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NUCLEAR REGULATORY COMMISSION

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30TH ANNUAL REGULATORY INFORMATION CONFERENCE

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TECHNICAL SESSION 9

REGIONAL SESSION: CURRENT NUCLEAR POWER PLANT

AND REGULATORY ISSUES

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TUESDAY

MARCH 13, 2018

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The Regulatory Information Conference met
in the Grand Ballroom at the Marriott Hotel and
Conference Center, 5701 Marinelli Road, Rockville,
Maryland, at 3:30 p.m., Michael Johnson, facilitating.

TECHNICAL SESSION PARTICIPANTS PRESENT

MICHAEL JOHNSON, Facilitator

SAMUEL BELCHER, First Energy Utilities

CATHERINE HANEY, Region II

KRISS KENNEDY, Region IV

DAVID LEW, Region I

DANIEL STODDARD, Dominion Energy

STEVEN WEST, Region III

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P-R-O-C-E-E-D-I-N-G-S

MR. JOHNSON: So my name is Michael Johnson. I'd like to thank you for your attendance and for your participation in the regional session of this year's regulatory information conference.

The purpose of this session is to hear from the NRC regional administrators and from senior nuclear industry executives on contemporary issues involving nuclear power plant operations and regulation in the United States. In the interest of time, I'm going to do just some brief introductions. Of course, you know these folks well, and so a more lengthy introduction would not be needed.

Let me just start with David Lew, who is the acting regional administrator for Region I; Cathy Haney, who is the regional administrator from Region II; Steve West, the regional administrator for Region III; Kriss Kennedy, the regional administrator for Region IV; Sam Belcher, who is a senior vice president and president of First Energy Utilities; and last but not least, Dan Stoddard, who is a senior vice president and chief nuclear officer for Dominion Energy.

So the way we run this session every year

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1 is we start the conversation off with questions that
2 we solicited from the industry, just to get the
3 conversation going. And so I'll tee up a few of those
4 questions to begin the conversation.

5 Of course, what we really want to do in this
6 session, though, is to hear from you with respect to
7 your questions for the NRC, the regional
8 administrators, or for our distinguished industry
9 executives. And so please don't be hesitant to raise
10 questions, again, in the format that you're well used
11 to. Just pass them to one of the monitors. Those
12 questions will be brought forward, and we'll tee those
13 up as best we can to get those questions addressed for
14 you in this session.

15 We're going to do our best to address as
16 many of the questions as we possibly can during the time
17 that we have allotted. So please, I'm going to just,
18 in advance, ask the panelists if you'll bear in mind
19 that we're going to try to be as concise as we possibly
20 -- complete and concise as we possibly can, as we move
21 through the questions that we have in front of us.

22 So I look forward to a very interesting
23 session, and I want to thank you in advance for your
24 participation.

25 So let me tee up, then, the first question

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1 that we want to talk about, and the subject is on
2 backfitting. Licensees are concerned that inspectors
3 are taking vintage licensing basis documents and either
4 reinterpreting the meaning of the document or stating
5 that the original reviewers erred in approving the
6 original license.

7 There have been several examples that have
8 been ultimately resolved after the expenditure of much
9 licensee staff time and management attention to resolve
10 these issues. And so my question -- my first set of
11 questions are to Steve West. To what extent do you
12 believe this is an issue? And what are you doing to
13 ensure your inspectors are not imposing backfits as a
14 result of their inspection activities?

15 And then, after Steve is finished, I'm
16 going to ask for industry representatives, either of
17 our industry representatives, either Dan or Sam, to
18 what extent do you believe this is an issue? And what
19 can or should licensees do to preclude or help resolve
20 such issues? So, Steve.

21 MR. WEST: Thank you, Mike. Let me just
22 answer the question first. And, yes, I believe it's
23 an issue, and I will explain why, and I want to start
24 with just a little bit of background and context. I
25 don't know if it's needed in this room. I've heard

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1 backfit mentioned in every session I've been at today,
2 so I think it's being talked about.

3 But if you don't know, the backfit rule is
4 basically a regulation that applies to the NRC and the
5 NRC staff. And in the sentence, it's intended to
6 control or imposition a new requirement or staff
7 position on licensees. I'm going to just use the term
8 "backfitting," but there is comparable requirements
9 for new reactors, which is called issue finality. And
10 most of my comments will be focused, obviously, on the
11 reactors, but there are some backfitting provisions
12 that also apply to some of our materials programs.

13 So when the backfit rule is followed, it
14 provides regulatory stability and predictability, and
15 it does allow new requirements under certain conditions
16 and circumstances, which are specified in the rule
17 itself.

18 So backfitting -- the word "backfitting"
19 is not a bad word. So if you hear somebody mention
20 backfitting, it does have a proper context. But
21 failure to follow the rule is a bad practice and is
22 inappropriate, and that's what the NRC is focusing on
23 right now.

24 And there is really a -- I think both the
25 regulator, the NRC, regional administrators, and other

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1 offices in the NRC, and the industries that we regulate
2 have a common interest or a common goal in seeing that
3 the backfit rule is appropriately followed and applied.

4 And so just as our staff and licensee staff
5 understand the technical area that they are responsible
6 for, they should also have some understanding of the
7 backfit rule, so that they can understand or recognize
8 when they may be crossing into a backfit situation.
9 Not that that's a bad thing, but they should recognize
10 it, so that it's handled properly, because we wouldn't
11 resolve a backfit issue through the inspection process,
12 but it could kick off a process that would deal with
13 the backfitting issue if it's something we need to take
14 a look at.

15 So last year the Committee to Review
16 Generic Requirements, the NRC's CRGR, completed a
17 comprehensive assessment of the NRC's backfitting
18 practices, and that tasking was made by Vic -- I almost
19 said Vic Stello -- Vic McCree. I did say it.

20 (Laughter.)

21 MR. WEST: That tasking was made by Victor
22 McCree, the EDO. And it took about a year, maybe a
23 little bit more than a year, to do. And the CRGR
24 concluded that there are opportunities to improve the
25 NRC's backfitting practices, and the committee

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1 identified specific areas for improvement and
2 corrective action recommendations to the EDO.

3 The EDO accepted all of those committee's
4 recommendations, and even added a few additional
5 actions for the staff to take. And the areas for
6 improvement or the areas we thought needed to be
7 corrected, and Vic agreed, included the need for
8 improved oversight by NRC senior executives and lower
9 level managers and supervisors, enhanced engagement by
10 the CRGR on backfitting issues, additional training for
11 the staff, and updated guidance. We have a lot of
12 guidance. We needed to update.

13 And also, we weren't really doing much in
14 the area of knowledge management, which I think you all
15 will agree is critical at this time in the industry's
16 history, and so we needed to do more there.

17 So while we do have backfitting experts at
18 the NRC, they really know what they're doing in the area
19 of backfitting, and they typically handle the more
20 generic activities like rulemaking, generic
21 communications. They do a great job. But the CRGR
22 found that the issues that typically come up involve
23 plant-specific issues, and these could come up during
24 inspections or licensing reviews, for example. And
25 that was the real focus for what the CRGR was looking

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1 to achieve.

2 So, basically, the NRC has lost focus in
3 an area that it's important to us and industry. We
4 recognize that, and now we're taking corrective
5 actions.

6 So because of the extensive review that the
7 CRGR did in its conclusions and recommendations and the
8 response to those by the EDO and other executives at
9 the Commission, including the commissioners, I would
10 agree that there is a problem, and we are taking action
11 to address it.

12 The main thing I will just mention here
13 quickly is the training. Training is an area where
14 we're not -- definitely not doing enough. We had done
15 more training in the past. We backed off. That
16 probably contributed to the lack of focus we see now
17 in some of the issues that are being raised. So we're
18 doing more training.

19 This is one way to help us to ensure that
20 inspectors for our purposes, but also license
21 reviewers, or lawyers and others that are involved in
22 backfitting issues, to understand what backfitting is,
23 to recognize when you're in a backfitting situation how
24 to deal with it. And so the training is the big thing.

25 I really liked the -- Commissioner Burns

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1 this morning kind of answered this question, and he
2 said, and I agree, I think we all agree, it really starts
3 at the top. It starts with the Commission.

4 Now, the CRGR was not bold enough in its
5 report to say that the Commission needed to do more,
6 and I don't think we thought they did. They're doing
7 plenty in the area of backfitting, but we did identify
8 the senior leadership, which would include us here and
9 above, and we need to do more.

10 So me personally, as regional
11 administrator, I am putting a focus. I'm new to Region
12 III, but I went in with a concept or an idea or a priority
13 of putting more emphasis on backfitting and our
14 inspectors understanding backfitting.

15 Working with my senior leadership team,
16 Ken O'Brian is here, one of my division directors, to
17 make that a focus for the region. We have an SES
18 champion in the region that is helping with
19 backfitting, so I think that will help. But it's going
20 to take time. I've seen at least two issues since I've
21 been in the region for three, four months, where I think
22 our inspector did not identify or recognize he was in
23 a backfit situation.

24 And actually I think getting involved in
25 those types of issues take up time to kind of sort out

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1 later. That's one reason to try and get it right from
2 the start.

3 So that's, in a nutshell, what we're doing.

4 Also, I know there is a backfitting -- CRGR
5 is having a session tomorrow morning, 10:30, on this
6 whole thing. I just talked about what they did and what
7 the agency is doing. So if you need more detail on
8 that, it's probably interesting. You might want to
9 tune in to that tomorrow, 10:30 to noon.

10 MR. JOHNSON: All right. So Sam or Dan,
11 to what extent do you believe this is an issue? And
12 what can or should licensees do to preclude or help
13 resolve such issues?

14 MR. BELCHER: Well, I'll go ahead and
15 start, and Dan can fill in the gaps. I do think it's
16 an issue and I think it's a big issue, and I think Steve
17 did a really nice job of characterizing it. And I would
18 probably characterize it the same way. A lot of times
19 we find an inspector on an inspection or a review finds
20 an issue that either challenges the original
21 assumptions or tries to take us to a contemporary
22 standard or branch technical position that we weren't
23 originally licensed to.

24 You know, from an industry perspective,
25 that can be very costly and very challenging and

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1 time-consuming. So, you know, if we just recognize we
2 are in a backfitting situation and call it what it is
3 and go through that process, that's I think what we all
4 want to do. And a lot of times I think we end up
5 debating over whether or not we are in a backfitting
6 situation.

7 You know, I know the RUGs are doing a lot
8 of work. You know, what can industry do to help? I
9 know the RUGs are doing a lot of work and talking about
10 areas or issues that are coming up that they think may
11 be potential backfitting, to make sure that the right
12 level of awareness is out there.

13 I also think one of the things that we can
14 do is elevate it very quickly on both sides. You know,
15 if we think it's a backfitting issue at a particular
16 utility, we need to take that up, have those discussions
17 at a higher level, and we need to communicate at that
18 same level with the Nuclear Regulatory Commission and
19 the region to say, "Hey, we think we're here. Maybe
20 you don't. Let's at least open the dialogue before we
21 get way down this process and then start trying to come
22 backwards."

23 So, Dan, I don't know if you had anything
24 you wanted to add.

25 MR. STODDARD: No. Just a couple things.

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1 I mean, I think you hit it real well, Sam. We've had
2 some issues come up during the course of inspections
3 where inspectors will try to inspect just to newer --
4 as you said, newer design requirements, and without
5 having a good understanding of the way our plants may
6 have been licensed and the time that they were licensed.

7 But we have been successful in working
8 through those issues during the course of an
9 inspection, although it does certainly take some time.
10 What we can do to help manage that is, first and
11 foremost, we need to have a good understanding of our
12 own design and licensing basis, and then we need to talk
13 about, through the inspection process, in terms of
14 facts, and then, as Sam said, elevate it.

15 I will take this, and I'll be brief with
16 this. One slight twist on this. It's really not so
17 much in the backfit area, but where we have seen
18 challenges that we have not been able to effectively
19 work through during the inspection is in the area of
20 testing requirements, where we have test programs, ISI
21 programs, IST programs, testing requirements that have
22 been established based on the design and license of the
23 plant, reviewed, inspected multiple times, and a new
24 inspector comes in with perhaps a different opinion and
25 a different viewpoint on that, and we have had to then

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1 modify our program and modify our testing requirements.

2 We had to get to the point where we would
3 agree to disagree, and you know how that works out, and
4 then move forward. The cost of those changes was not
5 significant for us, so, you know, it wasn't worth going
6 through a lengthy appeal process. But it is -- while
7 not strictly a backfit, it is a similar type issue.
8 That's why I wanted to bring it up.

9 MR. JOHNSON: All right. Thank you.
10 Anyone else want to weigh in? Cathy? Anyone?

11 Okay. Good. So I want to just pick up on
12 an issue, or actually where, Dan, you left off just now.
13 So, and this question relates to the circumstance where
14 licensees and the NRC ultimately don't agree with the
15 outcome, and so the question really focuses on appeals
16 and the appeal process. So there is a perception that
17 the number of appeals of green and greater-than-green
18 violations is on the increase.

19 There is also a perception that the number
20 of NRC denials of appeals is on the increase. And so
21 I want to start off with a question first for the
22 industry. What are your perspectives regarding the
23 violation appeal process? For example, its
24 effectiveness and its fairness. And then what does
25 your organization consider in reaching a decision to

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1 formally appeal, for example, a green or a
2 greater-than-green NCV?

3 So starting with the industry.

4 MR. STODDARD: Yeah. I'll start off with
5 that, and then Sam can pick up. We have not worked
6 through the appeal process in quite some time.
7 Generally, that's because we've found that most all the
8 findings are very legitimate.

9 In a couple of cases, or a few cases, where,
10 once again, we had to agree to disagree, we evaluated
11 that it was not worth the effort, the regulatory
12 capital, to appeal because the fixes were pretty simple
13 and not very impactful to us, and not generic to the
14 industry, which kind of gets to the decision-making
15 process and whether we would appeal a finding or not.

16 You know, first and foremost, if you're
17 going to appeal, you have to be confident that you're
18 right. You have to have a good basis for understanding
19 why you believe that you are correct. Then the appeal,
20 the value of the appeal, has to be -- a successful appeal
21 has to be greater than what it would take to just accept
22 the finding and move on. There is no point in fighting
23 something that has no benefit to winning.

24 And then, really, the third consideration
25 is, is this something that would have a generic

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1 implication or a broader implication than to just a
2 particular station, or just a particular utility.
3 Could this be an industry issue? In which case you have
4 to understand that your peers have a stake in it as well,
5 and then make your decision based on that.

6 MR. BELCHER: Yeah. I think the only
7 thing I would add, you know, as far as a step up in the
8 number of appeals, I think that was the opening comment,
9 Michael. I think maybe that is, in fact, a reality.
10 I think, you know, as the industry looks at more and
11 more cost, looks at more and more challenges to the
12 business, they're looking at everything they can do to
13 save money, and that could include additional appeals.

14 I agree with Dan completely as far as, you
15 know, what goes into the thought of an appeal. Is it
16 an industry-wide issue? Is it precedent-setting?

17 But, you know, a lot of times I think when
18 we find ourselves in an appeal it's not so much
19 appealing of the issue, it may be appealing of the
20 significance of the issue. And, you know, things that
21 are clearly white are clearly white. Things that are
22 clearly green are clearly green. But a lot of times
23 we find ourselves right at that threshold.

24 And, you know, I think we spend a lot of
25 time talking about your SPAR model, our PRA model, which

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1 one is more accurate, which one has the right inputs
2 in it. You know, and it feels to me like, you know,
3 rather than get to the appeal process, if we do that
4 work up front and we make sure we have the right inputs
5 going into the models, and we get the same result coming
6 out, the appeal or the likelihood of an appeal I think
7 goes down tremendously.

8 You know, one thing I might challenge,
9 since I threw out the SPAR model, is, why do you even
10 have that anymore? You know, I've thought about that
11 quite a bit, that, you know, our PRAs are pretty robust.
12 They have been approved. They have been reviewed.
13 And, you know, many times we find that our PRAs are
14 better than the SPAR model. So just a thought moving
15 forward.

16 MR. STODDARD: Second.

17 MR. JOHNSON: All right. So we may come
18 back to that last comment, hopefully, in the panel.

19 Dave, why don't you take on the topic of
20 appeals and just regarding the opening perception that
21 I threw out, has there been an increase in the number
22 of appeals of green and greater-than-green findings?
23 A little bit about how the appeal process works, and
24 also, how do you ensure that the appeal process meets
25 its objectives?

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1 MR. LEW: Yeah. Thanks, Mike. Well, let
2 me actually start with changing the order slightly.
3 I'll answer the first question last.

4 But relative to, how does the appeal
5 process work, you know, the process for handling an
6 appeal is described in NRC's enforcement manual. We
7 also have the inspection manual chapter 0609, which is
8 the significant determination process, as well as
9 regional instructions.

10 And the goal for completing these reviews
11 is typically 30 days for escalated enforcement actions
12 and 90 days for non-escalated enforcement actions.
13 Process-wise, for escalated actions, there is
14 typically a review panel that is prescribed, although
15 we also elect to do panels for non-escalated issues,
16 particularly if they have broad impact and
17 significance.

18 And regardless of whether the issue is
19 escalated or non-escalated, the approach for the review
20 should have an element of independence. And the
21 approval of the appeal determination should be an
22 appropriate level of management. Often, it is usually
23 at a higher level of management, but not always.

24 The other question was, how do you ensure
25 that the appeal process achieves its objectives? I

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1 think it's important to first define what the objective
2 is, and I think the objective of any appeal process is
3 to ensure that there is a good faith effort in
4 conducting a fair appeal.

5 And I think that's achieved in large part
6 due to a degree of independence that I have mentioned
7 before, but also that allows the reviewers to be
8 successful in fully considering the merits on both
9 sides of the arguments, to have some level of
10 independence. And so I will share with you a Region I
11 example of a green finding that was appealed.

12 Even before the issue was appealed, we
13 understood from the licensee that they would disagree.
14 And this is normal, through the inspection activity,
15 through the exit meeting. We understand when the
16 licensee is planning to appeal.

17 And given the broad implications of this
18 particular finding, we had extensive internal
19 discussions. And this includes not just the regional
20 inspectors but includes the division management from
21 both divisions, the Division of Reactor Safety and
22 Division of Reactor Projects.

23 They include the regional administrator
24 and the deputy regional administrator. So we gave a
25 strong vetting before we actually issued the finding.

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1 Ultimately, we supported the finding, and we had the
2 branch chief issue the report that documented the
3 finding.

4 When this was formally appealed, we
5 convened a very experienced panel. I will say that we
6 had the folks in the region that were independent. If
7 not, we probably would have looked outside of the
8 region, but we had a division director, who is very
9 steep in the reactor oversight process, as well as some
10 very experienced folks.

11 They convened the panel. They
12 interviewed a lot of folks, and they recommended
13 withdrawal of the finding. And I think that reflects
14 the independence of the finding, the good faith effort,
15 even though the regional administrator and the deputy
16 regional administrator for that finding had already
17 weighed in.

18 So coming back to the first question, has
19 there been an increase in the number of appeals of green
20 and greater-than-green findings? And the answer is
21 maybe.

22 You know, with respect to formal appeals,
23 we really have not seen a significant trend, a
24 statistically significant trend in the data from 2012
25 to 2017. And for non-escalated actions, the NRC has

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1 received a total of maybe about 10 findings per year
2 and denied roughly 75 percent of those findings.

3 With respect to escalated actions, there
4 has been only about four appeals over that six-year
5 period. Although two of them were in 2017, I think too
6 early to say whether there is a statistical significant
7 trend at this point.

8 However, I think there is a perception that
9 licensees are raising more concerns about the validity
10 of the findings, and I think that may be true during
11 the inspection process itself. And often, as part of
12 the inspection process where issues are raised, that
13 may be happening more frequently.

14 But I think these issues are -- you know,
15 being part of the normal process and having that
16 engagement and healthy communication, often licensees
17 providing new information, you know, sometimes
18 inspectors, you know, providing some insights in terms
19 of the regulation, that gets resolved.

20 And I think that's probably a testament to
21 the inspection process and the good communications that
22 occur, that you don't actually see that increase in
23 actual formal appeals, at least not to date.

24 MR. JOHNSON: Thank you, Dave. I do want
25 to go back to the question or the issue that I think,

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1 Sam, you raised towards the end of your comment about
2 the SPAR model and about the licensee's PRA.

3 And I just -- I know I haven't given you
4 guys time to think about this, but I am curious,
5 regional administrators, what do you see as driving
6 some of the differences, not in whether or not there
7 is a finding, but the significance of the finding. And
8 would for example, what would you think of the idea of
9 using licensees' PRAs in lieu of SPAR models in terms
10 of determining the significance? And do you see that
11 as a way to get around some of the differences that we
12 have?

13 MR. KENNEDY: I'll start.

14 MR. JOHNSON: Anyone can start with that.

15 MR. KENNEDY: Yeah, I'll start. I think
16 just one thought. One of the fundamental premises
17 going into the significance determination process was
18 that the NRC had an independent tool to do our own risk
19 assessment.

20 And so that's really why we have the SPAR
21 model is so that we can take, theoretically, the same
22 information, the same assumptions, put it into a model,
23 and come out with a result that's independent of the
24 licensee's risk model, and then compare the two. And
25 are there different ways to do it? I think there are,

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1 but that's fundamentally the premise of the risk
2 assessment.

3 Oftentimes we see the differences in the
4 assumptions that actually go -- and it's not
5 necessarily a model thing. It's the assumptions that
6 make the difference.

7 MR. BELCHER: I would agree with you as
8 well. Many times it is, in fact, the assumptions or,
9 quite frankly, the inputs that we put into the model
10 that results in a differing outcome. I just think, you
11 know, as we've evolved over time and spent so much
12 effort and energy, and you've spent so much effort and
13 energy making sure our PRA models are accurate, they're
14 up to date, they're properly maintained, it seems like,
15 you know, I understand the independent side of it, but
16 it just seems like it's a lot of redundant work on your
17 side for something that you could independently verify
18 as accurate without all the effort on your side.

19 MR. LEW: I will offer that there is value
20 for independent model. I think often, when we start
21 getting into some of these issues, we do see different
22 outcomes out of the two different models. And I think
23 it's important for us to understand, as independent
24 regulators to have a tool to independently verify the
25 model, because a lot of these models -- yeah, there are

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1 assumptions, there are very subtle differences in
2 system interactions, so how a particular component is
3 designed, which sometimes makes a huge difference.

4 I will also add that I think part of the
5 issue that we tend to have a lot of discussion on is
6 -- beyond the models is, you know, common cause. And
7 I think there is certainly valid points on both sides
8 of the discussion, but I think what is more important
9 is for us to have an established process moving forward
10 in terms of how we approach it, because without having
11 some standardization in terms of the process and how
12 we do it, then we're going to have -- we'll be subject
13 to an inconsistency. And that would not, in my
14 opinion, be good regulation.

15 MS. HANEY: I would just add some of the
16 strengths of the process, though, is the discussions
17 that are taking place between the industry staff and
18 then the -- well, in my case, the regional staff about
19 what those differences are, and most of them do surround
20 the assumptions.

21 But I would say that a couple of cases that
22 we've had in Region II over the past couple of years,
23 it has really been the reflection from both sides how
24 the benefit of those discussions, and ultimately coming
25 out I think with using an informed process to get to

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1 the answer.

2 MR. WEST: Yeah. I just -- do we have a
3 few more minutes, Mike?

4 MR. JOHNSON: Yeah.

5 MR. WEST: You know, we looked at this
6 exact question two years ago. And the NRC's
7 Risk-Informed Steering Committee, which is chaired by
8 the director of NRR, and the Industry Risk-Informed
9 Steering Committee chaired by NEI, asked that exact
10 question, and it was assessed and discussed for about
11 a year.

12 And I think the -- it did boil down largely
13 to independence, this desire on our part to have that
14 independence. And then, also, there was the cost
15 aspects and all of the complications with sharing
16 something that complicated between organizations.

17 But under our current process -- but we
18 weren't being transformative, then, so maybe it's a
19 good question to reask. So it is a good question.

20 (Simultaneous speaking.)

21 MR. WEST: So maybe in that light, it would
22 be something worth taking another peek at. But I think
23 the way our process works, we are basically sharing
24 results and comparing them, and oftentimes I think our
25 answer or our final decision can be changed by what

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1 we're getting from a site using their plant-specific
2 information does work.

3 But I think in theory it's a great idea,
4 but in practice we just couldn't overcome some of our
5 regulatory angst.

6 MR. STODDARD: Just one quick thing to add
7 to that. You know, one thing that we found is very
8 effective and Cathy talked about this, is working
9 together, get our PRA analysts with the region's PRA
10 analysts and working together very early in the process
11 and communicating effectively.

12 And, generally, we have found that's where
13 we get the very, very similar results, once we get a
14 common understanding.

15 MR. JOHNSON: Okay. I want to switch
16 topics now and talk about delivering the nuclear
17 promise for a few minutes, potentially CAP-002. So we
18 have a card that asks about delivering the nuclear
19 promise, and so I would pose the question in this way,
20 first for the NRC, noting that the industry has
21 implemented many of the -- delivering the nuclear
22 promise initiatives.

23 How has delivering the nuclear promise
24 been received by inspectors? Have you seen any
25 significant trends or examples, negative or positive,

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1 with respect to performance of licensees? And what
2 guidance are we giving inspectors regarding
3 implementation or their oversight of implementation of
4 delivering the nuclear promise?

5 So, Cathy, we'll start with you, and then
6 I'll pose questions for the industry.

7 MS. HANEY: All right. Thanks. So from
8 the standpoint of what the inspectors are seeing and
9 how we're training, and I think I'll start out with,
10 from early on in the process, the communication between
11 NEI and the industry and the inspectors, and then
12 understanding what the goals of delivering the nuclear
13 promise were, how you were going to get there, and then
14 continuing into what the changes are.

15 And that significant communication up
16 front I think was definitely, if you want to call it
17 a best practice or something very good, because it aided
18 us in our ability to get the message down to the staff,
19 and to our inspectors, about, again, what the goals
20 were. It was, you know, still the intent to maintain
21 the safety of the plants.

22 And then, as the process was implemented,
23 being implemented, the interactions that were taking
24 place at the site level with regards to keeping the
25 resident inspectors, as well as the inspectors that

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1 were coming from the region, informed of what the
2 changes were, and having that early dialogue to say,
3 you know, we're still in compliance with our license,
4 we're not getting into a situation where we're reducing
5 safety to the point that we're getting into, say, an
6 enforcement area, and just that constant exchange back
7 and forth and ongoing I think really helped make things
8 go very smoothly from our perspective.

9 Now, with that being said, I would say
10 that, really, the inspectors are not from my
11 standpoint, what I've heard in Region II, as well as
12 I think it will be supported by the other regions, is
13 we are not really seeing any significant issues
14 arising, as any of the changes that are coming about,
15 as part of delivering the nuclear promise or anything
16 in the bulletins that would go out.

17 So I would say and even as we are moving
18 into the CAP-002, changes that plants are at various
19 levels as far as what they are in the implementation
20 states, or what they plan to implement, or the fact that
21 they feel like their programs are adequate already.
22 Again, it's that dialogue back and forth that I can't
23 underemphasize how much that that's really important,
24 that the inspectors see and understand, and it's that
25 understanding what industry is planning to do at the

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1 licensee level, what they are planning to do.

2 So if we do have changes and questions, we
3 can ask those questions up front, and then have that
4 shared understanding of where you're going. So,
5 really, from our perspective, that's a long way of
6 saying I think things are going smoothly, and the
7 inspectors are not really identifying any issues.

8 MR. JOHNSON: And from an industry
9 perspective, do you think delivering the nuclear
10 promise is doing what it's intended to do? And what
11 challenges did you face or do you face in continuing
12 implementation?

13 MR. STODDARD: Let me start off on that,
14 and I'll start off broadly with a couple of things on
15 delivering the nuclear promise, and then maybe get a
16 little more specific.

17 First off, the overall thrust of the -- of
18 the initiative is to become more efficient. And
19 certainly, as a result of becoming more efficient,
20 become more cost effective. You know, Cathy talked
21 about maintaining safety, but I would argue, and we have
22 seen this in practice, where we get more efficient, and
23 where we stop spending time and energy and resources
24 on things that don't enhance safety and reliability,
25 that allows us to spend time, energy, and resources,

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1 more time, energy, and resources on those things that
2 do have the greatest tie to safety.

3 So it makes us more efficient, and I would
4 argue, and I have seen this, I think, in the performance
5 of my own fleet, is it makes us -- it contributes to
6 greater safety and greater reliability. We've seen
7 that in practice.

8 The second thing generically is we are --
9 as I know, you know, the inspectors are when they are
10 out, we are very sensitive to unintended consequences,
11 and we continually monitor unintended consequences
12 through our self-assessment processes and our
13 corrective action programs and our trending.

14 We have not seen issues with
15 communications with inspectors where issues come up and
16 changes come up. I think that has been the good
17 communication that we have had back and forth between
18 the industry, and the NRC staff and the inspectors, I
19 think had been very helpful.

20 CAP-002, corrective action program, being
21 so fundamental to our business and so fundamental to
22 the regulatory process, as we embark on that and as we
23 implement those changes, that's one way where we are
24 going to have to continue to have that good
25 communication, that good internal self-assessment

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1 process, and that good awareness of potential
2 unintended consequences, because there is -- that's
3 just an area that there is going to be a lot of
4 sensitivity to, and we need to communicate very, very
5 well on that process going forward.

6 MR. BELCHER: Yeah. I might add a couple
7 points there, and maybe just fine-tune a couple points.
8 You know, Cathy, thank you for your comment on you're
9 not seeing a lot of issues, because one of the tenets
10 going into this was, first, do no harm.

11 And there was a tremendous amount of change
12 management that took place on each one of the efficiency
13 bulletins to make sure we really understood the change
14 and understood what, if any, potential consequences
15 were out there.

16 And I agree with you completely as far as
17 the communication. You know, we should make that a
18 model for how we do business moving forward in all
19 areas. So that if we're doing something different as
20 an industry, or you're doing something different, that
21 we get the right people together talking as we go
22 through it, rather than wait until we're finished.

23 You know, Michael, I think the beginning
24 of your question is, did delivering the nuclear promise
25 do what we intended it to do? And I would say that it

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1 has.

2 Now, you know, we can talk about dollars,
3 say, of your hours saved or man-weeks or woman-weeks,
4 or whatever we want to talk about, but, you know, many
5 of us are in very challenging financial situations
6 right now. And we're asking for help from elected
7 officials. We're going to state and federal
8 governments and asking for some help to keep our nuclear
9 plants operating for the long term.

10 And, quite frankly, we would not have had
11 much of a case to go and make that ask if we hadn't done
12 everything that we could do to clean up our own house
13 before we would make that ask.

14 So, you know, we can debate how much was
15 saved, or we can debate, you know, did we move fast
16 enough or far enough, but I think we did look at
17 ourselves very critically, we tried to get everything
18 that was inefficient out of our business, and once we
19 did that then we felt a little more comfortable standing
20 up in front of Congress saying, "Hey, we need to do
21 something to save these nuclear plants."

22 MR. JOHNSON: Okay. Thank you. Very
23 good.

24 I want to switch now and talk a little bit
25 more about significance determination and the SDP, and

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1 so the context goes, the NRC has recently implemented
2 SDP timeliness metrics and the Inspection Finding
3 Review Board.

4 In many cases, the NRC and industry have
5 expended considerable time and effort on potential
6 greater-than-green issues, only to determine that the
7 issue has a very low safety significance or green.

8 As a result, the NRC and licensees have had
9 to divert resources to significance determination for
10 those issues where resources could have been better
11 spent focusing on corrective actions, which licensees
12 would have implemented anyway. So that's the context
13 of the question.

14 So I'm going to ask, Kriss, for you to
15 start. Have changes that were made resulted in
16 improvements to the efficiency and the effectiveness
17 of the inspection and significance determination
18 process? And have they resulted in improved ability
19 to focus on performance deficiencies commensurate with
20 their safety importance? And then I'll pose a similar
21 question to the industry.

22 MR. KENNEDY: Okay. Thanks for the
23 question. So the Inspection Finding Review Board is
24 part of another process, so that's IFRB, and the other
25 process is the Inspection Finding Resources Resolution

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1 Management process.

2 So we have the IFRB and the IFRM, and those
3 acronyms are often confused. But I wanted to read to
4 you what the objective of the Inspection Finding Review
5 Board is.

6 The first one is to ensure regional
7 management and staff align on the licensee performance
8 deficiency, the degraded condition, and how the
9 performance deficiency is the proximate cause of the
10 degraded condition.

11 Two, that to ensure there is early
12 alignment on the scope, schedule, and involved
13 resources to support an efficient and effective
14 preliminary significance assessment of potentially
15 greater-than-green inspection findings.

16 And then, third, provide a mechanism to
17 effectively communicate with senior licensee
18 management the inspection finding, support needed from
19 their staff in reaching the preliminary assessment
20 decision, and the appropriate timeframe to provide
21 information. So those are the objectives of the
22 Inspection Findings Review Board.

23 And so this concept came up in 2016. We
24 did a pilot in 2017, and I have to admit, I kind of came
25 in kicking and screaming, because I know you can't

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1 relate to this, but a new requirement was being imposed
2 on the regions. And I know NRR would say it wasn't a
3 requirement, it was a guidance, but -- and that is this
4 concept of a 120-day metric.

5 And so the whole idea was, how can we get
6 from issue to final decision in a shorter period of
7 time? We were going way too long in making a decision,
8 a final determination on an issue, from the time that
9 it actually occurred. And so we were looking at a way
10 to shorten that time.

11 So the overall process is not terribly
12 different than the process that we had before where we
13 documented and agreed on what the finding was,
14 identified the performance deficiency. Was there a
15 violation involved? And then what was the schedule and
16 plan for moving forward?

17 But the change in the process, which was
18 piloted last year, added a 120-day metric. And that's
19 120 days from essentially when the event occurred or
20 when it was identified until we issued the inspection
21 report. And at first blush it's like I said, it's
22 like, well, here's another requirement being placed on
23 us.

24 And someone pointed out to me, and I've
25 used this on the site VPs at a couple of meetings right

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1 after that. We're talking about a third of a year.
2 You know, a third of a year to get from the issue happens
3 until we document it in an inspection report. And I
4 think that sounded a little more reasonable to me.

5 So what happens is this. In Region IV
6 anyway, every week we talk about enforcement and
7 allegations. And at the end of that, the Division of
8 Reactor Projects, Troy Pruett and his group, asks asks
9 his branch chiefs, and Tony Vegal asks his branch
10 chiefs, are there any issues that are potentially
11 greater than green?

12 And these are issues in the initiating
13 events, mitigating cornerstones, and barrier integrity
14 corners. And the branch chiefs will talk about issues
15 that have come up. And after some initial screening,
16 where they can't screen them out immediately as green,
17 they will go on a list. And that list essentially
18 starts our 120-day clock, and from that point on we
19 start talking about it every week until it comes off
20 or until it moves forward.

21 And so that's the way the process works in
22 Region IV. So we ran this for about a year. Well, the
23 concept was to pilot it for about a year. That was
24 2017.

25 NRR is taking a look at assessing the

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1 effectiveness of that process, and early results of the
2 review of that process indicate that it did improve --
3 has improved the performance and the timeliness of
4 issuing greater-than-green inspection findings, that
5 it has improved communications with licensees
6 regarding potentially greater-than-green performance
7 deficiencies, and improved our internal organizational
8 focus and alignment on potentially greater-than-green
9 deficiencies.

10 So I think there is more to come from our
11 effectiveness or from the effectiveness review that NRR
12 is conducting, but I can tell you from my perspective
13 it definitely focuses us on the emergent issues.

14 The initial pushback was, well, you know,
15 we now have to reprioritize our resources to take a look
16 at these issues, and I heard the same thing from
17 industry. And that may be a good thing in some cases.
18 You might look at it as it kind of gets all of our
19 attention on the issue up front, and then we either take
20 it off the table as a potentially greater than green,
21 or, if it is greater than green, then we're going to
22 all focus our attention on it.

23 And I also think the improvement in
24 communications is a significant item for me personally.
25 I think the earlier -- we talked a little bit about it

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1 earlier. The earlier that our risk analysts start
2 talking to each other on an issue, understanding the
3 differences, starting to work on the independent
4 models, I think the quicker we get to an answer.

5 MR. JOHNSON: All right. Thank you,
6 Kriss.

7 And for the industry, what can licensees
8 do to help the process of arriving at a reasonable SDP
9 result such that time and resources spent are
10 commensurate with the significance of the performance
11 deficiency?

12 MR. BELCHER: Yeah, I'll start, and, Dan,
13 you can weigh in afterwards. Before I do, Kriss, I just
14 want to say thank you for admitting that you go kicking
15 and screaming every time there is new regulations or
16 requirements imposed on you, just like we do. So that
17 was actually good to hear.

18 You know, as I think about what can we do
19 to help, let me start with I think the 120-day thing
20 is generally good. I think it does, as Kriss said,
21 focus us on what may be important and get us to put the
22 resources necessary to get to the right answer.

23 I just would caution all of us that 120 days
24 I think is important, but getting the right answer is
25 more important. And, in some cases, the right answer

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1 may take longer than 120 days. That being said, I think
2 if we look at each issue with very open communication
3 and align on what resources are going to be required
4 to truly make that significance determination early on
5 in the process, you know, not only your resources but
6 our resources as well, agree on you know, we've said
7 earlier, what inputs, what assumptions are we putting
8 into either the PRA models or the SPAR models, make sure
9 that we all have the understanding of the event that
10 is consistent.

11 Because I think a lot of times we go into
12 the beginning phases of one of these issues, and we look
13 at it and we have a view of the world, and you may look
14 at it and have a slightly different view of the world,
15 both of which may not be completely accurate. You
16 know, when we get together and we have those
17 discussions, then I think a lot of times we come to,
18 okay, this is what happened or this is what the true
19 issue is.

20 I think that continuing dialogue as we go
21 through this process is important as well. Now, I know
22 at some point, you know, you guys are going to be in
23 the pre-decisional phase, and you're not going to be
24 allowed to or want to communicate that, and I understand
25 why that exists. But as much communication as we have

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1 or can have along the process, I think makes all the
2 difference in the world.

3 And then, you know, are you prepare for the
4 IFRB, you know, it being sort of a new view of the world,
5 you know, it might be helpful to get licensee input on
6 what you might be taking to the IFRB, just to make sure
7 that all of the facts are there and that you have
8 everything you need to make the decision that you are
9 ultimately going to make.

10 Dan, I don't know if you wanted to weigh
11 in.

12 MR. STODDARD: Nothing I'd add to that.

13 MR. WEST: Thanks, Sam. You brought up a
14 great point that I should have mentioned. So the
15 120-day metric, as Scott Morris tells me, reminds me,
16 it's just -- it's a guideline. And so you're
17 absolutely right. We want to get the right answer.
18 What the 120-day metric forces us to do is to make that
19 decision deliberately.

20 So we'll make a deliberate decision that
21 despite our best efforts, we're going to need more time
22 to work on an issue, and we will take that time, and
23 we've, obviously, in Region IV anyway, demonstrated
24 that we'll take that time to go beyond the 120 days to
25 get to the right answer.

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1 So thanks for that point.

2 MR. JOHNSON: All right. Kriss, we're
3 going to get you a question on 95001 that I told you
4 I wouldn't ask unless it came from the floor. But
5 before we do, I'm going to give you a chance to rest
6 and let Cathy or Steve actually talk about
7 environmental qualification.

8 You know, there has been a lot of
9 conversation of late about our environmental
10 qualification inspections, and concerns I think on some
11 folks' minds about whether or not those inspections
12 will generate improper backfits.

13 And so I want to start, Steve, with a
14 question for you. Why on earth is the NRC inspecting
15 EQ at this time? And what is the NRC doing to ensure
16 EQ inspections don't result in a backfit? And then I'm
17 going to turn to the industry and ask you to what extent
18 you believe EQ inspections are necessary, and what are
19 your concerns regarding their implementation?

20 So, Steve, please start.

21 MR. WEST: I want to say that I have no
22 earthly idea, but that would just be a joke. So I told
23 you I wouldn't tell any jokes today.

24 Why are we doing EQ inspections at this
25 time? Well, there's a number of reasons why we're

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1 doing EQ inspections at this time, and kind of, if you
2 are just thinking about the engineering aspects and
3 plant operations and plant aging, and the need to have
4 safety systems that are available to respond to
5 accidents and events, components that are
6 environmentally qualified are important to the
7 operation -- safe operation of the plant, especially
8 in design basis conditions, events.

9 So they need to withstand events. Their
10 last structured, really focused NRC inspections of
11 these EQ components was probably in the '80s. I'm sure
12 some have been touched once since then, but there hasn't
13 been a focused effort.

14 The equipment is aging. Equipment has
15 been changed, systems have been changed, many probably
16 without NRC inspection, unless they were picked up on
17 a -- you know, one of our more routine inspections that
18 would look at a plant mod or something like that.

19 So that is -- that is one reason we would
20 want to do inspections at EQ at this time. But,
21 actually, looking at the EQ has been on the NRC's wish
22 list kind of for a number of years. There have been
23 a number of reports issued by the NRC where the need
24 to look at EQ has been mentioned.

25 And one going back to 2002 is the

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1 Davis-Besse lessons learned report that the agency
2 wrote. And in that report, for example, we said that
3 there's probably people in this room that were involved
4 in that, looking around.

5 But in that report, one of the things we
6 assessed and made recommendations about was taking a
7 look at generic issues that had been resolved, and
8 completed by the plants. And actually, so following
9 the issuance of that report, we did take a look at a
10 number of the safety issues, so on paper we looked at
11 what was out there, and we looked at about 20 generic
12 issues. And EQ was one that rose to the top as
13 something the NRC should take a look at some point in
14 time. So that goes back to 2002.

15 There was also a Browns Ferry lessons
16 learned report that also mentioned -- it discussed more
17 the need to continue to do engineering inspections, and
18 -- but EQ was identified as one of the significant
19 engineering programs that should be looked at.

20 So, in 2015, when we were looking at our
21 engineering inspections, and we were making some
22 changes, EQ was kind of mentioned as, hey, here's
23 something we keep talking about we ought to take a look
24 at, but we haven't done it yet.

25 So this is a good opportunity to do it.

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1 It's a focused inspection in an engineering area.
2 That's what we're looking for. It would be a good pilot
3 to do for the engineering inspections. And, actually,
4 I think this is going to be -- the results of this effort
5 are being considered by the team that is still further
6 looking at how we're going to do engineering
7 inspections in the future.

8 And, fortunately, there is a session on
9 that this week I think, too. I don't know if it has
10 happened yet. Does anybody know? It has not? It's
11 Thursday? Thursday. Okay. So if you're interested
12 in the engineering inspections, you can get a lot more
13 out of that.

14 But that's why we're looking at EQ now, and
15 in talking with my branch chief in Region III who has
16 responsibility for these inspections, the feedback I
17 get is they are being pretty well received in the
18 region.

19 Certainly, at the engineering inspector --
20 engineering counterpart at the site, good interaction,
21 we're finding some things, usually, things that haven't
22 been found by the site because they're not -- they're
23 not looking for them. We're out there just to look for
24 them, so we do find things.

25 But I think they are going pretty well, and

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1 he tells me things are going pretty well in the other
2 regions, too. But I won't speak for them.

3 So I don't think any backfitting issues
4 have come up at least in Region III. Haven't heard of
5 any in the other, but I kind of addressed earlier what
6 we're doing just to head off backfitting issues coming
7 up during inspections and being inappropriately
8 imposing a backfit on a licensee when we find something
9 -- when an inspector finds something he may not like
10 that has been previously approved.

11 That's an ongoing effort. I mean, I think
12 that's something, as Commissioner Burns said today,
13 it's continuous. I mean, there is no beginning and
14 end, although we are certainly in a period where we're
15 trying to train inspectors better and have managers
16 more involved to try and catch those things.

17 Kind of success for me will be not when an
18 inspector thinks there is a backfitting issue because
19 the licensee says, "You're backfitting me," it's when
20 he recognizes that there is a potential backfitting
21 issue because the licensee says, "I think that has been
22 approved by the NRC already. You're asking me to do
23 something different."

24 So the "backfit" word is never used, but
25 the engineer, the inspector, makes the connection

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1 between what he is being told and what documentation
2 he is given and saying, "Oh, this could be a backfit
3 if I pursue this."

4 So, like I said, ongoing effort, I wanted
5 to just take this opportunity, Sam mentioned a couple
6 of times actually, but when he was talking about the
7 industry perspectives on backfitting, something I
8 should have said because I'm a firm believer in it also,
9 is the communications is really the key not only to
10 trying to get the proper focus on a potential
11 backfitting issue or other inspection issues, but many
12 other issues that industry and the NRC deal with.

13 And in my short time in the region, in the
14 meetings I have had with the site and corporate
15 leadership for the sites there, we talk about
16 communications and commit to one another to make sure
17 we have good communications channels open at the
18 various levels.

19 Doesn't mean that I get called every time
20 there is a problem, but I am available if the problem
21 escalates to that reason. But I think communications
22 is really a big piece of this, internally and between
23 internal and external.

24 MR. JOHNSON: All right. Thank you,
25 Steve. And for Sam or Dan, to what extent do you

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1 believe EQ inspections are necessary, and what concerns
2 do you have regarding EQ and their implementation?

3 MR. STODDARD: I would say, generally, you
4 know, if an important program hasn't been looked at in
5 a while, it's probably worth giving it a look. The
6 question comes in as, is that a standalone, focused
7 inspection, or is that something that can be rolled into
8 another -- as part of another inspection to do it in
9 the most efficient way possible. That would be the
10 challenge that I would have there.

11 We have not seen issues with backfit or any
12 real major issues in the EQ looks that we have received.
13 The one challenge that I think is out there, it's a
14 potential challenge and I think it has been seen in some
15 places, and you may have alluded to this earlier, Steve,
16 is where there is a request for a documentation of bases
17 for a program that was created at some point in time,
18 it had adequate technical basis at the time, and now
19 you have an inspector who is asking for another level
20 of rigor, another level of technical basis, that it
21 would require significant effort on the part of the
22 licensee to go recreate those bases, that I think is
23 the greatest potential challenge out there.

24 And I don't have specific examples, but I
25 have heard there have at least been some of those

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1 discussions.

2 MR. BELCHER: Yeah. The only I guess a
3 couple of things I would add to it -- to -- you know,
4 this may be an opportunity, as we look at how we look
5 at engineering overall, is this a candidate for
6 self-assessment?

7 I agree with Dan. If a program hasn't been
8 looked at, something as important as environmental
9 qualification, it should be looked at. Is that
10 something we do our self-assessment on and you review?
11 You know, just something to consider.

12 MR. STODDARD: I guess I would chime in.
13 We do self-assess these programs ourselves. When I say
14 "look," I mean an external look.

15 MR. BELCHER: No, no, no. I was just
16 saying maybe we could use that self-assessment as the
17 overall inspection vehicle.

18 You know, what concerns do we have, or what
19 concerns do I think about when we start looking at
20 something that we haven't looked at in some period of
21 time?

22 And that's the whole new interpretation of
23 existing standards discussion that we had earlier where
24 new people are in maybe that don't have the
25 organizational history, or the years in the saddle if

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1 you will, and they look at something differently, and
2 then we're in a debate over, how do you interpret this
3 or how do you interpret that?

4 And, you know, usually we're able to sort
5 those things out, but that's time and resources from
6 both of us when we go down that path. Also, you know,
7 I think this is one of the areas where you use some
8 contract resources to come in and help, and that just
9 compounds that problem even more where the
10 organizational history doesn't exist.

11 You know, the final thought I would add is,
12 you know, Dan I think said it, is, you know, we see this
13 as potentially becoming resource-intensive. And if we
14 can find a way to meet the objective and do a good, solid
15 review of the program, and not have it be
16 resource-intensive, I think that would be well
17 received.

18 MR. JOHNSON: Okay. Did you guys want to
19 weigh in? Steve or Dave? I see you reaching for the
20 mics. Go ahead, please.

21 MR. WEST: I'm just going to say one thing
22 real quick. We are considering self-assessments as a
23 way to do contribute to the engineering inspections in
24 the future. And I think if, I'm not going to get into
25 it here, but I think if you go to that session on the

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1 inspection -- engineering inspections later this week,
2 they are going to talk about how that could be a
3 contributor. So it's on active consideration.

4 MR. STODDARD: Thank you, Steve.

5 MR. LEW: Yeah. I just want to touch on
6 Dan's comment about, is there a more efficient way to
7 have done this inspection? And I think that's a good
8 challenge for us, to think about whether there was a
9 more efficient way. That said, I think this is one of
10 those areas that we haven't looked at in a long time.

11 And having the approach that we took, we
12 also included significant training of inspectors to
13 understand what the requirements are and what the
14 objectives are. And I think in the long run having that
15 approach does provide for efficiency.

16 We have to be careful in terms of trying
17 to roll things in, and without that training and the
18 standard approach across the regions. And I think, as
19 a result, I believe we did add a lot of value.

20 You know, this is one of those issues where
21 I think we've identified a couple of issues that could
22 have been significant because the process did not
23 capture it. And this is one of those areas that, you
24 know, the process is important because you don't test
25 this equipment under accident conditions. There is

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1 not a lot of operating experience in terms of failures
2 as a result of EQ. So this is unique in that way.

3 And I think thus having value, I think
4 there was also where we saw the knowledge gap, even
5 amongst licensees, needed to be brought up to a certain
6 level.

7 MR. JOHNSON: Okay. Everyone is nodding.
8 That was a good answer, right? Yeah.

9 So there are a couple of questions that
10 relate to consistency across the region, and I think
11 I'm going to pose this, Kriss, give you a start on 95001.
12 And the question reads "There have been several
13 discussions regarding differences in supplemental
14 inspections between the regions." What has been
15 learned regarding potential causes and actions to
16 address this? Again, the difference in thresholds
17 maybe or the way in which we approach closeout of 95001
18 inspections.

19 And just following up on the EQ
20 inspections, there is a similar sort of a theme about
21 URIs have been identified in Region II, for example,
22 not so much in the other reasons. And so, again, we
23 touched on EQ. I want to touch a little bit more on
24 consistency. But, Kriss, would you start with 95001?

25 MR. KENNEDY: Sure. Thanks, Mike.

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1 So with respect to 95001, I think, you
2 know, we always oftentimes talk about disagreements or
3 areas of difference between industry and the NRC. But
4 we actually have a lot of areas where we have the same
5 goal. And I thought about this recently. 95001
6 inspections, we all have the same goal. We want
7 licensees to succeed in their 95001 inspections because
8 it means they identified the causes, extended
9 condition, extended cause, and took the adequate
10 corrective actions.

11 Industry wants that, and we want it, and
12 we also recognize that there is a lot of work that goes
13 into preparations for 95001 inspections, 95 -- all of
14 the supplemental inspections, and that they are good
15 faith efforts to do well on those.

16 So our experience in Region IV, well,
17 before I get to that, if you look at the 95001 inspection
18 procedure, and it lays out the objectives fairly
19 clearly, and that is, the inspectors are going out to
20 assure that the root causes and contributing causes of
21 significant performance deficiencies are understood,
22 independently assess and assure that the extent of
23 condition and extent of cause of significant
24 performance issues are identified; to assure that the
25 corrective actions taken to address and preclude

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1 repetition of significant performance issues are
2 prompt and effective; and, fourth, to assure that
3 corrective action plans direct prompt actions to
4 effectively address and preclude repetition of
5 significant performance issues.

6 So that's what the inspectors are tasked
7 with when they go out. And the objectives and the
8 inspection requirements and even methods are described
9 in the 95001 inspection procedure. So I think where
10 -- and so it's laid out I think fairly clearly.

11 I think where -- my experience, where we
12 have run into issues, where our inspectors go out and
13 they are looking at all of the documentation to inspect
14 against these objectives, I think two areas in Region
15 IV where we have identified the most issues.

16 The first is in the root cause analysis,
17 and the procedure kind of lays out six or seven
18 different methodologies that could be used in
19 determining the root cause of the issue. But there is
20 a section in here that talks about the root cause, and
21 it says, "The root cause evaluation should be conducted
22 to a level of detail that is adequate for the
23 significance of the problem." That's kind of obvious.

24 Then it goes on to say that "The depth of
25 a root cause evaluation is normally achieved by

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1 completely and systematically applying the methods of
2 analysis described in the previous section and by
3 repeatedly asking the question why about the
4 occurrences and circumstances that caused or
5 contributed to the problem."

6 And then it goes on to say, "Determining
7 that the questioning process or the depth of the root
8 cause evaluation may be assessed by determining that
9 the questioning process appeared to have been conducted
10 until the causes were beyond the licensee's control."

11 So I think that's what they're going out
12 and inspecting against. Until the causes have -- were
13 beyond the licensee's control. That is one of the
14 hang-ups that -- hiccups that we see is that we'll go
15 out and we'll review root cause evaluations that
16 haven't gone that far.

17 And just kind of a general example, we
18 might write a violation about an inadequate maintenance
19 procedure, and in one instance we saw that the root
20 cause was an inadequate maintenance procedure. So the
21 root cause essentially was the violation.

22 So what we're really looking for -- and
23 there were contributing causes, so don't -- I mean, it's
24 not that simple. There were contributing causes
25 identified, but the inspectors go onsite and they say,

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1 well they ask the obvious why question. Why was your
2 maintenance procedure inadequate?

3 And so those are the kinds of things they
4 are looking for. And when they don't kind of see that,
5 then they probe further. And if they're not satisfied
6 in their -- you know, when they dig down deep, then they
7 can make a determination that it's kind of a significant
8 weakness that was identified, and the objective of the
9 inspection procedure was not met.

10 If you don't have an adequate root cause
11 evaluation, then essentially that very much drives
12 extended cause, extended condition, and your
13 corrective actions, because if you haven't identified
14 the root cause, then it's not clear that the corrective
15 actions are complete and adequate.

16 And then the second area that we've seen
17 problems in as objective two, objective number two, and
18 that's the extent of cause and extent of condition. So
19 we don't take it lightly when an inspector comes back
20 and says, "You know, I identified some significant
21 weaknesses in my inspection," and either, you know,
22 makes a recommendation or a proposal that we maintain
23 the finding open and determine that the objectives of
24 the 95001 weren't met.

25 And as Dave talked about previously in I

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1 think it was denied violations, this gets a lot of
2 attention. And so the division directors, branch
3 chiefs, and Scott and I review it. And the inspectors
4 make their case as to why they don't think the
5 objectives were met, and then we move forward.

6 So we can agree or disagree on whether the
7 95001 guidance should be worded the way it is, but
8 essentially that's what the inspectors are inspecting
9 against.

10 I'll just hit on the EQ question and
11 unresolved items. I don't know why -- well, on the
12 95001s, I can't speak to how the other regions do --
13 conduct their 95001s. They are using the same
14 guidance. So I'm confident that they're implementing
15 the 95001 procedure in the same manner that Region IV
16 is.

17 And, similarly, with the EQ inspections,
18 I can't explain why there might be differences between
19 the regions and the EQ findings. As I recall, there
20 hasn't been -- there were like 12 findings coming out
21 of 12 total inspections. And so not a lot of findings.
22 I think unresolved items are actually good. It means
23 that the inspectors have a question that they can't
24 answer, and they are seeking additional help in getting
25 the answer. So I think that's a good thing.

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1 I wouldn't make -- I don't -- the number
2 of unresolved items doesn't have much significance to
3 me. I think it's a good thing the inspectors are going
4 to try and get the right answer.

5 MR. JOHNSON: Okay. So let me go to the
6 other RAs. Any differences between you and what you
7 would say in Kriss' answer on 95001?

8 MR. LEW: I would just add that I believe,
9 and correct me if I'm wrong, I believe that there is
10 going to be an ongoing effort within the NRC to take
11 a look at 95001 consistency. And I think that's a good
12 thing because even though you can read the guidance,
13 there is always the interpretation of that guidance in
14 terms of how much, you know, what's reasonable, and I
15 think that's going to be something which this review
16 will look at.

17 MR. JOHNSON: Okay. I've got a number of
18 follow-up questions as well. And, actually, I was
19 going to wait until the end to ask these sort of to try
20 to get a quick answer to these. But let me just ask
21 you on the EQ inspection findings. Have there been any
22 greater-than-green EQ findings, to your knowledge?
23 Anyone?

24 MR. LEW: I don't believe there has been.
25 I did reference that there was a couple of value-added

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1 issues that were identified in Region I plants in which
2 I believe that if it had continued for some time, if
3 not for the NRC inspectors identifying the issue, I
4 think have extended and questioned the operability of
5 some of the equipment, you know, safety -- important
6 equipment, safety relief valve, auxiliary feedwater
7 pump.

8 And so it's hard to judge just simply by
9 the lack of greater than green, that, you know, there
10 was not significant value added.

11 MR. JOHNSON: Okay. So thank you, Dave.
12 I was going to -- as a second part to that question it
13 asks, if there are no greater-than-green findings, is
14 the juice worth the squeeze? Sort of. And I think --
15 I think you had --

16 MR. LEW: Yes.

17 MR. JOHNSON: Okay. I knew you would say
18 that.

19 (Laughter.)

20 MR. JOHNSON: Okay. For the regional
21 administrators, what level of frequency of
22 communications do you specifically want from
23 utilities? Please answer with respect to routine and
24 issue-driven communications.

25 So I'll let you answer in any order. What

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1 frequency and level of communications do you
2 specifically want from utilities? Please answer with
3 respect to routine and issue-driven communications.

4 MR. LEW: I can start first, I guess. I,
5 II, III, IV?

6 MS. HANEY: Want to do I, II, III, IV?

7 MR. LEW: Yeah. So, you know, what we --
8 you know, certainly, I think the more communications
9 the better. You know, we would like good
10 communications with the senior residents on a periodic
11 basis with the plant manager and frequently with the
12 site vice president. I know that our branch chiefs
13 have periodic conversations as well. We do have joint
14 division director telecons, telephone conferences,
15 both the Division of Reactor Projects and the Division
16 of Reactor Safety.

17 And they try and reach out periodically,
18 about once a month, to ensure that communications are
19 working well with the licensees. Not all licensees
20 have participated at this point. We do have a vast
21 majority, and we'll continue to try and facilitate that
22 communication.

23 And, you know, certainly, you know, we do
24 want to have issues raised up through us, you know, in
25 terms of any significant concerns, particularly those

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1 areas that have broad implications. You know, our goal
2 is safety, and certainly we are going down the path that
3 is not in the interest of safety. That's certainly
4 something that we want to know and make sure that we're
5 not having that unintended consequence.

6 MS. HANEY: So from my perspective,
7 probably very similar to what Dave said as far as the
8 frequency, obviously, the issue-driven communication
9 is really specific to the issue. There have been cases
10 where I have had weekly calls and, you know, they will
11 tape off to quarterly and then semi-annual. So I think
12 it's hard to say specifically what it is, but, you know,
13 if there is a reason to call on an issue, if something
14 is changing, if there is an update, pick up the phone,
15 you know, call us, from that standpoint.

16 I also from the -- Dave addressed, really,
17 the division director and the branch chief level. But
18 from my perspective in the front office, I think those
19 routine calls are just as important because it allows
20 us to keep that opened channel of communication. So
21 I would encourage that.

22 You know, as far as the frequency, again,
23 I think it's really site-specific. So I'm not going
24 to put out there a specificity because then everybody
25 will be writing it down and say, "Oh, she just put a

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1 new requirement on me."

2 So I'm not going to do that, but I would
3 say at least the frequency that I hear from the plants
4 in Region II at my level is working.

5 MR. LEW: Did that address backfit folks?

6 MS. HANEY: Is that what? Did I just --

7 MR. LEW: No, no. Backfit was one --

8 (Laughter.)

9 MR. WEST: Let's see. I think for my
10 inspectors and branch chiefs and senior leadership
11 team, it's pretty much what Dave mentioned. For
12 myself, I have agreements with senior leaders in my
13 region, usually from the corporate offices, to do in
14 some cases quarterly or monthly calls or drop-in
15 visits. So I have pretty routine.

16 But most important, as Cathy and Dave both
17 mentioned, are the calls as needed. So I wouldn't want
18 somebody knowing they are going to have a quarterly
19 meeting with me two months from now and hold an issue.
20 They should be calling me or the appropriate person as
21 the issue is raised. And I think we have really good
22 agreements in the region that that's happening.

23 MR. KENNEDY: So very similar, I mean, in
24 addition to some of the forums that we have to
25 communicate, including RUGs, vice president meetings,

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1 drop-in visits. The periodic calls we have right now
2 are kind of driven more by the licensees than us, so
3 there are some licensees' plants that I had calls with
4 on a biweekly basis, some on a monthly basis, and some
5 not at all.

6 What would I like to see not imposing a new
7 requirement is I think those communications are very
8 valuable. I have an example recently with a plant in
9 Region IV where I sensed that the -- we were having
10 communication issues, even though I really couldn't put
11 my finger on it, and we're going to initiate frequent
12 calls at my level, at the division director level, and
13 at the branch chief level.

14 And sometimes when I have these calls, I'll
15 call -- have a call with Tim Powell, and, you know,
16 usually -- where's Tim? I know he was in here. Okay.
17 There. So, you know, sometimes it will just be "Hey,
18 here is the status of the plants. I don't have anything
19 else for you. Do you have anything for me?" And the
20 call will be over if we don't. And sometimes it will
21 go on longer if there is more information to share.

22 But I think the other value in those calls
23 at all levels is to ensure that there is alignment in
24 communications at all levels. And I think it helps to
25 establish those relationships. Even if you think that

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1 you have a good relationship with your region, I think
2 it's helpful to foster the relationship, so that when
3 the tough issues do come up, and those critical
4 conversations do occur, that you already have that
5 mechanism in place to have those discussions.

6 And I know it has helped Chris Bockin and
7 I recently to just put things on the table and talk
8 through them and make sure that his organization and
9 our region are on the same page, and that we force that
10 -- not force, but we encourage that communication to
11 go back down where there are gaps.

12 MR. JOHNSON: Steve, you don't get to ask
13 me a question.

14 (Laughter.)

15 MR. WEST: Is it for me?

16 MR. JOHNSON: Sorry.

17 MR. WEST: You weren't supposed to see
18 that.

19 MR. JOHNSON: I want to just get a question
20 out really quickly, and then, so you can answer it,
21 noting that we are running out of time. The subject
22 is emergency preparedness, and it's a question that we
23 got in really to see conversation, but I think we
24 haven't touched on the area, so I'd like to quickly.

25 The industry believes that -- so the NRC

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1 and the industry have years of experience with the
2 emergency preparedness program. The industry
3 believes that EP programs are sound, yet EP inspections
4 and SDP generate a disproportionate number of
5 greater-than-green findings in comparison with the
6 other cornerstones. And so the question really is
7 around your perspectives on that.

8 So, Cathy, would you just quickly talk
9 about the EP preparedness inspection program and SDP,
10 and any plans to adjust that. And from an industry
11 perspective, I want to hear from you as well.

12 MS. HANEY: Sure. Thanks, Mike. I think
13 this will be the first question that we have ready for
14 next year, because I'm not going to give you a complete
15 answer. So Mike is right. It has been about 20 years
16 since the SDP for emergency preparedness has been
17 developed.

18 In that 20 years, we have revised it to make
19 it more effective, more meaningful. The concern is,
20 does that revision need to be looked at again? And I
21 would say, you know, from a programmatic standpoint,
22 we do have a team that is looking at that at the SDP.
23 The individuals that are on it have significant NRC
24 experience.

25 The plan is to engage the external

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1 stakeholders to get your views on it. I know I had a
2 case down in Region II, and it went through the SDP,
3 you know, the finding made it out, and it was like kind
4 of, Cathy, why did it come out this way? And it's like,
5 well, the SDP drove us that way. And then you kind of
6 scratch your head. Are we in the right place?

7 So I do think it is a good thing that we're
8 looking at it. So this team will take a look at the
9 SDP, make a recommendation to the senior managers,
10 relative to, is a change needed? And as far as in
11 addition to the -- is a change needed or not, what should
12 the scope of the review be, the effort be, if we do go
13 forward with it.

14 So, as I said, we'll save this question for
15 next year. Hopefully, I'll have more information to
16 give you than just a status update.

17 MR. JOHNSON: Okay.

18 MR. STODDARD: Just two thoughts on this.
19 First, on the significance determination process for
20 EP findings, I think it is time and I think it would
21 speak for the industry in saying that is something that
22 needs to be revisited.

23 Some greater -- there is a tendency for
24 findings to quickly go greater than green that are not
25 commensurate with -- that just don't pass the sanity

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1 check in some cases. There is one example. It wasn't
2 at one of my plants, but there's an example where a
3 technical support center diesel was out of service for
4 eight days, resulted in a white EP finding. An
5 emergency diesel generator, out that same period of
6 time, one of the most vital safety systems on the plant
7 site was a green finding. Somehow that just doesn't
8 make sense. So I think there is an opportunity to
9 revisit that.

10 And as far as emergency preparedness in
11 general, this is one of those areas where I think things
12 have gotten much better in recent years, but in the
13 not-too-distant past this was an area where there was
14 great variability among inspectors. You would come to
15 know a certain inspector had a certain viewpoint, and
16 you would adjust to that particular inspector, and you
17 either would or would not get a finding.

18 And there is variability among inspectors
19 and among regions on that. So I think it's an area of
20 opportunity.

21 MR. BELCHER: Yeah. The only thing I
22 would add to what Dan said, and I think we're saying
23 the same things, just maybe saying it differently, is,
24 you know, we're really trying to risk-inform everything
25 that we do. And, you know, there's two pieces to risk.

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1 One is probability and one is consequence.

2 And in EP, it seems like we're too heavily
3 weighted to the consequence side. You know, if we went
4 back and said, you know, what is the probability that
5 that's actually going to cause a problem, I think some
6 of that would take care of itself, and I'm glad to hear
7 that we're actually going to be looking at it in the
8 near term.

9 MR. STODDARD: Yeah. Absolutely agree
10 with that.

11 MR. JOHNSON: Okay. Just a couple of
12 follow-up questions. Cathy, for you, what processes
13 such as inspection procedures and inspection manual
14 chapters have been modified to implement changes that
15 you alluded to for delivering the nuclear promise?
16 Please provide any examples that you are aware of.

17 MS. HANEY: I'm not -- specific inspection
18 procedures, I'm not aware of any changes, so I don't
19 know if you guys are.

20 MR. LEW: I don't think that there is any
21 specific changes. I think the thing that we remember
22 also is, you know, our inspectors, they inspect based
23 on performance. It's performance-based. So the
24 processes may be changed, as long as it's within the
25 requirements or the processes. And I think what you

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1 see in terms of our inspectors, understanding the
2 process, understanding what changes that you're
3 making. I think they tailored their inspections
4 accordingly, but still it's performance-based, and
5 that that hasn't changed.

6 MR. JOHNSON: Okay. There was a
7 follow-up question, or actually a question for me.

8 (Laughter.)

9 MR. JOHNSON: Yeah. That I toyed with not
10 asking, but I'll do it to be fair to the panel.
11 Michael, how is the EDO's office ensuring that the CRGR
12 is reviewing non-generic documents like TIA positions,
13 et cetera, to protect from backfits via vehicles that
14 are, by definition, not generic?

15 And so we have been, as a part of the
16 initiative to improve our implementation of the backfit
17 process, been leading, really, in terms of our
18 interactions with CRGR and in conversations with the
19 regional administrators and office directors to
20 ensure, for example, that they avail themselves of the
21 services that CRGR can provide in plant-specific
22 circumstances.

23 And so we think -- I have long been an
24 advocate for a more active and a more engaged CRGR.
25 We're starting to see that through some recent actual

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1 recommendations on the part of Brian, for example,
2 Holian, asking CRGR to take a look at issues before him.
3 For example, the Oconee TIA referred to CRGR.

4 So we think that's really going to be a part
5 of the formula, if you will, for us as we -- as we
6 readjust where we are with respect to implementation
7 of the backfit rule.

8 There is also another question that talks
9 about -- and this is for any of the regional
10 administrators. The issue is objectivity. Has the
11 NRC considered rotating SES within regions to improve
12 objectivity in inspection, decision-making?

13 So talk about, if you will, just a little
14 bit your philosophy on rotation within the region, the
15 rotation that happens between regions and between the
16 regions and headquarters, and the ability of that to
17 help us with objectivity.

18 MS. HANEY: I can start. I think the --
19 we do have the ability to rotate individuals within the
20 region. Most recently, in Region II, because of just
21 resources, we have reorganized in both DRS and DRP,
22 which resulted in different changes at the branch chief
23 level over different plants.

24 So I think that it is a positive thing to
25 have the fresh eyes. But at the same time, we're not

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1 going into it blindly, because we know that there is
2 the knowledge transfer that needs to occur, and that
3 we're not starting over from ground zero, and also I
4 think it was maybe one of their early questions.

5 I think it was, Sam, that you said that,
6 you know, as you bring new eyes out there, you know,
7 they are looking differently, which there is a good
8 thing, but you have to make sure they are looking at
9 the right thing, which is really what I was hearing you
10 say. I don't think I paraphrased you exactly, but that
11 was what I heard.

12 I think there is a benefit, too, not just
13 at the branch chief level, at the inspector level.
14 Again, it's the aspect of having the fresh eyes, and
15 then, too, at the right time moving at the division
16 director level. We haven't really moved in Region II
17 at the division director level in the last couple of
18 years, but there is -- you know, we need to balance that
19 fresh eyes against continuity, and that's something
20 that I think we face all the time in our jobs.

21 MR. KENNEDY: I agree with everything
22 Cathy said. I think you're looking at the product of
23 just what the question asked. I think all of four of
24 us have been in different regions or headquarters and
25 regions. So you have that aspect of it. We do rotate

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1 branch chiefs from time to time, and also division
2 management from time to time.

3 MR. WEST: Yeah. I agree with what my
4 colleagues have said. I think we do encourage SES
5 managers to rotate either temporarily or permanently,
6 and some so. I've been to headquarters in regions back
7 and forth a couple of times, and others in the region
8 have also.

9 MR. JOHNSON: All right. Very good. I
10 hear someone's alarm going off. I think their watch
11 is a little bit fast.

12 (Laughter.)

13 MR. JOHNSON: All right. So in the last
14 minute or two that we have in this session, I'm going
15 to ask each of the panelists, who I think have been very
16 good actually, right? Don't you agree?

17 (Applause.)

18 MR. JOHNSON: I'm going to ask each of the
19 panelists that, if you had to leave with one thought,
20 based on experience in your region, something that
21 keeps you up at night, something that you want to focus
22 on, my industry participants, Sam, Dan, something that
23 you want to leave for the crowd in the last 30 seconds?
24 Please, Kriss, no more than 30 seconds. Kriss?

25 (Laughter.)

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1 MR. JOHNSON: We'll start with -- in any
2 order. Please, someone.

3 MR. LEW: I'll start. I guess, if I had
4 to leave with any thought, is I think, you know, change
5 is always hard to manage. And we need to make -- we
6 need to manage that well. And what I refer to is, you
7 know, people are our greatest resource. They're the
8 folks that actually ensure safety.

9 And we talked a lot about culture. I heard
10 this morning a lot of culture, but we need to make very
11 clear distinctions between safety culture and the other
12 aspects of culture that we're talking about. And I
13 think often when we talk about it, it has to be hard
14 to discuss a topic like culture in an all-employees
15 meeting or through communications from email.

16 I think it has to be a one-on-one
17 individual discussion on issue by issue. So, you know,
18 I think as we move toward transformation, innovation,
19 we need to think in terms of culture, we need to change
20 the culture, but we need to define what culture we're
21 talking about and how we do that.

22 MS. HANEY: So I'll go also to the people
23 aspect, and I'll go to it from the standpoint of the
24 right critical skills. We mentioned just talking
25 about moving people around, but we need to make sure,

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1 as we put individuals into the different jobs and we
2 bring new individuals into our organizations, both on
3 the NRC side and industry, that they have the right
4 training and the background to do the jobs.

5 My specific reference is into the
6 engineering departments and again, and it's both sides,
7 and it's really making sure that we're capturing that
8 knowledge and setting up all of our individuals for
9 success.

10 MR. WEST: Most of our discussion today
11 has been about what's wrong and what are we doing about
12 it. But I just want to recognize the hundreds of NRC
13 inspectors that are out in the field right now doing
14 inspections. That's what they do.

15 And I think the NRC and the licensees would
16 agree that most of the interactions, even when there
17 is a finding involved, are professional, satisfactory,
18 and fair. They're helped by SRAs in the region and
19 their branch chiefs. Most of -- that's most of the help
20 they get, and also experts from headquarters.

21 MR. KENNEDY: Okay. In the 30 seconds
22 that I have, I'll just tell you, I'm Marc Dapas trained.

23 (Laughter.)

24 MR. KENNEDY: No, I'll be a little more
25 tactical. I just want to draw your attention to two

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1 recent NRC actions that were taken, one with Southern
2 Company and one with Entergy, related to integrity
3 issues among plant operators, and in one case an exam
4 proctor.

5 If you're not aware of this, the
6 confirmatory order will be publicly -- to Entergy will
7 be publicly available today. The information is out
8 there for Southern. By all measures, I think the
9 companies identified very good corrective actions to
10 address these issues.

11 I encourage other utilities to learn as
12 much as you can about what happened in these companies
13 and take a look within your own company, ask how they
14 got to where they got, how they investigated it, and
15 take a look internally at your own companies and your
16 own plants, so that we don't end up issuing additional
17 regulatory actions at your plants.

18 MR. BELCHER: Yeah. I guess I'll go next,
19 since we're just going down the row. You know, I see
20 this as one of the most challenging times that I've seen
21 in my career for the nuclear industry as a whole,
22 including the regulator, INPO, everyone around the
23 industry.

24 You know, new technologies and political
25 whims are challenging our very existence. And I think

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1 the opportunity for us to innovate, I think the
2 opportunity for us to transform how we do business, is
3 real. And, quite frankly, I think it's needed, and
4 it's needed urgently.

5 And given all that, I think we can do it,
6 and we can come out of it safer, more effective, more
7 reliable, and something that we're all proud of. You
8 know, I've been in this industry for many, many years,
9 and many of you know that I'm no longer going to be a
10 nuke effective last week. I'm going to be running the
11 utilities side of the business.

12 But I've been in this industry for 30 years
13 because I believe in it, and I believe in what we do.
14 We make people's lives better by giving them
15 electricity without impacting the environment. And
16 let's make sure we are able to keep doing that for the
17 long term.

18 (Applause.)

19 MR. JOHNSON: Okay. Thank you, Sam.

20 MR. STODDARD: That would have been a
21 great note to end on.

22 (Laughter.)

23 MR. STODDARD: But since I'm at the end of
24 the row, I'm just going to come back to something that
25 Kriss said and something that Cathy said earlier and

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1 that has been alluded to before here.

2 First and foremost, for us in the industry,
3 it's about making sure that we consistently do the right
4 thing to the highest standards of integrity, and that
5 we build that reputation for always doing the right
6 thing.

7 And, secondly, and it goes along with that,
8 is establishing good communications on an ongoing
9 basis, such that we have a mutual respect, a
10 relationship of mutual trust and respect. We need to
11 build that every day because there will come a day when
12 you have to call upon that reservoir of trust.

13 We had experienced it at North Anna when
14 we had the earthquake in 2011. Because we had built
15 that trust, because we had built that reputation, we
16 were able to get those units restarted very quickly.
17 And I would also just, again, commend the folks at the
18 NRC.

19 We have over time had a very strong and
20 productive relationship and mutually beneficial
21 relationship, understanding the difference -- the
22 differences in what we do, but also the mutual objective
23 to ensure the safe operation of these plants. So
24 thanks.

25 MR. JOHNSON: So that concludes our

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1 session. I want to thank you for your attention and
2 your engagement during the session. I want to thank
3 you again, distinguished panel, for great answers and
4 a great closing set of statements.

5 So please enjoy the rest of the RIC.

6 (Applause.)

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