

NRC INSPECTION MANUAL

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MANUAL CHAPTER 0612

POWER REACTOR INSPECTION REPORTS

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POWER REACTOR INSPECTION REPORTS

0612-01 PURPOSE

To define the content and format for reports of power reactor inspections.

0612-02 OBJECTIVES

To ensure that inspection reports:

02.01 Clearly communicate significant inspection results in a consistent manner to licensees, NRC staff, and the public.

02.02 Document the basis for significance determination and enforcement action.

02.03 Provide inspection results as one input into the Operating Reactor Assessment Program (IMC 0305) of the Reactor Oversight Process (ROP).

0612-03 DEFINITIONS

The following terms are applicable for the purposes of documentation:

Apparent violation (AV): A potential noncompliance with a regulatory requirement, regardless of possible significance or severity level, that has not yet been formally dispositioned by the NRC.

Closed Item: A matter previously reported as a noncompliance, an inspection finding, a licensee event report, or an unresolved item, that the inspector concludes has been satisfactorily addressed based on information obtained during the current inspection.

Credible: A scenario offering reasonable grounds for being realistic (given a set of existing conditions postulating a scenario with no more than one "if").

Deficiency: (When applied to emergency preparedness) A demonstrated level of performance (e.g., in a drill) that would likely have adversely impacted effective implementation of the emergency plan in the event of an actual emergency. (See 10 CFR 50.54(s)(ii).)

Deviation: A licensee's failure to satisfy a written commitment, such as a commitment to conform to the provisions of applicable codes, standards, guides, or accepted industry practices when the commitment, code, standard, guide, or practice involved has not been made a requirement by the Commission.

Escalated Enforcement Action: A notice of violation or civil penalty for any Severity Level I, II, or III violation (or problem); a notice of violation associated with an inspection finding that the significance determination process characterizes as having low to moderate, or

greater safety significance(white, yellow or red finding); or any order based upon a violation.

Finding (FIN): An issue of concern that is related to a licensee performance deficiency. Findings may or may not be related to regulatory requirements and, therefore, may or may not be related to a violation.

Green Finding: A finding of very low safety significance.

Independent Item: An item used to track information that does not originate in or is typically not documented as a finding in an inspection report but may be referenced in an inspection report to assess plant performance such as an Office of Investigation harassment and intimidation case.

Inspector-Identified: For the purpose of this Manual Chapter, inspector-identified findings are those findings found by NRC inspectors that the licensee had not previously documented in a corrective action program; had not been identified by a licensee-sponsored program, evaluation, or audit designed to identify deficiencies; and would not reasonably have been otherwise identified in the licensee's normal processes or reviews. Inspector-identified findings also include previously documented licensee findings to which the inspector has added new value .

Integrated Inspection Reports: A reactor inspection report that combines inputs from several inspections (resident, regional, etc.) conducted within a specified period.

Issue: A well-defined observation or collection of observations that is of concern and may or may not result in a finding.

Licensee-Identified: For the purpose of the Manual Chapter, "licensee-identified" findings are those findings identified through a licensee program or process that are specifically intended to identify the problem. Some examples of licensee programs that likely result in such findings are post maintenance testing, surveillance testing, ASME Section XI testing, drills, critiques, event assessments, evaluations, or audits conducted by or for the licensee. Most green findings documented in the licensee's corrective action program are considered licensee-identified.

Minor Violation/Finding: A violation or finding that is less significant than a Severity Level IV violation or less significant than what the SDP characterizes as green and is of such low significance that documentation in an NRC inspection report is not normally warranted. Although minor violations must be corrected, they are not usually described in inspection reports.

Non-cited Violation (NCV): A method for dispositioning a Severity Level IV violation or a violation associated with a finding that is characterized as green (very low safety significance). Provided applicable criteria in the enforcement policy are met, such findings are documented as violations, but are not cited in notices of violation, which normally require written responses from licensees.

Noncompliance: A violation (regardless of whether it is cited or not), nonconformance, or deviation.

Nonconformance: A vendor's or certificate holder's failure to meet contract requirements related to NRC activities (e.g., 10 CFR Part 50, Appendix B, Part 71, or Part 72) where the NRC has not imposed requirements directly on the vendor or certificate holder.

Notice of Violation (NOV): A formal, written citation in accordance with 10 CFR 2.201 that sets forth one or more violations of a legally binding regulatory requirement.

Observation: A factual detail noted during an inspection. Observations are not generally documented in inspection reports but may be documented in conjunction with and to support a finding.

Performance Deficiency: An issue that is the result of a licensee not meeting a requirement or standard where the cause was reasonably within the licensee's ability to foresee and correct, and which should have been prevented. Issues related to cross-cutting areas are generally considered an underlying cause of a performance deficiency rather than an independent issue. Issues of problem identification and resolution, human performance, or establishment of a safety-conscious work environment, in and of themselves, do not provide the basis for a performance deficiency.

Potentially Generic Issue: An inspection finding that may have implications for other licensees, certificate holders, and vendors whose facilities or activities are of the same or similar manufacture or style.

Red Finding: A finding of high safety significance.

Self-Revealing: For the purpose of documentation in the ROP (versus enforcement), self-revealing findings are those findings that reveal themselves to either the NRC or licensee through a change in process, capability or functionality of equipment, operations, or programs during routine operation. For the purposes of determining significance and documenting in inspection reports, self-revealing findings are treated the same as inspector-identified findings.

Significance: The quality of being important. As used in this inspection manual chapter (IMC), significance involves the consideration of (1) actual safety consequences; (2) potential safety consequences, including the consideration of risk information; (3) potential for impacting the NRC's ability to perform its regulatory function; and (4) any willful aspects of the violation.

Significance Determination Process (SDP): The process used to characterize the importance of an inspection finding using the process described in IMC 0609.

Significant: Significance determined to be greater than green or a violation determined to be greater than Severity Level IV.

Substantive: Involving matters of major or practical importance; considerable in amount or numbers. In this inspection Manual Chapter, substantive information must be placed in context relative to the inspection scope and the potential or actual safety significance.

Unresolved Item (URI): An issue about which more information is required to determine if it is acceptable, if it is a finding, or if it constitutes a deviation or violation. Such a matter may require additional information from the licensee or cannot be resolved without additional guidance or clarification/interpretation of the existing guidance (e.g., performance indicator reporting guidance).

Violation (VIO): The failure to comply with a legally binding regulatory requirement, such as a statute, regulation, order, license condition, or technical specification.

Weakness: (Applies to emergency preparedness) A demonstrated level of performance (e.g., in a drill) that could have precluded effective implementation of the emergency plan in the event of an actual emergency.

Willfulness: An attitude toward noncompliance with requirements that ranges from careless disregard to a deliberate intent to violate or falsify.

White Finding: A finding of low to moderate safety significance.

Yellow Finding: A finding of substantial safety significance.

0612-04 RESPONSIBILITIES

04.01 General Responsibilities. Each inspection of a reactor facility shall be documented in a report consisting of a cover letter, a cover page, a summary of findings or summary of issues, and inspection details.

04.02 Inspectors

- a. All NRC power reactor inspectors are required to prepare inspection reports in accordance with the guidance provided in this manual chapter.
- a. Inspectors have the primary responsibility for ensuring that inspection findings are accurately reported, and that referenced material is correctly characterized.
- c. Inspectors are responsible for ensuring that the content of the inspection report does not conflict with the information presented at the exit meeting.

04.03 Branch Chiefs and Division Directors.

- a. A manager familiar with NRC requirements in the inspected area shall review each inspection report to ensure that the report follows the format given in this chapter.
- b. The management reviewer shall ensure that inspection findings are consistent with NRC policies and technical requirements and that enforcement-related findings are

addressed in accordance with the NRC Enforcement Policy and the NRC Enforcement Manual.

- b. The management reviewer shall ensure that significance determinations made in the inspection report are in accordance with IMC 0609.
- d. Regional managers shall establish internal procedures to provide a record of inspectors' and reviewers' concurrences. The procedures should address how to ensure continued inspector concurrence when substantive changes are made to the report as originally submitted, and how to treat disagreements that occur during the review process.
- e. The applicable division director or designated branch chief is responsible for the report content, tone, overall regulatory focus, and timeliness of regional inspection reports.
- f. The Director, Division of Reactor Projects (DRP), or the designated branch chief is responsible for issuing integrated reports in accordance with timeliness guidance.

04.04 Program Office. The program office is responsible for providing interpretations of the information contained in this manual chapter, for answering questions related to the guidance, and for providing guidance for situations not covered in this manual chapter.

0612-05 SCREENING INSPECTION RESULTS

The documentation process begins with the screening of inspection results to determine if an inspection issue must be documented in an inspection report. Use the process described in the following steps to screen inspection results.

05.01 Screen for Performance Deficiencies. Determine if a performance deficiency exists.

- a. Answer the performance deficiency questions in Appendix B section 1.
- b. If the answer to both of the performance deficiency questions is "No", then the issue is not a performance deficiency. However, if the issue is a violation, then review the information with your immediate supervisor and the regional enforcement coordinator to determine the appropriate action.
- c. If the answer to both questions is "Yes", then go to section 05.02 of this chapter.

05.02 Screen for Traditional Enforcement Action. Determine if a finding warrants enforcement action using severity levels and possible civil penalties. It is expected that only a small fraction of all identified findings will be traditional enforcement findings.

- a. Answer the enforcement questions listed in Appendix B section 2.

- b. If the answer to the enforcement questions is “Yes”, then the issue should be addressed by traditional enforcement. Discuss the issue with management. If the issue can be evaluated with an SDP, complete the evaluation of the finding and coordinate with the regional enforcement coordinator for assignment of severity level.
- c. If the answer to the enforcement questions is “No”, then go to section 05.03 of this chapter.

05.03 Screen for Minor Issues. Determine if the issue is minor.

- a. Review the list of sample minor findings listed in Appendix E.
- b. If the issue is similar to the samples, then the issue is minor and should not be documented. See exception in text box noted below.
- c. If the samples in Appendix E are not appropriate, then answer the minor questions in Appendix B section 3. Remember that a greater than minor finding must be associated with an ROP cornerstone attribute and must affect a cornerstone objective. In all cases, minor findings should have no actual safety consequences, little or no potential to impact safety, no impact on the regulatory process, and no willfulness.
- d. If the answer to all of the minor questions is “No”, then do not document the finding. See exception in text box noted below.

EXCEPTION: A minor violation can be documented when it is necessary to close a licensee event report or when the information related directly to an issue of agency-wide concern (e.g., in documenting the results of a temporary instruction.) If it is necessary to document a minor violation, then it is done in accordance with the guidance contained in the Enforcement Manual.

- e. If the answer to any of the minor questions is “Yes”, then go to section 05.04 of this chapter.

05.04 Screen for Significance. Determine the significance of the greater than minor finding.

- a. Review the questions contained in Appendix B section 4 to determine if the issue can be evaluated with a Significance Determination Process.
- b. If the questions indicate that use of an SDP is appropriate, then go to the appropriate section of IMC-0609, process the finding through the SDP, determine the color of the finding, and document the finding in the appropriate section of the report.

- c. If a finding is greater than minor and warrants documentation, but cannot be evaluated by an SDP and does not fit traditional enforcement, then submit the finding for review by the regional branch chief to ensure that it is of very low safety significance (green). If management review determines that the finding has the potential to be greater than green in significance, then disposition of the issue must be coordinated with the regional enforcement coordinator.

0612-06 WRITING INSPECTION DETAILS FOR NRC-IDENTIFIED FINDINGS AND VIOLATIONS

After each inspection issue has been screened and the determination has been made about what must be included in an inspection report, the details supporting each finding must be documented. The Details section of routine and integrated NRC inspection reports must conform to the standard format described in this section.

In those cases where a standard format is not readily applied, the most important subject should be identified first, followed by a discussion of major topics identified in descending order of significance.

Exceptions to the standard format include:

- major team inspection reports,
- augmented inspection team (AIT),
- special inspection reports, and
- other cases where the specifically directed focus of the inspection does not easily fit into the standardized report outline.

Additional guidance:

- Supplemental inspection results must also reflect the additional guidance provided in Appendix C.
- Inspection Procedure (IP) 71152, "Problem Identification and Resolution" results must also reflect the guidance provided in Appendix D.
- Escalated enforcement actions must reflect the guidance found in the Enforcement Manual, Appendix B, "Standard Formats for Enforcement Packages."

06.01 Inspectable Area. Identify the inspectable area in which the finding was found. See Exhibit 1 for the list of inspectable areas.

- a. Violations of requirements that involve willfulness, actual consequences, or are potentially the result of impeding the regulatory process, are documented in accordance with the Enforcement Manual and are reported under the inspectable area in which the violation was discovered.
- b. If a violation is not a performance deficiency, and does not involve willfulness, actual consequences, or impeding the regulatory process, then it is documented in accordance with the Enforcement Manual and is reported in Section 4OA5.

- c. If a violation is unrelated to a specific inspectable area, then document the finding in Section 4OA5.
- d. Individual licensee-identified findings found during drill critiques or other evaluations that may be of some value as a potential future PI&R inspection sample, may be listed as a cross-reference in Section 4OA2 to findings already documented elsewhere. These findings must be greater than minor.
- e. Repetitive occurrences of the same findings should be documented as an inspector-identified PI&R finding in Section 4OA2.
- f. Document old design findings that meet IMC 0612 Appendix B documentation screening criteria under the applicable inspectable area.

06.02 Inspection Scope. Describe the inspection scope. Do not repeat any portion of the Scope in the Findings section. The scope should include the following:

- a. Identify how the inspection was conducted (i.e., the methods of inspection. Methods can include a walkdown, an in-office review, observation of test from the control room, discussion with specific personnel, or participation in an exercise.
- b. Identify what was inspected. If more than six condition reports, procedures, or documents were reviewed, then list the items in an attachment and reference the attachment in the Scope section.
- c. Identify the inspection objectives and the criteria to determine whether the licensee is in compliance.
- d. If there were findings identified, state approximately when the inspection activity was performed which identified the finding. If there are no findings, the dates of the inspection report are sufficient.
- e. If the inspection activities were conducted at a location other than the plant, (e.g., an in-office review), then identify where the inspection took place.

06.03 Findings. The Findings section of the report is used to document the following three things:

- findings and violations known to be green or greater than green and minor violations that require documentation
- enforcement actions resulting from violations
- unresolved items for which the significance has or has not been evaluated by the SDP.

If no findings or only minor findings that do not require documentation were identified within an inspectable area, then state “No findings of significance were identified” in the Findings section of the report.

If there are findings other than minor findings, present the findings within each report section in order of importance. Provide an introduction, a description, an analysis, and a discussion of the enforcement related to each of the findings.

- a. Introduction. Begin with one or two sentences that provide the overall “bottom line” results of the inspection in the area. This section does not need to stand alone because the description that follows will provide the supporting details.

The introduction must include a brief summary of the risk characterization (i.e., color or significance) and/or applicable enforcement or severity level.

- b. Description. Describe the finding. The level of detail in the description should reflect the actual or potential safety consequence associated with a finding. Potentially significant findings merit more discussion. Uncomplicated green findings should be succinctly described in less than one page. Complex green findings should be described in not more than two pages. More significant findings may need more documentation because of their complexity and significance.

If a finding is likely to have generic concerns, then include details such as the manufacturer's name and model number for components, specifications, and other names and technical data that identify the item of concern.

- c. Analysis. Describe the logic used to determine the significance (color) of the finding. However, do not provide every detail of the basis for each assumption. The level of detail must allow a knowledgeable reader to reconstruct the decision logic used to arrive at the final conclusion. Describe why the finding is, or is not, important. Include a description of any positive licensee performance that mitigated a potential problem and influenced the significance of the finding.

The following is specific guidance on what to include in the Analysis section.

(1) Risk-Informed SDP Results - (Results from IMC 0609 Appendices A, F, G and H)

- (a) If SDP phase one screening assesses the finding as very low significance (green), the analysis should identify:
 - the affected cornerstone,
 - the set of conditions which make the finding greater than minor (e.g., the associated cornerstone attribute and how the objective was affected),
 - the assumptions used in the determination, and
 - the phase 1 question which was satisfied that caused the finding to be assessed as green (e.g., “The loss of function did not exceed the allowed out of service time”).
- (b) If the SDP phase one screening results in phase 2 or 3 evaluation, the analysis should identify:
 - the affected cornerstone(s),
 - the set of conditions which make the finding greater than minor,

- the assumptions used in the determination,
- the phase 1 criteria which was satisfied that caused the finding to be assessed as green or above, and
- the most dominant core damage sequences, including the remaining mitigation capability that limited the significance.

- (c) For findings that are greater than green, the analysis should use the risk characterization as determined by the Significance Determination Enforcement Review Panel (SERP) as its basis and should identify:
- the exposure time
 - recovery credit, and
 - all sequences greater than green.

- (d) If multiple independent and concurrent findings have added significance on the basis of risk, then that perspective should be explained. For example, if two components with separate but concurrent reliability problems are related by a dominant core damage event sequence, the treatment of the SDP for each finding in accordance with IMC 0609 guidance should be explained.

(2) Non-Risk-Informed SDP Results - Results from IMC 0609 Appendices B, C, D, E, and I

The analysis should identify:

- the affected cornerstone,
- the set of conditions which make the finding greater than minor (e.g., the associated cornerstone attribute and how the objective was affected),
- the SDP used in the determination,
- any assumptions used in the determination,
- the table or flowchart used, and
- a description of the path on the flow chart used to arrive at the conclusion.

EXAMPLE: "Using the Public Radiation Safety SDP, the finding involved radiation material control but transportation was not involved. Public exposure was not greater than .005rem and there were not more than 5 occurrences. Therefore, the finding is green."

- (3) Non-SDP Findings. If a finding is greater than minor and not suited for SDP analysis, and a regional management review has determined that it is green, then the analysis section must describe the basis for the green significance. The analysis section should identify:
- the conditions which make the finding greater than minor and
 - the set of conditions which would have been needed to make the finding greater than very low safety significance, or an explanation of why the finding is not greater than very low significance.

If management review has determined that the finding is potentially greater than green, then the finding must be reviewed further and regional enforcement coordinator should be informed. The analysis section should be used to document the circumstances that require further evaluation.

- (4) Findings Related to Cross-Cutting Areas. The cross-cutting aspect of a finding is not considered a separate cross-cutting finding but rather is documented as a contributing cause of the finding, as appropriate. If a finding is evaluated as being more than minor and if the cause of the finding is related to Problem Identification and Resolution, Human Performance, or Establishment of a Safety-conscious Work Environment, then describe the cross-cutting aspect of the finding in the analysis paragraph. Specifically state the relationship between the cross-cutting area and the cause or sub-causes of the finding.

Findings with cross cutting aspects must also be briefly referenced in Section 4OA2.

- d. Enforcement. Findings found or reviewed during inspections that also include potential violations of regulatory requirements are documented in accordance with the NRC Enforcement Policy (NUREG-1600) and in Section 3.12 of the NRC Enforcement Manual. The enforcement discussion and subsequent enforcement action must be consistent with the significance determination.

Do not speculate or reach conclusions about the intent behind a violation. Conclusions about the willfulness of a violation are agency decisions, and are normally not made until after the Office of Investigations (OI) has completed an investigation. A premature or inaccurate discussion of the willfulness of an apparent violation in the inspection report could result in later conflicts based on additional input and review. Inspection reports that include potentially willful violations must be coordinated with OI and the Office of Enforcement (OE).

- (1) If there is no violation associated with a finding, the enforcement section of the report should include the following statement: "No violation of regulatory requirements occurred. "
- (2) If a finding involves a violation, but the finding is not suitable for evaluation using the SDP, and management review has confirmed a very low safety significance, then the enforcement section should include the following statement: "The finding is not suitable for SDP evaluation, but has been reviewed by NRC management and is determined to be a green finding of very low safety significance."

If the management review has determined that additional evaluation is needed to identify the safety significance, then the enforcement section of the report should state: "The finding is not suitable for SDP evaluation, but is being reviewed by NRC management and coordinated with the Office of Enforcement to identify the significance and appropriate disposition."

- (3) If a finding is potentially greater than green, the enforcement section must clearly state that the finding does not present an immediate safety concern.
- (4) If a violation is associated with a finding of very low safety significance (green) and meets the criteria in Section VI.A.1 of the Enforcement Policy (i.e., 1) identified by the NRC, 2) the information was subsequently incorporated into the licensee's corrective action program, and 3) did not involve willfulness), and guidance in Section 4.2.1 in the Enforcement Manual, then the violation may be dispositioned as a Non-Cited Violation (NCV). Document it in accordance with the guidance given in Sections 3.12.2 and 4.3.2 of the Enforcement Manual.
- (5) If a violation is categorized at Severity Level IV and meets the criteria in Section VI.A.1 of the Enforcement Policy, and guidance in Section 4.2.1 in the Enforcement Manual, then the violation may be dispositioned as a Non-Cited Violation (NCV). Document it in accordance with the guidance given in Sections 3.12.2 and 4.3.2 of the Enforcement Manual.
- (6) Issue a Notice of Violation (NOV) if a Severity Level IV violation or violation associated with a green finding meets any one of the applicable criteria in Section VI.A.1 of the Enforcement Policy.
- (7) The enforcement section for any described violation, including minor violations that warrant documentation must include sufficient information to support the conclusion that the finding is more than minor and is a violation of regulatory requirements. At a minimum the enforcement section should state:
- what requirement was violated
 - how the violation occurred
 - when the violation occurred and how long it existed
 - when the violation was identified
 - any actual or potential safety consequence
 - the root cause or apparent root cause at the time of report writing (if identified)
 - all information required to complete the SDP (this requirement does not apply to minor violations that warrant documentation)
 - what corrective actions have been taken or planned (For licensees with adequate corrective action programs, it is acceptable to only verify that the licensee has entered the finding in its corrective action program for findings that are of very low safety significance (green))
- (8) Apparent violations that are associated with findings that are either (1) preliminarily determined to have more than very low safety significance (i.e., white, yellow, or red), or (2) greater than Severity Level IV in Traditional Enforcement, should also include the following in the enforcement section if available at the time of documentation:
- The significance attributed to the finding by the licensee. If the significance is different than that determined by the NRC, then describe the assumptions used by the licensee, and identify what the

licensee considered applicable to its determination that the NRC did not.

- The licensee's position on the NRC's determination that a requirement has been violated.
- If appropriate, the section should also identify the licensee compensatory measures that are in place while the licensee's implementing its long-term corrective measures.

- (9) If a finding is initially categorized as having a potential safety significance of greater than very low safety significance (green) but the significance has not yet been determined, then the significance of the finding is reported as "To Be Determined (TBD)." If a violation, including violations involving Traditional Enforcement, appears to be associated with the finding, it should be documented as an "apparent violation." Emphasize that the safety characterization is preliminary and not yet finalized.

CAUTION:

- Do not make direct statements regarding safety significance in the inspection report when the agency has not yet reached a conclusion. Conclusions about the significance of findings that are greater than green and associated violations are agency decisions and are normally not made when the report is issued. A premature or inaccurate discussion of the finding and an apparent violation in the inspection report could become inaccurate as a result of subsequent input and review.

06.04 Tracking. All findings, violations, non-cited violations, apparent violations, and unresolved items must be assigned a sequential tracking number. See IMC 0306, "Information Technology Support for the Reactor Oversight Process," for guidance.

- a. When an inspection involves multiple violations (or multiple examples of a single violation), there must be a one-to-one correlation between the number of item entries in the Reactor Program System (RPS) and the number of "contrary to" statements in the accompanying notice of violation.
- b. The close-out description of a violation should be brief if the licensee's response to the notice of violation already has given an accurate description of the root cause, corrective actions taken, and other aspects of the condition causing the violation, and the inspector identifies no other instances of the violation.
- c. NCVs will normally be opened and closed in the initiating inspection report.
- d. Enforcement Action (EA) numbers are assigned to SDP issues that are addressed in SDP/enforcement panels, whether or not the case results in enforcement action. EA numbers are assigned to potential escalated enforcement actions. EA numbers are also assigned to other specific cases as addressed in Section 3.10.1 of the Enforcement Manual.

0612-07 DOCUMENTING PERFORMANCE INDICATOR VERIFICATION RESULTS

07.01 Scope. When writing the scope section, include the time period in which the PIs were verified. Data reported prior to January 2000 is considered historical and should not be reviewed unless necessary to verify the PI value. Include the criteria used to verify the PIs. List the PIs verified and the associated cornerstones. When three or more PIs are being verified and there are findings to report, list the scope and findings separately.

07.02 Findings. When writing the findings section, include only those occurrences that could potentially cause a PI to cross a threshold. Document findings that could potentially cause a PI to cross a threshold as an unresolved item (i.e., "The resolution of this item is pending a response from Headquarters.") An item number must be identified for tracking.

Document issues related to inaccurate reporting of PI data. Briefly describe the circumstances surrounding the finding in the write-up. If the case involves an interpretation of the reporting guidance, the region should submit a feedback form capturing their concerns and perspectives to the NRR Inspection Program Branch, (IIPB). Upon resolution of all interpretation issues and frequently asked questions (FAQs), the issue should be closed out in accordance with the closure guidance described in IMC 0608, "Performance Indicator Program."

Inaccurate and incomplete PI data violations should be dispositioned in accordance with the guidance in Supplement VII of the Enforcement Policy and Section 7.8 of the Enforcement Manual.

Due to difficulties encountered with the SSU PI, T/2 fault exposure hours in which the time of failure is not known have been excluded from the indicator calculation. The licensee should document fault exposure hours accumulated in the comment field of the PI Performance Summaries displayed for the individual facilities at the following web address: <http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/index.html> in accordance with NEI 99-02. Further information on verifying the accuracy of this PI in the area of T/2 fault exposure hours is contained in IP 71151, Section 3.01.

0612-08 DOCUMENTING UNRESOLVED ITEMS

08.01 Tracking. Unresolved items are identified for tracking in accordance with the guidance in IMC 0306. The action of documenting an unresolved item is a commitment of future resources, and should only be used when some specific licensee action is pending, or when needed information is not available at the time of the inspection.

A potential noncompliance should not be identified as unresolved if it likely results in a minor issue. If additional information may reveal the finding to be a matter of noncompliance, initiate an unresolved item. For an unresolved item, the report must identify the actions or additional inspection effort needed to resolve the issue.

08.02 Follow-up and Closure. The level of detail devoted to closing unresolved items depends on the nature and significance of the additional information identified. The closure of an unresolved item must summarize the topic, summarize the inspector's follow-

up actions, evaluate the adequacy of any licensee actions, determine if a violation has occurred, and provide enough detail to justify closing the item. If multiple unresolved items exist, a summary of the items may be included at the end of the report.

0612-09 DOCUMENTING LERs AND LICENSEE-IDENTIFIED DEFICIENCIES

NRC policy requires that all instances of noncompliance that are documented, be dispositioned in accordance with the Enforcement Policy, regardless of who identified them. However, licensee-identified deficiencies which are of very low significance and incorporated into the licensee corrective action program should have minimal documentation. See Section 0612-03 for definitions of licensee-identified deficiency and self-revealing deficiency.

09.01 Events and Licensee Event Reports (LER). All LERs must be at least screened by an inspector and closed in an inspection report. LERs are initially screened using an in-office review and can be closed based upon the inspector's engineering judgment. However, nothing in this section precludes the NRC from initiating a greater-the-green finding for issues identified in LERs, regardless of who identified the issue, and independent of whether the LER has been reviewed and closed in an inspection report.

Follow-up inspection may be conducted at a facility whenever an LER involves complex events, is immediately recognized as greater than very low safety significance, causes a performance indicator to exceed a threshold, or as directed by IMC 2515, "Light-Water Reactor Inspection Program," IP 71153, "Event Follow-up", and IP 71111.14, "Personnel Performance During Non-Routine Plant Evolutions."

Document Events and LERs, including revisions to LERs, in the inspection report under Section 4OA3, "Event Follow-up." If inspection in another cornerstone area provides a description of an event, or an event for which an LER is issued (i.e., personnel performance during non-routine evolutions), then that section of the report should be referenced under Section 4OA3 with a very brief description.

In general, LER reviews should have a brief event description, reference the docketed LER, and require little discussion other than the significance evaluation and reference to the licensee's corrective action program (CAP) system tracking number for the finding.

- a. LERs without violations. If no violation occurred then include a statement "This event did not constitute a violation of NRC requirements." as the last statement of the section.
 - (1) LERs without Findings. State that the LER was reviewed and that no findings were identified.
 - (2) LERs with Minor Findings. When closing LERs involving minor findings, state that the LER was reviewed and no findings of significance were identified, and note that the finding is captured in the licensee's corrective action program. If an LER review is already documented in a separate NRC correspondence, then close with a brief statement in an inspection report.

- (3) LERs with Greater than Minor Findings. If an LER involves more than a minor finding, including green findings (very low safety significance) which the licensee identified and entered into their corrective action program, then treat the finding as an NRC identified finding and include the following in the inspection report:

- safety significance of the event
- the corrective actions (referencing the licensee's CAP tracking number)
- the licensee's determination of the apparent cause
- a summary of the inspection follow-up actions
- any required enforcement actions.

If any other inspection was conducted which provided information regarding this event, the inspection report number should be referenced.

- b. LERs with Violations. An LER may describe an issue that appears to be a violation, but does not clearly state that a violation of requirements existed. If the issue readily appears to be of no more than very low safety significance, then, based on the NRC regulations and the content of the LER, determine if a noncompliance occurred. This determination should be made without gathering additional details

- (1) LERs with Minor Violations. If the issue is a minor violation, then do not document the violation but close the LER with a brief statement.

- (2) LERs with Greater than Minor Violations. If the LER states that a violation occurred, or if it is obvious that a violation is involved (e.g., "failure to follow procedures," in the title or body of the LER), then the violation must be identified clearly in the report as a cited violation or non-cited violation as appropriate, or warranting enforcement discretion if no performance deficiency occurred. Violations should be documented in accordance with the enforcement guidance and should include the licensee's corrective action program tracking number.

09.02 Licensee-Identified Deficiency.

- a. If a licensee-identified deficiency is a violation, is of very low safety significance, and the licensee has correctly evaluated the finding and has developed appropriate corrective actions, then briefly describe the violation in Section O4A7. Include the list of requirement(s) violated, describe how it was violated, identify the licensee's corrective action tracking number(s), and provide a very brief justification why the violation is not greater than green. A complete reconstruction of the SDP logic is not required. However, Section 4OA7 must include the following introductory paragraph:

"The following violations of very low safety significance (green) were identified by the licensee and are violations of NRC requirements which meet the criteria of Section VI of the NRC Enforcement Policy, NUREG-1600, for being dispositioned as a Non-Cited Violation."

- b. If a licensee-identified deficiency is a violation, and if the finding appears to be of greater significance than the licensee's characterization, or if it has more than a very low significance, then the deficiency must be analyzed using the SDP, treated as an NRC-identified finding, and documented and dispositioned in accordance with the guidance in the Enforcement Policy and Enforcement Manual.
- c. If a problem exists with the licensee's evaluation or corrective actions associated with the licensee-identified finding and if further documentation can add value, then discuss the finding under the applicable cornerstone section of the report, regardless of who identified it. Documentation should clearly emphasize that the licensee-identified the finding but failed to recognize the deficiency or its relationship to the problem identified by the inspector. If the additional information provided by the inspector is associated with PI&R, then reference the cornerstone under Section 4OA2.

0612-10 OTHER GUIDANCE

10.01 Treatment of Third Party Reviews. Detailed NRC reviews of Institute of Nuclear Power Operations (INPO) evaluations, accreditation reports, findings, recommendations, and corrective actions, or other third party reviews with similar information are not referenced in NRC inspection reports, tracking tools, or other agency documents unless the issue is of such safety significance that no other reasonable alternative is acceptable. INPO findings, recommendations and associated licensee corrective actions are not normally tracked by the NRC. If a finding warrants tracking, it should be independently evaluated, documented, and tracked as an NRC finding under 4OA5.

Include a short statement in the inspection report to document that a review of a specified INPO evaluation or accreditation report was completed. Do not include a recounting or listing of INPO findings or reference a final INPO rating when documenting an INPO evaluation or accreditation report review. Discuss the specifics of any significant differences between NRC and INPO perceptions with regional management.

0612-11 COMPILING AN INSPECTION REPORT

11.01 Report Organization. Arrange the Report Details in accordance with the standard report outline shown in Exhibit 1. Each outline topic does not have to be covered in each report. When an inspection is performed in a particular area, the resulting details are placed in the corresponding section of the report.

11.02 Plant Status. If appropriate, write a Summary of Plant Status section. If used, briefly describe pertinent operational events, such as any plant shutdowns or significant changes in power. This summary is not needed for specialist inspections since plant operating status may not be relevant to a safeguards or emergency preparedness inspection.

11.03 Summary of Findings. The summary should be an informative but concise overview of the significant inspection findings contained in the details of the report. It will also be used for entries to the Agencywide Documents Access and Management System (ADAMS) and the RPS Plant Issues Matrix (PIM).

- a. ADAMS Template. The first paragraph of the summary of findings is used as a report summary in the title value field of ADAMS template NRC-002. This information must be a concise, single paragraph because the field in the ADAMS template is limited to 256 characters.

The paragraph must include the following, **in order**:

- the inspection report number (See Exhibit 3 for format)
- the dates of the inspection
- the name of the site
- the titles of only the inspection procedures or attachments in which findings were identified (e.g, equipment alignment, fire protection, operability evaluations).

If no findings were identified, the general inspection area should be listed (e.g, radiation specialist report, or resident inspector report, or environmental report).

For non-routine inspections, the same format should be followed to identify the report number, and unit names, and dates of inspection. These are followed by the title of the inspection and a list of findings. (See Appendix D for examples.)

- b. Summary Paragraph. The summary paragraph follows the ADAMS template paragraph and describes who conducted the inspection (i.e., resident or specialist inspectors), the number of findings and violations.

The summary also includes an explanation that the significance of most findings is indicated by their color (greater than green, or green, white, yellow, red); that the significance was determined using IMC 0609, "Significance Determination Process" (SDP); and that findings for which the SDP does not apply may be "green" or be assigned a severity level after NRC management review. **This explanation is not included if no findings were identified.**

- c. List of findings. Compile a list of findings by reviewing the details developed for each report section. Write a summary for each issue that is designated a finding (FIN), violation (VIO), apparent violation (AV), or non-cited violation (NCV). Highlight the cross cutting aspects of a finding, as appropriate.

Do not document the following in the summary of findings: licensee-identified deficiencies resulting in NCVs, green findings associated with LERs, and inspector identified unresolved items that could result in an acceptable conclusion.

- (1) Begin the summary for each finding with the significance color. Use TBD for those findings where the significance and/or severity level has not yet been determined and for findings with a preliminary color greater than green. Then, describe the finding, briefly describe any enforcement action, and

either cite violations of specific requirements, where applicable, or describe the results of the safety evaluation of the finding. Include a brief description of the corrective actions completed or planned by the licensee.

If the finding was not analyzed by the SDP, the second paragraph should describe why the finding is considered to have significance. The text of the summaries must be consistent with the corresponding details in the inspection report. Each summary must end with a reference to the section of the report in which the finding is discussed.

- (2) Group the findings summaries by cornerstones in the order specified in Exhibit 1.
- (3) If a licensee-identified deficiency resulted in a violation include the following boilerplate paragraph as the last paragraph of the summary of findings:

“Violations of very low safety significance, which were identified by the licensee have been reviewed by the inspectors. Corrective actions taken or planned by the licensee have been entered into the licensee’s corrective action program. These violations and corrective action tracking numbers are listed in Section 4OA7 of this report.”

11.04 Cover Page. Compile the cover page. The report cover page gives a succinct summary of information about the inspection. It contains: the docket number(s), license number(s), report number, licensee name, facility name, facility address, dates of the inspection, names and titles of participating inspectors, and name and title of the approving NRC manager. See Exhibit 3 for format.

The inspection report number is to be identified in the following form as required by IMC 0306:

Docket No./Year [sequential number of the report in that year]
(e.g., 05000410/2003001)

11.05 Table of Contents. If a report is considered complicated or of significant length, then develop a table of contents. If the Report Details section to the exit interview section is more than 20 pages long, a table of contents should be included.

11.06 Exit Meeting Summary. Write a brief summary of the exit meeting. This information will also be described in the first paragraph of the cover letter. The summary must identify the most senior licensee manager who attended the meeting and must include the following information:

- a. **Absence of Proprietary Information.** At the exit meeting, the inspectors verified whether the licensee considers any materials provided to or reviewed by the inspectors to be proprietary. If the licensee did not identify any material as proprietary, include a sentence to that effect the exit meeting summary. See IMC 0611 on actions to take if the report includes proprietary material.

NOTE: When an inspection is likely to involve proprietary information (i.e., given the technical area or other considerations of inspection scope), handling of proprietary information should be discussed at the entrance meeting.

- b. Subsequent Contacts or Changes in NRC Position. Briefly discuss any contact with the licensee management after the exit meeting to discuss new information relevant to an inspection finding. In addition, if the NRC's position on an inspection finding changes after the exit meeting, discuss that change with the licensee before the report is issued.

CAUTIONS:

- Characterization of Licensee Response. Do not characterize a licensee's exit meeting response. If the licensee disagrees with an inspection finding, this position may be characterized by the licensee in their formal response to the inspection report, if applicable.
- Oral Statements and Regulatory Commitments. Do not attempt to characterize or interpret any oral statements the licensee makes, at the exit meeting or at any other time during the inspection, as a commitment. Licensee commitments are documented by licensee correspondence, after which they may be referenced in the inspection report. Oral statements made or endorsed by a member of licensee management authorized to make commitments are not regulatory commitments unless they are documented as such by the licensee. For further guidance on licensee commitments, see ADAMS Accession Nos. ML003680088 (NEI 99-04), ML003680078 (NEI Cover Letter), and ML003679799 (SECY 00-045 endorsing NEI 99-04 guidance).

Because regulatory commitments are a sensitive area, ensure that any reporting of licensee statements are paraphrased accurately, and contain appropriate reference to the licensee's document.

11.07 Report Attachments. The attachments discussed below are included at the end of the inspection report if applicable to the inspection. The attachments may be combined into a single attachment entitled "Supplementary Information."

- a. Key Points of Contact. List, by name and title, those individuals who furnished relevant information or were key points of contact during the inspection (except in cases where there is a need to protect the identity of an individual). The list should not be exhaustive but should identify those individuals who provided information related to developing and understanding findings. The alphabetized list includes the most senior licensee manager present at the exit meeting and NRC technical personnel who were involved in the inspection if they are not listed as inspectors on the cover page.
- b. List of Items Opened, Closed, and Discussed (Optional). The report may include a quick-reference list of items opened and closed, including the item type, the tracking number for the item, and a brief phrase matching the title used in PIM headers describing the item. Open items that were discussed (but not closed)

should also be included in this list, along with a reference to the sections in the report in which the items are discussed.

- c. List of Documents Reviewed. A list of the documents and records reviewed during an inspection must be publicly available. Therefore, include a listing of all the documents and records reviewed during the inspection that are not identified in the body of the report. (See IMC 0620, "Inspection Documents and Records".) "Reviewed" in this context means to examine critically or deliberately. The list does not include records that were only superficially reviewed. Lists consisting of more than six condition reports, documents reviewed or procedures, etc., should be removed from the body of the report and included as an attachment.
- d. List of Acronyms. Include a list of acronyms for any report whose Details section exceeds 20 pages. For reports in which a relatively small number of acronyms have been used, the list is optional. In all cases, however, acronyms should be spelled out when first used in inspection report text.

11.08 Cover Letter. Write a cover letter to transmit the overall inspection results and convey the inspection findings to the licensee. Inspection reports are sent from the applicable NRC official (branch chief, division director, or regional administrator) to the designated licensee executive. See the inspection report documentation matrix in Exhibit 2 for what should and should not be documented in the inspection report cover letter. A sample inspection report cover letter can be found in Exhibit 4.

Guidance and cover letter formats for transmitting enforcement actions vary. Guidance and sample cover letters for enforcement-related correspondence are found in the Enforcement Manual, Appendix B, "Standard Formats for Enforcement Packages."

Cover letter content varies somewhat depending on whether the inspection identified findings. In general, however, every cover letter has the same basic structure, as follows:

- a. Date. The NRC seal and address is at the top of the first page and is followed by the date on which the report cover letter is signed and the report issued.
- b. Enforcement Action. If the report contains findings assigned an enforcement action (EA) number, then the EA number should be placed in the upper left-hand corner above the principal addressee's name.
- c. Addressee. The name and title of the principal addressee are placed at least four lines below the letterhead, followed by the licensee's name and address.
- d. Subject Line. The subject line of the letter should state the plant name and inspection subject (e.g., "XXXXX Generating Station- NRC Integrated Inspection Report") followed by the report number. The information presented in the subject line must be in the following sequence: plant name, type of inspection, report number. Use the official plant name and docket number as described in Section 11.04.

The words "NOTICE OF VIOLATION" ("EXERCISE OF ENFORCEMENT DISCRETION" or "NOTICE OF DEVIATION," etc.) must be included if an enforcement action accompanies the inspection report.

- e. Salutation. Ensure that the salutation follows the subject line.
- f. Introductory Paragraphs. The first two paragraphs of the cover letter should give a brief introduction, including the type of report (i.e., license renewal report, integrated inspection report, etc.).
- g. Body. The body of the letter should discuss the most important topics first. The following identifies how different types of findings should be reflected in the cover letter to an inspection report.

IF:	THEN:
If there are no findings identified	Insert a separate paragraph stating: "On the basis of the results of this inspection, no findings of significance were identified."
If green findings are identified	State the number but do not elaborate. Include the following statement: "There were [the number] findings of very low safety significance (green) identified in the report."
If Severity Level IV violations or violations associated with green findings are being dispositioned as NCVs or in NOV's	Document in accordance with the guidance in Appendix B, Form 2 of the Enforcement Manual
If a finding has the <u>potential</u> to be greater than green in significance	The cover letter should clearly state why the finding does not present an immediate safety concern, and (if appropriate) that licensee compensatory measures are in place while licensee long-term corrective measures are being implemented.
If a finding appears to be greater than green and if an apparent violation is involved for which a Notice of Violation is being considered	Briefly discuss in the order of significance if more than one finding. The appropriate wording for the findings that are also violations of requirements can be found in the Enforcement Manual.
If a violation appears to be greater than Severity Level IV	Discuss in accordance with the guidance in the Enforcement Manual.

IF:	THEN:
If there are cross-cutting elements related to findings of white or greater significance	Briefly mention in the cover letter within the discussion of the cause of the finding
If a violation was identified but was not associated with a performance deficiency	Insert the following paragraph: "Although this issue constitutes a violation of NRC requirements, we have concluded that (insert name of licensee)'s actions did not contribute to the degraded condition and, thus, no performance deficiency was identified. Based on these facts, I have been authorized, after consultation with the, Director, Office of Enforcement, to exercise enforcement discretion in accordance with Section VII.B.6 of the Enforcement Policy and refrain from issuing enforcement action for the violation. An evaluation was performed and we have determined that this was an issue of very low safety significance (or, alternatively, definition for the corresponding color). (State here if any other known agency action has been or will be taken, e.g., forward to a technical branch, evaluation by the Generic Safety Issue program, consideration of generic communication, Task Interface Agreement, etc.)"

- h. Closing. The final paragraph consists of standard legal language that varies depending on whether enforcement action is involved. See the example cover letter in Exhibit 4.

The signature of the appropriate NRC official is followed by the docket number(s), license number(s), enclosures, and distribution list.

0612-12 ISSUING INSPECTION REPORTS

12.01 Report Timeliness

- a. Inspection reports should be issued no later than 45 calendar days after inspection completion (30 calendar days for reactive inspections).

NOTE: For inspections not conducted by a resident inspector, inspection completion is normally defined as the day of the exit meeting. For resident inspector and integrated inspection

reports, inspection completion is normally defined as the last day covered by the inspection report.

- b. Timeliness goals should be accelerated for inspection reports covering potential escalated enforcement actions.
- c. Whenever an inspection reveals findings of significance (i.e., white or higher) or other significant or immediate public health and safety concern, an expedited inspection report that is limited in scope to the specific findings should be considered.

12.02 Release and Disclosure of Inspection Reports

- a. General Public Disclosure and Exemptions. Except for report enclosures containing exempt information, all final inspection reports will be disclosed routinely to the public. IMC 0611, "Review and Distribution of Inspection Reports," describes the various types of exempt information. IMC 0620, "Inspection Documents and Records," gives guidance on acquiring and controlling NRC records, including inspection-related documents. Safeguards information or related sensitive information should not be released per current agency policy. Any questions regarding this policy should be referred to the program office.
- b. Release of Investigation-Related Information. When an inspector accompanies an investigator on an investigation, the inspector must not release either the investigation report or his or her individual input to the investigation report. This information is exempt from disclosure by 10 CFR 9.5, and must not be circulated outside the NRC without specific approval of the Chairman (refer to OI Policy Statement 23).

END

EXHIBITS:

Exhibit 1: Standard Reactor Inspection Report Outline
Exhibit 2: Inspection Report Documentation Matrix
Exhibit 3: Sample Reactor Inspection Report
Exhibit 4: Sample Cover Letters

APPENDICES:

Appendix A: List of Acronyms Used in IMC 0612
Appendix B: Issue Screening
Appendix C: Documentation Guidance for Supplemental Inspections
Appendix D: Guidance For Documenting Inspection Procedure 71152
"Identification and Resolution of Problems"
Appendix E: Examples of Minor Issues