site when feasible to foster more widespread understanding of the NRC's views.
- d. Consideration of any written response received from the licensee. A final SALP report will be issued and will include the verbatim written response received from the licensee and any changes to the SALP

report based on the Regional Administrator's consideration of the licensee's response. The final SALP report should be a stand-alone document.

- e. Overview. The ratings assigned to individual functional areas are only one aspect of the SALP process. The SALP Board is expected to assess each functional area in such a manner that the SALP Board discussion focuses on understanding the reasons for the observed performance. The attributes and assessment criteria provided in Appendix A should be relied on to develop a uniform and consistent approach. After assessing all of the functional areas, the SALP Board is expected to discuss commonalities, if any, among the functional areas. This process of reviewing the summary results from the standpoint of identifying common underlying reasons for the licensee's performance is the basis of the overview. The overview is not a summary statement of the numerical ratings of the individual functional areas. Rather, the overview is intended to be a synopsis of the underlying reasons, in the view of NRC managers, for both good and poor licensee performance. With regard to poor licensee performance, the overview developed should be somewhat specific so that the licensee may be fully aware of the areas in which increased utility management attention is required.

To emphasize topics for consideration beyond the specified functional areas, NRR will identify selected topics for inclusion as part of the overview. Topics selected will be addressed by all SALP boards for a defined period, and the summary results will be presented as part of the overview.

General guidance regarding the implementation of the SALP is provided in Appendix B. Specific guidance for the implementation and conduct of the SALP process is contained in the operating procedures of each responsible office and Region.

#### 0516-06 FUNCTIONAL AREAS

Functional areas represent a grouping of similar licensee activities. Each functional area evaluated will be assigned a rating as defined in Section 0516-08. Although not all functional areas need be assessed in a given review, an explanation should be given in the SALP report if a functional area appropriate to a licensee is not evaluated. The evaluation criteria and associated attributes against which the functional areas are to be evaluated are provided in Appendix A to this chapter. Note that performance indicators should not be a factor in judgments about the effectiveness or rating in a particular SALP functional area. It is inappropriate to make reference to performance indicator program results in arriving at a SALP rating.

##### 061 Operating Phase Reactors

- a. Plant Operations. This functional area consists chiefly of the control and execution of activities directly related to operating a plant. It is intended to include activities such as plant startup, power



- f. Engineering/Technical Support. The purpose of this functional area is to address the adequacy of technical and engineering support for all plant activities. It includes all licensee activities associated with the design of plant modifications; engineering and technical support for operations, outages, maintenance, testing, surveillance, and procurement activities; training; and configuration management.
- g. Safety Assessment/Quality Verification. This functional area includes all licensee review activities associated with the implementation of licensee safety policies; licensee activities related to amendment, exemption and relief requests; response to generic letters, bulletins and information notices; and resolution of TMI items and other regulatory initiatives. It also includes licensee activities related to the resolution of safety issues, 10 CFR 50.59 reviews, 10 CFR 21 assessments, safety committee and self-assessment activities, analyses of industry's operational experience, root cause analyses of plant events, use of feedback from plant quality assurance/quality control (QA/QC) reviews, and participation in self-improvement programs. It includes the effectiveness of the licensee's quality verification function in identifying and correcting substandard or anomalous performance, in identifying precursors of potential problems, and in monitoring the overall performance of the plant.
- h. Other (As Needed). For example, when plants are in extended shutdowns, it may be more appropriate to address shutdown operations in lieu of plant operations. For readiness assessments, SALP boards may need to consider activities that take place over a shorter interval, such as startup testing.

#### 062 Construction Phase Reactors

- a. Soils and Foundations. This functional area includes all activities pertaining to soils and foundations related to the construction of the ultimate heat sink and major structures. Specifically, this covers, as applicable, subgrade investigation and preparation, fill materials and compaction, embankments, foundations and associated laboratory testing, and related instrumentation and monitoring systems.
- b. Containment, Major Structures, and Major Steel Supports. This functional area includes all activities related to the structural concrete and steel used in the containment (including the basemat), major structures, and major steel equipment supports. It covers all aspects of structural concrete (e.g., reinforcing steel; concrete batching, delivery, placement, in-process testing, and curing; liner plate erection and fabrication; and containment post-tensioning), structural steel used in safety-related structures (welded and bolted), and major steel equipment supports (for reactor vessel, reactor coolant pumps, steam generators, pressurizer, polar crane, tanks, heat exchangers, etc.).

operation, plant shutdown, and system lineups. Thus, it includes activities such as monitoring and logging plant conditions, normal operations, response to transient and off-normal conditions, manipulating the reactor and auxiliary controls, plantwide housekeeping, control room professionalism, and interface with activities that support operations.

- b. Radiological Controls. This functional area consists of activities directly related to radiological controls, including occupational radiation safety (e.g., occupational radiation protection, radioactive materials and contamination controls, radiation field control, radiological surveys and monitoring, and as low as is reasonably achievable programs), radioactive waste management (i.e., processing and onsite storage of gaseous, liquid, and solid wastes), radiological effluent control and monitoring (including gaseous and liquid effluents, offsite dose calculations, radiological environmental monitoring, and confirmatory measurements), and transportation of radioactive materials (e.g., procurement of packages, preparation for shipment, selection and control of shippers, receipt/acceptance of shipments, periodic maintenance of packagings, and point-of-origin safeguards activities).
- c. Maintenance/Surveillance. This functional area includes all activities associated with either diagnostic, predictive, preventive or corrective maintenance of plant structures, systems, and components; procurement, control, and storage of components, including qualification controls; installation of plant modifications; and maintenance of the plant physical condition. It includes conduct of all surveillance (diagnostic) testing activities as well as all inservice inspection and testing activities. Examples of activities included are instrument calibrations; equipment operability tests; post-maintenance, post-modification, and post-outage testing; containment leak rate tests; water chemistry controls; special tests; inservice inspection and performance tests of pumps and valves; and all other inservice inspection activities.
- d. Emergency Preparedness. This functional area includes activities related to the establishment and implementation of the emergency plan and implementing procedures, such as onsite and offsite plan development and coordination; support and training of onsite and offsite emergency response organizations; licensee performance during exercises and actual events that test emergency plans; administration and implementation of the plan (both during drills and actual events); notification; radiological exposure control; recovery; protective actions; and interactions with onsite and offsite emergency response organizations during exercises and actual events.
- e. Security. This functional area includes all activities that ensure the security of the plant, that is, all aspects of access control, security checks, safeguards, and fitness-for-duty activities and controls.



c. Piping Systems and Supports

This functional area includes those piping systems described in the licensee's safety analysis report (SAR) that affect the safe operation of the plant. It includes those activities and quality checks (e.g., fabrication, installation, configuration, welding, nondestructive examination, and preservice inspection) necessary to ensure compliance with the applicable codes and other requirements specified in the safety analysis report, specifications, and implementing procedures.

- d. Mechanical Components. This functional area covers mechanical components such as pressure vessels, reactor vessel internals, pumps, and valves located in, and attached to, the piping systems described under the preceding functional area. The primary emphasis is on discrete components rather than piping or systems.
- e. Auxiliary Systems. This functional area includes those auxiliary systems in the nuclear facility that are essential for the safe shutdown of the plant or the protection of the health and safety of the public. It includes systems such as the heating, ventilation, and air conditioning; radwaste; fire protection; and fuel storage and handling systems.
- f. Electrical Equipment and Cables. This functional area includes important electrical components, cables, and associated items used in the electrical systems of the plant, such as motors, transformers, batteries, emergency diesel generators, motor control centers, switchgear, electric raceways, cable (power, control, and instrument), circuit breakers, relays, and other interrupting and protective devices.
- g. Instrumentation. This functional area covers instrument components and systems that are designed to measure, transmit, display, record, and/or control various plant variables and conditions. The reactor protection system and the engineered safety features actuation system are examples of covered plant systems. Also included are devices such as sensors, transmitters, signal conditioners, controllers and other actuating devices, recorders, alarms, logic devices, instrument air supplies, racks, and panels.
- h. Engineering/Technical Support. The purpose of this functional area is to address the adequacy of the technical and engineering support for all plant activities. It includes all licensee activities associated with the design of the plant; engineering and technical support for maintenance, testing, surveillance, procurement, preoperational and startup, and operational activities; training; and configuration management (including maintaining design bases and safety margins).
- i. Safety Assessment/Quality Verification. This functional area includes all licensee review activities associated with the implementation of licensee safety policies; licensee activities related to

exemption and relief requests; response to generic letters and bulletins; and resolution of TMI items and other regulatory initiatives. In addition, it includes licensee activities related to the resolution of safety issues, 10 CFR 50.55 requirements, 10 CFR 21 assessments, safety committee and self-assessment activities, analyses of industry's operational experience, use of feedback from plant QA/QC reviews, and participation in self-improvement programs. It includes the effectiveness of the licensee's quality verification function in identifying and correcting substandard or anomalous performance, in identifying precursors of potential problems, and in monitoring the overall performance of the plant.

- j. Others (As Needed). For reactors in the preoperational phase, functional areas listed for either operating phase reactors or construction phase reactors should be selected, as appropriate. For reactors in the startup phase, functional areas listed for operating phase reactors should be utilized.

#### 0516-07 EVALUATION CRITERIA

Licensees will be evaluated in the functional areas described in Sections 0516-061 and -062 using the following evaluation criteria. Appendix A to this chapter describes a number of attributes for each evaluation criterion and provides guidance on using these criteria to assign a performance rating.

The evaluation criteria are as follows:

- a. Assurance of quality, including management involvement and control;
- b. Approach to the identification and resolution of technical issues from a safety standpoint;
- c. Responsiveness to NRC initiatives;
- d. Enforcement history;
- e. Operational and construction events (including response to, analysis of, reporting of, and corrective actions for);
- f. Staffing (including management); and
- g. Effectiveness of training and qualifications program.

#### 0516-08 PERFORMANCE RATINGS

The SALP program is a mechanism to assess the quality of licensee activities and the degree to which a licensee is committed to superior performance. It should be noted that NRC's standard for measuring licensee performance reflects the self-improvements in the nuclear industry and is continually increasing. Licensees earning a Category 1 rating in a functional area have clearly demonstrated superior performance, justifying some relaxation in NRC oversight. Conversely, licensees earning a Category 3 rating in a functional area are of concern to NRC and will receive substantial additional NRC intervention and oversight to assure performance improvements.

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The functional area being evaluated may have some attributes associated with a rating of Category 1 and others that are aligned with either a Category 2 or 3 rating. The final rating for each functional area will be a composite rating of the attributes tempered with judgment as to the significance of individual items. The assignment of a rating is a serious judgment based on a knowledgeable balancing of experiences and safety significance by senior NRC managers and staff. Statistical or numerical balancing is inappropriate.

The performance categories used when rating licensee performance are defined as follows:

- a. Category 1. Licensee management attention and involvement are readily evident and place emphasis on superior performance of nuclear safety or safeguards activities, with the resulting performance substantially exceeding regulatory requirements. Licensee resources are ample and effectively used so that a high level of plant and personnel performance is being achieved. Reduced NRC attention may be appropriate.
- b. Category 2. Licensee management attention to and involvement in the performance of nuclear safety or safeguards activities are good. The licensee has attained a level of performance above that needed to meet regulatory requirements. Licensee resources are adequate and reasonably allocated so that good plant and personnel performance is being achieved. NRC attention may be maintained at normal levels.
- c. Category 3. Licensee management attention to and involvement in the performance of nuclear safety or safeguards activities are not sufficient. The licensee's performance does not significantly exceed that needed to meet minimal regulatory requirements. Licensee resources appear to be strained or not effectively used. NRC attention should be increased above normal levels.

The SALP is not intended to be a substitute for NRC's enforcement policy. Enforcement action should not await the outcome of a SALP, but should be taken at the time the unacceptable action(s) or event(s) occur(s). In this regard, the SALP process can assist NRC management by providing perspective, but it is not a substitute for effective enforcement action. Where licensees are incapable of meeting minimal regulatory requirements, the affected plants will be shutdown.

#### 0516-09 PERFORMANCE TREND

The SALP report may include an appraisal of the performance trend in a functional area for use as a predictive indicator if near-term performance is of interest. Licensee performance during the last quarter of the assessment period should be examined to determine whether a trend exists. Normally, this performance trend should only be used if both a definite trend is discernable and continuation of the trend may result in a change in performance rating. The performance trend is intended to predict licensee performance during the first few months of the next assessment period and should be helpful in allocating NRC resources. Of particular interest are those licensees with a

Category 3 performance rating and a declining trend. These situations are to be brought to the attention of senior NRC management (i.e., NRR Office Director, Deputy Executive Director for Regional Operations, and Regional Administrator).

Determination of the performance trend should be made selectively and should be reserved for those instances when it is necessary to focus NRC and licensee attention on an area with a declining performance trend, or to acknowledge an improving trend in licensee performance.

The trend, if used, is defined as:

- a. Improving. Licensee performance was determined to be improving near the close of the assessment period.
- b. Declining. Licensee performance was determined to be declining near the close of the assessment period and the licensee had not taken meaningful steps to address this pattern.

#### 0516-10 BASIC REQUIREMENTS

Applicability. This chapter and its appendix apply to and must be implemented by NRC Headquarters and Regional Offices.



APPENDIX A  
EVALUATION CRITERIA

The assessment of licensee performance is implemented through the use of seven evaluation criteria. The criteria provide standard guidance that the NRC shall apply to each functional area to categorize licensee performance.

To provide consistent evaluation of licensee performance, several attributes associated with each criterion are listed in Table 1 to describe the characteristics applicable to the three categories.

The seven criteria and their associated attributes will aid the NRC staff in understanding and evaluating licensee performance by identifying the causes and factors appropriate for categorization. It is not intended that consideration of these attributes influence established programs of the agency. For example, it is not intended that the staff perform specific inspections to evaluate attributes. It is expected that during the implementation of established programs, the staff will observe many of the attributes that describe performance. Awareness and consideration of these attributes should assist the staff in its observation of licensee performance during routine activities.

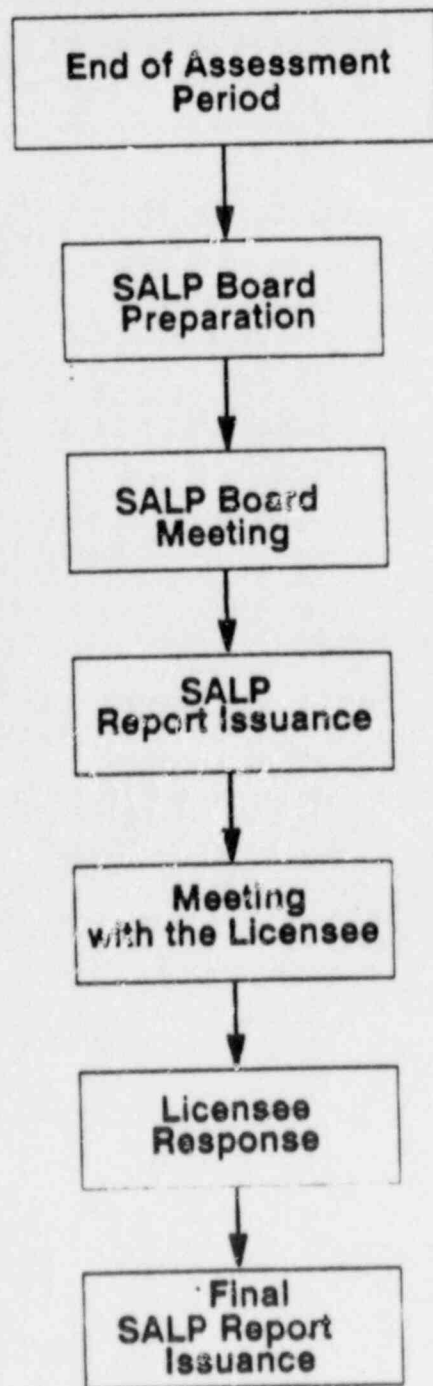
All of the attributes of the evaluation criteria are not necessarily applicable to each licensee during each SALP period. For example, the observed performance within a functional area may be insufficient to allow consideration in the assessment. However, the evaluation criteria should be considered in the evaluation of each functional area to the extent appropriate.

All available information should be analyzed by the SALP Board and the Regional Administrator, and its significance, whether it be positive or negative, should be weighed. If information is scarce or nonexistent, a decision regarding the performance category as it relates to an attribute should not be forced.

Tables 2 and 3 provide a matrix of functional areas by evaluation criteria that may be useful to the SALP Board in assessing and recording licensee performance.

FIGURE 1

## SALP EVALUATION PROCESS



## SCHEDULAR GOALS





TABLE 1 EVALUATION CRITERIA AND ATTRIBUTES FOR ASSESSMENT OF LICENSEE PERFORMANCE

1. Assurance of Quality, Including Management Involvement and Control

Category 1	Category 2	Category 3
a. There is consistent evidence of prior planning and assignment of priorities; procedures for control of activities are well stated, controlled, and explicit.	a. There is evidence of prior planning and assignment of priorities; procedures for control of activities are stated and defined.	a. There is little evidence of prior planning and assignment of priorities; procedures for control of activities are poorly stated or not well understood.
b. Policies are well stated, disseminated, and understandable.	b. Policies are adequately stated and understood.	b. Policies are poorly stated, poorly understood or nonexistent.
c. Decisionmaking is consistently at a level that ensures adequate management review.	c. Decisionmaking is usually at a level that ensures adequate management review.	c. Decisionmaking is seldom at a level that ensures adequate management review.
d. Corporate management is frequently and effectively involved in site activities.	d. Corporate management is usually involved in site activities in an effective manner.	d. Corporate management is seldom or ineffectively involved in site activities.
e. Engineering evaluations are consistently technically adequate and records and plant performance data are complete, well maintained, and available.	e. Engineering evaluations are generally adequate and records and plant performance data are generally complete, well maintained, and available.	e. Engineering evaluations are frequently inadequate and records and plant performance data are not complete, well maintained, or available.
f. Corrective action is effective as indicated by lack of repetition of events.	f. Corrective action is usually taken but may not be effective in correcting the root cause of the problem, as indicated by occasional repetition of events.	f. Corrective action is not timely or effective and generally addresses symptoms rather than root causes, as indicated by repetition of events.
g. Safety review committees (ISEG, onsite, offsite, etc.) and feedback from QA/QC activities are used to provide critical self-assessments to the corporate management and to improve work activities.	g. Root cause analyses and self-assessments are occasionally evident and sometimes result in improvements.	g. Corporate management does not appear to rely on self-assessment to ensure quality in activities.

TABLE 1 (Continued)

2. Approach to the Resolution of Technical Issues from a Safety Standpoint

<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
a. Clear understanding of issues is demonstrated.	a. Understanding of issues is generally apparent.	a. Understanding of issues is frequently lacking.
b. Conservatism is routinely exhibited when potential for safety significance exists.	b. Conservatism is generally exhibited.	b. Minimum requirements are met.
c. Approaches are technically sound and thorough in almost all cases.	c. Approaches are viable and generally sound and thorough.	c. Approaches are often viable, but lacking in thoroughness or depth.
d. ISEG and safety review committees are routinely and effectively used to identify underlying problems before they become issues.	d. Problems often recur before they are effectively resolved.	d. Critical self-assessment is lacking; therefore, problems are not identified until they become evident.
e. Resolutions are timely in almost all cases.	e. Resolutions are generally timely.	e. Resolutions are often delayed.
f. 10 CFR 50.59 reviews are well documented and demonstrate a technical rationale.	f. 10 CFR 50.59 reviews are done well but frequently lacking in documented detail or technical basis.	f. 10 CFR 50.59 reviews are not well documented and reflect a minimal technical analysis.

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NRC APPENDIX 0516

SYSTEMATIC ASSESSMENT OF  
LICENSEE PERFORMANCE

TABLE 1 (continued)

3. Responsiveness to NRC Initiatives

<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
a. Deadlines are met.	a. Responses generally are timely.	a. Extensions of time are frequently required.
b. Resolution of issues is timely.	b. Few longstanding regulatory issues are attributable to licensee.	b. Longstanding regulatory issues are attributable to licensee.
c. Responses are technically sound and thorough in almost all cases.	c. Responses are viable and generally sound and thorough.	c. Responses are often viable, but lacking in thoroughness or depth.
d. Acceptable resolutions are proposed initially in most cases.	d. Acceptable resolutions are generally proposed.	d. Considerable NRC effort or repeated submittals are needed to obtain acceptable resolutions.
e. Implementation of NRC initiatives and policies is timely and effective and licensee consistently meets expectations with regard to schedule or content.	e. NRC initiatives and policies are implemented within an acceptable timeframe, but licensee usually relies on NRC to establish an adequate scope, content, or timeframe.	e. Implementation of NRC initiatives and policies is frequently delayed or not done in a thorough manner.

TABLE 1 (continued)

4. Enforcement History

<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
a. Major violations are rare and are not indicative of programmatic breakdown.	a. Major violations are rare and may indicate minor programmatic breakdown.	a. Multiple major violations or programmatic breakdown is indicated.
b. Minor violations are not repetitive and not indicative of programmatic breakdown.	b. Multiple minor violations or minor programmatic breakdown is indicated.	b. Minor violations are repetitive and indicative of programmatic breakdown.
c. Corrective action is prompt and effective.	c. Corrective action is timely and effective in most cases.	c. Corrective action is delayed or not effective.
d. Root cause analyses are effective as evidenced by lack of recurrence.	d. Root cause analyses are frequently ineffective.	d. Root cause analyses are superficial, deal only with evident problem, and are not effective in preventing recurrence.

TABLE 1 (continued)

5. Operational and Construction Events

Category 1

- a. Few significant operational or construction events, attributable to causes under the licensee's control, have occurred that are relevant to this functional area.
- b. Events are promptly and completely reported.
- c. Events are properly identified and analyzed.
- d. Deficiencies in man-machine interface (e.g., in human engineering design and procedures) rarely result in personnel errors.

Category 2

- a. Occasional significant operational or construction events, attributable to causes under the licensee's control, have occurred that are relevant to this functional area.
- b. Events are reported in a timely manner; some information is occasionally lacking.
- c. Events are accurately identified, but some analyses are marginal.
- d. Deficiencies in man-machine interface result in personnel errors, but effective corrective actions are implemented.

Category 3

- a. Frequent significant operational or construction events, attributable to causes under the licensee's control, have occurred that are relevant to this functional area.
- b. Events are frequently reported late or not completely.
- c. Events are poorly identified or analyses are marginal; events are associated with programmatic weaknesses.
- d. Deficiencies in man-machine interface repeatedly result in personnel errors.



TABLE 1 (continued)

6. Staffing (Including Management)

<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
a. Positions are identified, and authorities and responsibilities are well defined.	a. Key positions are identified, and responsibilities are defined.	a. Positions are poorly identified, or authorities and responsibilities are ill defined.
b. Vacant key positions are filled on a priority basis.	b. Vacant key positions are usually filled in a reasonable time.	b. Key positions are left vacant for extended periods of time.
c. Expertise is available within staff; outside consultants are rarely needed; staffing is ample as indicated by control over backlog and overtime.	c. Expertise is usually available within the staff; consultants are appropriately used; staffing is adequate as indicated by occasional difficulties with backlog or overtime.	c. Very little expertise is available within the staff; there is excessive reliance on consultants; staffing is weak or minimal as indicated by excessive backlog or overtime.
d. Experience levels for management and operations personnel exceed commitments made by licensee at time of licensing.	d. Experience levels for management and operations personnel meet commitments made by licensee at time of licensing.	d. Experience levels for management and operations personnel are below commitments made by licensee at time of licensing.



TABLE 1 (continued)

7. Effectiveness of Training and Qualification Program

<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
a. Training and qualification program makes a positive contribution, commensurate with procedures and staffing, to the understanding of work and adherence to procedures, as indicated by few personnel errors.	a. Training and qualification program contributes to an adequate understanding of work and fair adherence to procedures, as indicated by a modest number of personnel errors.	a. Training and qualification program is found to be the major contributing factor to poor understanding of work, as indicated by numerous procedural violations or personnel errors.
b. Training program is well defined and implemented with dedicated resources and a means for feedback of experience program is applied to nearly all the staff.	b. A defined program is implemented for a large portion of the staff.	b. Program is either lacking, poorly defined, or ineffectively applied for a significant segment of the staff.
c. Inadequate training could rarely be traced as a root cause of major or minor events or problems occurring during the rating period.	c. Inadequate training could occasionally be traced as a root cause of major or minor events or problems occurring during the rating period.	c. Inadequate training could regularly be traced as a root cause of major or minor events or problems occurring during the rating period.
d. Procedures and policies are followed.	d. Procedures and policies are rarely violated.	d. Procedures and policies are occasionally violated.

APPENDIX B

SALP IMPLEMENTATION

I. SALP BOARD ASSESSMENT

A. SALP Board Preparation

Each Region shall:

1. Issue a memorandum establishing the assessment period, the due date for SALP Board input, the date of SALP Board meeting, and the expected date of the meeting with the licensee for all facilities within the Region scheduled for a SALP during the fiscal year. The Regions shall send this memorandum to NRR, NMSS, AEOD, RES, and the EDO by the end of the preceding fiscal year. The applicable NRC SALP database also should be updated as appropriate. Changes to SALP schedules shall be provided to these offices (and the SALP database). SALP Board members should be notified promptly of unavoidable scheduling problems to facilitate coordination of alternative meeting dates.
2. Prepare a draft SALP report.
  - a. Integrate SALP report inputs. NRR shall provide written input for each functional area as appropriate.
  - b. Prepare the Supporting Data Summary section of the report. (See Exhibit 1 for format.)
  - c. Prepare a performance analysis for each of the functional areas.
  - d. Issue a draft SALP report to SALP Board participants before the SALP Board meeting date. Note that this draft should not contain recommended licensee performance ratings.

B. SALP Board Meeting

1. The SALP Board meeting, which should be held within 45 days of the end of the assessment period, will be conducted in accordance with the Region's SALP implementation procedures.
2. The composition of the SALP Board is multidisciplinary in nature and is intended to result in an integrated assessment of licensee performance. Specification of the Board's voting members is not meant in any way to limit presentations before the Board by other NRC staff members when appropriate. Rather, the staff member closely associated with a functional area should be requested to discuss their views with the SALP Board.

Voting members are expected to participate in Board discussions of each functional area in order to contribute effectively to the assessment of the licensee's performance and the identification of common themes and symptoms of that performance. As a result, SALP Board deliberations should be oriented toward reaching a consensus view when possible. The SALP Board composition shall be as follows with each member having a vote:

- a. SALP Board Chairperson (Regional SES-level manager);
- b. Senior Resident Inspector;
- c. NRR Project Manager
- d. NRR SES-level manager;
- e. Regional Projects Division Director, Deputy Director, or Branch Chief; and
- f. Regional Specialist Division Director, Deputy Director, or Branch Chief (at least one from each Specialist Division);
- g. Others as designated by the Regional Administrator for any specific Board.

A Board quorum will consist of a minimum of six persons, with the Chairperson an SES-level manager. Generally, there should be no more than nine persons on the Board.

To enhance consistency in approach, Regional Administrators are encouraged to arrange for the periodic participation on SALP boards of SES-level managers from other Regions.

3. During the SALP Board meeting:

- a. The SALP Board members shall review and discuss the draft SALP report. They shall ensure that a conclusion has been reached regarding licensee performance within each functional area or alternatively confirm that sufficient information is not available to support a conclusion regarding licensee performance. They shall ensure that the discussion of performance within each functional area identifies common themes or symptoms of that performance if known.
- b. The SALP Board members shall evaluate licensee performance in each functional area after considering the evaluation criteria with their associated attributes listed in Appendix A, Table 1. Tables 2 and 3 may be used by the SALP Board members to assist them in rating the licensee. The functional area ratings will be determined by a majority vote of the Board's voting members.

- c. The SALP Board should recommend changes to the NRC inspection program to be implemented at the specific facility, as appropriate.
  - d. The SALP Board shall identify weaknesses and/or recommend areas for licensee consideration so that improvement in performance can be addressed.
  - e. The SALP Board Chairperson shall ensure that the licensee's overall performance is discussed and assessed with an emphasis on identified strengths and weaknesses.
4. Following the SALP Board meeting, the SALP Board Chairperson shall provide to the Regional Administrator a SALP Board report with its recommended ratings and overview. The Regional Administrator may make substantive changes to the content of the report before it is issued to the licensee. If the changes are made, the Regional Administrator should so inform the Board Chairperson.

## II. ISSUANCE OF REPORT

The Regional Administrator shall sign and issue the SALP report (Exhibit 1) to the licensee within 60 days from the end of the assessment period. Copies of the report should also be provided to the offices of the EDO, the Director of NRR, the Commissioners, and the NRR SALP Coordinator. The letter transmitting the SALP report will be distributed on a timely basis as a standard docket item to the NRC Public Document Room, the appropriate Local Public Document Room, and the Institute of Nuclear Power Operations (Record Center, Institute of Nuclear Power Operations; 1100 Circle 75 Parkway; Suite 1500; Atlanta, GA 30339). Each report will be assigned an inspection report number.

The transmittal letter should include:

1. A characterization of overall safety performance consistent with the Overview section of the SALP report. The transmittal letter should strive to characterize NRC's confidence in or concern with the licensee's performance and the underlying reason(s) thereof.
2. Areas or issues that warrant discussion during the meeting with the licensee.
3. A request for the licensee's written comments on and amplification of, as appropriate, the SALP report within 30 days after the meeting with the licensee. For all functional areas rated as Category 3, the transmittal letter must require a licensee response providing planned corrective actions to achieve improved performance.

## III. MEETING WITH LICENSEE

- A. General. A public meeting with the licensee's management to discuss the assessment will be held following issuance of the draft SALP report. The meeting will be conducted on site, if feasible, to foster more widespread understanding among the licensee's staff of the NRC's views.

B. Meeting Preparation

1. The Region shall provide notification of the meeting with the licensee with the same distribution as for issuance of the SALP report (see Appendix B, Section II).
2. The licensee should be encouraged to have the following management representatives participate in the meeting:
  - a. Senior corporate management representative;
  - b. Management officials responsible for the major functional areas; and
  - c. Site Manager.

C. Meeting with Licensee

1. The meeting should be conducted within 90 days of the end of the assessment period.
2. NRC representatives for this meeting should typically include the following:
  - a. The Regional Administrator or Deputy Administrator (especially if licensee performance has been rated as Category 3, or Category 2 with a declining trend);
  - b. SALP Board Chairperson;
  - c. Responsible Regional division director(s), branch chiefs, or section chiefs, as appropriate;
  - d. NRR Project Manager and/or designated NRR SES-level manager;
  - e. Resident inspector and/or assigned inspectors; and
  - f. Public Affairs Officer, when media interest is anticipated.
3. The Regional Administrator, Deputy Administrator, or Project Division Director will chair the meeting and discussions of the adequacy of the licensee's management control systems. These meetings are intended to provide a forum for a candid discussion of issues relating to the licensee's performance. Those aspects of the licensee's operation that need improvement will be identified, as well as the positive aspects of the licensee's performance.

The licensee also will be given the opportunity to provide comments on the report in writing within 30 days after the meeting. Only written comments from the licensee must be subsequently addressed by the Regional Administrator.



4. SALP management meetings with the licensee should be public meetings, unless portions of the meetings involve discussion of matters that are not required to be placed in the public domain pursuant to 10 CFR 2.790. For those portions, the meeting must be closed. Members of the public should be treated as observers. Adequate notification of the SALP meeting should be accomplished by the timely distribution to the Public Document Room of the letter scheduling the meeting to the licensee, with copies to the parties on the service list for the appropriate docket.

#### IV. SALP REPORT FORMAT AND CONTENT

##### A. General

The SALP report is considered to be a final report once the Regional Administrator has signed the transmittal letter and sent the report to the licensee following the meeting with the licensee and consideration of the licensee's written response, if any. For distribution purposes, the draft SALP report transmitted to the licensee before the meeting with the licensee is not considered "predecisional."

##### B. Multiple Facility Licensees

For multiple facility licensees, such as Duke Power Co., Tennessee Valley Authority, and Commonwealth Edison, the SALP package may address more than one site. However, each site shall have a separate SALP report (see Section 0516-04).

##### C. Report Format and Content

The SALP report shall be prepared in general conformance to the guidelines in Exhibit 1.

#### V. FINAL SALP REPORT

##### A. General

The Regional Administrator shall issue the final SALP report within 30 days of receipt of the licensee's written comments or planned corrective actions. This report will receive the same distribution as the draft SALP report transmitted to the licensee prior to meeting with the licensee.

##### B. Final SALP Report

The final SALP report shall consist of:

1. The SALP report with any changes made after the meeting with the licensee.
2. A summary of the meeting held with the licensee concerning the SALP report.



3. A copy of the written comments received from the licensee.
4. NRC's conclusion regarding the acceptability of the licensee's planned corrective actions, if required.
5. The conclusions of the Regional Administrator based on consideration of the licensee's comments and planned corrective actions.

C. Changing the Draft SALP Report

Any changes made to the draft SALP report after the meeting with the licensee must be done using the following procedure (an example of each of the items mentioned below is shown in Exhibits 2, 3, and 4).

1. Include an errata sheet (Exhibit 2) as a separate enclosure to the Regional Administrator's cover letter denoting the change and the basis for the change.
2. Add the corrected page (Exhibit 4) to the report, leaving the original page (Exhibit 3) in the report.
3. Make a diagonal line through the original page, and reference the errata sheet.

**TABLE 2**  
**EVALUATION MATRIX FOR OPERATING**  
**PHASE FUNCTIONAL AREAS**

	Assurance of Quality	Identification and Resolution of Technical Issues	Responsiveness to NRC Initiatives	Enforcement History	Operational and Construction Events	Staffing	Effectiveness of Training and Qualifications
Plant Operations							
Radiological Controls							
Maintenance/Surveillance							
Emergency Preparedness							
Security							
Engineering/Technical Support							
Safety Assessment/Quality Verification							
Other							

**TABLE 3**  
**EVALUATION MATRIX FOR CONSTRUCTION**  
**PHASE FUNCTIONAL AREAS**

	Assurance of Quality	Identification and Resolution of Technical Issues	Responsiveness to NRC Initiatives	Enforcement History	Operational and Construction Events	Staffing	Effectiveness of Training and Qualifications
Soils and Foundations							
Containment, Major Structures, and Major Steel Supports							
Piping Systems and Supports							
Mechanical Components							
Auxiliary Systems							
Electrical Equipment and Cables							
Instrumentation							
Engineering/Technical Support							
Safety Assessment/Quality Verification							
Other							

EXHIBIT 1 (continued)

each functional area and across functional areas. Discuss performance trends, if evident. In addition, provide a table of performance ratings as indicated below.]

<u>[Functional area]</u> <u>Any]</u>	<u>[Rating last period]</u>	<u>[Rating this period]</u>	<u>[Trend, if</u>
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B. Other Areas of Interest

[Provide an overview of licensee performance in each topic area. These topic areas are determined by the Director, NRR and/or the Regional Administrator.]

III. CRITERIA

Licensee performance is assessed in selected functional areas, depending on whether the facility is in a construction or operational phase. Functional areas normally represent areas significant to nuclear safety and the environment. Some functional areas may not be assessed because of little or no licensee activities or lack of meaningful observations. Special areas may be added to highlight significant observations.

The following evaluation criteria were used, as applicable, to assess each functional area:

1. Assurance of quality, including management involvement and control;
2. Approach to the resolution of technical issues from a safety standpoint;
3. Responsiveness to NRC initiatives;
4. Enforcement history;
5. Operational and construction events (including response to, analyses of, reporting of, and corrective actions for);
6. Staffing (including management); and
7. Effectiveness of training and qualification program.

However, the NRC is not limited to these criteria and others may have been used where appropriate.

On the basis of the NRC assessment, each functional area evaluated is rated according to three performance categories. The definitions of these performance categories are as follows:

## EXHIBIT 1 (continued)

1. Category 1. Licensee management attention and involvement are readily evident and place emphasis on superior performance of nuclear safety or safeguards activities, with the resulting performance substantially exceeding regulatory requirements. Licensee resources are ample and effectively used so that a high level of plant and personnel performance is being achieved. Reduced NRC attention may be appropriate.
2. Category 2. Licensee management attention to and involvement in the performance of nuclear safety or safeguards activities is good. The licensee has attained a level of performance above that needed to meet regulatory requirements. Licensee resources are adequate and reasonably allocated so that good plant and personnel performance is being achieved. NRC attention may be maintained at normal levels.
3. Category 3. Licensee management attention to and involvement in the performance of nuclear safety or safeguards activities are not sufficient. The licensee's performance does not significantly exceed that needed to meet minimal regulatory requirements. Licensee resources appear to be strained or not effectively used. NRC attention should be increased above normal levels.

IV. PERFORMANCE ANALYSIS

## A. [State functional area being discussed]

1. Analysis

[This analysis should concentrate on the adequacy of the licensee's management control systems and assurance of quality, personnel performance and staffing, effectiveness of training and qualification program, enforcement history, and the degree to which the licensee is committed to superior performance. This section should not necessarily reiterate or tabulate the information and data that contribute to the analysis. Rather, it should be a summary of the supporting rationale. Information and data should be provided in Section V of the this report. Licensee performance should be discussed in light of the evaluation criteria and associated attributes both to ensure completeness and to compare licensee performance across functional areas. The analysis is intended to be sufficiently diagnostic to provide a rationale for allocating NRC resources and to provide meaningful guidance to licensee's management.]



EXHIBIT 1

[DRAFT OR FINAL] SALP REPORT

U.S. NUCLEAR REGULATORY COMMISSION  
REGION [number]

SYSTEMATIC ASSESSMENT OF LICENSEE PERFORMANCE

[Inspection Report Number]

[Name of Licensee]

[Name of Facility and Docket Number]

[Assessment Period]

## EXHIBIT 1 (continued)

I. INTRODUCTION

The Systematic Assessment of Licensee Performance (SALP) program is an integrated NRC staff effort to collect available observations and data on a periodic basis and to evaluate licensee performance on the basis of this information. The program is supplemental to normal regulatory processes used to ensure compliance with NRC rules and regulations. It is intended to be sufficiently diagnostic to provide a rational basis for allocating NRC resources and to provide meaningful feedback to the licensee's management regarding the NRC's assessment of their facility's performance in each functional area.

An NRC SALP Board, composed of the staff members listed below, met on [date], to review the observations and data on performance, and to assess licensee performance in accordance with Chapter NRC-0516, "Systematic Assessment of Licensee Performance." The guidance and evaluation criteria are summarized in Section III of this report. The Board's findings and recommendations were forwarded to the NRC Regional Administrator for approval and issuance.

This report is the NRC's assessment of the licensee's safety performance at [name of facility] for the period [date] through [date].

The SALP Board for [name of facility] was composed of:

[List SALP Board members' names and titles]

A. Licensee Activities

[Provide a factual outline of major licensee activities, such as major outages, power limitations, important license amendments, and significant modifications.]

B. Direct Inspection and Review Activities

[Provide a factual summary of major direct inspection and review activities performed by resident inspectors, Region-based staff, and Headquarters staff in each functional area. This is not intended to be a summary of each inspection or review performed, but rather of those that had a significant effect on the results discussed in Section IV of this report.]

II. SUMMARY OF RESULTSA. Overview

[Provide a narrative overview summary of the overall effectiveness of licensee's management including underlying strengths and weaknesses. This summary should synthesize information on licensee performance and identify common themes or symptoms of that performance, both within

EXHIBIT 1 (continued)

2. Performance Rating

[Provide the performance rating (Category 1, 2, or 3) for each functional area considered. If appropriate, include a trend assessment (improving or declining), characterizing licensee performance near the close of the assessment period.]

3. Recommendations

[Include any general or specific NRC recommendations pertaining to either licensee management's attention or the level of NRC inspection activities in a functional area. Note that even in the absence of a recommendation to vary the inspection effort, the Regional Office may do so at its discretion on the basis of appropriate NRC Manual chapters.]

V. SUPPORTING DATA AND SUMMARIES

A. Enforcement Activity

[Include Table 1, "Enforcement Activity" - use footnotes to identify any functional areas associated with civil penalties or orders.]

B. Confirmation of Action Letters

[Provide a summary.]

C. Other

[Discuss any other issues at the discretion of the SALP Board.]

## EXHIBIT 1 (continued)

TABLE 1

## ENFORCEMENT ACTIVITY

FUNCTIONAL AREA	NO. OF VIOLATIONS IN SEVERITY LEVEL				
	V	IV	III	II	I

TOTAL

Footnotes:

EXHIBIT 2  
ERRATA SHEET

SALP BOARD REPORT ERRATA SHEET

<u>PAGE</u>	<u>LINE</u>	<u>NOW READS</u>	<u>SHOULD READ</u>
5	24	operator's <u>cognitive</u> decision	operator's decision

Basis: The word "cognitive" was deleted to avoid further problems in interpreting its meaning. As used, the word was intended to mean that the operator, as the cognizant individual on shift, knew the operating requirements of the Technical Specification but made a conscious decision to operate the plant in a manner which he/she believed was equivalent to the requirements. It was not intended to mean that the operator took actions in total disregard of the Technical Specification objectives.



## EXHIBIT 3

## ORIGINAL PAGE

- (10) Severity Level IV - Failure to take timely and proper corrective action following the failure of a cold leg RTD (50-000/81-24).
- (11) Severity Level VI - Failure to make a 30 day report on a degraded bus voltage relay (50-000/81-26).

Six of the noncompliances were for failure to make required reports or to make timely reports, four for failure to follow procedures, and one for incomplete documentation. One noncompliance for failure to properly report a breach in containment, Item (9) above, is part of an escalated enforcement action with Civil Penalty. The actual event, is described in Section 4, Surveillance.

Nine LER's relating to this area were caused by personnel errors, six at Unit 1 and three at Unit 2. Sixty percent of these occurred in the last half of the period and thirty percent in the last quarter indicating an increasing occurrence rate in the period. Six of the nine were for incorrect valve or breaker alignments and three were for failure to follow operating procedures.

Two events (LER's 50-000/81-51 and 50-000/81-52) were of particular concern since they reflected a licensed operator's cognitive decision to operate a system (charging and ~~down~~ and containment isolation, respectively) in a manner not allowed by the Technical Specifications.

Unit 1 experienced nine automatic trips during the evaluation period, four caused by operator error and five by equipment failure. Of the four caused by errors, two were due to incorrectly conducted instrument surveillance tests, one to an incorrect valve lineup on the steam side, and the last to unfamiliarity with turbine controls.

Unit 2 experienced nine reactor trips, one being a manually initiated turbine trip. Four of the trips were related to personnel errors; two by loss of vacuum in the main condenser, one resulted from a low steam generator level, and one resulted from a turbine valve misalignment.

No significant safety concern is associated with these trips and each was reviewed to verify proper safety system operation and operator actions.

Various operating problems and events identified during the period resulted in an enforcement meeting on August 4, 1981, with followup meeting on August 4, 1981, with followup meetings on November 2, 1981

## EXHIBIT 4

## CORRECTED PAGE

- (10) Severity Level IV - Failure to take timely and proper corrective action following the failure of a cold leg RTD (50-000/81-24).
- (11) Severity Level VI - Failure to make a 30 day report on a degraded bus voltage relay (50-000/81-26).

Six of the noncompliances were for failure to make required reports or to make timely reports, four for failure to follow procedures, and one for incomplete documentation. One noncompliance for failure to properly report a breach in containment, Item (9) above, is part of an escalated enforcement action with Civil Penalty. The actual event, is described in Section 4, Surveillance.

Nine LER's relating to this area were caused by personnel errors, six at Unit 1 and three at Unit 2. Sixty percent of these occurred in the last half of the period and thirty percent in the last quarter indicating an increasing occurrence rate in the period. Six of the nine were for incorrect valve or breaker alignments and three were for failure to follow operating procedures.

Two events (LER's 50-000/81-67 and 50-000/81-52) were of particular concern since they reflected a licensed operator's decision to operate a system (charging and letdown and containment isolation, respectively) in a manner not allowed by the Technical Specifications.

Unit 1 experienced nine automatic trips during the evaluation period, four caused by operator error and five by equipment failure. Of the four caused by errors, two were due to incorrectly conducted instrument surveillance tests, one to an incorrect valve lineup on the steam side, and the last to unfamiliarity with turbine controls.

Unit 2 experienced nine reactor trips, one being a manually initiated turbine trip. Four of the trips were related to personnel errors; two by loss of vacuum in the main condenser, one resulted from a low steam generator level, and one resulted from a turbine valve misalignment.

No significant safety concern is associated with these trips and each was reviewed to verify proper safety system operation and operator actions.

Various operating problems and events identified during the period resulted in an enforcement meeting on August 4, 1981, with followup meeting on August 4, 1981, with followup meetings on November 2, 1981