
Task IV.F: Financial Disincentives to Safety

The objective of this task is to enhance public safety through the reduction of disincentives to safety resulting from financial pressures on the utility at the construction, operation, and decommissioning stages.

ITEM IV.F 1: INCREASED OIE SCRUTINY OF THE POWER-ASCENSION TEST PROGRAM

DESCRIPTION

Historical Background

As part of the post-TMI actions,¹ the staff was to explore the possible disincentives to safety which could result from financial pressures on the utility during construction and transition to the operating stages.

Safety Significance

It is possible that, in order to avoid delay in commercial operation, some short-cuts may be made which could impact safety.

Possible Solutions

As part of the TMI Action Plan,² the NRC committed to increase inspections of the startup test program and power ascension test programs at plants that have been completed and are awaiting operating licenses. This included having NRC personnel witness all tests on all shifts.

Accordingly, OIE reported³ that procedures have been issued to increase inspection coverage during power ascension testing. Reactor Inspection Program 2514/01, Revision 2, calls for NRC to witness portions of tests on all shifts and these inspection requirements have been incorporated into the OIE Manual.⁴ All work required by this item has been completed.^{5,6,7}

CONCLUSION

This item has been RESOLVED with changes in the NRC procedures that address the scrutiny of power-ascension test programs.

¹ NUREG-0660, "NRC Action Plan Developed as a Result of the TMI-2 Accident," U.S. Nuclear Regulatory Commission, May 1980, (Rev. 1) August 1980.

² NUREG-0660, "NRC Action Plan Developed as a Result of the TMI-2 Accident," U.S. Nuclear Regulatory Commission, May 1980, (Rev. 1) August 1980.

³ Memorandum for W. Dircks from V. Stello, "TMI Action Plan—Status Report," December 19, 1980. [8205260193]

⁴ NUREG/CR-5669, "Evaluation of Exposure Limits to Toxic Gases for Nuclear Reactor Control Room Operators," U.S. Nuclear Regulatory Commission, July 1991.

⁵ Memorandum for W. Dircks from V. Stello, "TMI Action Plan—Status Report," December 19, 1980. [8205260193]

⁶ Memorandum for H. Denton from R. DeYoung, "Draft Report on the Prioritization of Non-NRR TMI Action Plan Items," January 24, 1983. [8401160474]

⁷ Memorandum for W. Dircks from R. DeYoung, "TMI Action Plan—Status Report," March 4, 1982. [8204290601]

ITEM IV.F.2: EVALUATE THE IMPACTS OF FINANCIAL DISINCENTIVES TO THE SAFETY OF NUCLEAR POWER PLANTS

DESCRIPTION

Historical Background

The purpose of this TMI Action Plan⁸ item is to study the recommendations of the NRC/TMI Special Inquiry Group and focus on questions such as:

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| (1) | Does the financial status of a utility impact safety or indicate when impacts of a safety nature may occur? |
| (2) | Would continuing evaluation of a licensee's financial condition be a useful method to alert IE to times when the licensee might be tempted to cut corners or are there more pragmatic actions that accomplish this objective? |
| (3) | Will improved communications with economic regulatory agencies, such as NARUC, PUCs, IRS, and FERC sufficiently increase their understanding of a sensitivity to safety matters and financial disincentives? |
| (4) | Do the requirements of the various financial regulatory agencies result in reducing nuclear safety and, if so, how could improvements in financial regulation best be achieved? |

Safety Significance

In SECY-81-168B,⁹ the staff summarized the results of their discussions with various economic regulatory agencies and outlined other possible areas of investigation. Generally, the staff acknowledges that some financial disincentives exist but considers their impact on safety to be small, particularly when considered relative to other regulatory provisions which assure safety, such as plant Technical Specifications that must be complied with to maintain an operating license. Further, any financial benefits that might be associated with taking safety risks are considered small compared to the potential financial impact of plant investment cost and accident cleanup costs associated with safety risks.

Other financial issues which relate to safety have been resolved by separate rulemaking. Specifically, a rule has been published, 10 CFR 50.54(W),¹⁰ which requires licensees to maintain, as a minimum, specified amounts of commercially available onsite property damage insurance.

CONCLUSION

This item has been RESOLVED.

⁸ NUREG-0660, "NRC Action Plan Developed as a Result of the TMI-2 Accident," U.S. Nuclear Regulatory Commission, May 1980, (Rev. 1) August 1980.

⁹ SECY-81-168B, "Response to Commission Request for Information on Financial Considerations in Licensing Proceedings," U.S. Nuclear Regulatory Commission, July 13, 1981. [8107310227]

¹⁰ Federal Register Notice 45 FR 37011, "Decommissioning of Nuclear Facilities Regulation (10 CFR Parts 30, 40, 50, and 70)," May 30, 1980.