

UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF NUCLEAR REACTOR REGULATION
WASHINGTON, D.C. 20555

September 7, 1994

NRC ADMINISTRATIVE LETTER 94-11: REQUEST FOR VOLUNTARY COMMENT ON THE PILOT PROGRAM FOR NRC RECOGNITION OF GOOD PERFORMANCE BY NUCLEAR POWER PLANTS

Addressees

All holders of operating licenses for nuclear power reactors.

Purpose

The U.S. Nuclear Regulatory Commission (NRC) is issuing this administrative letter to request industry comment, on a voluntary basis, on the Pilot Program for NRC Recognition of Good Performance by Nuclear Power Plants. The submittal of this information is strictly voluntary. No specific action or written response is required.

Background

In March 1990, the Commission asked the staff to develop a pilot program to recognize outstanding safety performance in the industry. In August 1990, the Commission approved a program proposed by the staff for trial implementation. At the January 1991 senior management meeting NRC senior managers discussed implementation of the Good Performer Program, and recommended several improvements to the process. Good performers were first recognized at the June 1991 senior management meeting. Since June 1991, the NRC has recognized 16 nuclear power plants that have demonstrated outstanding performance.

The staff sent the Commission an update on the status of the pilot program on March 18, 1994 (SECY-94-071). The current staff guidelines for the NRC Good Performer Program and an account of its results are attached to this administrative letter.

Discussion

During the periodic briefing on operating reactors and fuel facilities on June 23, 1994, the Commission asked the staff to solicit industry comment on the Good Performer Program. The staff has developed a set of questions for the industry to consider in reviewing the program and in formulating responses to the administrative letter. These questions are:

- (1) Should the NRC continue the Good Performer Program?
- (2) What changes, if any, would enhance the current program?
- (3) What attributes should the NRC consider in assessing licensees for good performer recognition?

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- (4) What other programs can the NRC use to provide positive reinforcement or recognize good performance?
- (5) What other NRC programs should be modified to support the Good Performer Program?
- (6) Has the NRC Good Performer Program selected the outstanding plants?
- (7) Do licensees consider recognition by the Good Performer Program as an organizational goal?
- (8) Are there any adverse effects, real or perceived, from being placed on the NRC Good Performer list?
- (9) Are there any indications of "rising standards" for Good Performer recognition since 1991?
- (10) Has the industry benefited or been penalized from the use of Good Performer Program results by external organizations?
- (11) What benefits, if any, have been realized by the licensees recognized for good performance?

The NRC will study responses to this request to further analyze the pilot program and make a final recommendation to the Commission. The NRC is also soliciting public comment through a Federal Register notice (59 FR 45315).

Requested Information

All holders of operating licenses for nuclear power reactors are requested to voluntarily submit comments on the Good Performer Program. Responses referenced to the specific questions would be appreciated. Responses submitted by October 3, 1994, will be used by the NRC staff in its analysis.

Address the voluntary response to this request for information to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555-0001.

Paperwork Reduction Act Statement

The voluntary information collections contained in this request are covered by the Office of Management and Budget clearance number 3150-011, which expires July 31, 1997. The public reporting burden for this voluntary collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect

of this voluntary collection of information, including suggestions for reducing this burden, to the Information and Records Management Branch (T-6F33), U.S. Nuclear Regulatory Commission, Washington, D.C. 20555-0001, and to the Desk Officer, Office of Information and Regulatory Affairs, NEOB-10202 (3150-011), Office of Management and Budget, Washington, D.C. 20503.

This administrative letter requires no specific action or written response. If you have any questions about this letter, please contact one of the contacts listed below.


Brian K. Grimes, Director
Division of Operating Reactor Support
Office of Nuclear Reactor Regulation

Contacts: Michael T. Markley, NRR
(301) 504-1011

Loren R. Plisco, NRR
(301) 504-1231

Attachments:

1. Pilot Program for NRC Recognition of Good Performance by Nuclear Power Plants
2. Good Performer Recognition from June 1991 through June 1994
3. List of Recently Issued NRC Administrative Letters

Attachments filed in Jacket

LIST OF RECENTLY ISSUED
 NRC ADMINISTRATIVE LETTERS

Administrative Letter No.	Subject	Date of Issuance	Issued to
94-10	Distribution of NUREG-1478, "Non-Power Reactor Operator Licensing Examiner Standards"	08/17/94	All holders of operator or senior operator licenses at test and research reactor licensees.
94-09	Changes to the "Mandatory Guidelines for Federal Work Place Drug Testing Programs"	08/04/94	All holders of OLs or CPs for nuclear power reactors, and all licensees authorized to possess or transport Category I nuclear materials.
94-08	Consolidation of the NRC Region IV and Region V Offices	7/13/94	All holders of OLs or CPs for nuclear reactors.
94-07	Distribution of Site-Specific and State Emergency Planning Information	05/06/94	All holders of OLs or CPs for nuclear power reactors.
94-06	Visits by Members of the Public to Nuclear Power Plants	04/27/94	All holders of OLs or CPs for nuclear power reactors.
94-05	Notification Concerning Changes to 10 CFR Part 55	04/25/94	All licensed operators and all holders of OLs or CPs for nuclear power reactors, test, and research reactors.
94-04	Change of the NRC Operations Center Commercial Telephone & Facsimile Numbers	04/12/94	All NRC licensees.
94-03	Announcing an NRC Inspection Procedure on Licensee Self-Assessment Programs for NRC Area-of-Emphasis Inspections	03/17/94	All holders of OLs or CPs for nuclear power reactors.

OL = Operating License
 CP = Construction Permit

PILOT PROGRAM FOR NRC RECOGNITION OF GOOD PERFORMANCE
BY NUCLEAR POWER PLANTS

Purpose

To outline a program for recognizing good performance by nuclear power plants.

Summary

The staff has developed a program to identify and recognize those specific plants that have demonstrated good overall safety performance. This program relies on the existing systematic assessment of licensee performance (SALP) and senior management meeting (SMM) evaluation processes. The SALP process is one of the primary tools used by the NRC to evaluate licensee performance. Therefore, the criteria for identifying good performance are based mainly on SALP evaluations. Plants are considered for recognition of good performance if they achieve SALP Category 1 ratings in Operations, Maintenance, and Engineering and a SALP Category 1 or 2 rating in Plant Support. At the SMM, senior agency management will discuss those plants that have achieved the performance level defined by the SALP screening criteria and any other plants that the senior managers feel warrant consideration as good performers, to determine if the performance of these plants deserves formal recognition. A letter of recognition, signed by the Executive Director for Operations (EDO), will be sent to the licensee's corporate management for those plants specifically identified at the SMM as good performers.

In addition to being considered for formal recognition by the EDO, plants that have achieved the performance level defined by the SALP screening criteria may be recognized by the regional administrator in the SALP transmittal letter. The regional administrator, with the concurrence of the Director, Office of Nuclear Reactor Regulation (NRR), can extend the SALP cycle to a maximum of 24 months to recognize those plants that have achieved the performance level defined by the SALP screening criteria for two consecutive SALP evaluation cycles.

Background

By a memorandum of March 29, 1990, the Commission requested the staff to develop a pilot program for the consideration of the Commission that would provide positive reinforcement to licensees by recognizing outstanding safety performance in the industry. Responding to the Commission's request, the staff developed a proposed pilot program to identify and recognize good performance by power reactor licensees. The Commission approved this pilot program for trial implementation for a 30-month period. The staff revised the pilot program to incorporate additional elements recommended by the Commission, and senior agency managers discussed this proposed program at the January 1991 SMM. At that SMM, several changes to the implementation process

were recommended, and the implementation guidance was revised to incorporate those additional recommendations. Prior to the January 1994 SMM, several changes were made to the SALP screening criteria to reflect changes in the SALP program.

Program Implementation

The following is a description of a program to identify and recognize specific plants that have demonstrated good overall safety performance.

1. The first element of this program involves the use of screening criteria based on SALP evaluations to identify candidate plants for good performance recognition. Plants are considered for recognition of good performance if they achieve SALP Category 1 ratings in Operations, Maintenance, and Engineering and a SALP Category 1 or 2 rating in Plant Support.
2. In the SALP transmittal letter, the regional administrator may recognize a plant for achieving the performance level defined by the SALP screening criteria. In addition, the regional administrator, with the concurrence of the Director, NRR, can recognize those plants that have achieved the performance level defined by the SALP screening criteria for two consecutive SALP evaluation cycles, by extending the SALP cycle up to a maximum of 24 months in accordance with NRC Manual Chapter 0516 (Section 0516-034a).
3. The next element of this program involves the SMM process. Those plants that have achieved the performance level defined by the SALP screening criteria will be discussed at the subsequent SMM as candidates for good performance recognition. In addition, the Director of NRR, in conjunction with the respective regional administrator, may decide that, although a particular plant has not achieved the performance level defined by the SALP screening criteria, that plant should be discussed at the next SMM because of other good performance considerations.
4. At the SMM, each candidate plant for good performance recognition will be discussed to determine if, in the view of senior agency management, its performance warrants formal recognition. In conducting this assessment, the senior managers will use the enclosed evaluation factors as a guide. Based on their review and discussion, the senior managers will select good performers from among the candidate plants. The Commission has asked to be advised whenever the senior managers decide that a particular plant should be recognized for good performance although that plant does not satisfy the SALP screening criteria.
5. A formal letter of recognition, signed by the EDO, will be sent to the licensee's corporate management for those plants selected at the SMM for

good performance recognition. The letter of recognition will provide positive reinforcement to the licensee and emphasize that the plant has met exacting criteria for public recognition of good performance. At the same time, this letter will be carefully worded to avoid encouraging complacency. Letters of recognition will be prepared by the respective regional administrators, concurred in by the Director, NRR, and signed by the EDO. A sample letter of recognition for good overall safety performance is enclosed.

The EDO's office will ensure that the Commission has the opportunity to comment on sample recognition letters before they are sent to the licensees, although the Commission need not approve individual letters before they are issued.

Appendices:

- A. Evaluation factors for senior managers' review of licensees exhibiting good safety performance.
- B. Sample letter of recognition for good overall safety performance.

Appendix A

EVALUATION FACTORS FOR SENIOR MANAGERS' REVIEW OF PLANTS
EXHIBITING GOOD SAFETY PERFORMANCE

I. SALP Assessment

- a. SALP 1 ratings in Operations, Maintenance, and Engineering.
SALP 1 or 2 rating in Plant Support.
- b. A commitment to achieve excellence and address identified weaknesses has been demonstrated.

II. Self-Assessment and Problem Resolution

- a. Self-assessments of performance by quality assurance and safety oversight groups are timely and effective.
- b. Safety issues are routinely identified to the appropriate management level and corrected in a timely manner.
- c. Corrective actions are thorough and properly prioritized such that problems are effectively resolved.

III. Management Organization and Oversight

- a. Management is fully committed to achieving good overall safety performance.
- b. Management effectively oversees plant activities and is actively involved in operating the plant and resolving problems.
- c. Management provides strong direction and fosters a nuclear safety work ethic that is understood at all levels in the organization.

IV. Current Performance Level

- a. Performance indicators reflect good overall safety performance since the last SALP.
- b. The NRC has not taken any escalated enforcement actions resulting in a civil penalty for events that occurred during the past year.
- c. The NRC does not expect a civil penalty to result from the present consideration for escalated enforcement of any events that occurred during the past two years.

- d. A good level of safety performance has been maintained since the last SALP, as evidenced by a lack of significant operational problems and operator errors.
- e. Significant problems with the quality of and adherence to procedures have not been identified.

V. Additional Considerations

- a. A reduction of NRC inspection activity is not expected to contribute to complacency within plant management.
- b. The NRC is not conducting any significant inspections or investigations of allegations that, if substantiated, might adversely reflect on overall plant performance.
- c. The NRC does not expect plant performance to be adversely affected by anticipated changes to the rate-making basis for the licensee.
- d. The NRC does not consider there to be any management issues, such as corporate support or recent personnel changes, that might adversely affect plant performance.

Appendix B

SAMPLE LETTER OF RECOGNITION FOR GOOD OVERALL SAFETY PERFORMANCE

Dear

On (Date - month, day, year), NRC senior managers met to evaluate the nuclear safety performance of operating reactors, fuel facilities, and other materials licensees. The NRC conducts this meeting semiannually to determine if the safety performance of the various licensees exhibits sufficient weaknesses to warrant increased NRC attention. In addition, at this meeting, senior managers identify specific plants that have demonstrated a level of safety performance that deserves formal NRC recognition. At the (month, year) senior management meeting, (specific plant) was identified as having achieved a high level of safety performance and met criteria for recognition of its performance. (I am pleased to note that this is the (second, third, ...) time that (specific plant) has been identified as a good performer, and I consider this a noteworthy accomplishment.)*

In identifying such plants, senior managers perform an evaluation of performance in many areas including operational safety, self-assessment, problem resolution, and plant management organization and oversight.

NRC senior management recognizes that management involvement in all phases of plant operation, the dedicated and knowledgeable staff that supports plant activities, and the commitment to safety throughout the organization are necessary to achieve the level of performance demonstrated by (specific plant). We commend you and your staff for achieving a high level of safety performance. Your achievement is the result of dedicated efforts from your staff and is a positive example to the industry.

The greatest challenge that you now face is to maintain this level of performance and not to rest on past achievements. Continued management involvement and support, and dedicated efforts from your staff to identify and promptly correct problems, are necessary for you to continue to meet this difficult challenge.

Sincerely,

James M. Taylor
Executive Director
for Operations

* Insert this sentence if the subject plant was identified as a good performer at previous senior management meetings.

GOOD PERFORMER RECOGNITION
FROM JUNE 1991 THROUGH JUNE 1994

<u>Meeting Dates</u>	<u>Good Performers</u>
June 1991	Callaway Prairie Island 1 & 2 TMI-1
January 1992	Callaway Diablo Canyon 1 & 2 Prairie Island 1 & 2 Summer
June 1992	Callaway Diablo Canyon 1 & 2 St. Lucie 1 & 2 Summer Susquehanna 1 & 2
January 1993	Diablo Canyon 1 & 2 St. Lucie 1 & 2 Summer Susquehanna 1 & 2
June 1993	Diablo Canyon 1 & 2 Grand Gulf St. Lucie 1 & 2 Summer Susquehanna 1 & 2
January 1994	Byron 1 & 2 Callaway Diablo Canyon 1 & 2 Grand Gulf Monticello St. Lucie 1 & 2 Summer
June 1994	Byron 1 & 2 Callaway Diablo Canyon 1 & 2 Grand Gulf Harris Monticello Summer

of this voluntary collection of information, including suggestions for reducing this burden, to the Information and Records Management Branch (T-6F33), U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, and to the Desk Officer, Office of Information and Regulatory Affairs, NEOB-10202, (3150-011), Office of Management and Budget, Washington, D.C. 20503.

This administrative letter requires no specific action or written response. If you have any questions about this letter, please contact one of the contacts listed below.

Original signed by
 Brian K. Grimes

Brian K. Grimes, Director
 Division of Operating Reactor Support
 Office of Nuclear Reactor Regulation

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Loren R. Plisco, NRR
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*See Previous concurrence

OFFICE	RPB:ADM*	OGCB:DORS*	IRCB:PMAS*	IRCB:PMAS*
NAME	TechEd	AJKugler	MMarkley	LPlisco
DATE	09/01/94	09/01/94	09/01/94	09/01/94
OFFICE	C/IRCB:PMAS*	D/PMAS*	C/OGCB:DORS*	D/DORS
NAME	ATGody	FPGillespie	ELDoolittle	BKGrimes
DATE	09/01/94	09/01/94	09/01/94	09/7 /94

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NAME	TechEd	AJKugler <i>AJK</i>	MMarkley <i>mm</i>	<i>[Signature]</i> <i>(for)</i>
DATE	09/01/94	09/01/94	09/1/94	09/1/94
OFFICE	S/IRCB:PMAS	D/PMAS	C/OGCB:DORS	D/DORS
NAME	<i>[Signature]</i> RIGody	FPGillespie	ELDoolittle	BKGrimes
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