



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064**

July 28, 2000

Gregory M. Rueger, Senior Vice President
and General Manager
Nuclear Power Generation Bus. Unit
Pacific Gas and Electric Company
Nuclear Power Generation, B32
77 Beale Street, 32nd Floor
P.O. Box 770000
San Francisco, California 94177

SUBJECT: DIABLO CANYON INSPECTION REPORT NO. 50-275/ 00-07; 50-323/00-07

Dear Mr. Rueger:

On May 12 and June 24, 2000, the NRC completed safety inspections at your Diablo Canyon Nuclear Power Plant, Units 1 and 2, facility. The enclosed results of these inspections were discussed on May 12 and June 27, 2000, with Mr. David H. Oatley and other members of your staff. The enclosed report presents the results of these inspections.

The inspections were examinations of activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your license. Within these areas, the inspections consisted of a selective examination of procedures and representative records, observations of activities, and interviews with personnel.

Three issues were evaluated under the significance determination process and were determined to be of very low safety significance (Green). These issues have been entered into your corrective action program and are discussed in the summary of findings and in the body of the attached inspection report. Of the three issues, two were determined to involve a violation of NRC requirements, but because of their very low safety significance and that they have been entered into your corrective action program, the violations are not cited, consistent with Section VI.A of the NRC Enforcement Policy. The noncited violations are described in the subject inspection report. If you contest the violation, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the U. S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with copies to the Regional Administrator, U. S. Nuclear Regulatory Commission, Region IV, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas 76011; the Director, Office of Enforcement, U. S. Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at the Diablo Canyon, Units 1 and 2, facility.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document

system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

Should you have any questions concerning these inspections, we will be pleased to discuss them with you.

Sincerely,

/RA/

Linda Joy Smith, Chief
Project Branch E
Division of Reactor Projects

Docket Nos.: 50-275
50-323
License Nos.: DPR-80
DPR-82

Enclosure:
NRC Inspection Report No.
50-275/00-07; 50-323/00-07

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ENCLOSURE

U.S. NUCLEAR REGULATORY COMMISSION
REGION IV

Docket Nos.: 50-275
50-323

License Nos.: DPR-80
DPR-82

Report No.: 50-275/00-07
50-323/00-07

Licensee: Pacific Gas and Electric Company

Facility: Diablo Canyon Nuclear Power Plant, Units 1 and 2

Location: 7 ½ miles NW of Avila Beach
Avila Beach, California

Dates: May 7 through June 24, 2000

Inspectors: D. L. Proulx, Senior Resident Inspector
D. G. Acker, Resident Inspector
W. A. Maier, Senior Emergency Preparedness Inspector
P. J. Elkmann, Emergency Preparedness Inspector
J. P. Rodriguez, Resident Inspector, WNP-2

Approved By: L. J. Smith, Chief, Project Branch E
Division of Reactor Projects

ATTACHMENTS:

Attachment 1: Supplemental Information

Attachment 2 NRC's Revised Reactor Oversight Process

SUMMARY OF FINDINGS

Diablo Canyon Nuclear Power Plant NRC Inspection Report 50-275/00-07; 50-323/00-07 (DRP/DRS)

The report covers a 6-week period of resident inspection and a regional emergency preparedness inspection. The significance of issues is indicated by their color (green, white, yellow, or red) and was determined by the significance determination process in Inspection Manual Chapter 0609.

Cornerstone: Mitigating Systems

- Green. The licensee placed a top-heavy portable load center near component cooling water piping and failed to evaluate the condition. The portable load center was not restrained such that it would not strike and potentially damage the component cooling water piping. This violation is being treated as a noncited violation, consistent with Section VI.A of the NRC Enforcement Policy. A similar occurrence was discussed in Inspection Report 50-275; 323/9912. This item was placed in the corrective action program as Action Request A0506658.

The inspectors assessed the risk significance of this item using the significance determination process. The inspectors determined that this issue was of very low risk significance, and thus was a Green finding. The inspectors used the significance determination process Phase I worksheet for seismic, fire, flooding, and severe weather screening criteria and determined that the portable load center would not damage more than one train of component cooling water, thus the item was screened to Green. The failure to implement a procedure for seismic interaction was a violation of Technical Specification 6.8.1.a. (Section 1R04.2).

Cornerstone: Emergency Preparedness

- Green. The inspectors identified that the critique process failed to identify that two emergency response facilities were not activated in accordance with the emergency response plan and implementing procedures. The licensee entered the issue into its corrective action system as Action Request A0507922.

This finding was determined to have very low risk significance because the affected planning standard was not risk significant (Section 1EP1).

- Green. The inspectors identified that a member of the emergency planning staff inappropriately reviewed part of the emergency preparedness program. 10 CFR 50.54(t) requires that emergency preparedness program elements be evaluated by individuals not responsible for program implementation. This was a violation of 10 CFR 50.54(t) for failure to conduct an appropriate review of the emergency preparedness program which is being treated as a noncited violation, consistent with Section VI.A of the NRC Enforcement Policy. The licensee entered the item into its corrective action system as Action Request A0503012.

This finding had very low risk significance because the affected regulatory requirement did not involve risk significant activities. (Section 4OA5).

Report Details

Summary of Plant Status

Diablo Canyon Unit 1 began this inspection period at 100 percent power and maintained that level until May 15, 2000, when the reactor tripped because of a fire in the 12 kV nonvital buswork. Unit 1 was cooled down to Mode 5 (Cold Shutdown) as of May 17 to affect repairs on the damaged equipment. Following completion of the repairs, Unit 1 entered Mode 2 (Startup) on May 26. Unit 1 returned to 100 percent power on May 29 and continued at this level until the end of the inspection period. NRC review of the reactor trip is contained in NRC Inspection Report 50-275; 323/00-09.

Diablo Canyon Unit 2 began this inspection period at 100 percent power and maintained that level throughout the inspection period.

1. REACTOR SAFETY

Cornerstones: Initiating Events, Mitigating Systems, Barrier Integrity, Emergency Preparedness

1R04 Equipment Alignments

.1 Complete System Walkdown

a. Inspection Scope

The inspectors performed a system walkdown of the auxiliary saltwater system in Unit 2. The inspectors used Operating Valve Identification Diagram 106717, "Saltwater," Revision 104; Operating Procedures OP E-5, "Auxiliary Saltwater System," Revision 4, and OP E-5:I, "Auxiliary Saltwater System - Make Available," Revision 19A; and Updated Final Safety Analysis Report, Section 9.2.7, to ensure system operability. The inspectors observed valve positions, operating parameters, and component material condition for the two operable trains. In addition, the inspectors reviewed action requests, planned design modifications, cathodic protection records, and operator workarounds to determine if there were maintenance or design issues which could affect system operability.

b. Issues and Findings

There were no findings identified during the inspection.

.2 Seismic Restraint of Materials

- a. (Closed) Unresolved Item 323/00005-04: Materials not seismically restrained. The inspectors identified improperly secured equipment in the Unit 2 100-foot containment penetration area, in the vicinity of designated seismic targets. A portable load center (24-inches high, 12-inches wide, 12-inches deep, and weighing over 100 pounds) adjacent to a 2-inch component cooling water pipe was not secured in a manner to prevent the load center from tipping into the pipe during a seismic event. The load center was secured with one rope at its base. Had the load center tipped into the 2-inch pipe, it would have contacted the pipe in a location that was unisolable from the 12-inch

component cooling water header. Procedure AD4.ID3, "Seismically Induced Systems Interactions Program Housekeeping Guidelines," Revision 3, step 5.1.1, required that individuals who bring transient equipment into the plant or who perform activities that result in transient equipment shall position or restrain the transient equipment so that it cannot impact and damage targets. The licensee initiated Action Request A0505518 and promptly secured the load center.

The inspectors noted that Procedure AD4.ID3, step 5.1.1.a, stated that the methods used to restrain transient equipment shall be evaluated. The method used to restrain the portable load center was not evaluated prior to placement in Unit 2 and had the potential to damage safety-related equipment.

The inspectors assessed the risk significance of this item using the significance determination process. The inspectors determined that this issue was of very low risk significance, and thus was a Green finding. The inspectors used the significance determination process Phase I worksheet for seismic, fire, flooding, and severe weather screening criteria and determined that the portable load center would not damage more than one train of component cooling water, thus the item was screened to Green.

Technical Specification 6.8.1.a required that written procedures shall be established, implemented, and maintained covering the activities recommended in Appendix A of Regulatory Guide 1.33, Revision 2. Regulatory Guide 1.33, Appendix A, recommends procedures for Administrative Controls. Procedure AD4.ID3, step 5.1.1.a, partially implemented this requirement and stated that the methods used to restrain transient equipment shall be evaluated. Licensee personnel failed to evaluate transient equipment placed in the plant with respect to seismic interactions. Specifically, personnel did not restrain a portable load center in a manner that would prevent it from impacting and potentially damaging a seismic target, a 2-inch component cooling water pipe. The failure to adequately evaluate the placement of a portable load center in the plant was a violation of Technical Specification 6.8.1. However, this violation is being treated as a noncited violation, consistent with Section VI.A of the NRC Enforcement Policy. A similar occurrence was discussed in Inspection Report 50-275; 323/99-12. This item was placed in the corrective action program as Action Request A0506658 (323/00007-01).

1R05 Fire Protection

Monthly Routine Inspection

a. Inspection Scope

The inspectors performed fire protection walkdowns to assess the material condition of plant fire protection equipment and proper control of transient combustibles. Specific risk significant areas inspected included the Unit 1 diesel engine generator (DEG) rooms, switchgear areas in the auxiliary building, the transformer yard, the radiologically controlled area of the auxiliary building, and the intake structure.

b. Issues and Findings

There were no findings identified during the inspection.

1R12 Maintenance Rule Implementation

Routine Reviews

a. Inspection Scope

The inspectors reviewed the licensee's Maintenance Rule implementation for an equipment performance problem related to Flow Control Valve FCV-495 (Auxiliary Salt Water System Pump Cross-Tie Valve) failure. The inspectors reviewed Action Request A0496687, discussed the failure with licensee personnel, and reviewed the Maintenance Rule functional failure and maintenance preventable determinations.

b. Issues and Findings

There were no findings identified during the inspection.

1R13 Maintenance Risk Assessment and Emergent Work Control

.1 Current Activities

a. Inspection Scope

Throughout the inspection period, the inspectors reviewed daily and weekly work schedules to determine when risk significant activities were scheduled. The inspectors reviewed selected activities regarding risk evaluations and overall plant configuration control. The inspectors discussed emergent work issues with operations personnel and reviewed the potential risk impact of these activities to verify that the work was adequately planned, controlled, and executed. On June 20, 2000, the inspectors reviewed specific work activities associated with an auxiliary saltwater pump outage, which was performed to inspect the pump vault drain check valves.

b. Issues and Findings

There were no findings identified during the inspection.

1R15 Operability Evaluations

b. Inspection Scope

The inspectors reviewed the following action requests to determine if operability concerns were adequately addressed:

- Action Request A0506489 Centrifugal Charging Pump 2-1High Vibration

- Action Request A0506929 Centrifugal Charging Pump 1-1 Alignment As-Left Out-of-Tolerance

b. Issues and Findings

There were no findings identified during the inspection.

1R19 Postmaintenance Testing

a. Inspection Scope

On June 9, 2000, the inspectors observed and evaluated the postmaintenance test performed in accordance with Procedure STP P-RHR-22, "Routine Surveillance Test of RHR Pump 2-2," Revision 10. The inspectors evaluated whether the test adequately demonstrated that the equipment was capable of performing its safety functions.

b. Issues and Findings

There were no findings identified during the inspection.

1R22 Surveillance Testing

a. Inspection Scope

On June 19, 2000, the inspectors observed all or part of the inservice test activities performed in accordance with Procedure STP I-38-A.1, "Solid State Protection SystemTrain A Acctuation System Logic Test," Revision 8.

b. Issues and Findings

There were no findings identified during the inspection.

1EP1 Exercise Evaluation (71114.01)

a. Inspection Scope

The inspectors reviewed the objectives and scenario for the 2000 exercise to determine if the exercise would acceptably test major elements of the emergency plan. The scenario included equipment and electrical power failures, a loss of reactor coolant, core damage, a radiological release, and several meteorological changes to support demonstration of the licensee's capabilities to implement its emergency plan.

The inspectors evaluated exercise performance by focusing on the risk-significant activities of classification, notification, protective action recommendations, and assessment of offsite dose consequences in the following emergency response facilities:

- Simulator control room
- Technical support center

- Operational support center
- Emergency operations facility

The inspectors also assessed personnel recognition of abnormal plant conditions, the transfer of emergency responsibilities between facilities, communications, and the overall implementation of the emergency plan.

The inspectors attended the postexercise critiques in each of the above facilities to evaluate the initial licensee self-assessment of exercise performance. The inspectors also attended a subsequent presentation of critique items to plant management.

b. Issues and Findings

The inspectors identified that the critique process failed to identify that two emergency response facilities were not activated in accordance with the emergency response plan and implementing procedures. Specifically, the operational support center was activated before the minimum staff required by the emergency plan was in place. One minimum staff position had not reported and the duties for that position were assigned to another minimum staff position. Also, the site emergency coordinator activated the technical support center after verifying that minimum staffing was present but before verifying that all facility processes had been assumed from the control room. That practice was not in accordance with the procedural checklist for facility activation.

This finding was determined to have very low risk significance because the affected planning standard was not risk significant (Green). The licensee entered the issue into its corrective action system under Action Request A0507922.

- .2 (Closed) IFI 50-275; 50-323/98015-01: Failure to activate the technical support center and emergency operations facility in a timely manner.

All facilities were activated within the timeliness goals stated in the emergency plan, even considering the errors noted in Section 1EP1 above.

- .3 (Closed) IFI 50-275; 50-323/98015-02: Failure to make a timely offsite agency notification.

All notifications made during the exercise were timely and accurate.

4. OTHER ACTIVITIES

4OA5 Other

(Closed) URI 50-275; 50-323/00002-02: Use of emergency planning staff member to conduct independent review of emergency preparedness program.

The inspectors identified that a member of the emergency planning staff inappropriately reviewed part of the emergency preparedness program. 10 CFR 50.54(t) requires that emergency preparedness program elements be evaluated by individuals not responsible for program implementation.

This unresolved item was originally opened to document a potential noncompliance with the requirements in 10 CFR 50.54(t). Final resolution was contingent on NRC review of a related issue at another plant under Task Interface Agreement 99TIA021. Completion of that review supported characterization of this issue as a violation of 10 CFR 50.54(t) which requires, in part, that the licensee shall ensure that all program elements of the emergency preparedness program are reviewed by persons who have no direct responsibility for the implementation of the emergency preparedness program. This violation is being treated as a noncited violation (50-275;323/00007-02), consistent with Section VI.A of the NRC Enforcement Policy. The licensee entered this issue into its corrective action system by reopening Action Request A0503012.

This finding had very low risk significance because the affected regulatory requirement did not involve risk-significant activities (Green).

4OA6 Management Meetings

Exit Meeting Summary

The inspectors presented the inspection results to Mr. D. Oatley, Vice President and Plant Manager, and other members of licensee management at the conclusions of the inspection on May 12 and June 27, 2000. The licensee acknowledged the findings presented.

The inspectors asked the licensee whether any materials examined during the inspection should be considered proprietary, beyond those already identified during the entrance interview conducted on May 8, 2000. No additional proprietary information was identified.

ATTACHMENT 1

PARTIAL LIST OF PERSONS CONTACTED

Licensee

J. Becker, Manager, Operations Services
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W. Crockett, Manager, Nuclear Quality Services
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R. Waltos, Manager, Maintenance Services
L. Womack, Vice President, Power Generation and Nuclear Technical Services

NRC

G. A. Pick, Senior Project Engineer, Region IV

ITEMS OPENED AND CLOSED

Opened

None

Previous Items Closed

323/00005-04	URI	Materials not seismically restrained (Section 1R04.2)
275; 323/98015-01	IFI	Failure to activate the technical support center and emergency operations facility in a timely manner (Section 1EP1)
275; 323/98015-02	IFI	Failure to make a timely offsite agency notification (Section 1EP1)
275; 323/00002-02	URI	Use of emergency planning staff member to conduct independent review of emergency preparedness program (Section 40A5)

Opened and Closed

323/00007-01	NCV	Materials not seismically restrained (Section 1R04.2)
275; 323/00007-02	NCV	Use of emergency planning staff member to conduct independent review of emergency preparedness program (Section 40A5)

DOCUMENTS REVIEWED

Diablo Canyon Power Plant Emergency Plan Revision 3, Change 19

Emergency Plan Implementing Procedures:

EP EF-1	"Activation and Operation of the Technical Support Center"	Revision 24
EP G-1	"Emergency Classification and Emergency Plan Activation"	Revision 28
EP G-2	"Activation and Operation of the Interim Site Emergency Organization"	Revision 21
EP G-3	"Notification of Off-Site Agencies and Emergency Response Organization Personnel"	Revision 33
EP R-2	"Release of Airborne Radioactive Materials- Initial Assessment"	Revision 19C
EP RB-2	"Emergency Exposure Guides"	Revision 4B
EP RB-3	"Stable Iodine Thyroid Blocking"	Revision 4
EP RB-5	"Personnel Decontamination"	Revision 4B
EP RB-10	"Protective Action Recommendations"	Revision 7

Other Procedures:

AD1.ID2	"Procedure Review and Approval"	Revision 14
EP MT-21	"Field and Evacuee Monitoring Equipment"	Revision 1
EP MT-30	"Decontamination Center"	Revision 1
EP MT-49	"Met Tower Check"	Revision 1

OM10	"Emergency Preparedness"	Revision 0D
OM10.DC2	"DCPP Emergency Plan Review, Revision and Approval"	Revision 4
OM10.DC3	"Emergency Response Facilities, Equipment and Resource Maintenance"	Revision 2

Other Documents:

Management Summary for November 4, 1998, Graded Exercise
Management Summary for May 10, 2000, Graded Exercise

Drill Reports:

August 3, 1999, Drill
December 3, 1999, Drill

Action Report A0503012 - Evaluate Use of Technical Specialist from EP on EP Audit

LIST OF ACRONYMS USED

CFR	Code of Federal Regulations
DEG	Diesel Engine Generator
NCV	noncited violation
NRC	Nuclear Regulatory Commission
PRA	probablistic risk assessment
STP	surveillance test procedure
URI	unresolved item

ATTACHMENT 2

NRC's REVISED REACTOR OVERSIGHT PROCESS

The federal Nuclear Regulatory Commission (NRC) recently revamped its inspection, assessment, and enforcement programs for commercial nuclear power plants. The new process takes into account improvements in the performance of the nuclear industry over the past 25 years and improved approaches of inspecting and assessing safety performance at NRC licensed plants.

The new process monitors licensee performance in three broad areas (called strategic performance areas): reactor safety (avoiding accidents and reducing the consequences of accidents if they occur), radiation safety (protecting plant employees and the public during routine operations), and safeguards (protecting the plant against sabotage or other security threats). The process focuses on licensee performance within each of seven cornerstones of safety in the three areas:

Reactor Safety

- Initiating Events
- Mitigating Systems
- Barrier Integrity
- Emergency Preparedness

Radiation Safety

- Occupational
- Public

Safeguards

- Physical Protection

To monitor these seven cornerstones of safety, the NRC uses two processes that generate information about the safety significance of plant operations: inspections and performance indicators. Inspection findings will be evaluated according to their potential significance for safety, using the significance determination process, and assigned colors of GREEN, WHITE, YELLOW, or RED. GREEN findings are indicative of issues that, while they may not be desirable, represent very low safety significance. WHITE findings indicate issues that are of low to moderate safety significance. YELLOW findings are issues that are of substantial safety significance. RED findings represent issues that are of high safety significance with a significant reduction in safety margin.

Performance indicator data will be compared to established criteria for measuring licensee performance in terms of potential safety. Based on prescribed thresholds, the indicators will be classified by color representing varying levels of performance and incremental degradation in safety: GREEN, WHITE, YELLOW, or RED. GREEN indicators represent performance at a level requiring no additional NRC oversight beyond the baseline inspections. WHITE corresponds to performance that may result in increased NRC oversight. YELLOW represents performance that minimally reduces safety margin and requires even more NRC oversight. And RED indicates performance that represents a significant reduction in safety margin but still provides adequate protection to public health and safety.

The assessment process integrates performance indicators and inspection so the agency can reach objective conclusions regarding overall plant performance. The agency will use an Action Matrix to determine in a systematic, predictable manner which regulatory actions should be taken based on a licensee's performance. The NRC's actions in response to the significance (as represented by the color) of issues will be the same for performance indicators as for inspection findings. As a licensee's safety performance degrades, the NRC will take more and increasingly significant action, which can include shutting down a plant, as described in the Action Matrix.

More information can be found at: <http://www.nrc.gov/NRR/OVERSIGHT/index.html>.